

# Online Banking Agreement

For additional information on Sovereign's services, stop by your nearest Community Banking Office or call us at 1-877-SOV-BANK (1-877-768-2265).

For quick access to information on your Sovereign accounts, call Sovereign's Automated Telephone Banking at 1-800-762-5895.

Visit Sovereign online at [sovereignbank.com](http://sovereignbank.com).



Effective February 2008



Online Banking Agreement



Member FDIC

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## I. GENERAL DESCRIPTION OF AGREEMENT

### A. WHAT THIS AGREEMENT COVERS

This Agreement between you and Sovereign Bank governs the use of our Online Banking service. This service permits Sovereign Bank customers (consumers, sole proprietors, and other business customers) to perform a number of banking functions on accounts linked to the service through the use of a personal computer. “You” and “your” refer to the Sovereign Bank customer that has enrolled in Online Banking. “We,” “us” and “our” refer to Sovereign Bank.

The purpose of this Agreement is to inform you of your rights under Regulation E and the Electronic Fund Transfer Act, if applicable, as well as the features, functionality, and appropriate uses of Online Banking. If your deposit account is used primarily for business purposes, please also refer to Section V.

This Agreement does not cover Sovereign’s Interactive Reporting & Initiation Services (IRIS).

### B. ACCEPTING THE AGREEMENT

When you use Online Banking, you agree to the terms and conditions of this Agreement.

### C. RELATION TO OTHER AGREEMENTS

Your use of Online Banking may also be affected by the Agreements between you and us for your deposit or other linked accounts. When you use Online Banking, you are governed by this Agreement as well as the Agreements that you already have with us for any account linked to Online Banking. You should review those Agreements for any applicable fees, availability of deposits, limitations on the number of transactions that you can make, and other restrictions that may impact your use of Online Banking. This Agreement will control if there is a conflict.

### D. LIMITATION OF SERVICE

We have the right to revoke or refuse access to, or terminate Online Banking at any time, without cause or notice. If we do, you understand that any scheduled transactions will not be made. You will be denied the use of Online Banking if you do not enter the correct logon information. There is a limit on the number of failed logon attempts and your access to Online Banking will be suspended if you exceed these limits.

## E. DEFINITIONS

“*Biller*” is the person or company to which you select a bill payment to be made or is the person or company from which you receive electronic bills.

“*Payment Account*” is the Sovereign Bank checking account from which a bill payment will be debited. You will need to designate a checking account to be the payment account at the time you schedule a payment. All of your eligible checking accounts will automatically be displayed.

“*Business Day*” is every Monday through Friday, excluding holidays.

“*Scheduled Payment Date*” is the day you want your Biller to receive your bill payment. If the Scheduled Payment Date falls on a non-business day, the Scheduled Payment Date will be the previous Business Day.

“*Due Date*” is the date reflected on your Biller statement for which the payment is due; it is not the late date, nor does it include any grace period.

“*Automatic Payment*” is a payment scheduled for a set amount at regular intervals. For example, you can schedule a payment at the first of each month to pay your mortgage or rent.

“*Scheduled Payment*” is a payment that has been scheduled through the service but has not been processed.

## F. FREE SERVICES

We do not charge a service fee for any of our Online Banking services or options. See our Personal Deposit Account Fee Schedule for our other fees and charges.

## II. ONLINE BANKING SERVICES

### A. GETTING STARTED

To use Online Banking you must have:

- A computer equipped with a modem and Internet access through an Internet service provider. We do not currently support wireless devices or wireless connections.
- Online Banking logon credentials.
- A checking account for optional BillPay service.

## B. USING ONLINE BANKING

You may use Online Banking to:

1. Transfer funds between your Sovereign Bank checking, savings, and money market savings accounts.
2. Obtain a cash advance by transferring funds from your line of credit account to your checking or savings account.
3. Make a regular payment to your credit or loan account by transferring the payment amount from your checking or savings account to your loan account.
4. Obtain balance and transaction information from your checking, savings and loan accounts, including mortgage.
5. View the front and back images of recently cleared checks, withdrawal slips and deposit slips.
6. Perform self-service account maintenance such as reordering checks and placing your own Stop Payment requests.
7. Pay Bills through optional BillPay service.

