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| <b>FACTS</b>                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                           |                                            | <b>WHAT DOES STOCKMAN FINANCIAL CORPORATION DO WITH YOUR PERSONAL INFORMATION?</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------|
| <b>Why?</b>                                                                                                                                                                               | Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.                                                                          |                                            |                                                                                    |
| <b>What?</b>                                                                                                                                                                              | The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"><li>◆ Social Security number and Account balances</li><li>◆ Account transactions and Insurance claim history</li><li>◆ Credit history and Investment experience</li></ul>                                       |                                            |                                                                                    |
| <b>How?</b>                                                                                                                                                                               | All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Stockman Financial Corporation chooses to share; and whether you can limit this sharing.                                                                 |                                            |                                                                                    |
| Reasons we can share your personal information                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                           | Does Stockman Financial Corporation share? | Can you limit this sharing?                                                        |
| <b>For our everyday business purposes -</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus |                                                                                                                                                                                                                                                                                                                                                                                           | Yes                                        | No                                                                                 |
| <b>For our marketing purposes -</b> to offer our products and services to you                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                           | Yes                                        | No                                                                                 |
| <b>For joint marketing with other financial companies</b>                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                           | No                                         | We don't share                                                                     |
| <b>For our affiliates' everyday business purposes -</b> information about your transactions and experiences                                                                               |                                                                                                                                                                                                                                                                                                                                                                                           | Yes                                        | Yes                                                                                |
| <b>For our affiliates' everyday business purposes -</b> information about your creditworthiness                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                           | Yes                                        | Yes                                                                                |
| <b>For our affiliates to market to you</b>                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                           | Yes                                        | Yes                                                                                |
| <b>For nonaffiliates to market to you</b>                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                           | No                                         | We don't share                                                                     |
| <b>To limit our sharing</b>                                                                                                                                                               | ◆ Call 1-877-300-9369 - our staff will accept your choice(s)<br><b>Please note:</b><br>If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.<br>However, you can contact us at any time to limit our sharing. |                                            |                                                                                    |
| <b>Questions?</b>                                                                                                                                                                         | Call 1-877-300-9369 or go to <a href="http://www.stockmanbank.com">www.stockmanbank.com</a>                                                                                                                                                                                                                                                                                               |                                            |                                                                                    |

| Who We Are                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Who is providing this notice?                                                      | Stockman Bank of Montana, Stockman Insurance, Inc., Stockman Wealth Management, Inc., and Stockman Exchange, Inc.                                                                                                                                                                                                                                                                                                          |
| What We Do                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| How does Stockman Financial Corporation protect my personal information?           | To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.                                                                                                                                                                                                                  |
| How does Stockman Financial Corporation collect my personal information?           | <p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>◆ Open an account or apply for a loan</li> <li>◆ Apply for insurance or give us your contact information</li> <li>◆ Enter into an investment advisory contract</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>                  |
| Why can't I limit all sharing?                                                     | <p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>◆ sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>◆ affiliates from using your information to market to you</li> <li>◆ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p> |
| What happens when I limit sharing for an account I hold jointly with someone else? | Your choices will apply to everyone on your account.                                                                                                                                                                                                                                                                                                                                                                       |
| Definitions                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Affiliates                                                                         | <p>Companies related by common ownership or control. They can be financial and non-financial companies. Our affiliates include financial companies such as:</p> <ul style="list-style-type: none"> <li>◆ <i>Stockman Bank of Montana</i></li> <li>◆ <i>Stockman Wealth Management, Inc.</i></li> <li>◆ <i>Stockman Insurance, Inc.</i></li> <li>◆ <i>Stockman Exchange, Inc.</i></li> </ul>                                |
| Nonaffiliates                                                                      | <p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>◆ <i>Stockman Financial Corporation does not share with nonaffiliates so they can market to you.</i></li> </ul>                                                                                                                                                     |
| Joint Marketing                                                                    | <p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>◆ <i>Stockman Financial Corporation doesn't jointly market.</i></li> </ul>                                                                                                                                                                          |

## TERMS AND CONDITIONS OF YOUR ACCOUNT

**IMPORTANT NOTICE: THIS IS A LEGALLY BINDING CONTRACT THAT AFFECTS YOUR LEGAL RIGHTS. READ IT CAREFULLY AND CONSULT LEGAL COUNSEL BEFORE SIGNING. THIS CONTRACT REQUIRES YOU TO WAIVE RIGHTS TO LITIGATE CERTAIN ISSUES AND TO PARTICIPATE IN CLASS ACTION LAWSUITS AGAINST STOCKMAN BANK. IN LIEU OF THOSE RIGHTS AND LITIGATION PROCESSES, THIS CONTRACT REQUIRES YOU TO ARBITRATE CERTAIN DISPUTES UNLESS YOU FOLLOW THE PROCEDURE TO OPT-OUT OF THE WAIVER AND ARBITRATION AGREEMENT PROVISIONS BY FOLLOWING THE PROCESS SET FORTH BELOW. SEE “ARBITRATION AND WAIVER OF CLASS ACTION” ON PAGE 14 BELOW.**

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**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT** - To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as “this agreement”) that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you open the account (whether in-person, electronically, or by any other method permitted by us) or continue to use the account after receiving a notice of change or amendment, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this agreement. If you have any questions, please ask us.

This agreement is subject to applicable federal laws, the laws of the state of Montana and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

We reserve, in our sole and absolute discretion, the right to forgo enforcement of any term or condition intended for our benefit under this agreement, but our decision to do so shall not constitute a waiver of our right to enforce such term or condition for our benefit under the agreement in the future.

