

## Online Banking Disclosure and Terms

Online Banking is a service provided to you by Ion Bank which permits you to access your accounts with Ion Bank in order to transfer funds, pay bills or check the status of your accounts. You can access these services through the use of a personal computer and an Internet Service Provider.

In order to use this service you must be an existing deposit account customer of Ion Bank. If you are not currently a customer of the bank but would like to utilize this service please stop by any Ion Bank office and a staff member will be happy to open an account for you and provide you with any details related to this product. Current customers of the bank, after reading and accepting the terms and conditions of this disclosure, may apply online for the service.

The terms and conditions described in this disclosure are in addition to all other disclosures and agreements you have received relating to your accounts with Ion Bank.

Ion Bank is not responsible for the equipment and software you may use to access or use in conjunction with our Online Banking program, nor for any errors, failures, malfunctions, computer viruses or related problems that may be associated with the use of the Online Banking program. WE DISCLAIM ALL WARRANTIES REGARDING YOUR COMPUTER AND SOFTWARE AND THEIR USE THROUGH THE ION BANK ONLINE BANKING SYSTEM, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

### Services Available

The Ion Bank Online Banking system has been designed to allow you to control your financial tasks from a personal computer. Depending on the services requested, you will be able to:

- View a summary of your accounts, including loans, held at Ion Bank
- Transfer funds between accounts
- Access information regarding deposits, checks, electronic debits and credits and ATM transactions
- Establish payees and schedule current, future, recurring or non-recurring payments
- Categorize payments for budgeting and tax purposes
- Access reports to view payments to specific payees, categories of payments, cash flow and tax reports

You may use the Online Banking System to contact us by electronic mail (e-mail). The bank may not receive the e-mail immediately so if there are instances that need immediate attention, please contact us directly.

The bill payment feature to this system works this way:

1. You may authorize the bank to make a payment on your behalf to any person or entity with an address in the United States. The payment will be deducted from your account and either transferred electronically or sent by check to the payee you have named. Your authorization in this manner allows the bank to process these payments without your signature. You must have sufficient funds available in order to complete any authorized payments. Checks, electronic payments, withdrawals or other instruments drawn on your account will be paid by the bank in any order decided by the bank.

2. You should allow at least 8 (eight) business days before the due date of your payment for payments to be sent, and subsequently received, and processed by the payee. Recurring payments (such as a loan payment) can be set up in the Online Banking system for the same payee in the same amount and on the same date each month. Payments that are to be sent on a Saturday, Sunday or holiday will be processed on the next business day. Payment instructions must be received by 2:00 pm to be processed on that day. The bank is not responsible for delays in the delivery of payments by the US. Postal Service nor for any late charges or finance charges

that may be imposed as a result of your payment not being received or processed by the due date by the payee.

Since each individual has a personal user name and password, no transfers or payments may be made from any account that requires more than one signature.

Any charges or fees associated with your accounts have been provided to you in the bank's Schedule of Charges and all deposit agreements apply as applicable to the Online Banking system. If these charges or fees are amended at any time, you will be notified by mail of the changes.

The bank reserves the right to terminate your accounts and the use of the Online Banking system at any time. Upon termination the bank will make no further transfers or payments from your account, including any transactions you have previously authorized.

### **Electronic Funds Transfer Disclosure Relating to Online Banking**

When you opened your account with Ion Bank or began using a new service that involved the electronic transfer of funds, you received a disclosure explaining the terms and conditions relating to these types of transactions. Online Banking also uses electronic transfers to process some transactions. The section below describes the terms and conditions relating to electronic transfers when using the Online Banking system. Prior disclosures remain in effect for other types of electronic funds transfers.

#### **What is an "Electronic Funds Transfer"?**

"Electronic Funds Transfer" (EFT) is a transfer of funds by electronic means. The term EFT includes all point-of-sale transfers, ATM transfers (deposits and withdrawals), direct deposits, electronic payments, and transfers initiated by telephone or by a computer terminal.

EFT accounts, which can be either a checking or savings account, must be in the name of a natural person and be used only for personal, family, or household purposes.

To initiate an EFT transaction an "access device" is used. This can be a card, a code, or any other means of access to an account that a consumer can use to initiate electronic fund transfers or a combination of these. A computer password will be the access device for your Online Banking transfers.

#### **What Types of Services are Available Online?**

You may use your password to access your accounts in order to:

1. Transfer funds between your checking and statement savings accounts or from your checking or statement savings account to your loan or mortgage account. Checking accounts include all types of demand deposit accounts, Money Market Demand Accounts and NOW accounts.
2. Pay bills through the Online Banking system.

#### **What is a Business Day?**

Business days are Monday through Friday. Holidays are not included.

#### **How Frequently Can Transfers be Made?**

1. You may transfer funds as permitted in your Ion Bank Deposit Account Contract. The number of funds transfers and bill payments is unlimited except for Money Market Demand Accounts. If you use a Money Market Demand Account, a maximum of six transfers per monthly statement cycle by either a computer, telephone, wire, or pre-authorized transfers is allowed of which no more than three may be made by check or debit card (other than withdrawals from an ATM).
2. Transfers may take up to one business day depending on the day and time the transfer is requested. Transfers will be made if funds are available. For security reasons, there are limits on the dollar amount of transactions from your accounts.

### **What if a Transfer is Not Made?**

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:

- If, through no fault of ours, you do not have enough money in your account to make the transfer
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer
- If the computer, software, or Internet Service Provider you used to conduct the transaction fails or malfunctions
- If you have not provided complete, correct and current information needed to make a transfer or process a bill payment
- If you do not authorize a bill payment allowing sufficient time for the payment to be made and properly credited by the payee by the time it is due or if the payee fails to credit your account promptly upon receipt
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken
- For any indirect, incidental, special or consequential damages that were not intentional but the result of a bona fide error, notwithstanding our procedures to avoid such errors.
- There may be other exceptions stated in our agreement with you.