If you are using Personal Financial Management (PFM) software or any other indirect service to access, track, download, or pay bills, the features listed above may not be available or your software may not work in conjunction with Online Banking. To access all of the features and services we offer, sign on directly through our web site at [sovereignbank.com](http://sovereignbank.com).

## C. ONLINE USER GUIDE

An Online User Guide is available, either in hard copy or at [sovereignbank.com](http://sovereignbank.com), describing the computer equipment, computer software or other requirements necessary to use the service. You agree to comply with these requirements, as modified from time to time.

## D. USING YOUR PASSWORD

Your Password acts as your signature as the owner and sole user of the User ID for your personal Online Banking service. Your Password is an identification code that is personal and confidential. The use of the Password with the service is a security method by which we are helping you to maintain the security of your account(s). Therefore, YOU AGREE THAT YOU WILL NOT DISCLOSE YOUR PASSWORD TO ANYONE AND THAT YOU WILL TAKE ALL REASONABLE PRECAUTIONS TO ENSURE THAT NO ONE ELSE LEARNS YOUR PASSWORD. YOU AGREE THAT IF YOU GIVE YOUR PASSWORD TO SOMEONE ELSE TO USE OR ALLOW THEM TO ACCESS THE SERVICE, YOU ARE AUTHORIZING THEM TO ACT ON YOUR BEHALF AND YOU WILL BE RESPONSIBLE FOR ANY USE OF THE SERVICE BY THEM.

## E. ACTIVITY LEVELS FOR LINKED ACCOUNTS

There are two levels of account access that can be assigned to each of your linked accounts. We automatically assign the highest level of access to your account. The two levels are:

1. Inquiry Only – view and download account balance and history information.
2. Financial – view and download account balance and history information, perform transfers between linked accounts, and add the BillPay service and schedule payments.

If you would like to change your level from Financial to Inquiry Only, please call the Online Banking team at 1.877.SOV.BANK (1-877-768-2265), option 4.

## F. LIMITATIONS AND DOLLAR AMOUNTS FOR ONLINE TRANSFERS

You may transfer funds between your checking, savings, and money market savings accounts in any dollar amount between \$.01 and \$999,999.99.

1. Transfers to a line of credit or an installment loan must be in the amount of the payment due shown on your coupon or statement, and the Scheduled Transfer Date you select must be before your due date.
2. Transfers to an installment loan must be in the amount of your regular monthly payment and will be posted to your loan on the scheduled transfer date.
3. Transfers to a line of credit will be posted to your loan on the scheduled transfer date as a payment.
4. Late, special, extra, or principal-only payments cannot be made using Online Banking.
5. Transfers you schedule on a business day before 8:00 p.m. will be posted to your account as of that business day. If you make a transfer on a business day after 8:00 p.m. or on a non-business day, your transfer will be posted to your account as of the next business day.
6. Automatic and future-dated transactions will be posted to your account on the business day you selected. If you selected a day that is not a business day, the transfer will occur on the next business day. Account statements and balances may not reflect transactions until our posting process is completed.
7. You agree to have sufficient funds available in your account at the time you schedule a transfer to occur. If you do not have sufficient funds on the date that the transfer is scheduled, we will try to complete your transaction on the next business day,

for scheduled transfers between your checking, savings, and money market accounts or to your line of credit or installment loan. If sufficient funds are not available the next business day, we will automatically cancel the instruction. We reserve the right to impose insufficient or unavailable funds, over limit, or transfer fees, and no further attempt will be made by the bank to process the transfer instruction. In all cases, you are responsible for rescheduling the transfer.

8. The cancellation of a pending transfer may be subject to the availability of sufficient funds in both involved accounts.