As used in this agreement the words “we,” “our,” and “us” mean the financial institution and the words “you” and “your” mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms “you” and “your” should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular. “Party” means a person who, by the terms of an account, has a present right, subject to request, to payment from the account other than as a beneficiary or agent.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and we can deduct any amounts deposited into the account and apply those amounts to the shortage. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your

account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

**DEPOSITS** - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. If you deliver a deposit to us and you will not be present when the deposit is counted, you must provide us an itemized list of the deposit (deposit slip). To process the deposit, we will verify and record the deposit and credit the deposit to the account. If there are any discrepancies between the amounts shown on the itemized list of the deposit and the amount we determine to be the actual deposit, we will notify you of the discrepancy. You will be entitled to credit only for the actual deposit as determined by us, regardless of what is stated on the itemized deposit slip. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

#### **WITHDRAWALS** -

**Important terms for accounts where more than one person can withdraw** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

**Postdated checks** - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

**Checks and withdrawal rules** - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

**Cash withdrawals** - We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier's check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

**Multiple signatures, electronic check conversion, and similar transactions** - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

**Important information regarding "decoupled" cards** - Decoupled debit cards are debit cards offered or issued by an institution or merchant other than us. As part of the issuing process, you provide the decoupled debit card issuer with the information it needs to link the decoupled debit card to your account with us. Once this is done, you can typically use the decoupled debit card as you would any other debit card. Importantly, however, while transactions initiated with these

decoupled debit cards may originate as debit card transactions paid by the card issuer, we receive and process them as ACH transactions. Additionally, you need to refer to your agreement with the decoupled debit card issuer to understand the terms of use for that card. Thus, when our documentation refers to “debit cards,” “everyday debit card transactions,” or “one-time debit card transactions,” we are referring to debit cards issued by us, not decoupled debit cards issued by other institutions or merchants. Different payment types can use different processing systems and some may take more or less time to post. Knowing which card you are using and how the transaction is processed can help you manage your finances, including helping you to avoid overdraft fees.

**Notice of withdrawal** - We reserve the right to require not less than 7 days’ notice in writing before each withdrawal from an interest-bearing account, other than a time deposit or demand deposit, or from any other savings deposit as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your separately provided notice of penalty for early withdrawal.

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## OVERDRAFT DISCLOSURE

This Overdraft Disclosure contains important information regarding your account balance; how payment and deposit transactions are posted to your account; when we consider your account to be overdrawn, and the fees you may be charged if your account is overdrawn. Please read it carefully. If you have questions, please see a branch representative or call 833-919-0844.

When we use the word “overdraft” that means there is not enough money in your “available” balance at the time the transaction was authorized and there is not enough money in your “actual” balance to cover a transaction when it “posts” or is submitted to us for payment. Overdrafts may be caused by checks, electronic bill payments or automated clearing house (ACH) payments, recurring and nonrecurring debit card payments, ATM withdrawals or transfers, telephone payment transfers and Zelle payments.

To avoid an overdraft in your Checking Account, you may elect to have funds transferred to your Checking Account from an Overdraft Line of Credit or Demand Deposit Loan (grandfathered accounts only), subject to the terms and conditions of the Overdraft Line of Credit. You may also elect to have funds transferred from a separate deposit account (such as a Savings account or Money Market Account). Should an overdraft occur and you have signed up for one of our overdraft protection services, then we will first attempt to authorize and pay the item by transferring funds to your Checking Account from an Overdraft Line of Credit, Demand Deposit Loan, or other deposit account. There may be a fee for transfers from another deposit account as set forth in the current version of our Fee Schedule. The fee may apply even if the amount of the transfer does not cover the overdraft.

If you have not signed up for overdraft protection or funds are not available in any of the above accounts when a transaction is presented to us, then we may either reject the transaction or we may, at our discretion, elect to pay it using our standard overdraft service. Balance Booster is an overdraft service which authorizes us to pay for ACH payments, checks payments and recurring debit card payments which overdraw your account. If you want us to pay overdraft ACH payments, check payments and recurring debit card payments you must enroll in Balance Booster. If you want us to pay overdraft nonrecurring debit card payments you must opt in, separately, for Balance Booster to apply to these payments.

Should we elect to pay an overdraft with our standard overdraft service or our Balance Booster service, then you will be charged an overdraft fee as provided in the current version of our Fee Schedule. We do not charge fees if a payment transaction is returned unpaid or is declined.

**YOUR ACCOUNT BALANCES** - Your checking account has two balances: the actual balance and the available balance. Your actual and available balances may be checked when you call customer service or visit a branch. Your available balance may also be checked when you review your account online, use our app, or use Stockman Bank owned and branded ATMs (please note that while the ATM screen may say Total Balance or simply Balance, the amount displayed is your available balance). It is important to understand how the two balances work so that you know how much money is in your account to use at any given time. This section explains the two balances and how they work.

Your actual balance, which is also the balance reflected on your account statement, is the full amount of all deposits to your account (even though some portion of a deposit may not be available to you or may be pending receipt of funds from a third party) less payment transactions that have actually been presented to us for payment and have “posted” to your account. It does not, however, include preauthorized commitments to pay merchants that are pending settlement (i.e., have not yet been paid or posted to your account), nor checks or other deposits that have not yet posted. Thus, while the term “actual” may sound as though the amount you see is an up-to-date balance and is what is in your account that you can spend, that is not always the case. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, your actual balance remains \$50 as it does not reflect the \$40 check transaction until it is received by the bank and posted to your account. Until that occurs, you have \$50 as your actual balance, even though you have already spent \$40.

Your available balance is the amount of money in your account that is immediately available for use. It is the actual balance less holds placed on deposits, less debit-card payment commitments that we have authorized but have not yet posted to your account, and less other holds on funds, such as a garnishment. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you were then to swipe your debit card at a merchant to buy groceries for \$20, that merchant

could ask us to authorize the payment. If we do so, then we are obligated to pay the merchant, even if your actual balance is negative at the time the debit card payment is presented to us by the merchant, so we will reduce your available balance by the amount of the "pre-authorization commitment," (in this example, \$20). Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because you have a commitment to pay the merchant \$20. When the merchant submits the transaction for payment (which could be several days later), your actual balance will be reduced by the amount of the posted transaction (in this example, \$20) and both your actual and available balance will be \$30.

