

ONLINE BANKING AGREEMENT

This Online Banking Agreement and Disclosure ("Agreement") describes your rights and obligations as a user of the Online Banking service and/or the Bill Payment service (separately or together, "Online Banking"). It also describes the rights and obligations of Uwharrie 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.

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I. Definitions

The following definitions apply in this Agreement:

1. "Authorized Representative" refers to a person with legal authority to act for the Bank account owner with respect to a Bank account;
2. "Bill Payment" or "Bill Payment Service" is a banking service available as part of the Online Service that enables the scheduling of bill payments using a personal computer;
3. "Banking Holidays" include New Year's Day, Martin Luther King Day, President's Day, Good Friday, the calendar day following Good Friday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, and Christmas Day.
4. "Business Day" includes any weekday that is not a Banking Holiday.
5. "User ID" is the identification code selected by you and used for connection to Online Banking.
6. "ISP" refers to your Internet Service Provider;
7. "Mobile Banking" or "Mobile Banking Service" is a banking service available as part of the Online Service that enables access to Online Banking through a Mobile Device.
8. "Mobile Device" means a supportable mobile device including a smartphone or other mobile device that is web-enabled and allows secure SSL traffic.
9. "Online Banking" is the internet-based service providing access to your Bank account(s);
10. "Online Account" means the Bank account from which you will be conducting transactions using Online Banking;

11. "Password" is the code selected by you for use during the initial sign-on, or the codes you select after the initial sign-on, that establishes your connection to Online Banking.
12. "PC" means your personal computer which enables you, with the Internet browser and ISP, to access your Online Account;
13. "Time of day" references are to Eastern Standard Time;
14. "We", "us", or "Bank" refer to Uwharrie Bank which offers Online Banking and which holds the accounts accessed by Online Banking; and
15. "You" or "your" refers to the owner of the account(s) accessed through Online Banking or the Authorized Representative.

II. Access to Services

The Bank will provide verbal instructions on how to use the Online Banking and Bill Payment services. You will gain access to your Online Accounts through the use of your Internet-enabled device, your ISP, your User ID, and Password. You may access your Online Accounts 24 hours a day, seven (7) days a week. However, availability of Online Banking may be suspended for brief periods of time for purposes of updating and revising the software, and maintenance.

For purposes of transactions, the Bank's Business Days are Monday through Friday, excluding Banking Holidays and weekends. The Bank's hours of operation are from 8:30 a.m. to 5:00 p.m. from Monday to Thursday, and 8:30 a.m. to 6:00 p.m. on Friday.

III. Banking Transactions within Online Banking

A. Account Access. You may access your [Bank] personal accounts online.

B. Additional Services. New services may be introduced to Online Banking from time to time. The Bank will notify you of the existence of these new services. By using these services when they become available, you agree to be bound by the rules that will be made available to you concerning these services.

C. Joint Accounts. When the Online Service is linked to one or more joint accounts, the Bank may act on the verbal, written, or electronic instructions of any authorized signer.

D. Account Balance Information. Some of the services available through Online Banking (which includes Mobile Banking) provide you with balance and other account information. Since certain information and transactions are not processed by us until after the close of the Bank's business day, some transactions may not be reflected in the system until the Bank's next business day. Posted items may be reversed due to insufficient funds, stop payment orders, legal process, and other reasons. Certain balances also may not be subject to immediate withdrawal. We are not responsible for such differences, whether or not attributable to your use of the Online Banking. We assume no responsibility for any loss arising from incomplete information or for any temporary interruption in our information system. Additionally, you agree that neither we nor our service providers will be liable for any errors or delays in the content, or for any actions taken in reliance thereon. If you are unable to access our system for any reason, you can contact the branch where you opened your account for loan and deposit information.

IV. Schedule of Fees

The Bank offers the benefits and convenience of the Online Banking service to you at no cost. The Bank reserves the right to charge fees for Online Banking in the future.

V. **Bank Statements**

You will continue to receive your regular account statement in paper form. However, you will have the option to sign up for online electronic statements ("e-Statements") which will allow you to view your account statement(s) electronically through Online Banking in lieu of receiving paper statement(s). If you choose to receive your statement(s) electronically, you will no longer receive your paper statement(s) in the mail.

To print or download online statements or disclosures, you must have a printer connected to your PC or sufficient hard-drive space to save the statement or disclosure.

NOTE: Viewing your linked Bank account(s) history online is NOT the same as viewing your account statement(s) online. The e-Statement service is an independent service within Online Banking that allows you to view your statements electronically vs. receiving paper statements in the mail. You will be able to view account history in Online Banking **with or without** Online Statements. The e-Statement service will provide your account statement history for 12 months.

