

## MOBILE DEPOSIT DISCLOSURE

This Addendum to The First National Bank & Trust Company of Newtown (The First) Deposit Account Terms and Conditions, Online Banking Agreement and Mobile Banking addendum between you and The First sets forth the terms and conditions of The First's Mobile Remote Deposit Capture (RDC or Mobile RDC). By acknowledging or agreeing to or signing the applicable account documentation or by using RDC, you agree to the terms and conditions of this Addendum.

**General.** RDC is designed to allow you to make deposits of original checks or other items to your checking accounts from home or other remote locations by creating an electronic/digital image and delivering this image and associated deposit information (images) to us or our processor with your Mobile Device. As used in this agreement, "our" and "we" and "The First" refer to The First National Bank & Trust Company of Newtown but also to any third parties who assist The First in providing this service. The terms "you" and "your" means the account holder(s) and anyone else with the authority to deposit.

**Fees and Deposit Limits.** The Standard RDC service allows up to \$2,500 aggregate limit on check deposits per calendar day.

The Expanded RDC service allows consumer accounts up to \$5,000 and commercial accounts up to \$10,000 aggregated limit on check deposits per calendar day. You may request Expanded RDC service by contacting The First. The First is not obligated to provide Expanded RDC service to you.

If you exceed the deposit limits The First may, in its sole discretion, accept or refuse the deposit. If, at any time, The First accepts a deposit that exceeds your deposit limits, The First will have no obligation to do so in the future.

You understand and agree that the fee for RDC service may be changed from time to time and that The First may discontinue the Free RDC service. You further understand and agree that the fee for the RDC service is separate and apart from any other charges that may be assessed by your wireless carrier for text messages or other forms of communication sent to you or received from The First. You are responsible for any fees and other charges that your wireless carrier may charge for any related data or message services.

**Equipment.** To use RDC, you must have a supported mobile wireless handheld device (e.g., iPhone®; other smartphone; iPad® or similar tablet computer; etc.) with a supported camera, Web Browser, and a supported operating system, (in each case, a "mobile device"), have a data plan for your mobile device, and download the App to your mobile device (collectively, after downloading the App, the "Mobile Device"). The First does not guarantee that your particular mobile device, mobile device camera, mobile device operating system or mobile carrier will be compatible with the RDC service.

**Eligible Items.** You agree to scan and transmit only checks as that term is defined in Federal Reserve Regulation CC (Reg CC) and only those checks that are permissible under this Addendum or such other items as we, at The First's sole discretion, elect to include under the RDC. You also agree that the image of the check transmitted to The First shall be deemed to be an "item" within the meaning of Article 4 of the applicable Uniform Commercial Code. You further agree that you will not use RDC to scan and deposit any checks or other items as listed below:

- Checks or items payable to any person or entity other than you.
- Checks or items payable to you and another party who is not a joint owner on the account.
- Checks issued by and drawn on your accounts with The First.
- Checks that contain evidence of alteration, or that 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 is drawn.
- Checks or items drawn on a financial institution that is not part of the U.S. Federal Reserve Bank System.
- Checks or items not payable in United States of America dollars.
- Checks or items dated more than six months prior to the date you wish to make the deposit.
- Checks or items dated after the date on which you wish to make the deposit.
- Checks or items that have already been deposited at The First or another financial institution, on which a stop payment order has been issued, or for which there are insufficient funds.
- Checks or items that are remotely created checks or were previously converted to a substitute check, as defined in Reg CC.

Nothing in this Addendum shall be construed as requiring The First to accept any check or item for deposit unless the check and its electronic submission meets the requirements of this Addendum, even if The First has accepted that type of check or item previously, nor shall The First be required to identify or reject any checks or items that you may scan and deposit that fail to meet the requirements of this Addendum.

**Image Quality.** Each image must provide all information on the front and back of the original check at the time presented to you by the drawer (generally speaking, the person or entity from whose account the check was written), including, but not limited to, information about the drawer and the paying bank that is preprinted on the original check, MICR information, signature(s), any required identification written on the front of the original check and any endorsements applied to the back of the original check. The image quality must meet the standards established by the American National Standards Institute, the Board of Governors of the Federal Reserve, and any other regulatory agency, clearing house or association.

Even if The First does not identify a check image as ineligible, the check image may be returned to The First because, among other reasons, the check image or any substitute check created from the check image is deemed ineligible by the financial institution upon which it is drawn or any intermediate collecting financial institution. The First's failure to identify a check image you transmit to The First as ineligible does not preclude or limit your obligations.