**1. WHEN IS YOUR ACCOUNT OVERDRAWN?** Your account is overdrawn if both your available balance at the time a transaction is authorized (if applicable) and your actual balance at the time a transaction is posted are insufficient to cover the amount of the transaction. The following example illustrates how this works. Again, assume your actual balance and available balance are both \$50, and you swipe your debit card at a merchant for \$20. The merchant requests a pre-authorization commitment. Because you have \$50 available, we will likely authorize the payment and will reduce your available balance to \$30. Your actual balance will still be \$50. Before the merchant transaction is sent to us for payment, a check that you wrote for \$40 clears. Because you have only \$30 available (you have a commitment to pay the merchant \$20), the check will cause your available balance to be negative by \$10 but your actual balance will still be \$50. In this case, we may pay the \$40 check, and you will not be charged an overdraft fee for the \$40 transaction, because your actual balance is enough to cover the amount of the check transaction. (If the check was for \$60 instead, you would be charged an overdraft fee because it exceeds the actual balance.) However, when the merchant presents the \$20 charge for payment, your actual balance, which is now only positive \$10, will be insufficient to cover the \$20 transaction. In this situation, you will not be charged an overdraft fee for the \$20 transaction because your available balance (without overdraft tolerance) was sufficient at the time the transaction was authorized.

Your available balance (plus any overdraft tolerance applicable to your account) is used to determine whether we will authorize a transaction. Your check and ACH transactions are authorized and paid when we receive them for payment. Your debit-card transactions are authorized when you swipe your card at a merchant or when you provide your debit card to an online merchant. Your debit card transactions may not be paid until days after they are authorized.

IT IS VERY IMPORTANT TO UNDERSTAND THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE ACTUAL AND AVAILABLE BALANCES APPEAR TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE. Your actual and available balance may not reflect all of your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. In the example above, the outstanding check will not be reflected in either of your account balances until it is presented to us and paid from your account. Your available balance also may not reflect recent deposits to your account that are subject to "holds" as described below in "Your Ability to Withdraw Funds." Your account balances also may not reflect all of your pending debit-card transactions. For example, if a merchant obtains a pre-authorization commitment but does not submit a one-time debit card transaction for payment within three (3) business days after pre-authorization, we may increase your available balance by the amount of the pre-authorization commitment or hold. This means that your available balance will not reflect the pending transaction until the transaction has been received by us and paid from your account (i.e., posted). (Note that this commonly happens with certain types of pre-authorized commitments, such as car rentals and international purchases, depending on the merchant.) Even though we may increase your available balance when a merchant does not submit the transaction for payment in a timely manner, the obligation to the merchant still applies. The time period for the pre-authorization commitment may be different for certain types of merchants such as gas stations that may have a pre-authorization commitment period of several hours, or for transactions or accounts that involve suspicious or unusual activity.

We do not have to notify you if your account does not have sufficient actual balance in order to pay an item.

**In addition**, the amount of a pre-authorization commitment may differ from the actual payment because the final transaction amount may not be known to the merchant when the merchant submits a pre-authorization request. For example, a restaurant may request a pre-authorization commitment on your account for the amount of your bill, but when the transaction posts it may be for an amount that includes a tip that you authorized. A difference in the amount may also happen when you use your debit card or ATM card at gas stations, hotels, car rental companies, and other establishments. We cannot control how much a merchant asks us to pre-authorize, or how long a merchant takes to submit a transaction for payment.

## **2. POSTING TRANSACTIONS TO YOUR ACCOUNT.**

The two basic types of transactions for your account are: (i) credits (deposits) into your account, and (ii) debits (withdrawals or payments) out of your account. We may receive multiple credit and debit transactions on your account in many different forms throughout the day. At the end of each day, we post transactions to your account. Checks, drafts and other payment items may not be processed in the order that you make them or in the order we receive them. In most cases, we will follow the order explained below.

The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of fees you may have to pay. We generally post transactions to your account in the following order from lowest dollar amount to highest dollar amount unless otherwise stated:

1. All credits will be posted first;
2. Transactions received on prior days that were not processed and completed (for example, due to system limitations or required review to determine appropriate handling);
3. Fees for one-time service (fee for the purchase of money order, wire transfer, cashier check, etc.);
4. Returned deposit items;
5. Branch initiated transactions (cash checks and withdrawals made at a Stockman Branch);
6. Online, mobile and telebank transactions;
7. Debit card transactions (Point of sale and recurring) and ATM card transactions;
8. Bill pay, decoupled card and ACH transactions (checks converted to ACH transactions by a merchant are processed in check number order);
9. Telephone-initiated transactions;
10. Checks, excluding checks cashed at a Stockman Branch as noted above (Checks are posted in check number order);
11. Account Service Charges (service charges, overdraft fees, activity charges);
12. Tax withholding;
13. Customer-initiated automatic debit transfers.

**3. MINIMIZING FEES.** The best way to know the amount of available and actual funds you have and to avoid paying overdraft fees is to record and track all of your transactions closely, including pre-authorization commitments, outstanding checks, ACH debits, internet bill payments, online and mobile banking transfers and other deposits and payments.

**IF YOU DO NOT UNDERSTAND THIS DISCLOSURE, HAVE ANY QUESTIONS, OR WOULD LIKE MORE INFORMATION, PLEASE CONTACT 833-919-0844.**

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**OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION** - The following rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership and beneficiary designations on any or all of our accounts unless otherwise prohibited by law. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

**Single-Party Account** - Such an account is owned by one party.

**Multiple-Party Account** - Parties own the account in proportion to their net contributions unless there is clear and convincing evidence of a different intent. However, any one party may withdraw the entire amount on deposit in the account.

**RIGHTS AT DEATH - Single-Party Account** - At the death of a party, ownership passes as part of the party's estate.

**Multiple-Party Account With Right of Survivorship** - At death of party, ownership passes to surviving parties. If two or more parties survive and one is the surviving spouse of the deceased party, the amount to which the deceased party, immediately before death, was beneficially entitled by law belongs to the surviving spouse. If two or more parties survive and none is the spouse of the decedent, the amount to which the deceased party, immediately before death, was beneficially entitled by law belongs to the surviving parties in equal shares, and augments the proportion to which each surviving party, immediately before the deceased party's death, was beneficially entitled under law, and the right of survivorship continues between the surviving parties.

**Multiple-Party Account Without Right of Survivorship** - At death of party, deceased party's ownership passes as part of deceased party's estate.

**Single-Party Account With Pay-on-Death Designation** - At death of the party, ownership passes to the designated pay-on-death beneficiaries and is not part of the party's estate.

**Multiple-Party Account With Right of Survivorship and Pay-on-Death Designation** - At death of last surviving party, ownership passes to the designated pay-on-death beneficiaries and is not part of the last surviving party's estate.

**BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS** - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

**STOP PAYMENTS** - The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because the most effective way for us to execute a stop-payment order is by using an automated process, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the

order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

**TELEPHONE TRANSFERS** - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Limitations on the number of telephonic transfers from a savings account, if any, are described elsewhere.

**AMENDMENTS AND TERMINATION** - We may change this agreement by adding or deleting terms and conditions or amending existing terms and conditions (individually or collectively referred to in this section as "Change" or "Changes"). We will provide you reasonable notice of any such Changes in writing, or by any other method permitted by law. You shall be deemed to have consented to the Changes if you do not close your account within 14 days of your receipt of notice of the Changes.

Subject to state and federal laws, we may close your account at any time, for any reason, in our sole and exclusive discretion. If we elect to close your account for any reason, we will attempt to provide you advanced, reasonable notice of our decision to close your account. Reasonable notice will depend on the circumstances, however, and we may notify you after we close your account if we determine in our sole discretion such action is appropriate. Circumstances for which we may close your account without prior notice include, without limitation, the following: if you or your agent are abusive to or threatening toward our employees; if you have overdrawn or mismanaged your account; if your account appears to be subject to fraud; if a third-party contests your lawful right to manage your account or funds on deposit; if you have opened an account online and we cannot thereafter verify your identity; or any other circumstances that we believe in good faith is appropriate to close your account without advanced notice.

Montana law encourages financial institutions to protect vulnerable adults from financial exploitation. To that end, Montana law allows, but does not require, financial institutions to notify appropriate agencies and appropriate third parties reasonably associated with you if we believe a vulnerable adult is being subjected to financial exploitation. We may, but are not required to, exercise these rights if we in good faith believe that financial exploitation has or may have occurred, is being attempted, or has or may have been attempted.

If you elect to close your account, you must leave enough money in your account to cover any outstanding items to be paid from your account. Items presented for payment after your account is closed may be dishonored. Any deposits we receive after your account is closed may be returned. We will not be liable for any damages for not honoring any such payments or deposits received after your account is closed.

Note: Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

**CORRECTION OF CLERICAL ERRORS** - Unless otherwise prohibited by law, you agree, if determined necessary in our reasonable discretion, to allow us to correct clerical errors, such as obtaining your missing signature, on any account documents or disclosures that are part of our agreement with you. For errors on your periodic statement, please refer to the STATEMENTS section.

**NOTICES** - Any written notice you give us is effective when we actually receive it. We must receive any notice in time to have a reasonable opportunity to act on it. If a notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Notice we give you via the United States Mail is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we currently have on file. Notice we give you through your email of record, or other electronic method to which you agreed, will be treated as delivered to you when sent. Notice to any of you is notice to all of you.

**STATEMENTS - Your duty to report unauthorized signatures (including forgeries and counterfeit checks) and alterations on checks and other items** - You must "promptly" examine your account statement. If you discover (or reasonably should have discovered) any unauthorized signatures (including forgeries and counterfeit checks) or alterations, you must "promptly" notify us of the relevant facts. You agree that "promptly" means that you must notify us of any unauthorized signatures or alterations within 14 days from when the statement is first sent or made available to you.

If you failed to exercise ordinary care and such failure contributed to the alteration or unauthorized signature (for example, allowing access to your checkbook, leaving space on lines to allow alteration, mailing a check to the wrong person or address, or mailing checks in a fashion that shows a check is enclosed), you are precluded from making a claim against us if we exercised ordinary care (as defined in **Check Processing**) in paying the instrument or taking it for value. If we failed to

exercise ordinary care and such failure substantially contributed to the loss, the loss is allocated between you and us according to the extent to which the failure of each to exercise ordinary care contributed to the loss.

If you "promptly" notify us of an unauthorized signature or alteration, and you otherwise exercised ordinary care such that you did not contribute to the alteration or unauthorized signature, we will be liable for the item. If you fail to "promptly" notify us of an unauthorized signature or alteration, but do so within 60 days from when the statement is first sent or made available to you, you will either share the loss with us, if we failed to exercise ordinary care (as defined in **Check Processing**) and our failure to exercise ordinary care substantially contributed to the loss, or bear the loss entirely yourself if we exercised ordinary care (as defined in **Check Processing**). You further agree that if you fail to report any unauthorized signatures or alterations in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us, the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care.

**Your duty to report other errors or problems** - In addition to your duty to review your statements for unauthorized signatures and alterations, you agree to examine your statement with reasonable promptness for any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

**Errors relating to electronic fund transfers or substitute checks** - For information on errors relating to electronic fund transfers (e.g., online, mobile, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

**Duty to notify if statement not received** - You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft. Absent a lack of ordinary care by us, a failure to receive your statement in a timely manner does not extend the time you have to conduct your review under this agreement.

**ACCOUNT TRANSFER** - This account may not be transferred or assigned without our prior written consent.

**REIMBURSEMENT OF FEDERAL BENEFIT PAYMENTS** - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other available legal remedy to recover the amount of our liability.

**TEMPORARY ACCOUNT AGREEMENT** - If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

**SETOFF** - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

**SIGNATURE CARD AGENCY DESIGNATION** - If you are an account holder, you may designate a person to be your agent by filling out the appropriate information on your account's signature card. You may indicate whether the agency is durable, meaning the agent's authority remains effective even if you are disabled or incapacitated. If you do not designate that the agency is durable, then we will assume that the agent's authority ends if you become disabled or incapacitated.

You are authorizing the agent designated on the signature card to conduct transactions on your behalf. You do not give up any right to act on your account. The agent designated on the signature card may not, without further legal documentation, affect the rights of account holders or beneficiaries, if any, other than by withdrawing funds from your account. You may remove your designated agent at any time. Absent a court order or other lawful reason, in the event of a dispute between you and your agent, we will follow your instructions.

You are responsible for any transactions conducted by an agent designated on the signature card. We have no legal or contractual duty to monitor transactions conducted by your agent designated on the signature card. You authorize us to honor the transactions of an agent designated by the signature card until: (a) we have received written notice or have actual knowledge of the termination of the agency, and (b) we have a reasonable opportunity to act on that notice or knowledge.

For accounts owned by a single account holder, you may remove an agent designated on the signature card at any time. Upon the death of the single owner, any designation of agency made by the signature card shall automatically terminate.

