



INTERNET BANKING AGREEMENT AND DISCLOSURE

1. Coverage:

This Agreement applies to your use of our Internet Banking Service, which permits you to access your accounts with us via the Internet for services selected by you and agreed upon by us. This Agreement applies to all persons that are parties to the accounts. In this Agreement, the terms "you" and "your" refer to each depositor on an account accessible by Internet Service, and the terms "us," "we," and "our" refer to the Bank.

2. Enrollment

To establish Internet Service and contract for this service, you need to fill out our Internet Banking Application.

3. Your Responsibility

You are responsible for selecting all systems, hardware and your Internet Service provider and for any defect, malfunction or interruption in service or security due to hardware failure, your choice of Internet Service provider and systems and computer services.

4. Access

You can use the link below to take you directly to our site. For your convenience add this link to your favorites.

<http://www.gratzbank.com/> to the right of the screen, you will see a box labeled 'Online Banking Login'; without entering any information in the fields, click 'Log In.'

Enter the User Id you created at the time of application and the temporary password supplied to you through a Secure Email from the bank.

Your Password has the same effect as your signature for authorizing transactions. You agree to safely keep your Password, not to record your Password or otherwise disclose or make your Password available to anyone other than authorized users of your accounts. Anyone to whom you disclose your Password and anyone who has access to your Password will have full access to the services you can perform on Internet Banking, including full access to your accounts. You have no ability to limit any such person's authority. If anyone uses your Password with your permission, you will be responsible for any transactions performed by that person. If you fail to log in three consecutive times to Internet Banking, your access will be disabled. Call The Gratz Bank at 717-365-3181 to have your information reset.

5. Contact in the event of Unauthorized Access

If you believe your Password has been stolen or that someone has transferred or may transfer money from your account without your permission, call 717-365-3181 or write to:

The Gratz Bank
Operations
32 W. Market St. PO Box 159
Gratz, PA 17030-0159

6. Business Days

Normal Business days are Monday through Friday. The following Federal holidays are not included as business days: New Year's Day, Martin Luther King, Jr. Day, President's Day, Memorial Day, Fourth of July, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas. We can process a fund transfer on the same business day as your instructions, if we receive your instructions before our Internet Service cut-off hour of 2:00 p.m. on a business day. If we receive your instruction after the end of the current business day, we process the transaction on the next business day. If you schedule a fund transfer for a future date, we process the transaction after the close of business on that date, if that day is a business day. If the date you request for a future transfer or payment is not a business day, we process the transaction on the next business day. If you schedule a recurring funds transfer and the payment date does not exist in a month, the payment will be processed on the last business day of that month.

7. Functions

You may access your accounts at www.gratzbank.com and use your username and password to:

- Transfer funds from checking and savings to checking and savings
- Make payments from checking and savings to loan
- Get balance information about checking, savings, certificate of deposit or line of credit
- Get withdrawal history about checking, savings, certificate of deposit or line of credit
- Get deposit history about checking, savings, certificate of deposit or line of credit
- Get transaction history about checking, savings, certificate of deposit or line of credit
- Sign up for Electronic Statements
- Sign up for Online Bill-Pay
- View Check Images

8. Canceling Funds Transfer

In order to cancel a transfer in a pending status, you will need to do the transfer the opposite way. The bank cannot reverse transfers when they are pending. Cutoff time for current business day transfers is 2pm EST.

9. Overdrafts.

When you schedule a funds transfer using Internet Banking, you authorize us to withdraw the necessary funds from your account(s). We deduct the amount of your funds transfer from your account on the date we process your instruction. Each instruction to us to withdraw or transfer from

an account is an order to us to pay from that account at that time or on a later date, if any, indicated in the instruction. We may charge payments against the account even though the charge creates an overdraft, or we may refuse to make payments if the charge creates an overdraft. If you overdraw your account, you agree to immediately pay us the overdrawn amount, together with any applicable fees. If the account is maintained in connection with an overdraft credit plan, any overdraft will be made in accordance with the agreement or rules governing that account rather than this Agreement.