VI. **Use of Your Security Password / Authentication**

A. Protecting Your Password. You are responsible for keeping your User ID, Password, and Online Banking account information confidential. You agree to:

- keep your User ID and Password secure and strictly confidential;
- not send privileged account information (account number, password, etc.) in any public or general e-mail system;
- not leave your PC or other Internet access device unattended while you are in the Bank's Online Banking site;
- change your Password immediately if it has been lost or stolen, or may have become known to an unauthorized user. This can be done using the Password change feature within the User Options section of the website.
- call the Bank immediately if you believe your password, user name, Mobile Device, or other approved access device has been lost or stolen, or may have become known to an unauthorized user, or if you suspect any fraudulent activity on your account. You can contact us at (704) 991-2800, 8:30 - 5:00 p.m. M-Th, 8:30 - 6:00 p.m. -- Fri Telephoning the Bank is the best way of minimizing your losses and liability.

B. Communications Involving Password Information. You agree that we may send notices and other communications, including password confirmations, to the current address and/or e-mail shown in our records, whether or not that address includes a designation for delivery to the attention of any particular individual. You further agree that the Bank will not be responsible or liable to you in any way if information is intercepted by an unauthorized person, either in transit or at your home.

C. Liability for Unauthorized Transactions. **The Bank will have no liability to you for any unauthorized payment or transfer made using your password that occurs before you have notified us of possible unauthorized use and we have had a reasonable opportunity to act on that notice.** We may suspend or cancel your password even without receiving such notice from you, if we suspect your password is being used in an unauthorized or fraudulent manner.

D. Apple iTouch ID (Downloadable Application Only). Touch ID allows you to use your fingerprint to login securely instead of entering your username and password on iPhone versions 5s and higher. Your username and password will not be stored on this device. By enabling Touch ID within the Downloadable Application, every person with an enrolled fingerprint on your enabled device will have access to your account. It is your responsibility to review the enrolled fingerprints to make sure that each person is authorized to access the personal and

financial information available within the downloadable application. Fingerprints are only stored on your device. Uwharrie Bank does not see or store your fingerprint information.

VII. **Electronic Mail (E-mail)**

If you send the Bank an e-mail message, the Bank will be deemed to have received it on the following Business day. You should not rely on e-mail if you need to report an unauthorized transaction from one of your accounts or if you need to stop a payment that is scheduled to occur.

- **NOTE:** E-mail transmissions to the Bank are not secure. We advise you not to send us or ask for sensitive information such as account numbers, Password, account information, etc. via any general or public e-mail system or the e-mail system on the Online Banking website. If you wish to contact us electronically, please use the Contact Us link provided in our Online Banking site. Use this secure form to e-mail the Bank regarding inquiries about an electronic funds transfer error resolution, reporting unauthorized transactions, or contacting the Bank regarding other concerns of a confidential nature.

VIII. **Equipment and Software**

A personal computer with access to the World Wide Web is required to use Online Banking. To ensure you have the best experience using Online Banking and get the most current security features to protect your personal and account information online, we ask that you use a Web browser that supports strong encryption and contains a high level of security. Our site is optimized for use with certified/recommended browsers and operating systems. If you use a different browser or operating system, you may not be able to take full advantage of all the features of the site. Recommended browsers and operating systems include the most current versions of the following:

- Microsoft Internet Explorer
- Mozilla Firefox
- Safari

While other browsers may work with Online Banking, these browsers provide the highest level of security, accuracy, functionality and an optimal visual experience. We also recommend that you enable JavaScript in your browser. JavaScript is required for certain Online Banking features to function properly.

Online Banking allows you to export account information to personal financial management software ("PFM"), such as Quicken® or Microsoft® Money. Questions or issues related to your PFM should be directed to the PFM publisher. The Bank is not responsible for malfunctions or errors associated with PFM or file format exporting.

The Bank is not responsible for any electronic virus or viruses that you may encounter. We suggest that you routinely scan your PC using a virus protection product. An undetected virus may corrupt and destroy your programs, files, and your hardware.

Computer hardware and software product questions in general should be directed to the hardware or software manufacturer.

IX. Transfer of Funds

- A. Description of Service. In addition to viewing account information, you may use Online Banking to conduct the transfer of available funds among your accounts. You may make one-time transfers or schedule future dated or recurring transfers.. You may also transfer funds among your checking accounts, savings accounts and money market accounts. You may also transfer funds from a deposit account to make a payment on one of your accounts that is a loan or a line of credit (hereinafter, a "Loan Payment").
- B. Scheduling Transfers. Transfer requests made after 9:00 p.m. ET on a Business day may, in the Bank's sole discretion, be processed either the same Business day or the next Business day, while Transfer requests made on a Saturday, Sunday, Bank or federal holiday will be processed the next Business day. Scheduled (i.e., future dated) and recurring transfers will be processed from the funding account at the beginning of the Business day requested. Transferred funds, other than Loan Payments, will be available for withdrawal no later than the Bank Business day following the Bank Business day the transfer is posted to the receiving account.
- C. Cancelling Transfers. You cannot cancel a one-time immediate transfer after it has been submitted through Online Banking and the information has been transmitted to us. Future dated and recurring transfers can be cancelled prior to 8 a.m. ET on the date the transfer is scheduled to be made.
- D. Erroneous Transfers/Overpayments. In the event funds are mistakenly or erroneously transferred to your account from an account owned or controlled by another person(s) or entity (or the amount of such funds exceeds the proper amount of such transfer), you agree that we may withdraw such funds (or any amount in excess of the proper amount of such transfer) from your account to rectify such error or mistake.
- E. Restrictions. Because regulations require the Bank to limit preauthorized transfers (including Online Banking transfers), the following limitations apply:
- *Statement Savings account.* You can make no more than six (6) transfers per statement period by preauthorized or automatic transfer or by telephone or Online Banking.
 - *Market Investment account.* You are limited to six (6) preauthorized electronic fund transfers, telephone transfers, checks and point-of-sale transactions per statement cycle. (Please refer to the applicable account agreement for information on the account in question.) Each transfer or payment through Online Banking from your Market Investment account is counted as one of the six (6) limited transfers you are permitted each statement period. We charge a fee for each transaction in excess of this limit. Payments towards your Bank loans are counted toward this limit for Market Investment accounts.