For accounts owned by multiple holders the following rules apply. Any account holder may revoke or terminate the signature card agency. If no other event terminates the agency designated on the signature card, the agency is terminated upon the death of the last surviving account holder.

**RESTRICTIVE LEGENDS OR INDORSEMENTS** - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are “must be presented within 90 days” or “not valid for more than \$1,000.00.” The payee’s signature accompanied by the words “for deposit only” is an example of a restrictive indorsement.

**FACSIMILE SIGNATURES** - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

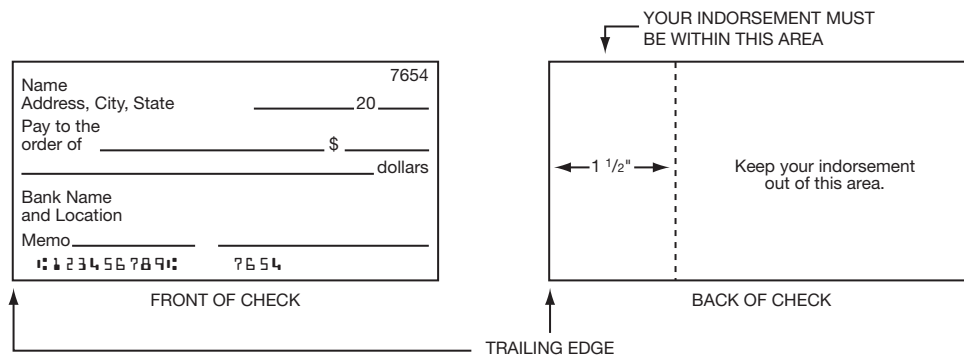
**CHECK PROCESSING** - We process items mechanically by automated means, relying almost exclusively on the information encoded in magnetic ink along the bottom of the items. Per current Montana law and banking standards, this means that we do not individually examine your items to determine if the item is properly payable, or signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. We do not compare any item against other items that were previously signed by you and paid. In this automated process, we do not receive the original item but only a digital copy of the item and thus cannot inspect an original item for any reason, including without limitation evidence of fraud, forgery or alteration. You authorize us to utilize this automated check processing and to pay items without a physical inspection. You agree that we have exercised ordinary care utilizing this automated processing, even though we do not inspect each item or compare them to other items previously signed by you and paid. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payees. Using an automated process helps us keep costs down for you and all account holders. This section sets the standard of ordinary care exercised by us in processing your items for purposes of the previous section, titled **STATEMENTS - Your duty to report unauthorized signatures (including forgeries and counterfeit checks) and alteration on checks and other items**. Because we use automated processing described above, it is important that you monitor your accounts and examine your statements as described in that section to prevent issues with your items.

**CHECK CASHING** - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

**INDORSEMENTS** - We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver’s license number, etc.) must fall within 1½” of the “trailing edge” of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the “trailing edge” is the left edge. When you flip the check over, be sure to keep all indorsement information within 1½” of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of the check obscures our indorsement.

These indorsement guidelines apply to both personal and business checks.

**DEATH OR INCOMPETENCE** - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

**FIDUCIARY ACCOUNTS** - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

**CREDIT VERIFICATION** - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

#### **COMPETING CLAIMS AND LEGAL ACTIONS AFFECTING YOUR ACCOUNT -**

(1) As used in this section, the term "Competing Claim" means any challenge to your right, title or interest in and to the funds on deposit in your account, whether such Competing Claim is verbal or written, formal (including without limitation litigation) or informal (including without limitation a letter, email, verbal statement, etc.). If we receive notice of a Competing Claim, we may, in our sole discretion, choose to freeze the assets in the account (prohibit your access to the account for payment or withdrawal of the funds on deposit). We may maintain that freeze for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the Competing Claim. Regardless of whether such a legal proceeding is filed between you and the competing claimant, you agree we may file an interpleader action against you and the competing claimant, in district court in Custer County, Montana (or any other county with proper venue), to interplead the disputed funds into the court and allow the court to resolve the Competing Claim.

(2) As used in this section, the term "Legal Action" means any service of process which is served on us pertaining to your account, including without limitation a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or other order related to your account. We will comply with any and all Legal Action involving you or your accounts as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights you may have under applicable law with regards to such Legal Action. We may, in our sole discretion, choose to freeze the assets in the account for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the Legal Action.

(3) We may freeze the assets in the account for a Competing Claim or Legal Action even if the Competing Claim or Legal Action involves fewer than all owners of the account (a co-owner on an account owned by multiple persons, a signer on an account with multiple owners and signers, etc.) We shall not be liable to you or third parties for any items that are returned for insufficient funds on account resulting from our freezing your funds on deposit in complying with any Legal Action or Competing Claim which diminishes the funds on deposit in your account.

(4) In handling a Competing Claim (including an interpleader action) or Legal Action, you agree that any legal fees and expenses we incur may be charged against your account, unless otherwise prohibited by applicable law, and setoff from funds on deposit in your account. These legal fees and expenses include outside attorney's fees, outside paralegal fees, outside electronic legal research fees, court costs, internal costs, including internal pro rata attorney and paralegal expenses, expert witness fees, investigator fees, service of process, mileage to travel to or from court, and the like. These fees and expenses also specifically include attorney fees and costs and expert witness fees and costs incurred by us when making application for recovery of our legal fees and costs (known as "fees for fees").

## ACCOUNT SECURITY -

**Your duty to protect account information and methods of access** - Our policy may require methods of verifying your identity before providing you with a service or allowing you access to your account. We can decide what identification is reasonable under the circumstances. For example, process and identification requirements may vary depending on whether they are online or in person. Identification may be documentary or physical and may include collecting a fingerprint, voiceprint, or other biometric information.

You authorize your wireless carrier to use or disclose information about your account and your wireless device, if available, to Stockman Bank or its service provider for the duration of your business relationship, solely to help them identify you or your wireless device and to prevent fraud. See our Privacy Policy for how we treat your data.

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your accounts. You should also safeguard your username, password, and other access and identifying information when accessing your account through a computer or other electronic, audio, or mobile device or technology. If you give anyone authority to access the account on your behalf, you should exercise caution and ensure the trustworthiness of that agent. Do not discuss, compare, or share information about your account numbers with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device or information and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized. Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself unless our failure to use ordinary care substantially contributed to the loss.

