

Northway Bank

Mobile Deposit Addendum

Addendum to the Online Banking Agreement

This Mobile Deposit Addendum (the “Addendum”) to the Northway Bank Online Banking Agreement (the “Agreement”) contains the terms and conditions under which Northway Bank (the “Bank”) permits Online Banking users to make deposits to checking, savings, or money market accounts using an approved mobile device by photographing checks (“Checks”) and delivering the images and associated deposit information to Northway Bank or Northway Bank’s designated processor as described below, (the “Mobile Deposit Service” or the “Service”). You must be enrolled in Northway Bank Online Banking to use the Service ***By registering for the Service and by clicking the "I agree" button, you agree to all of the terms and conditions of this Addendum. Please read this Addendum carefully and keep it for your records.***

1. This Addendum. This Addendum is part of the Northway Bank Online Banking Agreement, which is incorporated by reference into this Addendum. In the event of a conflict or inconsistency between this Addendum and the Agreement, the terms of this Addendum will apply unless otherwise provided in this Addendum. Except as modified by this Addendum, the Agreement remains in full force and effect. In this Addendum, “Customer” and “you” refers to the Online Banking user who has registered for the Mobile Deposit Service, and the terms “we,” “us” and “our” refer to the Bank. Unless otherwise defined in this Addendum, all undefined terms shall have the meanings given to them in the Online Banking Agreement. This Addendum covers only the Mobile Deposit Service, and it shall not be construed to apply to other products or services.

2. Registration for Mobile Deposit Service. In order to use the Service, you must have a mobile device that allows for applications and a camera and register on the Bank’s website or mobile app. The registration process may require you to provide personal information, information about your account(s), as well as your email address. The mobile phone or other handheld mobile device that you will generally use for the Service is hereinafter referred to as your “Mobile Device”. ***It is your responsibility to provide us with accurate, complete and current information about you and your Mobile Device (including your email address), and to notify us immediately if any of this information changes or if service to your Mobile Device is terminated.*** We reserve the right to refuse or cancel your registration for the Service if we cannot verify information about you and/or your Mobile Device.

3. Mobile Deposit Service. With the Service, you may use your Mobile Device to make deposits to Northway Bank checking, savings, or money market accounts using an approved Mobile Device by photographing and delivering the images and associated deposit information to Northway Bank or Northway Bank’s designated processor.

We may change the terms of this Addendum from time to time, as provided in [Section 32](#) below, to add, modify or discontinue one or more terms of the Service.

4. Eligibility Requirements. In order to qualify for the Mobile Deposit Service you must meet specific overdraft and returned item history requirements on all of your accounts with the Bank.

Eligibility Requirements for consumer accounts:

- You must have less than two (2) overdraft occurrences in the last 90 days and
- You must have less than two (2) returned items in the last 90 days

- You must be the owner or joint owner of the account eligible for the Service

Eligibility Requirements for business accounts:

- You must have less than two (2) overdraft occurrences in the last 90 days and
- You must have less than five (5) returned items in the last 90 days
- You must be the owner or an authorized signer of the Account that is eligible for the Service

5. Business Days and Hours of Operation. For the purposes of this Addendum, the term “Business Day” has the meaning set forth in the Agreement. You can use your Mobile Device to access the Service 24 hours a day, seven days a week, and processing of an item will be in accordance with this Addendum, including applicable cut-off times as provided in Section 12 below; however, your access to Online Banking and the Service may be restricted during regular daily maintenance periods and any special maintenance periods.

6. Fees for Mobile Deposit Service. There is no fee for the Mobile Deposit Service. You may incur charges to receive Internet, cellular or other data service on your Mobile Device for which you are solely responsible. The Bank reserves the right to add or modify fees for this Service, and if we do so, we will notify you as required by law.

7. Limitations of Service. When using the Service, you may experience technical or other difficulties. We cannot assume responsibility for any technical or other difficulties or any resulting damages that you may incur. The Service may have qualification requirements, and we reserve the right to change the qualifications at any time without prior notice. We reserve the right to change, suspend or discontinue the Service, in whole or in part, or your use of the Service, in whole or in part, immediately and at any time without prior notice to you.

8. Eligible items. You agree that you will use the Service to deposit only checks as that term is defined in Federal Reserve Regulation CC (“Reg CC”), that are payable to, and indorsed by, you. You agree that the image of the check transmitted to Northway Bank shall be deemed an “item” within the meaning of **Article 4 of the Uniform Commercial Code (“UCC”)** and you are bound by all applicable provisions of the UCC.