**Endorsements.** Before imaging and transmitting to The First any check or other item, you agree to restrictively endorse any check or item transmitted through Mobile RDC as follows: FNBN MOBILE DEPOSIT ONLY and your signature(s). If the check or other item is payable to you or your joint owner, either of you can endorse it. If the check is payable to you and your joint owner, both of you must endorse the check or other item.

Endorsements must be made on the back of the check or other item within 1½ inches from

the top edge, although we may accept endorsements outside this space. Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility.

**Receipt of Deposit.** When we receive an image we will not confirm that you have submitted the image. You may confirm submission through the App. Our acceptance of your submission does not mean that the image contains no errors or that it has been approved for crediting or accepted. If, however, your submission is rejected, you will receive an e-mail or text notification of such rejection within two business days from The First. It is your responsibility to check notifications from The First for any rejected submissions and contact The First at 215-579-3405 to address the reason for such rejection. We are not responsible for images we do not receive. You will be able to monitor the crediting of your deposit submission by reviewing your balance through online banking, mobile banking, PhoneFirst, or a local branch.

The electronic image of the original check or any substitute check, as defined by federal law, will become the legal representation of such item for all purposes (except for funds availability). You acknowledge that Federal Reserve Board Regulation CC (availability of funds) does not apply when you transmit the electronic images of deposit items to us. Funds from deposits made via Mobile RDC on a business day (as defined below) prior to 4 p.m. Eastern Time generally will be considered deposited on the date of submission and available for withdrawal on the first business day after the business day of deposit. Funds from deposits made via Mobile RDC on a business day (as defined below) after 4 p.m. Eastern Time generally will be considered deposited on the next business day and available for withdrawal on the first business day after the business day of deposit. However, we may apply additional delays on the availability of funds based on other factors as determined by us at our sole discretion.

Following receipt of an image, we may process the image by preparing a "substitute check" or clearing the item as an image.

We may return or refuse to accept all or any part of the deposit to your account made by Mobile RDC at any time and for any reason, and we will not be liable for doing so even if such action causes outstanding checks or other debits to your account to be dishonored and returned.

All images processed for deposit through Mobile RDC will be treated as "deposits" under the current Deposit Account Terms and Conditions agreement with us and will be subject to any amendments to such Agreement.

**Business Days.** For purposes of this Addendum, our business days are Monday through Friday, except federal holidays.

**Geographic Restraints.** You agree that you will not use Mobile RDC in locations where such use is prohibited under U.S. Law and regulations, including laws and regulations issued by the Office of Foreign Asset Control.

**Disposal of Transmitted Checks or Other Items.** After a check or other item has posted to your account, you must securely store the original for thirty business days after transmission and make the original check or other item accessible to us at our request. Upon our request, you will deliver to us within three business days following the date of the request, at your expense, the requested original check or other item in your possession. Promptly after the thirty business day period expires, you must destroy the

original check or other item by first marking it "VOID" and then destroy it by cross-cut shredding or another commercially acceptable means of destruction. After destruction of an original check or other item, the image will be the sole evidence of the original. Prior to such destruction, you should check your account to make sure that the item to be destroyed has been credited to your account.

You agree that you will never re-present the original check unless we have asked you to do so. You understand that you are responsible if anyone is asked to make payment based on an original check or other item that has already been paid.

**Returned Deposits.** Any credit to your account for checks or other items deposited using Mobile RDC is provisional. If original checks deposited through Mobile RDC 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 or other item will not be returned to you, but that we may charge back the amount of the original check and provide you with an image or substitute of the original check. You will be charged the current Returned Check-Deposit fee as shown on our Fee Schedule as well as reimburse us for all loss, costs (including reasonable attorneys' fees), damages, or expenses 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 or other item if it has been charged back to you.

We may debit any of your accounts 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.

**Mobile RDC Unavailability.** Mobile RDC may be unavailable temporarily due to system maintenance or technical difficulties, including those of the Internet service provider, cellular service provider, network service providers and the service providers for the software through which Mobile RDC is provided. In the event that Mobile RDC is unavailable, you may deposit original checks at our branches or through ATMs that accept deposits or by mailing the original check and a completed deposit slip to: The First National Bank & Trust Company of Newtown, PO Box 158, Newtown PA 18940.

### **Promises You Make to The First; Indemnity.**

Your Promises. Each time you use the Mobile RDC service, you promise, represent and warrant to The First the following:

- Each image is a true and accurate rendition of the front and back of the original check or other item, without any alteration, and the drawer of the check has no defense against payment of the check.
- The amount, payee(s), signature(s), and endorsement(s) on the image and on the original check or other item are legible, genuine and accurate.
- You will not deposit or otherwise endorse to a third party the original check or other item and no person will receive a transfer, presentment, or return of, or otherwise be charged for, the original check or a paper or electronic representation of the original check or other item such that the person will be asked to make payment based on an item that has already been paid.
- There are no duplicate images of the original check or other item.