**Positive pay and other fraud prevention services** - Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

**INSTRUCTIONS FROM YOU** - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission, email, voicemail, or phone call to a facsimile number, email address, or phone number not designated by us for a particular purpose or for a purpose that is unrelated to the request or instruction.

**MONITORING AND RECORDING TELEPHONE CALLS AND ACCOUNT COMMUNICATIONS** - Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record, and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account, we may need to contact you about your account from time to time by telephone, text messaging, or email. In contacting you about your account, we may use any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

You acknowledge that the number we use to contact you may be assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You acknowledge that we may contact you by voice, voicemail, or text messaging. You further acknowledge that we may use pre-recorded voice messages, artificial voice messages, or automatic telephone dialing systems. If necessary, you may change or remove any of the telephone numbers, email addresses, or other methods of contacting you at any time using any reasonable means to notify us.

**You also understand you are not required to consent to receive marketing calls or text messages in order to open an account(s) with us. You may unsubscribe from such communications at any time by sending an email identifying yourself to [contact@stockmanbank.com](mailto:contact@stockmanbank.com) or by calling 1 (877) 300-9369.**

**CLAIM OF LOSS** - The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an every day/one-time consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure generally titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and

circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

**EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals)** - We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your separately provided notice of penalty for early withdrawal for additional information.

**CHANGES IN NAME AND CONTACT INFORMATION** - You are responsible for notifying us of any change in your name, address, or other information we use to communicate with you. Unless we agree otherwise, notice of such a change must be made in writing. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent information you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

**WAIVER OF NOTICES** - To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

**FUNDS TRANSFERS** - Unless otherwise required by applicable law, such as Regulation J or the operating circulars of the Board of Governors of the Federal Reserve System, this agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state of Montana. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association and other funds-transfer system rules, as applicable. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH or other funds-transfer systems. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

**INTERNATIONAL ACH TRANSACTIONS** - Financial institutions are required by law to scrutinize or verify any international ACH transaction (IAT) that they receive against the Specially Designated Nationals (SDN) list of the Office of Foreign Assets Control (OFAC). This action may, from time to time, cause us to temporarily suspend processing of an IAT and potentially affect the settlement and/or availability of such payments.

**TRUNCATION, SUBSTITUTE CHECKS, AND OTHER CHECK IMAGES** - If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

**REMOTELY CREATED CHECKS** - Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

**UNLAWFUL INTERNET GAMBLING NOTICE** - Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

## ARBITRATION AND WAIVER OF CLASS ACTION

**Generally** - You and we agree that either you or we may elect to resolve any dispute arising out of or relating to your account(s) with us (excluding third-party disputes and legal actions described in **COMPETING CLAIMS AND LEGAL ACTIONS AFFECTING YOUR ACCOUNT** (such dispute, a "**Claim**") through arbitration administered by the American Arbitration Association under its Consumer Arbitration Rules. If you or we elect to resolve a Claim through arbitration, the Claim shall be resolved through arbitration. This Arbitration and Waiver of Class Action provision (this provision, including the sections with descriptive headings below, the "**Arbitration Agreement**") applies to any Claim (1) made after the date this Arbitration Agreement becomes effective, even if the Claim relates to conduct before then, and (2) whether or not the Claim is based in contract, tort, statute, or any other any other legal premise. Either you or we may elect to resolve a Claim through arbitration even if you or we already initiated litigation in court relating to the Claim by (1) making written demand for arbitration upon the other party, (2) initiating arbitration against the other party, or (3) by filing a motion in court to compel arbitration. IF YOU OR WE ELECT TO RESOLVE A CLAIM THROUGH ARBITRATION, YOU GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS REGARDING THAT CLAIM. There are limited exceptions to your and our agreement to arbitrate: (1) Claims brought individually in small claims court or transferred to small claims court which shall be resolved in small claims court; (2) this Arbitration Agreement does not prevent you from submitting any issue relating to your account(s) to a governmental agency or governmental entity, nor does it prevent such agency or entity from seeking relief on your behalf; (3) this Arbitration Agreement does not prevent you or us from applying to a court for emergency provisional relief, such as a temporary restraining order, a temporary protective order, an attachment, or other pre-judgment remedies; (4) this Arbitration Agreement does not prevent us from complying with any "Legal Action," asserting our rights to freeze accounts or interplead funds that are subject to a "Competing Claim" as discussed in **COMPETING CLAIMS AND LEGAL ACTIONS AFFECTING YOUR ACCOUNT**, in the Terms and Conditions of Your Account.

**Effective Date** - Unless you opt out of this Arbitration Agreement by following the Right to Opt Out section below, it becomes effective 31 days after we provide it to you. If you receive your statements from us by mail, then this Arbitration Agreement was provided to you when we mailed it to you. If you receive your statements from us electronically, then this Arbitration Agreement was provided to you when we sent it to you electronically. If this Arbitration Agreement becomes effective, it changes the part of your contract with us called Terms and Conditions of Your Account.

**Arbitration Procedure** - If you or we elect to resolve a Claim through arbitration (1) the arbitration shall be conducted within 50 miles of your residence at the time the arbitration is commenced unless you reside outside of Montana at that time, in which case you can choose the Montana city where it will be conducted, (2) we will pay for any filing, administration, and arbitrator fees the American Arbitration Association charges you, (3) the Claim shall be resolved by a single arbitrator selected under the Consumer Arbitration Rules, (4) the arbitrator must have experience in the types of transactions at issue in the Claim, and (5) judgment on the arbitration award may be entered in any court having jurisdiction. If you or we elect to resolve a Claim through arbitration, you will be responsible for your attorneys' fees and costs unless you prevail in the arbitration, in which case, we will pay your reasonable attorneys' fees and costs. Conversely, if we prevail in the arbitration, then you will pay our reasonable attorneys' fees and costs. For details on how to initiate an arbitration proceeding you can go to the American Arbitration Association's website, [www.adr.org](http://www.adr.org). On that same website you can obtain a copy of the Consumer Arbitration Rules free of charge. If the American Arbitration Association is unavailable to resolve a Claim and you and we do not agree on a substitute forum, then you can select the forum for resolving the Claim.