You agree that you will not use the Service to photograph and deposit any checks or other items as shown below which shall be considered ineligible items:

- Checks or items payable to any person or entity other than you or other joint account holders.
- Checks or items containing an alteration to any of the fields on the front of the check or item, or which you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check or item is drawn.
- Checks or items previously converted to a substitute check, as defined in Reg CC.
- Checks or items drawn on a financial institution located outside the United States.
- Checks or items that are remotely created checks, as defined in Reg CC.
- Checks or items not payable in United States currency.
- Checks or items dated more than 6 months prior to the date of deposit.
- Checks or items prohibited by Northway Bank’s current procedures relating to the Service or which are otherwise not acceptable under the terms of your Northway Bank account.
- Checks payable on sight or payable through Drafts, as defined in Reg. CC.
- Checks with any endorsement on the back other than that specified in this agreement.

9. Image Quality. The image of an item transmitted to Northway Bank using the Service must be legible, including the MICR data. The image quality of the items must comply with the requirements established

from time to time by ANSI, the Board of Governors of the Federal Reserve Board, or any other regulatory agency, clearing house or association.

Customer is solely responsible for the inspection of all electronic items to ensure legibility of the Check image and all information on an original Check is accurately photographed and legible. Customer acknowledges that image technology may not capture all security features contained in the original Check(s) and agrees to assume any and all losses resulting from claims based on security features that do not survive the image process. Customer acknowledges that Bank does not verify or inspect the accuracy, legibility or quality of the electronic item prior to processing an electronic item. Bank reserves the right in its sole discretion at any time to correct, alter or amend data submitted in an electronic item in accordance with general banking and check collection practices to facilitate processing of the Check, but Bank shall have no obligation to effect such a repair.

10. Endorsements and Procedures. You agree to endorse any item transmitted through the Service then mark as “For deposit only, Northway Bank account #_____” or as otherwise instructed by Northway Bank. You agree to follow any and all other procedures and instructions for use of the Service as Northway Bank may establish from time to time.

11. Receipt of Items. We reserve the right to reject any item transmitted through the Service, at our discretion, without liability to you. We are not responsible for items we do not receive or for images that are dropped during transmission. If we reject an item due to image quality, you will be notified that we cannot read the check and you will be required to re-take the photo. An image of an item shall be deemed received when you receive a confirmation from Northway Bank that we have received the image. Receipt of such confirmation does not mean that the transmission was error free or complete or will be considered a deposit and credited to your account. We further reserve the right to charge back to your account at any time, any item that we subsequently determine was not an eligible item. You agree that the Bank is not liable for any loss, costs, or fees you may incur as a result of our chargeback of an ineligible item.

Bank reserves the right at any time to refuse the deposit or processing of an electronic item, and to return same to Customer without prior notice. Bank may request that Customer deposit the original Check for processing and collection, instead of the electronic item. Bank shall not be liable to Customer for (i) failure to process or collect an electronic item; (ii) any error that results in processing or collecting an electronic item because of Customer’s failure to provide Bank with full and correct data or dollar amount from the original Check, or an accurate and legible of the original Check; and (iii) any Check that violates this Addendum, or any other agreement between Customer and Bank. Customer agrees that Bank may charge the account of Customer for any and all returned items that relate to original Check(s) deposited with Bank.

12. Availability of Funds. You agree that items transmitted using the Service are not subject to the funds availability requirements of Federal Reserve Board Regulation CC. In general, if an image of an item you transmit through the Service is received and accepted before **5:00 p.m.** Eastern Time on a business day that we are open, we consider that day to be the day of your deposit. Otherwise, we will consider that the deposit was made on the next business day we are open. Northway Bank may delay availability of funds based on such factors as credit worthiness, the length and extent of your relationship with us, transaction and experience information, and such other factors as Northway Bank, in its sole discretion, deems relevant. In addition, Customer agrees to follow The Check Clearing for the 21st Century Act, as it may be amended from time to time, and Regulation CC of the Federal Reserve Board (“Check 21 Act”) for all checks deposited where applicable.

13. Disposal of Transmitted Items. Upon your receipt of a confirmation from Northway Bank that we have received the image of an item, you agree to prominently mark the item as “Electronically Presented”

or “VOID” and are responsible for the storage and destruction, in a secure and confidential manner, of the original Checks used to create an electronic item. The original Checks will be properly disposed after **thirty (30) calendar days** from the date of deposit unless otherwise agreed to in writing to ensure that it is not represented for payment. And, you agree never to represent the item. You will promptly provide any retained item, or a sufficient copy of the front and back of the item, to Northway Bank if requested to aid in the clearing and collection process, to resolve claims by third parties with respect to any item, or for Northway Bank’s audit purposes.