10. Limitations on Transfers.

Under federal regulations, you may make no more than six preauthorized electronic fund transfers and telephone transfers, including Internet Banking transactions, checks and Point-of-sale transactions per month from your savings account. Of these six transactions, you are limited to no more than three transactions per month by check, draft, debit card or similar order to third parties. Each fund transfer or bill payment through Internet Banking from your savings deposit account is counted as one of the six limited transfers you are permitted each month.

11. Electronic and Periodic Statements.

Enrolling in Electronic Statements will enroll all accounts you view on Internet Banking into Electronic Statements. Your Internet Banking account activity will appear on your periodic account statement.

12. Financial Institution's Liability

Liability for failure to make transfers – If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If you have an overdraft line and the transfer would go over the credit limit.
3. If the automated teller machine where you are making the transfer does not have enough cash.
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
6. There may be other exceptions stated in our agreement with you.

13. Account Information Disclosure.

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

1. Where it is necessary for completing transfers; or
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. In order to comply with government agency or court orders; or
4. As described in our privacy policy disclosure, provided separately.

14. Termination.

We may modify, suspend or terminate your privilege of using Internet Banking and may withhold approval of any transaction, at any time, without prior notice to you. In the event we terminate your access to Internet Banking, we will try to notify you in advance but are not required to do so. You will be notified as soon as practicable. Any one person who can use the account accessible with

Internet Banking may terminate the Internet Banking service. Termination shall not affect the rights and obligations of the parties for transactions made with Internet Banking before we have had a reasonable time to respond to your termination request. It is your responsibility to cancel all future funds transfers, whether recurring or individual payments, when you terminate Internet Banking or we may continue to process such payments.

15. Third Parties.

You understand that support and services relating to Internet Banking are provided by third parties other than us, and you authorize us to contract with third parties to provide such support and service.

16. Amendment.

We may amend this Agreement at any time. Notice will be sent to you at your current address in our files. Amendments will be effective upon the date indicated in the notice.

17. General.

This Agreement is intended to supplement and not to replace other agreements between you and us relating to your accounts, including, without limitation, our Deposit Account Rules. In the event of a conflict between this Agreement and any other account rules and agreements that apply to your accounts, this Agreement shall govern and prevail.

18. E-Mail Messages.

While the e-mail of the Services is "online," messages sent to us through e-mail are not reviewed by us immediately after they are sent. Rather, we review e-mail messages twice a day (normally, before the opening of business and again in the mid afternoon at about 1:30p.m.) If immediate attention is required, you must contact us by phone or in person at one of our branch offices.

19. Balance Information.

Balance information obtained through the Internet Banking will reflect credit and debit information current as of the end of the previous business day. The balance figure includes funds that are subject to the Bank's funds availability policy and may include funds that are not available for immediate withdrawal or transfer.

20. Waiver of Requirement for Two Signatures

You recognize that any requirement of verifying two signatures on checks, if such a requirement exists, does not apply to electronic transfers (e.g., internet banking transfers), and release the Bank from liability when making such transfers. This means that any person who is authorized by you to utilize the Bank's Internet Banking Service shall be authorized by you to make electronic transfers, even though that person's authority to transfer or withdraw funds from your account by some other means (e.g., by check) must be exercised jointly with one or more other persons.

22. Linked Accounts

Eligible accounts that are linked together in the same profile may appear together without regard to the ownership of those accounts, for example, when an authorized representative of an eligible account access the Internet Banking Service, that authorized representative will be able to view and access at a single time the following accounts:

- Accounts of all businesses/organizations for which that person is an authorized representative.

- Any consumer accounts for which the person is a co-owner or authorized signer.

23. In Case of Errors or Questions about Your Electronic Transfers

In case of errors or questions about your electronic transfers, call or write us at the telephone number or address listed in this disclosure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us verbally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with use before the account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.
If you have inquiries regarding your account, please contact us at:

The Gratz Bank
Operations
32 W. Market St. PO Box 159
Gratz, PA 17030-0159
(717)365-3181

Business Days: Monday, Tuesday, Wednesday, Thursday, and Friday. Holidays are not included.

Privacy Statement

Please refer to The Gratz Bank's privacy notice for complete details.