X. Bill Payment Services

- A. Description of Service. Bill Payment Service permits you to use your Internet-enabled device to direct payments from your designated online Bill Payment Account to third parties you wish to pay. 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. Your Bill Payment Account must be a primary checking account. 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 or a territory of the United States. We reserve the right to restrict types of payees to whom payments may be

made. 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. The Bank shall not be liable for any losses or damages incurred due to delayed or improperly processed or credited payments for these payees.

- B. Payment Methods. You authorize us to make payments in the manner we select from the following methods:
- Electronic Transmission. Most payments are made by electronic transmission (i.e., Automated Clearing House [ACH] transactions).
 - Corporate Check. This is a check drawn on our account or the account of our vendor. If the payee on a corporate check fails to negotiate the check within 90 days, we will stop payment on the check and recredit your account for the amount of the payment.
 - Personal Check. This is a check drawn on your personal account based on your authorization under this agreement.
- C. Scheduling Payments. Funds must be available in your Bill Payment Account on the scheduled payment date. 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.

When you attempt to schedule a payment, we will inform you of the earliest available delivery date. To assure timely payment, you must schedule payments and your account must be in good standing prior to the payment due date (assuming we inform you that the earliest available delivery date falls on or before the payment due date). 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.

- D. Non-Sufficient Funds. 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 will automatically block future Bill Payment Service until the account has sufficient funds to make the payment. The Bank will attempt to notify you by e-mail or U.S. Postal Mail, 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 the payment. In all cases, you are responsible for contacting the Online Service at (704) 991-2800 to either make alternate arrangements for the payment or rescheduling the payment through the Online Service. In the case of recurring payments, only the payment currently scheduled will be impacted. Recurring payments scheduled for future dates will not be affected.
- E. ACH Exceptions. An account for which an ACH exception is received will be flagged. Until the exception is resolved, subsequent payments from the account may be paid via draft even if they had previously been paid electronically. Repeated returns (for example, repeated NSF's) will result in suspension of ACH payments for the account owner(s).
- F. Cancelling or Changing Payment Instructions. Payments can be changed or cancelled from the Pending Payments section up until the time the payment process is initiated. You can determine this by looking under the payment amount and payment date in the Pending Payments section. If the Change or Cancel buttons show for a given payment, you have the

option to make changes or cancel the payment entirely. 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 requested by the Bank, you will confirm any stop payment order in writing within 14 days of an oral or electronic stop payment order, or within 7 days of the Bank's request, whichever is later. You will incur stop payment charges as disclosed in your account agreement with us. Stop payment orders expire after 6 months and they must be renewed by you if you wish them to remain in effect.

- G. No Signature Required. When any Bill Payment Service 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.

XI. **Mobile Banking**

- A. Description of Service. The Mobile Banking Service permits you to use your Internet-enabled device to access Online Banking. Mobile Banking allows you to access account information and some, but not all, of the Online Banking services to which you normally have access through your PC. You must sign up for Online Banking before you can access the Mobile Banking Service.
- B. Methods of Accessing Mobile Banking. There are two different ways to access the Mobile Banking service: (1) download a Mobile Banking application for your Mobile Device (the Mobile Banking application may not be available for some Mobile Devices), launch the application after installation, and enter your confidential security codes when prompted; or (2) access your Uwharrie Bank's website at www.uwharrieonline.com using your Mobile Device and enter your confidential security codes prompted when prompted.
- C. General. We reserve the right to limit the types and number of accounts eligible for the Service. Mobile Banking may not be accessible or may have limited utility over some network carriers. In addition, the Service may not be supportable for all Mobile Devices. Bank cannot guarantee and is not responsible for the availability of data services provided by your mobile carrier, such as data outages or "out of range" issues.
- D. Use of Service. In order to properly use Mobile Banking, you should review and follow the information contained in the Frequently Asked Questions ("FAQs") provided on our website. You agree to accept responsibility for learning how to use Mobile Banking in accordance with the online instructions and agree that you will contact us directly if you have any problems with Mobile Banking. We may modify the Service from time to time at our sole discretion. In the event of any modifications, you are responsible for making sure you understand how to use Mobile Banking as modified. You also accept responsibility for making sure that you know how to properly use your Mobile Device and we will not be liable to you for any losses caused by your failure to properly use the Service or your Mobile Device. We may offer additional Mobile Banking services and features in the future. Any such added Mobile Banking services and features will be governed by this Agreement and by any terms and conditions provided to you at the time the new Mobile Banking service or feature is added and/or at the time of enrollment for the feature or service, if applicable. From time to time, we may amend these terms and modify or cancel the Mobile Banking services we offer without notice, except as may be required by law.
- E. Mobile Device Requirements. Using Mobile Banking requires a Mobile Device that supports 128-bit encryption and that is web-enabled. You are responsible for providing your own Mobile Device to access Mobile Banking. The Mobile Device that you use may be subject to unauthorized tracking or other manipulation by "spyware" or other malicious code. We are not responsible for advising you of the existence or potential effect of such malicious code, and your use of your hardware and software is at your own risk.