## G. RECORD OF TRANSACTION

For each single and future-dated transaction you request you will be provided a reference number as your confirmation. Historical activity is available through the Pending Transfer section.

## H. STOP PAYMENT FEATURE

You can order us to stop payment on any check that you write from your Sovereign Bank checking account. You cannot stop payment on a check if we have accepted, certified, made final payment on or otherwise become accountable for the check, except to the extent required by law. You may be requested to sign a stop payment form to continue the online request beyond fourteen (14) days. Your stop payment request is subject to our regular stop payment fee. The stop payment feature may not be used with respect to any payment scheduled through the BillPay service. You cannot cancel pre-authorized electronic payments using the stop payment feature. Please see our Personal Deposit Account Agreement for other provisions governing stop payment orders.

## I. GETTING STARTED WITH BILLPAY

**To use BillPay you must have the following:**

- Access to Online Banking.
- At least one Sovereign Bank checking account, of which you are an owner.
- At least one Biller added to your Biller List.
- An active e-mail account that you regularly use, if you are going to use the e-Bill or reminder notification features.

## J. USING BILLPAY

**You may use BillPay to:**

1. Make one-time or automatic payments from your Sovereign Bank checking account to companies or individuals, which we refer to as Billers.

2. Use the Electronic Bills (e-Bills) service to:

- View Biller statements and detailed information.
- Receive bills directly through your home e-mail account.

3. Send us secure online mail messages and questions regarding the service.

Not all Billers participate in the e-Bill program. For a full list of Billers, call 1-877-SOV-BANK (1-877-768-2265).

## K. SCHEDULING A PAYMENT

Payments can only be scheduled from the Payment Accounts linked to Online Banking.

**Payments can be entered as:**

1. A one-time transaction up to 1 year (365 days) in advance.
2. An automatic, recurring payment.

Our ability to deliver your payment in a timely manner is dependent upon specific Biller requirements and accounts-receivable processing times; therefore, bill payments should be scheduled four (4) business days prior to your Due Date. The Payment Calendar will only permit you to select a valid and available Payment Date. There are some Billers who offer shorter delivery times, and, therefore, do not require the four (4)-business-day scheduling time. When scheduling payments, you must select a Scheduled Payment Date that is no later than the actual Due Date reflected on your Biller statement. If the actual Due Date falls on a non-business day, you must select a Scheduled Payment Date that is at least one (1) business day before the actual Due Date. The Sovereign Online Banking Guarantee does not cover payments scheduled after the due date. Automatic payments that fall on a day that is not a business day will be processed on the preceding business day. When entering a payment, determine the actual due date located on your Biller statement, or if using an electronic bill, the system will enter the due date for you.

## L. PAYMENT CALENDAR

By using the Payment Calendar found within the BillPay service, you will easily be able to schedule your payment date. The Payment Calendar will indicate the first available, and all other available dates that your bill can be paid.

## M. ELECTRONIC BILLS (E-BILLS) THROUGH BILLPAY

You can receive bills electronically from participating Billers.

1. **Approval of e-Bills.** Participating Billers establish their own criteria for reviewing requests to send e-Bills and have sole discretion in accepting or declining your request. Participating Billers typically require five (5) business days to act upon your request to receive e-Bills. Upon activation of the electronic bill feature, Online Banking may notify the Biller of your request to receive electronic billing information. The receipt of the electronic version of your first e-Bill may vary from Biller to Biller and may take up to sixty (60) days.
2. In some cases, we obtain the e-Bill from the web site of the Biller. To do so, we may ask you for information needed to retrieve the e-Bill, such as a required password. By providing this information, you are authorizing Sovereign Bank to access the Biller's web site on your behalf and retrieve your account information.
3. Notifications. There are two (2) types of e-Bill notifications:
  - a. **Electronic Bill via e-mail** that notifies you of the delivery of an e-Bill and provides a summary of the bill (typically due date, amount due, balance, etc.), as well as the "Pay" button. After you click the button, you must sign in to BillPay to go to the Welcome page and pay your bill. You will receive an e-mail message with a subject line that reads: "You have Bills."
  - b. **E-mail reminder** that simply notifies you of the delivery of an e-Bill but does not contain any summary information or payment options. You will receive an e-mail message with a subject line that reads: "You've got Bills."