Customer also agrees to review and validate the accuracy of the Check data captured including the amount of the check and the legibility of the check image through the Service prior to transmission of the image. Customer will carefully examine any statement, notification or confirmation of a transaction and notify Bank within thirty (30) days of the statement date of any errors, discrepancies or fraudulent transactions. Customer agrees that thirty (30) days is a commercially reasonable time for Customer to notify Bank of errors, discrepancies or fraudulent transactions, unless any other agreements, laws, rules or regulations provide for a shorter time.

14. Deposit Limits. We reserve the right to impose limits on the amount(s) and/or number of deposits that you transmit using the Service and to modify such limits from time to time. If you attempt to initiate a deposit in excess of these limits, we may reject your deposit. If we permit you to make a deposit in excess of these limits, such deposit will still be subject to the terms of this Addendum, and we will not be obligated to allow such a deposit at other times.

- **For consumer accounts - The current daily dollar limit is \$3,000.00 with a limit of ten (10) eligible items. The monthly limit is \$5,000.00 with a limit of ten (10) eligible items.** Daily and multi-day deposit dollar and count limits may vary and are subject to change at the discretion of Northway Bank.
- **For business accounts - The current daily dollar limit is \$5,000.00 with a limit of ten (10) eligible items. The monthly limit is \$25,000.00 with a limit of twenty (20) eligible items.** Daily and multi-day deposit dollar and count limits may vary and are subject to change at the discretion of Northway Bank.

If you decide you need higher deposit limits on your accounts, there are separate eligibility requirements. Please see [Section 15](#) below.

15. To Increase Deposit Limits. If you wish to increase your deposit limits, you must call Customer Service at 800-442-6666 or stop in any Northway Bank branch location.

In order to qualify for increased deposit limits on your Mobile Deposit Service, you must meet specific requirements.

Eligibility to Increase Deposit Limits for Consumer Accounts:

- You must have been an account holder with the Bank for at least six (6) months.
- You must have had this Mobile Deposit Service for at least six (6) months.
- You must have reached the deposit limits for at least three (3) of the past six (6) months.
- You must have less than two (2) overdraft occurrences in the last 180 days; and
- You must have less than (two) 2 returned items in the last 180 days.

Eligibility to Increase Deposit Limits for Business Accounts:

- You must have been an account holder with the Bank for at least six (6) months.

- You must have had this Mobile Deposit Service for at least six (6) months.
- You must have reached the deposit limits for at least three (3) of the past six (6) months.
- You must have less than two (2) overdraft occurrences in the last 180 days; and
- You must have less than five (5) returned items in the last 180 days.

If you meet the eligibility requirements for increased deposit limits listed above, your deposit limit will be increased as follows:

Increased deposit limits for consumer accounts - The current daily dollar limit is \$5,000.00 with a limit of ten (10) eligible items. The monthly limit is \$10,000.00 with a limit of fifteen (15) eligible items. Daily and multi-day deposit dollar and count limits may vary and are subject to change at the discretion of Northway Bank.

Increased deposit limits for business accounts - The current daily dollar limit is \$10,000.00 with a limit of fifteen (15) eligible items. The monthly limit is \$50,000.00 with a limit of thirty (30) eligible items. Daily and multi-day deposit dollar and count limits may vary and are subject to change at the discretion of Northway Bank.

16. Returned Deposits. Any credit to your account for Checks deposited using this Service is provisional. If original Checks deposited through this Service are dishonored, rejected or otherwise returned unpaid by the drawee bank, or are rejected or returned by a clearing agent or collecting bank, for any reason, including, but not limited to, issues relating to the quality of the image, you agree that an original Check will not be returned to you, but that we may charge back the amount of the original Check and provide you with an image of the original Check, a paper reproduction of the original Check or a substitute check. You will reimburse us for all loss, cost, damage or expense caused by or relating to the processing of the returned item. Without our approval, you shall not attempt to deposit or otherwise negotiate an original check if it has been charged back to you.

17. Right of Setoff. We may debit any of your accounts with us to obtain payment for any item that has been rejected or returned, for any adjustment related to such item or for any warranty claim related to such item (whether or not the rejection, return, adjustment or warranty claim was made timely), or for any other amounts owed to us under the terms of this Agreement.