F. Other Agreements. You agree that, when you use Mobile Banking, you remain subject to the terms and conditions of your existing agreements with any unaffiliated service providers, including, but not limited to, your mobile service provider and that this Agreement does not amend or supersede any of those agreements. You understand that those agreements may provide for fees, limitations and restrictions which might impact your use of Mobile Banking (such as data usage charges imposed on you by your mobile service provider for your use of or interaction with Mobile Banking), and you agree to be solely responsible for all such fees, limitations and restrictions. You agree that only your mobile service provider is responsible for its products and services. We are not a party to, and we have no duty, liability or responsibility with respect to or in connection with (i) your mobile communication service agreement, or (ii) any Mobile Device, hardware, software or other any product or service you may purchase from others relating to your use of Mobile Banking. Accordingly, you agree to resolve any problems with your provider directly without involving us.

Any deposit account, loan or other banking product accessed through the Mobile Service is also subject to this Agreement, as well as the Account Agreements and Disclosures provided at the time of Account opening. You should review the Account disclosures carefully, as they may include transaction limitations and fees which might apply to your use of Mobile Banking.

G. Mobile Banking License Rights. Mobile Banking users will be required to download, install and use certain software systems and programs developed by us, our licensors or other third-parties. We are not responsible for any damage to your Mobile Device resulting from those activities, and you will be engaging in those activities at your own risk. If you obtain a different Mobile Device and wish to access Mobile Banking through an application on your device, you will be required to download and install the software application to that different Mobile Device under the same terms set forth in this Agreement, including the provisions of this subsection. We reserve the right to change, add to or terminate services with our third-party software solutions partners, to substitute different software solutions for the software relating to the operation of Mobile Banking and to enter into arrangements and agreements for the provision of software solutions for Mobile Banking with other licensors and third-parties.

H. Limitation and Warranty Disclaimers. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT OR THE AGREEMENTS GOVERNING THE TERMS OF ANY LICENSE RIGHT RELATING TO THE USE OR OPERATION OF MOBILE BANKING, MOBILE BANKING AND SUCH SOFTWARE ARE PROVIDED "AS IS," WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF PERFORMANCE OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OR ANY OTHER WARRANTY AS TO PERFORMANCE, ACCURACY OR COMPLETENESS. YOUR USE OF THE MOBILE BANKING SOFTWARE AND MOBILE BANKING SERVICES AND ANY MATERIAL OR SERVICES DOWNLOADED OR OTHERWISE OBTAINED VIA MOBILE BANKING IS AT YOUR OWN DISCRETION AND RISK, AND YOU ARE SOLELY RESPONSIBLE FOR ANY DAMAGE RESULTING FROM THEIR USE.

I. Fees. You agree to pay for Mobile Banking in accordance with our current fee schedule and as amended from time to time. In the future, we may add to or enhance the features of Mobile Banking. By using such added or enhanced features, you agree to pay for them in accordance with the fee schedule.

J. User Security. You agree to take every precaution to ensure the safety, security and integrity of your account and transactions when using Mobile Banking. You agree not to leave your Mobile Device unattended while logged into Mobile Banking and to log off immediately at the completion of each access by you. You agree not to provide your username, password or other access information to any unauthorized person. You also agree not send privileged account information (account number, password, etc.) in any public or general e-mail system.

If you permit other persons to use your Mobile Device, login information, or other means to access Mobile Banking, you are responsible for any transactions they authorize and we will not be liable for any damages resulting to you.

We may require you to change your confidential security codes at any time. We may deny access to Mobile Banking without prior notice if we are unable to confirm (to our satisfaction) any person's authority to access Mobile Banking or if we believe such action is necessary for security reasons.

We make no representation that any content or use of Mobile Banking is available for use in locations outside of the United States. Accessing Mobile Banking from locations outside of the United States is at your own risk.