**Enforceability and Severability** - If there is a contention about whether this Arbitration Agreement or any part of it is enforceable, the arbitrator shall determine enforceability unless the contention is about the enforceability of the Class Action Waiver section, in which case a court shall determine the enforceability of the Class Action Waiver section. If there is a contention about whether a Claim is subject to arbitration under this Arbitration Agreement, the arbitrator shall make that determination. If the Class Action Waiver section is unenforceable, then the remainder of this Arbitration Agreement is unenforceable. If any part of this Arbitration Agreement besides the Class Action Waiver section is unenforceable then the remaining parts of this Arbitration Agreement remain enforceable.

**Class Action Waiver** - ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE, CLASS MEMBER, OR CLASS CUSTOMER IN A CLASS ACTION LAWSUIT.

**Governing Law and Conflicts** - This Arbitration Agreement shall be interpreted and enforced under the Federal Arbitration Act. If this Arbitration Agreement conflicts with the Consumer Arbitration Rules, this Arbitration Agreement controls to the extent of the inconsistency. If this Arbitration Agreement conflicts with the Terms and Conditions of Your Account document or any other part of your contract with us, this Arbitration Agreement controls to the extent of the inconsistency.

**Right to Opt Out** - You may opt out of becoming bound by this Arbitration Agreement. To opt out you must either: 1) complete an electronic Arbitration Opt Out Form on our website at [www.stockmanbank.com](http://www.stockmanbank.com); or 2) complete the Arbitration Opt Out Form attached to this Arbitration Agreement and mail it to Stockman Bank of Montana; Attention: Arbitration - Operations; P.O. Box 250, Miles City, MT 59301-0250. If, within 30 days after we provide this Arbitration Agreement to you, we do not receive notice from you that you are opting out by using one of the methods stated in this section, then you will have agreed to this Arbitration Agreement and you will be bound by its terms.

## ELECTRONIC FUND TRANSFERS

### YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

**Electronic Fund Transfers Initiated By Third Parties.** You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your checking or savings account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking or savings account(s).
- **Electronic check conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.
- **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

**Telebank Transfers - types of transfers** - You may access your account by telephone at 888-669-0724 using your personal identification number, a touch tone phone, and account numbers, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- make payments from checking to loan accounts with us
- make payments from savings to loan accounts with us
- get information about:
  - the account balance of checking account(s)
  - the account balance of savings account(s)
  - transaction history about checking and savings
  - payment information about loans

**ATM Transfers - types of transfers and dollar limitations** - You may access your account(s) by ATM using your Card and personal identification number, to:

- make deposits to checking and/or savings account(s)
- get cash withdrawals from checking and/or savings account(s)
  - you may withdraw no more than \$1,525.00 per day
- transfer funds from savings to checking account(s), or vice versa
- get information about:
  - the account balance of your checking and/or savings account(s)

Some of these services may not be available at all terminals.

**Types of Visa Check Card Point-of-Sale Transactions** - You may access your checking account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution and do anything that a participating merchant will accept.

**Point-of-Sale Transactions - dollar limitations** - Using your card:

- you may not exceed \$2,500.00 in transactions

**Currency Conversion and International Transactions.** When you use your Visa Check Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Visa USA charges a 1% International Service Assessment on all international transactions regardless of whether there is a currency conversion. An international transaction is a transaction where the issuer of the card used is not located in the transaction country. This means an international transaction can occur even though the transaction is made when you are not in a foreign country. For example, a transaction made online with a foreign merchant is an international transaction even though made while you are physically in the United States.

**Advisory Against Illegal Use.** You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

**Non-Visa Debit Transaction Processing.** We have enabled non-Visa debit transaction processing. This means you may use your Visa Check Card on a PIN-Debit Network\* (a non-Visa network) without using a PIN.

The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures offered on Visa debit card transactions are not applicable to transactions processed on a PIN-Debit Network.

\*Visa Rules generally define **PIN-Debit Network** as a non-Visa debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

**Computer Transfers - types of transfers** - You may access your account(s) by computer through the internet by logging onto our website at [www.stockmanbank.com](http://www.stockmanbank.com) and using your password, account numbers and user name, to:

- transfer funds from checking to checking
- transfer funds from checking to savings
- transfer funds from savings to checking
- transfer funds from savings to savings
- make payments from checking to loan account(s) with us
- make payments from checking to third parties
- make payments from savings to loan account(s) with us
- make payments from savings to third parties
- get information about:
  - the account balance of checking account(s)
  - the account balance of savings account(s)

**Health Savings Accounts (HSA).** We permit some electronic fund transfers to and/or from your HSA. The electronic fund transfers we permit are offered for the convenience of managing your HSA. However, electronically moving funds to or from your HSA – for example, depositing more than the allowable amount, or getting additional cash back on an HSA debit card transaction – can raise a variety of tax concerns. As a result, before electronically accessing any account you may have with us, it is a good practice to make sure you are using the correct access device (such as a card) or accessing the appropriate account for the transaction. Also, it is your responsibility to ensure the contributions, distributions, and other actions related to your HSA, comply with the law, including federal tax law. As always, we recommend consulting a legal or tax professional if you have any questions about managing your HSA. The terms of this disclosure are intended to work in conjunction with the HSA Agreement provided to you earlier. In the event of a conflict, the terms of the HSA Agreement control. You understand that your HSA is intended to be used for payment of qualified medical expenses. It is your responsibility to satisfy any tax liability resulting from use of your HSA for any purpose other than payment or reimbursement of qualified medical expenses. We do not monitor the purpose of any transaction to or from your HSA. Nor are we responsible for ensuring your eligibility for making contributions or ensuring withdrawals are used for payment or reimbursement of qualified medical expenses. Refer to your HSA Agreement for more information relating to the use of your HSA.

#### FEES

- We do not charge for direct deposits to any type of account.
- We do not charge for preauthorized payments from any type of account.

Except as indicated elsewhere, we do not charge for these electronic fund transfers.

**ATM Operator/Network Fees.** When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

#### DOCUMENTATION

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 833-919-0844 to find out whether or not the deposit has been made.

- **Periodic statements.**

You will get a monthly account statement from us for your checking accounts.