To add the electronic notifications to your service, click on the "Manage My Bills" tab and click "Add e-mail notification of electronic bill."

Electronic Bill via e-mail and e-mail reminders are both typically sent to you within 48 hours of the e-Bill being uploaded to the BillPay service. If you do not receive your e-mail notification, check the "My Profile" account set-up to verify your current e-mail address. It is your responsibility to maintain an active e-mail account that you regularly use. If you fail to maintain a current e-mail address, we will be unable to deliver your notifications. We are not responsible for lost notifications due to an invalid or over-extended e-mail account. We are unable to regenerate an e-Bill notification.

Some Billers require your e-mail address when you add an electronic version of your bill. For other Billers, this information is optional. However, a Biller may use your e-mail address to contact you directly if there is a question about your payment.

To change the electronic notifications to your service, click on the "Manage My Bills" tab and click "Update e-mail notification of electronic bill."

4. **Timely delivery of e-Bills.** We have no control over the delivery of an e-Bill from a Biller and are not responsible for late delivery of an e-Bill, or for late payments resulting from a late e-Bill. If you do not receive an e-Bill, it is your responsibility to contact the Biller directly. If you have questions regarding the contents of your e-Bill, you should contact the Biller directly.
5. **Non-Delivery of e-Bills.** We are not responsible should the Biller fail to deliver an e-Bill. You are responsible for ensuring timely payment of all bills. Copies of previous e-Bills must be requested from the Biller directly. We are not responsible for the non-delivery of e-Bill notifications. It is your responsibility to maintain a current e-mail address as displayed on the "My Profile" page.
6. **Accuracy and dispute of an e-Bill.** We are not responsible for the accuracy of an e-Bill. Any discrepancies or disputes regarding the accuracy of your e-Bill must be addressed with the Biller directly.
7. **Privacy.** When you establish e-Bills with a participating Biller you will be requested to provide personal information to be forwarded onto the Biller to complete your enrollment. If you have concerns about the future use of this information you should contact your Biller directly.
8. While your e-Bill feature is being activated it is your responsibility to keep your accounts current.
9. **Discontinue the e-Bills service.** You may cancel e-Bill at any time by going to the "Manage My Bills" section within BillPay. It may take up to sixty (60) days for an electronic delivery to stop. We will notify your Biller when you cancel e-Bill. It is your sole responsibility to make arrangements for an alternate form of bill delivery.

## N. PAYMENT METHODS

We will make payments you have scheduled either electronically or by check. Although you will not be able to select how a Biller will be paid, most major Billers accept electronic payments, and we encourage you to provide as much information as possible when setting up a Biller so that we can match your Billers to those in our database that accept electronic payments. If we pay by check, the check may either be drawn on our operating account or it may be drawn directly on your account.

If a Biller is paid electronically, the Biller will receive the electronic payment on the Scheduled Payment Date, or in some cases before. Electronic payments are deducted from your Payment Account on the Scheduled Payment Date, even if your Biller credits you sooner.

If a Biller is paid by check, we prepare and mail the check so that it will generally arrive at the Biller on the Scheduled Payment Date. If the check is drawn on our operating account, we will deduct the amount of your payment from your Payment Account on the Scheduled Payment Date. If the check is drawn directly on your account, the payment will be deducted when the Biller cashes the check and it is presented to us for payment. Depending upon the speed of the U.S. Postal Service and your Biller, this may occur before your Scheduled Payment Date. Make sure you have sufficient funds in your Payment Account as you schedule your payments. Also, if the check is drawn directly on your account, it will be returned to you with your monthly statement, like any other check you have written. It will look a little different from the checks you write and will bear a six-digit check number that begins with "99"

If we pay a Biller using a check drawn on our account and the Biller does not deposit the check within 90 days, we will automatically stop payment of the check and recredit your account. If we pay a Biller by a check drawn directly on your account and it is not deposited within 180 days, we will automatically stop payment of that check. You will need to either schedule a new payment or arrange to pay the Biller using another method.