K. User Conduct. You agree not to use Mobile Banking or the content or information delivered through Mobile Banking in any way that would: (a) infringe any third-party copyright, patent, trademark, trade secret or other proprietary rights or rights of privacy, including any rights in the Mobile Banking software; (b) be fraudulent or involve the sale of counterfeit or stolen items, including, but not limited to, use of Mobile Banking to impersonate another person or entity; (c) violate any law, statute, ordinance or regulation (including, but not limited to, those governing export control, consumer protection, unfair competition, anti-discrimination or false advertising); (d) be false, misleading or inaccurate; (e) create liability for us or our affiliates or service providers, or cause us to lose (in whole or in part) the services of any of our service providers; (f) be defamatory, trade libelous, unlawfully threatening or unlawfully harassing; (g) potentially be perceived as illegal, offensive or objectionable; (h) interfere with or disrupt computer networks connected to Mobile Banking; (i) interfere with or disrupt the use of Mobile Banking by any other user; or (j) use Mobile Banking in such a manner as to gain unauthorized entry or access to the computer systems of others.

XII. **Debit Rewards Offers**

If you decide you wish to participate in the Debit Rewards Offers application, you acknowledge and agree to the following terms and conditions of service.

Debit Rewards. You will earn rewards for your participation in the Debit Rewards Offers program based on total purchases. If you participate in the Debit Rewards Offers, we will credit all cash or point rewards earned to your rewards balance and send you a lump sum of all rewards due to you. For any qualifying purchases during the current month, we will distribute the lump sum amount to you during the following calendar month. For example, if the payment date of all rewards end user disbursements is August 30, the applicable Measurement Period would be the calendar month ended July 31. Cash rewards will be deposited in the Debit Rewards Offers deposit account which is associated with the Debit Rewards Offers program.

Debit Rewards Offers Account. You must use the debit card associated with the Debit Rewards Offers account in order to receive the offers which qualify for the rewards. Rewards will not be earned for any portion of your purchase that you pay for with store credit, gift certificates or other payment types.

Purchases must be made as indicated in the offers made available under the Debit Rewards Offers program. Each offer will specify whether the purchase can be made online, at a store location, or by telephone to be eligible for rewards. You must also comply with any guidelines included with the offer, such as offer expiration dates, minimum purchase amounts, purchase limits, etc. You must also pay using the debit card associated with the account that received the Debit Rewards offer in order for the purchase to qualify.

While we and the merchants work hard to properly track and credit all eligible purchases, there may be times that we are unable to do so because of problems with your internet browser, the merchant's web site or our system. Please contact our support team if you believe you have made a qualifying purchase for which you did not receive Rewards.

Please note that you will not earn rewards as part of this program if you use a debit card not issued by us or do not have the designated deposit account opened with us at the time of disbursement.

You understand and agree that we make no warranties and have no liability as to:

- Any offers, commitments, promotions, money back, or other incentives offered by any of the merchants in the Debit Rewards Offers program.
- The rewards information that we provide to you, which is provided “as is” and “as available”.
- (i) your inability to comply with offer guidelines, (ii) the accuracy, timeliness, loss or corruption, or mis-delivery, of any qualifying purchase information or any other information, (iii) unauthorized access to your account(s) or to your account information and any misappropriation, or alteration, of your account information or data, to the extent that the unauthorized access results from your acts or omissions, or (iv) your inability to access your account(s) including, but not limited to, failure of electronic or mechanical equipment, interconnect problems with telephone providers or internet service providers, acts of God, strikes, or other labor problems.
- Some states do not allow limitations on how long an implied warranty lasts, so that the above limitations may not apply to you, and that you may also have other rights, which vary from state to state.

XIII. **Sufficiency of Available Funds**

- You authorize the Bank to charge, debit, or withdraw the necessary funds from your designated Bank account on the delivery or transfer date you designate.
- You agree that you will instruct us to make a withdrawal only when a sufficient balance is or will be available in your accounts at the time of the withdrawal.
- The completion of a transfer or payment is subject to the availability of sufficient funds (including any applicable overdraft protection plans) at the time the transaction is posted. If enough funds to complete the transfer or payment are not available, we may either (i) complete the transaction and overdraw the account, or (ii) refuse to complete the transaction. In either case, we may charge a non-sufficient funds (NSF), returned item, overdraft, or similar fee. Please refer to the applicable account agreement and fee schedule for details.
- At our option, we may make a further attempt to issue the payment or process the transfer request.
- The Bank is under no obligation to inform you if it does not complete a payment or transfer because there are non-sufficient funds or credit in your account to process the transaction. In this case, you are responsible for making alternate arrangements, or rescheduling the payment or transfer through use of Online Banking.

XIII. **Term and Termination**

- A. Term. This Agreement will become effective on the date you signal your consent to its terms by clicking the "I Accept" button, and shall remain in full force and effect until termination in accordance with the following provisions.
- B. Termination for Cause. We may immediately terminate your online banking privileges (including the Bill Payment Service) without notice to you under the following circumstances:
 1. you do not pay any fee required by this Agreement when due; or
 2. you do not comply with the agreement governing your deposit or loan accounts or your accounts are not maintained in good standing.

We may terminate your participation in Online Banking for any reason, including inactivity, at any time. We are not obligated to notify you in advance of any such termination. We will promptly notify you if we terminate this Agreement or your use of Online Banking for any other reason.