- The original check was authorized by the drawer in the amount stated on the original check or other item for payment.
- You are authorized to enforce and obtain payment of the original check or other item.
- You have possession of the original check or other item and no party will submit the original check for payment.
- You will not deposit through Mobile RDC any item previously deposited and returned to you unless we advise you otherwise in writing. You will only transmit deposit items that originated as paper items.
- You will use Mobile RDC only for lawful purposes and will comply with this Addendum and all laws and regulations applicable to you in your use of Mobile RDC and will not use Mobile RDC for any purpose prohibited by foreign exchange regulations, postal regulations, or any other treaty, statute, regulation or authority.
- You will only transmit acceptable items for deposit and have handled the original items in accordance with applicable laws, rules and regulations and in accordance with the terms of this Addendum.
- You will use Mobile RDC only for your own deposits, accounts for which you are lawfully authorized to deposit, and will not allow the use of Mobile RDC by way of a service bureau business, timesharing, or otherwise disclose or allow use of Mobile RDC by or for the benefit of any third party.

Your Indemnification. You agree to indemnify, defend, and hold harmless The First and its agents, officers, directors and employees from any loss for breach of any forgoing promises, representations and warranties or the terms of this Addendum. You shall indemnify, defend, and hold harmless The First and its agents and employees from and against all liability, damage, costs (including reasonable attorneys' fees) and loss arising from any claims, suits, or demands brought by third parties with respect to any check image, substitute check, or original check or other item processed through Mobile RDC.

**Disclaimer Of Warranties.** You agree that your use of mobile rdc and all information and content (including third parties) is at your own risk and is provided on an "as is" and "as available" basis. The first disclaims all warranties of any kind as to the use of mobile rdc, whether express or implied, including, but not limited to the implied warranties of merchantability, fitness for a particular purpose and noninfringement. The first makes no warranty that mobile rdc (I) will meet your requirements, (ii) will be uninterrupted, timely, secure, or error free, (iii) that the results obtained from mobile rdc will be accurate or reliable, and (iv) that any errors in the services or technology will be corrected.

**Liability.** We are only responsible for performing the service as expressly stated in this addendum. There is no guarantee that access to the service will be available at all times and we shall not be liable if you are unable to access the service. The service is provided "as is" and, except as prohibited by law, we and our third party service providers disclaim any express or implied warranties concerning the service, app, equipment or software, including, but not limited to any warranties of merchantability, fitness for a particular purpose or noninfringement of any parties proprietary rights. In no case shall the first or any of our third party service providers be liable for any loss of data, profit, goodwill, or special, punitive, indirect, exemplary or consequential damages of any kind or nature suffered by you arising out of or related to this addendum, the app, the software, the equipment or the service whether or not such claim for damages is based on tort or contract

or whether we had been advised of the possibility of such damages or should have known of the likelihood of such damages, except as may be required by law. In states that do not allow the exclusion or limitation of liability for indirect, special, incidental, or consequential damages, the first's and our third party service providers' liability is limited to the extent permitted by applicable law.

**Notices.** You agree that The First may provide you with all disclosures, notices, and other communications about Mobile RDC, and any future amendments or changes or additions to this Addendum in electronic form. The First will provide all future updates to the Addendum by posting the updated Addendum on our website. Your consent to receive notices and updates in electronic form will only apply for as long as you have access to Mobile RDC. You may withdraw your consent at any time by choosing to cancel Mobile RDC. The First may amend or change the terms and conditions stated in this Addendum (including changes in the fees and charges hereunder) by giving notice to you in accordance with at least the minimum notice required by law or regulation before the effective date of the amendment or charge. Prior notice need not be given where an immediate change in terms or conditions is necessary to maintain or restore the security of Mobile RDC or the safety of The First's relationship with you or is otherwise required immediately by law or applicable regulation. The First shall thereafter promptly advise you of any such change.

**Privacy.** Any personal information you share with us while using Mobile RDC is governed by the same privacy policy that governs all other interactions with the bank.

**Security of Your Mobile Device and Account Information.** You will complete each deposit promptly. If you are unable to complete your deposit promptly, you will ensure that your mobile device remains securely in your possession until the deposit has been completed. It is your responsibility to establish and maintain procedures to safeguard against unauthorized deposits, including password protecting your mobile device. You will notify us the same business day by telephone at 215-579-3405 or stop into a branch if you learn of any loss or theft of original checks or your mobile device. You will ensure the safety and integrity of original checks from the time of receipt until the time of destruction. If warranted, in our reasonable judgment, we may audit and monitor your use of Mobile RDC, and you agree to cooperate with us to permit such auditing and monitoring, to confirm that you have satisfied your obligations under this Addendum.