## O. ONLINE BANKING GUARANTEE

**OUR GUARANTEE:** When you use Online Banking with Sovereign, your money is protected against any online fraud or losses and we guarantee your bills are paid on time.

100% Online Protection. Just like most major credit cards, you are protected against unauthorized online transactions. If you discover fraud, just notify us within two business days and you'll have 100% protection.

Sovereign Bank also guarantees that your bills will be paid on time and according to your instructions. We'll reimburse you for any late fees if we make an error in processing your payments. Your bills go where they need to go, and arrive when they need to, guaranteed. This does not include any delay caused by a Biller's failure to post your payment in a timely manner. Our guarantee also does not apply to the payments described in Section II-P, BillPay Limitations, item number 3 (page 9) of this Agreement.

## P. BILLPAY LIMITATIONS

1. BillPay payments can be made in any amount between \$.01 and \$99,999.99.
2. You agree to have sufficient funds available in your account for the date the payment is scheduled. If you do not have sufficient funds in your account, we may refuse to complete the transaction or we may attempt to process the payment a second time. Regardless how many attempts we make to process your transaction, you will be assessed an insufficient or unavailable funds fee each time we attempt to process a transaction when there are not sufficient available funds to complete the transaction. If we are unable to complete a transaction because you do not have sufficient available funds, you are responsible for making alternate payment arrangements.
3. Any payments that you wish to pay through BillPay must be to a Biller located in the United States. We reserve the right to restrict categories of Billers to whom payments may be made using the service. You should not use the service to make:
  - a. Tax payments.
  - b. Court-ordered payments.
  - c. Payments to settle securities transactions.
  - d. Satisfaction of loan-payoff amounts.
  - e. Timeshare payments.

If you choose to use the service to make these payments, such payments must be scheduled at your own risk. In no event will we be liable for any claims or damages resulting from your scheduling of these types of payments. **THE SERVICE GUARANTEE DOES NOT APPLY TO ANY OF THESE TYPES OF PAYMENTS.**

4. **Participation by Billers.** Occasionally a Biller may choose not to participate in BillPay, or may require additional information before accepting payments. We will work with these Billers to encourage them to accept an electronic or check payment from the bank. If we are unsuccessful, or if we determine that the Biller cannot process payments in a timely manner, we may decline future payments to this Biller. In the unlikely event that this occurs, we will send you a notice.

## **Q. CANCELING PAYMENTS**

You cannot cancel a transaction once it has posted to your account, although payments that are still pending or have begun processing may be canceled or modified.

After you cancel a payment, the status changes to “Canceled.” Canceled payments remain in your payment history.

If you cancel one of your automatic payments three (3) or more business days before the transaction is scheduled to occur and we do not do so, we will be liable to you for your losses and damages.

## **III. OTHER TERMS AND CONDITIONS**

### **A. SERVICE HOURS**

Online Banking services are available 365 days a year and 24 hours a day, except during system maintenance and upgrades.

### **B. CANCELING YOUR ONLINE BANKING SERVICES**

Your Online Banking services remain in effect until they are terminated by you or by us. You may cancel your service at any time by notifying us of your intent to cancel in writing, through Online Banking secure mail, or by calling Online Banking customer service at 1-877-SOV-BANK (1-877-768-2265), option 4. This cancellation applies to your Online Banking services only and does not terminate your Sovereign Bank accounts. Prior to notifying us that you wish to discontinue the service, we strongly suggest that you:

1. Cancel any scheduled payments.
2. Cancel any automatic schedules.
3. Cancel any electronic bills and wait until you have received your first paper statement from the Biller.