- C. Termination for Convenience. **To terminate this Agreement, you must notify the Bank and provide your name, address, the service(s) available through Online Banking you are discontinuing, and the termination date of such Service(s).** Your final charge, if any, for Online Banking will be assessed at the end of your statement cycle. You may notify the Bank regarding termination by telephone, e-mail, or by writing a letter, using the contact information provided at the end of this Agreement. You may also write a letter and give it to a Customer Service Representative at any of the Bank's locations.

If you are not paying a monthly service charge for Online Banking, we may terminate this Agreement if you do not sign on to Online Banking during any consecutive 180-day period. If your Online Service is terminated, you must reenroll in Online Banking before you will be able to access your account(s) online and schedule any transactions within Online Banking.

- D. Effect of Termination. If you choose to terminate Online Banking, any unprocessed bill payments or funds transfers will **not** be cancelled. **You must therefore cancel any pending bill payments or prescheduled funds transfers prior to notifying us that you are discontinuing the Online Service.** The Bank will terminate the Online Banking service within two (2) Business days from the date we receive your request to discontinue Online Banking. However, the Bank will not be responsible for any unprocessed or scheduled payments that are made after you terminate Online Banking. Termination of Online Banking, by itself, does not terminate your Bank account or account agreements.

XIV. **Electronic Funds Transfer Provisions For Consumers**

- A. Applicability. This Section XIV is only applicable to online electronic funds transfers that credit or debit a consumer's checking, savings or other asset account, which is subject to the Federal Reserve Board's Regulation E, "Electronic Funds Transfers." When applicable, the Bank may rely on any exceptions to these provisions that are contained in Regulation E, even if such exceptions are more favorable to the Bank. 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.
- B. Your Liability. The following determines your liability for any unauthorized Electronic Funds Transfer ("EFT") or any series of related unauthorized EFTs:

1. If you notify the Bank within two (2) business days after your password was lost or stolen, your liability will not exceed \$50.00 or the amount of the unauthorized EFTs that occur before notification, whichever is less.

2. If you fail to notify the Bank within two (2) business days after your password was lost or stolen, your liability will not exceed the lesser of \$500.00 or the total of:

- \$50.00 or the amount of unauthorized EFTs that occur within the two (2) business days; and
- the total of unauthorized EFTs which occur during the two (2) days before notification to the Bank, provided the Bank establishes that these EFTs would not have occurred had the Bank been notified within that two day period.

3. You must report an unauthorized EFT that appears on your periodic statement within 60 days of the Bank's transmittal of the statement. If you fail to make such a report, you will be liable for any unauthorized EFT that occurs after the 60 day period

and before you reported unauthorized EFT activity to the Bank; assuming we could have stopped the unauthorized EFT had you notified us during the 60 day period. You will also be liable for the amounts as described in subsections 1 and 2 above. If a good reason (such as a long trip or hospital stay) kept you from reporting an unauthorized EFT, we may extend the time periods.

4. When you give someone your User ID and Password, you are authorizing that person to use your Online Service, and you are responsible for all transactions that person performs while using your service. All transactions that person performs, even those transactions you did not intend or want performed, are authorized transactions. If you notify us that the person is no longer authorized, only transactions that person performs after the time you notify us are unauthorized.

C. Reports.

1. If the report is made orally, we will require that you send the complaint or questions in writing within 10 business days. We will notify you with the results of the investigation within 10 business days and will correct any error promptly. If more time is needed, however, we may take up to 45 days to investigate a complaint or question. If this occurs, we will credit your account within 10 business days 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 10 business days, we may not credit your account until the investigation is completed. If an alleged error occurs within 30 days after the first deposit to the account was made or if it involves an electronic funds transfer outside a state or territory or possession of the United States, the applicable time periods for action by us are 20 business days (instead of 10) and 90 calendar days (instead of 45). We will send you a written explanation of our findings within three business days after the investigation is complete. You may request copies of the documents that were used in the investigation.

2. You may notify the Bank by telephone, in writing, or by email using the Contact Us link provided in our Online Banking site. Notification by general e-mail to report an unauthorized transaction is not secure and therefore not advised.

D. Telephone Numbers and Addresses. In case of errors or questions regarding an Online Banking or Bill Payment transaction, call **(704) 991-2800** or write us at:

Attn: **e-zBanking Department**
PO Box 338
Albemarle, NC 28002

We must hear from you at the telephone number or address, listed above, no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. We will need:

1. Your name and account number
2. A description of the error or the transfer in question and an explanation concerning why you believe it is an error or need more information
3. The dollar amount of the suspected error and date on which it occurred.

XV. **Warranty Limitations**

We make no representation that Online Banking is or will be uninterrupted or error-free. Our sole obligation to you for lack of availability or any interruption of Online Banking is to use commercially reasonable efforts to resume Online Banking. THIS IS OUR ENTIRE LIABILITY AND YOUR EXCLUSIVE REMEDY. IN NO EVENT SHALL WE BE RESPONSIBLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR DIRECT DAMAGES ARISING FROM OR RELATING TO ONLINE BANKING, EXCEPT TO THE EXTENT STATED IN THIS AGREEMENT OR REQUIRED BY LAW. WE MAKE NO WARRANTIES TO YOU REGARDING THE ONLINE SERVICE, AND WE DISCLAIM ALL IMPLIED WARRANTIES (INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE).