18. Hardware and Software. In order to use the Service, you must obtain and maintain, at your expense, compatible hardware and software as specified by Northway Bank from time to time. Current system requirements can be found within the "Deposit Checks" tab of Online Banking. Northway Bank is not responsible for any third party software you may need to use the Service. Any such software is accepted by you as is and is subject to the terms and conditions of the software agreement you enter into directly with the third party software provider at time of download and installation.

19. Errors. You agree to notify Northway Bank of any suspected errors regarding items deposited through the Service right away, and in no event later than 60 days after the applicable Northway Bank account statement made available to you. Unless you notify Northway Bank within 60 days, such statement regarding all deposits made through the Service shall be deemed correct, and you are prohibited from bringing a claim against Northway Bank for such alleged error. Consumers should refer to the Electronic Fund Transfers disclosure for additional information relating to liability.

20. Errors in Transmission. By using the Service you accept the risk that an item may be intercepted or misdirected during transmission. Northway Bank bears no liability to you or others for any such intercepted or misdirected items or information disclosed through such errors.

21. Presentment. The manner in which the items are cleared, presented for payment, and collected shall be in Northway Bank's sole discretion subject to the terms and conditions governing your account.

22. Ownership & License. You agree that Northway Bank retains all ownership and proprietary rights in the Service, associated content, technology, and website(s). Your use of the Service is subject to and conditioned upon your complete compliance with this Addendum. Without limiting the effect of the foregoing, any breach of this Addendum immediately terminates your right to use the Service. Without limiting the restriction of the foregoing, you may not use the Service (i) in any anti-competitive manner, (ii) for any purpose which would be contrary to Northway Bank's business interest, or (iii) to Northway Bank's actual or potential economic disadvantage in any aspect. **You may use the Service only for business or personal use** in accordance with this Agreement. You may not copy, reproduce, distribute or create derivative works from the content and agree not to reverse engineer or reverse compile any of the technology used to provide the Service.

23. Audit/Cooperation with Investigations. We may periodically audit and verify your compliance with this Addendum. You agree to cooperate with Northway Bank in the investigation of unusual transactions, poor quality transmissions, and resolution of customer claims, including by providing, upon request and without further cost, any originals or copies of items deposited through the Service in your possession and your records relating to such items and transmissions.

24. DISCLAIMER OF WARRANTIES. YOU AGREE YOUR USE OF THE SERVICE AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF THE SERVICE, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. WE MAKE NO WARRANTY THAT THE SERVICE (i) WILL MEET YOUR REQUIREMENTS, (ii) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (iii) THE RESULTS THAT MAY BE OBTAINED FROM THE SERVICE WILL BE ACCURATE OR RELIABLE, AND (iv) ANY ERRORS IN THE SERVICE OR TECHNOLOGY WILL BE CORRECTED.

25. LIMITATION OF LIABILITY. IN ADDITION TO LIMITATIONS ON USE OF THE SERVICE AS PROVIDED IN SECTION 31 BELOW, YOU AGREE THAT WE WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER LOSSES RESULTING FROM THE USE OR THE INABILITY TO USE THE SERVICE INCURRED BY YOU OR ANY THIRD PARTY ARISING FROM OR RELATED TO THE USE OF, INABILITY TO USE, OR THE TERMINATION OF THE USE OF THIS SERVICE, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF NORTHWAY BANK HAS BEEN INFORMED OF THE POSSIBILITY THEREOF.

26. User warranties. You represent and warrant to Northway Bank that:

- a. You will only transmit eligible items.
- b. Images will meet the image quality standards as required in this Addendum.
- c. You will not transmit duplicate items.
- d. You will not deposit, negotiate or represent the original item unless requested by Bank in writing.
- e. All information contained in or regarding the item you provide to Northway Bank is accurate and true.

- f. You will only transmit items that are drawn on or payable at or through banks located with the United States.
- g. You will properly secure the Mobile Device to prevent unauthorized use.
- f. You will comply with this Addendum and all applicable rules, laws and regulations.

27. User Security. You will be able to access the Service by entering a user name and password, or other unique identifier that may be required (“Authentication Procedures”). You agree to keep your Mobile Device secure and to close your mobile banking application when not in use. If you suspect your Mobile Device has been lost or stolen, or your Online Banking has been accessed by someone other than yourself, you must notify Northway Bank immediately by calling 800-442-6666.

Although the Service will not display the full account number for any of your mobile accounts, it may display other sensitive information about your mobile accounts, including account activity, balances and transfer amounts. This Service may not be encrypted. You agree to protect your Mobile Device that receives information through this Service and not to let any unauthorized person have access to the information we provide to you through this Service. We will not be liable for losses or damages caused in whole or in part by your actions or omissions that result in any disclosure of account information to third parties.