### **License and Use of the App and Related Software.**

Ownership. You acknowledge and agree that The First retains all ownership and proprietary rights in Mobile RDC, associated content, technology, and website. You further acknowledge and agree that a third party provider or licensor to The First ("Licensor") is the owner of all right, title and interest in and to the downloaded software comprising the App to be used for access to Mobile RDC from The First and the computer programs contained therein in machine readable object code form as well as any accompanying user documentation along with all subsequent copies, updates or versions thereof which are made available to you (if any), regardless of the media form in which they may exist (collectively the "Software").

License. Subject to the terms and conditions of this Addendum, you are hereby granted a limited, nonexclusive license to use the Software in accordance with the terms of this

Addendum. All rights not expressly granted to you by this Addendum are hereby reserved by the owner of the Software. Nothing in this license will entitle you to receive hard-copy documentation, technical support, telephone assistance, or updates to the Software. This Addendum and your use of Mobile RDC may be terminated in accordance with the provisions of this Addendum. Upon termination, you agree to immediately destroy all copies of the Software in your possession or control.

**Restrictions.** You shall not: (i) modify, revise or create any derivative works of the Software; (ii) decompile, reverse engineer or otherwise attempt to derive the source code for the software; (iii) redistribute, sell, rent, lease, sublicense, or otherwise transfer rights to the software; or (iv) remove or alter any proprietary notices, legends, symbols or labels in the Software, including, but not limited to, any trademark, logo or copyright.

**Remedies.** In the event that you attempt to use, copy, license, sublicense, sell or otherwise convey or to disclose the Software or any other part of Mobile RDC, in any manner contrary to the terms of this Addendum, The First shall have, in addition to any other remedies available to us, the right to injunctive relief enjoining these actions.

**Cancellation by you; Termination or Refusal by Us.** You may cancel Mobile RDC at any time by calling 215-579-3405 and allowing The First a reasonable opportunity to act upon your request. If you cancel, The First will not refund any portion of any fee assessed for any checks or other items previously deposited via Mobile RDC. The First will have no obligation to honor any instruction, in whole or in part, that (i) The First reasonably believes is used for any illegal or improper purpose or activity; (ii) The First has reason to believe may not be authorized by you; (iii) would violate any law, rule or regulation applicable to The First or Mobile RDC; (iv) is not in accordance with any other requirement stated in this Addendum or any of The First's policies, procedures or practices; or (v) for The First's protection or yours, The First has reasonable cause not to honor.

We may terminate your use of Mobile RDC in whole or in part at any time without cause. We may close it without notice if we reasonably believe it will prevent loss to us or if you violated your agreements with us. We may also terminate your use of Mobile RDC if you fail to use the service, Online Banking or Mobile Banking for a period of 90 days or more. Termination will not affect your liability or obligations under this Addendum, the Online Banking Agreement, the Mobile Banking Addendum or any other agreements you have with The First for actions The First has taken on your behalf.

**Virus Protection.** The First is not responsible for any electronic virus that you may encounter using Online Banking, Mobile Banking or Mobile RDC. We encourage you to routinely scan your computer and other devices using a reliable virus protection product and remove all viruses immediately.

**Assignment.** The First may assign its rights and/or delegate all or a portion of its duties under this Addendum to a third party. You may not assign this Addendum to any other person or entity.

**Third Party Beneficiary.** You agree that The First's third party service providers may rely upon the provisions of this Addendum, including its disclaimer of warranties and any limitations of liability and that such third party service providers are, for the purpose of this

Addendum, third party beneficiaries of this Addendum with the power to enforce this Addendum.

**Other Agreements or Addenda.** With regard to the use and operation of Mobile RDC, if there is a conflict between the terms and conditions of this Addendum and one or more terms contained in another Agreement or Addendum between you and The First, this Addendum will control.

**Unlawful Internet Gambling Transactions.** The First prohibits all unlawful Internet gambling transactions from being processed through your accounts. You must notify us immediately if you engage in any Internet Gambling activities. If we identify any attempts to make unlawful Internet gambling transactions, we reserve the right to block these transactions and close the account.

**Applicable Rules, Laws and Regulation, Attorneys' Fees.** You submit to the jurisdiction of, and this Addendum shall be governed by, the laws of the Commonwealth of Pennsylvania, U.S.A., as well as the federal laws of the U.S.A. Venue for any action arising out of this agreement shall be in the Court of Common Pleas of Bucks County, Pennsylvania, U.S.A. You agree to reimburse The First for its reasonable attorney's fees, costs and expenses incurred in connection with any such action.