XVI. **Liability**

- A. Our Liability. This section explains our liability to you only to the extent that any other agreements, notices or disclosures have not separately disclosed our liability. In no event shall we be liable to you for failure to provide access to your accounts via Online Banking or Bill Payment. Unless otherwise required by applicable law, we are only responsible for providing the Online Banking and Bill Payment services as delineated in this Agreement. Our liability is limited to the amount of any material losses or damages incurred by you that results directly from our gross negligence. You acknowledge that our Online Banking fees have been established in contemplation of: (a) these limitations on our liability; (b) your agreement to review statements, confirmations, and notices promptly and to notify us immediately of any discrepancies or problems; and (c) your agreement to assist us in any loss recovery effort.
- B. Limitation of Liability. Notwithstanding any other language in this Agreement, the Bank will not be liable in any way for damages you incur for any of the following reasons:
1. If through no fault of the Bank, you do not have enough money in your account to make the transfer.
 2. If circumstances beyond our control (including, but not limited to, fire, flood, power outage, improper transmission, equipment or technical failure or breakdown, or handling of payments by a third party) prevents the transfer of funds or bill payment despite reasonable precautions that we have taken.
 3. If there is a hold on your account, or if access to your account is blocked, in accordance with banking policy.
 4. If your funds are subject to a legal proceeding or other encumbrance restricting the transfer.
 5. If your transfer authorization terminates by operation of law.
 6. If you believe someone has accessed your accounts without your permission and you fail to notify the Bank immediately.
 7. If we have received incomplete or inaccurate information from you or a third party involving the account or transfer.
 8. If we have a reasonable basis for believing that unauthorized use of your Online Service or account has occurred or may be occurring or if you default under this Agreement, the deposit account agreement, a credit agreement or any other agreement with us, or if we or you terminate this Agreement.
 9. If your account is closed.

10. If the transfer or payment would cause the account to become overdrawn beyond the balance of the account plus any overdraft protection.
11. If you, or anyone you allow, commits fraud or violates any law or regulation.
12. If any electronic terminal, telecommunication device or any part of the electronic funds transfer system is not working properly.
13. If you have not provided us with complete and correct payment information, including without limitation the name, address, account number, and payment amount of the payee on a payment, or if there are technical problems with our receipt of information or instructions from you.
14. If the person or entity to which you direct payment mishandles, delays, fails or refuses to accept a payment sent by us.
15. If there are delays in mail delivery.
16. If there are changes to the payee's address or account number and you fail to make the appropriate adjustments.
17. If there is a failure of any payee to correctly account for or credit the payment in a timely manner.
18. If there are exceptions that would prevent the successful completion of an ACH or wire transfer transaction, including but not limited to customer revocation of the transaction, stop payment by the customer, using an account that is invalid, closed, or that cannot be found, or administrative returns based on a bad effective date, format errors, or use of a non-transaction account.
19. If applicable law prevents completion of the transaction.
20. As a result of any other circumstances beyond the control of the Bank.

IN NO EVENT SHALL WE HAVE ANY LIABILITY TO YOU OR ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM OR ARISING OUT OF THIS AGREEMENT. Except to the extent prohibited by applicable law, under no circumstances will our total liability to you in connection with this Agreement exceed \$50.

- C. Indemnification. You agree to indemnify, defend and hold us, our affiliate companies, directors, officers, employees and agents harmless against any third party claim, demand, suit, action or other proceeding and any expenses related to an Online Banking or Bill Payment account (including without limitation any account accessed via Mobile Banking).
- D. Computer Equipment, Software, and Service Providers. We will not be liable for any errors or failures resulting from any malfunction of your computer or any computer virus or other problems related to your computer equipment as a result of using Online Banking. The Bank highly recommends the use of manufacturer-recommended virus detection software and firewalls. We suggest that you routinely scan your PC using manufacturer-recommended virus detection software. An undetected virus may corrupt and destroy your programs, files, and your hardware. We are not responsible for any error, damages, or other losses you may suffer due to the malfunction or misapplication of any system or service provider you use, including without limitation your browser (Microsoft Explorer®, Netscape Navigator®, or otherwise), your Internet service provider (ISP), your personal financial management software or other

software, (such as Quicken® and Microsoft Money®), or any equipment you may use (including your telecommunications facilities, computer hardware and modem) to access or communicate with Online Banking. You are responsible for the accuracy of the information you input.

- E. Access. We will not be liable for failure to provide access or for interruptions in access to Online Banking due to a system failure or due to other unforeseen acts or circumstances.