## **C. CLOSING PAYMENT ACCOUNTS**

It is your responsibility to cancel or move any Automatic Payment associated with a Payment Account you close. BillPay permits you to click on “Move Payments” and designate a new account from which your payments will be made without having to reschedule each payment.

If you close all of your checking accounts, you also need to cancel any pending payments and the BillPay service. There may still be pending payments, or payments that have not yet cleared your account; it is your responsibility to maintain your account long enough for the payments to clear or issue stop payments on the outstanding payments and to make other payment arrangements.

## **D. BILLPAY ACCOUNT ACCURACY**

It is your sole responsibility to ensure that the information in “My Profile” is current and accurate. This includes, but is not limited to, name, address, phone numbers and e-mail address.

Changes can be made either within “My Profile” or by contacting customer service. Furthermore, it is your responsibility to provide accurate and updated Biller account numbers and Biller information. We are not responsible for any payment processing errors or fees incurred if you do not provide accurate Biller account, personal information, or have sufficient funds to satisfy the payment.

## **E. CHANGES TO AGREEMENT**

We may change the terms of this Agreement at any time. We will notify you of the changes as required by law. Your use of Online Banking, including any new or additional service, after the effective date of the change will constitute your acceptance of and agreement to the change.

We may terminate your participation in Online Banking services for any reason, including inactivity, at any time. We will try to notify you in advance, but we are not obligated to do so.

## **F. COMMUNICATIONS**

You agree that we may send, by electronic communication, any information required to be sent to you in writing under Regulation E and the Electronic Fund Transfer Act. Electronic mail (e-mail) is not a secure method of communication and we recommend that you do not send confidential information by e-mail, unless you send us a message using the secure BillPay Message Center. If you elect e-Bills, reminders or alerts, you acknowledge acceptance of these notifications, regardless of other marketing preferences you may have indicated at Sovereign Bank.

## **G. COMMUNICATING WITH YOU**

From time to time, Sovereign may send you e-mail communications relating to Online Banking products, features, services and activation programs. We may also send you service-related or account-specific e-mails.

If your e-mail address changes or if you wish to opt out of non-service related communication, please contact us in writing or visit [sovereignbank.com/companyinfo/privacy](http://sovereignbank.com/companyinfo/privacy).

## **H. TRANSFERS FROM MONEY MARKET SAVINGS OR SAVINGS ACCOUNTS**

Transfers out of your savings and money market savings accounts are limited to six (6) per statement period using any combination of transfer made using the service or by telephone, checks, point of sale purchase or other preauthorized or automatic transfer services. This transfer limit includes deductions from your account to pay third parties, overdraft protection transfers and up to three (3) checks, drafts or similar orders made by you if your account offers these privileges. Federal law imposes these limits.

## **I. CONTACT BY SOVEREIGN BANK OR AFFILIATED PARTIES**

No Sovereign Bank employee, nor any company affiliated with Sovereign Bank, will contact you via e-mail or phone requesting your Online User ID and/or Password. If you are contacted by anyone requesting this information, please contact us immediately.

## **J. DISCLOSURE OF ACCOUNT INFORMATION**

We shall disclose information to third parties about your account(s) or the transactions you make:

1. Where it is necessary to complete transactions or investigate transaction errors and verify transactions.
2. Where we have a third party provide services on our behalf.
3. In order to verify the existence and standing of your account(s) with us upon the request of a third party, such as a credit bureau, merchant or Biller.
4. In accordance with your written permission.
5. In order to comply with court orders or government or administrative agency summonses, subpoenas, orders, examinations and escheat reports.

6. On receipt of certification from a federal agency or department that a request for information is in compliance with the Right to Financial Privacy Act of 1978.