FAILURE TO PROTECT YOUR MOBILE DEVICE AND ACCOUNT NUMBERS AS WELL AS ANY AUTHENTICATION PROCEDURES TO ACCESS THE SERVICE MAY ALLOW AN UNAUTHORIZED PARTY TO ACCESS THE SERVICE AND TRANSMIT AN ITEM FOR DEPOSIT. ALL USERS OF THE SERVICE USING YOUR AUTHENTICATION PROCEDURES WILL BE DEEMED TO BE USERS AUTHORIZED BY YOU AND BE BINDING UPON YOU.

28. Biometric Access. Depending on your mobile device, you may have the option to use a biometric feature (such as a fingerprint scanner) on your mobile device to authenticate your identity and gain access to Mobile Banking and its related services such as Mobile Deposit. If you choose to activate a biometric feature on your device, it is your responsibility to control access to Mobile Banking just as you would with your Online Banking Login ID and Password. You acknowledge that any person who has a biometric feature stored in your device will be able to access your Mobile Banking and Mobile Deposit if you have this option turned on.

29. Liability. You agree to indemnify, defend and hold us and our respective directors, officers, employees, and agents (collectively, “Indemnitees”) harmless from and against any and all claims, losses, liability, cost and expenses (including reasonable attorneys' fees) arising directly or indirectly from or related to the following (except for losses and liabilities related to our own gross negligence or willful misconduct):

- a. Any negligent or intentional act or omission by you in the performance of your obligations under this Addendum, including, but not limited to (i) duplicate photographing of the same check or item, (ii) transmission of duplicate items, (ii) fraudulent or unauthorized use of your Mobile Device or security credentials.
- b. Any material breach in a representation, warranty, covenant, or obligation of you contained in this Addendum.
- c. The violation of any applicable federal, state or local law, regulation or ordinance when accessing the Service.
- d. Your failure to securely maintain your Mobile Device or the original check or item, or properly disposing of the original item after depositing it through the Service.

Your obligation under this paragraph shall survive termination of the Addendum.

30. Periodic Statements. You agree that you are responsible for reviewing promptly each periodic statement on a Mobile Deposit Service linked account in order to detect any unauthorized transactions and to ensure deposits were accurately transmitted.

31. Limitations on Use of Mobile Deposit Service. There are certain limitations of this Service. Because the Service is accessible only through a Mobile Device, your access to the Service may be limited by the service provided by the applicable telecommunications carrier. *We do not guarantee: (a) either the delivery or the accuracy of any information requested or provided through the Service; or (b) that you will have continuous or uninterrupted access to the Service. We are not responsible for any delay, failure or error in the transmission or content of text messages through the Service. We will not be liable for damages arising from the non-delivery, delayed delivery, or wrong delivery of any information through the Service, from any inaccurate information provided through the Service, from your use of or reliance on any information provided through the Service, or from your inability to access the Service.*

32. Changing this Addendum. We may make changes to the Service made available under this Addendum. Your continued use of the Service following the effective date of a change signifies your acceptance of the change. You will be notified at least thirty (30) days prior to any adverse changes to this Service. You will be notified within thirty (30) days after any other changes to this Service.

33. Terminating Mobile Deposit Service. Either you or the Bank may terminate the Agreement in its entirety or the Service provided under this Addendum at any time. If we terminate, we may notify you as provided in the Online Banking Agreement.

We may terminate your Service, if you have:

- Not used the Service for at least twelve (12) months
- Abused one or more of your accounts, including:
 - Two (2) or more overdraft occurrences in the last 90 days
 - Two (2) or more returned items in the last 90 days for consumer or five (5) or more returned items in the last 90 days for businesses
- Deposited any ineligible items as referenced in Section 8 above
- Or any other reason determined by the Bank

We are not responsible for notifying any remaining account holders of the termination. We may end your right to use the Service for any reason and at any time without telling you. If either you or the Bank ends your right to use the Service, you will remain obligated to us for all of your Service transactions, even if they occur or are completed after the Service has been terminated.

To Cancel your Service. For help or information on these products, call our Customer Service Center at 800-442-6666. You will never receive a Northway Bank message that asks you to send us any sensitive personal or financial information such as your social security number or your account number. If you ever receive such a request for sensitive personal or financial information, do not respond to the message and call us at 800-442-6666 to report the incident.

34. Changes to Your Contact Information. It is solely your responsibility to assure that the contact information you have provided to us is current and accurate. This includes your name, address, other account numbers and e-mail address.

Effective 6-28-17