You will get a monthly account statement from us for your savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

### **PREAUTHORIZED PAYMENTS**

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this disclosure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

Please refer to our separate fee schedule for the amount we will charge you for each stop-payment order you give.

- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

### **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.

### **CONFIDENTIALITY**

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 explained in the separate Privacy Disclosure.

### **UNAUTHORIZED TRANSFERS**

#### **(a) Consumer liability.**

• **Generally.** Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

• **Additional Limits on Liability for Visa Check Card.** Unless you have been negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa Check Card. In the event these additional limits do not apply (e.g., if you have been negligent or engaged in fraud) the liability limits of Regulation E (described above) apply. This additional limit on liability does not apply to ATM transactions outside of the U.S., to ATM transactions not sent over Visa or Plus networks, or to transactions using your Personal Identification Number which are not processed by Visa. Visa is a registered trademark of Visa International Service Association.

**(b) Contact in event of unauthorized transfer.** If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check without your permission.

## ERROR RESOLUTION NOTICE

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 orally, 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 (5 business days for Visa Check Card point-of-sale transactions processed by Visa and 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 (5 business days for Visa Check Card point-of-sale transactions processed by Visa and 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 us before this 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.

STOCKMAN BANK

P.O. BOX 250

MILES CITY, MT 59301

Business Days: Monday through Friday

Excluding Federal Holidays

Phone: 833-919-0844

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

## YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to “transaction” accounts, but not to savings deposits. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Checking accounts are the most common transaction accounts. Savings accounts and money market deposit accounts are examples of savings deposits. Feel free to ask us whether any of your other accounts might also be under this policy.

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 6:00 P.M. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 6:00 P.M. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If you make a deposit through one of our teller lines on a business day that we are open, we will consider that day to be the day of your deposit. Deposits made in our “Night Deposit” or “after hours” deposit receptacles at our facilities have special rules and are typically processed the business day following the placement of deposit in the receptacle. If you plan to make night deposits please inquire as to those rules.

Remote mobile deposits are typically available the day after the deposit is made, however, these deposits may be delayed further due to additional processing or other issues.

If you make a deposit at an ATM before 12:00 noon on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit at an ATM after 12:00 noon or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

### LONGER DELAYS MAY APPLY

**Case-by-case delays.** In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$275 of your deposits, however, will be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

**Safeguard exceptions.** In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.

You deposit checks totaling more than \$6,725 on any one day.

You redeposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.

There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

### SPECIAL RULES FOR NEW ACCOUNTS

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$6,725 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$6,725 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$6,725 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the tenth business day after the day of your deposit.

## LIMITATION OF TIME TO COMMENCE ACTION AGAINST US

Any action or proceeding by you to enforce an obligation, duty or right arising under this agreement, or by law, with respect to your account or any account service, or based on any alleged wrongful act or omission by us, must be commenced within one year from the date the act, omission, or other dispute occurred.

This provision does not apply to any act, omission, or other dispute for which a separate time limitation is provided for herein. This provision does not supersede any separate time limitation provided for herein. This provision applies to any other act, omission or other dispute for which this Agreement does not provide a different limitation period.

## TRUTH-IN-SAVINGS DISCLOSURE

### DIRECT CHECKING ACCOUNT

**Minimum balance to open the account** - You must deposit \$100.00 to open this account.

**Fees:**

A \$5.00 per month/cycle Paper Statement Fee will be charged if you choose to receive a paper account statement.

**Transaction limitation on deposits:** The maximum amount you may deposit at account opening is \$5,000.00. There are no deposit limitations after that.

**To Maintain the Account** - You must maintain a minimum balance of \$0.01 in the account each day. If you do not maintain this minimum balance, your account may be frozen or closed.

### DIRECT SAVINGS ACCOUNT

**Rate Information** - Your interest rate and annual percentage yield may change. **Frequency of rate changes** - We may change the interest rate on your account at any time.

**Determination of rate** - At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** - Interest will be compounded quarterly. Interest will be credited to your account quarterly.

**Effect of closing an account** - If you close your account before interest is credited, you will not receive the accrued interest.

**Minimum balance to open the account** - You must deposit \$100.00 to open this account.

**Transaction limitation on deposits:** The maximum amount you may deposit at account opening is \$10,000.00. There are no deposit limitations after that.

**Minimum balance to avoid imposition of fees** - A service charge fee of \$2.00 will be imposed every statement cycle if the balance in the account falls below \$100.00 any day of the cycle.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** - Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

**Minimum balance to obtain the annual percentage yield disclosed** - You must maintain a minimum balance of \$0.01 in the account each day to obtain the disclosed annual percentage yield.

**To Maintain the Account** - You must maintain a minimum balance of \$0.01 in the account each day. If you do not maintain this minimum balance, your account may be frozen or closed.

**Fees:**

A \$5.00 per month/cycle Paper Statement Fee will be charged if you choose to receive a paper account statement.

### COMMON FEATURES

Please refer to our separate rate sheet for current interest rate and annual percentage yield information and to our separate fee schedule for additional information about charges.



# ARBITRATION OPT OUT FORM

## CUSTOMER ACCOUNTS



I have received a copy of the Arbitration Agreement. I decline and opt out of the Arbitration Agreement. [Please note that for a multi-party account, each customer must individually choose to accept or opt out of the Arbitration Agreement.]  
For the opt out to be effective, I provide the following information:

**NAME**

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**ADDRESS**

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**PHONE NUMBER**

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**TAX IDENTIFICATION NUMBER** *(Last 4 digits only)*

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**PRIMARY STOCKMAN BANK ACCOUNT NUMBER**

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☐ **I WISH TO OPT OUT ALL ACCOUNTS** *In relation to Stockman Bank's Arbitration Agreement*

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☐ **I WISH TO OPT OUT SOME ACCOUNTS** *In relation to Stockman Bank's Arbitration Agreement*

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☐ **I DO NOT WISH TO OPT OUT ANY ACCOUNTS** *In relation to Stockman Bank's Arbitration Agreement*

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☐ **I WISH TO OPT OUT OF ONLINE & MOBILE BANKING** *In relation to Stockman Bank's Arbitration Agreement*

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**ADDITIONAL ACCOUNTS FOR WHICH I AM OPTING OUT**

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**SIGNATURE**

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**DATE**

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