## **K. ACCOUNT STATEMENTS**

We report your Online Banking transactions on the monthly statements for your linked accounts. A description of each transaction, including whom you paid, the date and the amount of the transaction will appear on your statement, as well as a check number, if applicable.

## **L. GOVERNING LAW**

The terms and conditions of this Agreement are governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to conflict of law provisions, and federal law.

## **IV. ADDITIONAL PROVISIONS**

### **A. IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSACTIONS.**

If you think your statement is wrong or if you need more information about an Online Banking transaction listed on the statement, call us at 1-877-SOV-BANK (1-877-768-2265), option 4, or write us at Sovereign Bank, Attention: Online Banking, Mail Code: 10-421-OL3, PO Box 12646, Reading, PA 19612, as soon as you can. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the problem or error appeared. You must provide us with all of the following information:

1. Your name and account number.
2. A description of the error or the transaction you are unsure about, explaining as clearly as you can why you believe it is an error or why you need more information.
3. The dollar amount of the suspected error.

If you tell us orally, we may require that you send your complaint or questions in writing within ten (10) business days to the above address.

We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If more time is needed, it may take up to forty-five (45) days to investigate your complaint or question.



If additional time is needed, your account will be credited within ten (10) business days for the amount you think is in error, while the investigation is pending.

If we require your written confirmation and do not receive your complaint or question in writing within ten (10) business days, we may not credit your account. We may also not credit your account if the primary purpose of a transaction was to purchase securities or commodities regulated by the Securities and Exchange Commission or the Commodity Futures Trading Commission.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there is no error, we will send you a written explanation. You may ask for copies of the documents that we use in our investigation. If we credited your account, you must repay us if we conclude no error has occurred.

## **B. LIABILITY FOR UNAUTHORIZED TRANSACTIONS**

If you believe your Password has been lost, stolen, or compromised or that someone has transferred or may transfer money from your account without permission, call 1-877-SOV-BANK (1-877-768-2265), option 4, or write to us at Sovereign Bank, Attention: Online Banking, Mail Code 10-421-OL3, PO Box 12646, Reading, PA 19612.

If you telephone us, we may require that you send us written confirmation of your notice to be received by us within ten (10) business days of your phone call. You agree to cooperate with us in the investigation of any claim or dispute and provide us with information and documentation as may be necessary in order to assist us in resolving your claim or dispute.

You could lose all your money in the account(s), including the available balance in your overdraft line of credit or other credit account(s), if you take no action to notify us of the loss of your Password. If you notify us of the loss, your liability for unauthorized transfers will be as follows:

1. If you contact us within two (2) business days of the loss or your discovery of the loss, you can lose no more than \$50.00 if someone illegally gained access to and used your Password without your permission.
2. If you do NOT tell us within two business days after you learn of the loss or theft of your Password, and we can prove we could have stopped someone from using your Password without your permission if you had told us, you could lose as much as \$500.

3. Also, if your monthly statement shows transactions that you did not make and you do not contact us within sixty (60) days after the statement was mailed (or electronically transmitted) to you, you may not get back any money lost after the sixty (60) days if we can prove that your contacting us would have prevented those losses.
4. If a good reason, such as a long trip or an extended hospital stay, kept you from telling us, we will extend the time periods in this section.

## **C. OUR LIABILITY FOR FAILURE TO COMPLETE AN ELECTRONIC FUND TRANSACTION**

If we fail to complete a transaction on time or in the correct amount, when properly instructed by you, we will be liable for certain damages proximately caused by our failure unless:

1. There are insufficient funds in your account to complete the transaction through no fault of ours or the account has been closed.
2. The funds in your account are unavailable.
3. The funds in your account are subject to legal process.
4. The transaction you request would exceed the funds in your account plus any available overdraft credit.
5. Your Password has been reported lost or stolen or your service privileges have been suspended.
6. We have a reason to believe that the transaction requested is unauthorized.
7. The failure is due to an equipment breakdown, which you knew about when you started the transaction.
8. The failure is due to a loss of power or Internet connectivity during your session where you were not provided, or did not record, your transaction confirmation number.
9. The failure was caused by an act of God, fire or other catastrophe, or by an electrical or computer failure or by another cause beyond our control.
10. You attempt to complete a transaction using the service which is not a permissible transaction.
11. The transaction would exceed security limitations on the use of the service.
12. You have not given us complete information or properly followed our procedures on how to complete a transaction.