XVII. **General Terms and Conditions**

- A. Relation to Other Agreements. In addition to this Agreement, you and the Bank agree to be bound by and comply with the requirements of the agreements applicable to each of your Online Accounts. When you link an account to Online Banking, you do not change the agreements you already have with us for that account. Your use of Online Banking is your acknowledgment that you have received these agreements and intend to be bound by them. Each month, we will automatically deduct any fees related to Online Banking from the Bank account you specify.
- B. Other Charges. You should review other disclosures including the charges that may be imposed for electronic funds transfers or the right to make transfers listed in the fee schedules accompanying those disclosures and the fee schedule contained in this Agreement. For example, depending on how you use Online Banking, you may incur charges for things such as NSF fees, ACH fees, wire transfer fees, stop payment fees, research fees, returned item, overdraft or similar fees, excess transaction fees for payments or transfers from money market or savings accounts, or other fees. The Bank may charge you a research fee of \$25 per hour for an inquiry about a transaction that occurred more than 180 days before the date you made the inquiry. This fee will be waived if we determine that a Bank error occurred.
- C. Changes and Modifications. The Bank may modify the terms and conditions applicable to Online Banking at any time. For example, we may add, delete or amend terms or services. We will provide notice of any such change either electronically (for example, by posting notice on the Online Banking website) or by sending such notice to you at your address of record via U.S. mail. The revised terms and conditions shall be effective at the earliest date allowed by applicable law. If you initiate transfer of funds through Online Banking or Bill Payment after the effective date of a change, you indicate your agreement to the change. We reserve the right to terminate this Agreement and your use of Online Banking in whole or in part at any time without prior notice.
- D. Security Changes. In the event that a change is necessary to ensure the security of the online system, an immediate change may be needed. We will post a notice of any such change on the Online Banking website. You may choose to accept or decline changes by continuing or discontinuing the Bank Services to which the changes relate. We reserve the option to waive, reduce, or reverse charges or fees in individual situations. Changes to fees applicable to specific accounts are governed by the account disclosure applicable to the account in question.
- E. Settlement of Obligations. You authorize us to obtain payment of your obligations to us arising under this Agreement from time to time by (a) initiating debit or credit transfers to any of your accounts or (b) deducting the payment from the amount of any bank transfer. Such obligations include, without limitation; fees owed to us and settlement for bank transfers initiated through Online Banking, including without limitation, Mobile Banking. At the time any account is closed (whether by you, by us, or otherwise) or any of the services available through Online Banking is terminated (whether by you, by us, or otherwise), you agree that all such obligations will be immediately due and payable to us, and authorize us to withhold the amount of any such obligations from any account. Debiting an account or deducting payment from the amount of any bank transfer is not the Bank's exclusive remedy under this or any other section of this Agreement and the Bank will not be deemed to have made an election of remedies by making any such debit or deduction on any one or more occasions. You also grant us a security

interest in your Bank accounts to secure the repayment of any overdraft or other obligation that you incur under this Agreement.

- F. Contact by Bank. No Bank employee, or any company affiliated with Online Banking, will contact you via e-mail or phone requesting your User ID, Password, or account information. If you are contacted by anyone requesting this information, please contact us immediately.
- G. Assignment. We may assign this Agreement to an affiliate of the Bank or any successor in interest in the event of a merger, reorganization, change of control, acquisition or sale of all or substantially all assets of the business to which this Agreement is related without your consent.
- H. Disclosure of Information. We will only disclose information to third parties about your account or transfers you make under the following circumstances:
- where it is necessary for the provision of Online Banking and for completing transfers;
 - in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
 - in order to comply with government or court orders, or other reporting requirements, or as otherwise required by law;
 - to help prevent fraud or protect confidential customer information from misuse;
 - if you give us your permission;
 - to the Bank's affiliated companies.
- I. Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.
- J. Severability. If one or more provision(s) of this Agreement is or are held to be invalid, illegal or unenforceable under applicable law, the offending portions of such provisions, or such provisions in their entirety, to the extent necessary, shall be severed from this Agreement, and the balance of this Agreement shall be enforceable in accordance with its terms.
- K. Governing Law. This Agreement is governed by, and shall be construed in accordance with, the laws of the State of North Carolina, except that any conflict of laws rule of that jurisdiction that may require reference to the laws of some other jurisdiction shall be disregarded. Any lawsuit brought to enforce any provision of this Agreement shall only be brought in a state court in Stanly County, North Carolina, or the nearest federal court to said County.
- L. Notices. Unless otherwise required by applicable law, any notice or written communication given pursuant to this Agreement may be sent to you electronically. We cannot act on instructions sent by you from an external e-mail address. If your external e-mail address changes or becomes disabled, please contact the Bank immediately via e-mail at e-zbankingbos@uwharrie.com so that we can continue to provide you with electronic notifications. Unless indicated otherwise in this Agreement, notices to the Bank may be sent to:
- **email:** e-banking@uwharrie.com
 - **phone:** (704) 991-2800

By checking the box to acknowledge the terms and conditions of service, you do the following:

1. You represent to the Bank that the computer you intend to use in connection with Online Banking meets the requirements above
2. You agree to receipt of this Agreement and all updates to this Agreement in electronic form; and
3. You agree to the terms and conditions in this Agreement (Note: checking the box to acknowledge the terms and conditions of service is just as binding as manually signing the Agreement).