There may be other exceptions in our Personal Deposit Account Agreement or other Agreements between us. In any case, we shall only be liable for actual proven damages if the failure to make the transaction resulted from a bona fide error despite our procedures to avoid such errors.

LIMITATION OF OUR LIABILITY UNLESS OTHERWISE REQUIRED BY LAW: WE WILL NOT BE RESPONSIBLE FOR ANY LOSSES OR DAMAGES FROM THE USE OF THE SERVICES DESCRIBED IN THIS DISCLOSURE STATEMENT AND THE SERVICE AGREEMENT, INCLUDING DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL LOSSES OR DAMAGES. WE WILL NOT BE RESPONSIBLE FOR ANY LOSSES OR DAMAGES FROM THE USE OF THE SOFTWARE OR THE EQUIPMENT YOU USE TO ACCESS THE SERVICE INCLUDING DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL LOSSES OR DAMAGES.

WE WILL ALSO NOT BE RESPONSIBLE FOR ANY TRANSFER OF FUNDS THE PRIMARY PURPOSE OF WHICH IS THE PURCHASE OR SALE OF SECURITIES OR COMMODITIES REGULATED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE COMMODITY FUTURES TRADING COMMISSION.

If you attempt to cancel a payment in accordance with the above instructions and we do not do so, we will be liable for your losses or damages.

## **V. ADDITIONAL PROVISIONS APPLICABLE ONLY TO BUSINESS ACCOUNTS**

### **A. WHO MAY SIGN UP FOR AND USE THE ONLINE BANKING SERVICES**

Online Banking may only be requested and used by the authorized signers of the business. Authorized signers are those individuals who have been appointed to act on behalf of the business and whose names and signatures are on the physical signature card. Each authorized signer may only access those accounts on which he or she is an authorized signer.

Online Banking with BillPay is established under the name of the authorized signer. When logging on to the service, the user will see his or her own name in the “Welcome” areas, not the name of the business. Additionally, payments that are scheduled through the BillPay service will bear the name of the signer. To avoid posting issues with your payment, you should, in all instances, include the business name in the “Payment Note” area. Also note that

any authorized signer may transfer funds from your account to his or her personal account unless you ask us not to permit these transfers. If we see your account is a business account, we may also prohibit transfers to personal accounts.

### **B. PROTECTING YOUR USER IDENTIFICATION AND PASSWORD**

You agree to: 1) keep your User Identification and Password secure and strictly confidential; 2) immediately notify us of any change in status, or authority, of any authorized signer on record with the bank; and 3) immediately notify us and select a new User Identification or Password if you believe your User Identification or Password may have become known to or used by an unauthorized person. The bank will have no liability to you for any unauthorized payment or transfer made using your User Identification or Password that occurs before you have notified us of possible unauthorized use and we have had a reasonable opportunity to act on that notice. We may suspend or cancel your use of Online Banking without notice from you if we suspect your User Identification or Password is being used in an unauthorized or fraudulent manner.

### **C. WHAT PROVISIONS OF THIS AGREEMENT APPLY**

Because you are a business customer, all of Section IV and the subsection entitled “Disclosure of Account Information” in Section III do not apply to you.

We do not charge a service fee for any of our Retail Online Banking services or options. See our Business Deposit Account Fee Schedule for our other fees and charges.

### **D. COMMUNICATIONS**

You agree that we may send notices and other communications to the current address shown in our records. You further agree that Sovereign Bank will not be responsible or liable to you in any way if information is intercepted by an unauthorized person, either in transit or at your place of business.