### **What Documentation Will You Receive?**

You can get balance and transactional information on any day. This information may only be current as of the close of business on the previous business day.

If you make a transfer from one type of account to another, you will receive a confirmation and reference number for the transaction on the computer. You are advised to either print this confirmation or copy down the reference number for your records.

### **Can Payments Be Stopped?**

If you have transmitted a bill payment request, you can void your request using the Online Banking system. Your request to void the transaction must be transmitted at least one business day prior to the bill payment transmit date.

If you are unable to access the Online Banking system and wish to void an individual or recurring bill payment request, you can call us at 203.729.4442, toll free 877.729.4442 or write us at Ion Bank, PO Box 370, Naugatuck, CT 06770-0370 Attn: Operations Department and we will make a good faith effort to stop the processing of the bill payment request. Your instructions must describe the bill payment request with reasonable certainty (it must include the transmit date, amount of payment and payee).

We will not be liable if we fail to stop the processing of a bill payment request because you did not provide us with sufficient information or you did not allow us a reasonable opportunity to act on it. We will not be liable if the processing of a bill payment request causes checks drawn on your account to be returned for insufficient funds. If we do stop the processing of a bill payment request at your direction, you agree to pay all costs we may incur as a result.

Oral or written stop payment instructions are good for 180 (one hundred eighty) days unless we receive written notice to remove it or renew it before the 180 (one hundred eighty) day period expires. If you ask us to stop one of these payments 3 (three) business days or more before the bill payment request is scheduled to be processed, and we do not do so, we will be liable for your losses or damages.

### **What are the Charges for EFT Services?**

Any charges for EFT services are contained in Ion Bank's Schedule of Charges under the heading "EFT Charges".

### **What Third Parties Will Be Given Information?**

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

- Where it is necessary for completing transfers, or
- In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, or
- In order to comply with government agency or court orders, or
- If you give us your written permission.

### **What You Should do if Your Password is Lost or Stolen?**

When you apply for Online Banking you will be provided with a user name and a temporary password. You must select a new password immediately upon accessing Online Banking for the first time. In order to limit your liability, tell us AT ONCE if you believe your password has been lost or stolen.

Telephoning Ion Bank about your password is the best way of keeping your possible losses to a minimum. You could lose all the money available for withdrawal in your account. If you tell us within two business days you can lose no more than \$50 if someone used your password without your permission. If you do NOT tell us within 2 (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 the money in your accounts 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, tell us at once. If you do not tell us within 60 (sixty) days after the statement was mailed to you, you may not get back any money you lost after the 60 (sixty) 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.

If you believe your password has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call 203.729.4442 or toll free 877.729.4442 or write Operations Department, Ion Bank, PO Box 370, Naugatuck, CT 06770-0370.

### **What Should You Do In Case of Errors or Questions**

In case of errors or questions about your electronic transfers, telephone us at 203.729.4442, toll free 877.729.4442 or write us at: Operations Department, Ion Bank, PO Box 370, Naugatuck, CT 06770-0370 as soon as you can. If you think your statement is wrong or if you need more information about a transfer listed on the statement. We must hear from you no later than 60 (sixty) days after we sent the FIRST statement on which the problem or error appeared.

We will need to know:

- Your name and account number
- A description of the error or the transfer you are unsure about, and a clear explanation of why you believe it is an error, or why you need more information
- 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 (ten) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 (ten) business days 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 (ten) business days, we may not credit your account.

We will tell you the results within three business days after completing our investigation. If we decide 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.

### **Expedited Funds Availability**

Our policy is to make funds from your deposits at a staffed teller station available to you immediately. Funds from electronic direct deposits and wire transfers into your account will be available on the day we receive them. Funds from deposits at an unstaffed facility, such as an ATM, are available to you on the 1<sup>st</sup> (first) business day after the banking day of your deposit. Once available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

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 2:00 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 2:00 P.M. or on a day that we are not open, we may consider that the deposit was made on the next business day we are open.

### **Longer Delays May Apply**

In some cases, we may not make all of the funds that you deposit by check at a staffed teller station available to you on the day of your deposit. Likewise, in some cases, we may not make all of the funds that you deposit by check at an unstaffed facility available to you on the first business day after the day of deposit. Depending on the type of check that you deposit, funds may not be available until the 2<sup>nd</sup> (second) business day after the day of your deposit. However, the first \$200.00 of your deposits will be available on the first business day after the day of deposit.

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.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available immediately but delay your ability to withdraw corresponding amounts of funds that you have on deposit in another account with us.

If we are going to delay the availability of the funds from your deposit or if we are going to delay the availability of funds in another account, we will notify you at the time you make your deposit. We will also tell you when the funds will be made available. If your deposit is not made directly to one of our employees, or if we 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 need the funds from a deposit right away, you should ask us when the funds will be available.

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 \$5,000.00 on any one day
- We/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 communications or computer 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 7<sup>th</sup> (seventh) business day after the day of your deposit.

### **Special Rules for New Accounts**

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

1. Funds from electronic direct deposits and wire transfers into your account will be available on the day we receive them. Funds from deposits of cash and the first \$5,000.00 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 day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. If you do not make the deposit in person to one of our employees, the first \$5,000.00 will not be available until the first business day after the day of your deposit.

2. Funds in excess of \$5,000.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will generally be available immediately if the deposit is made at a staffed teller station, and on the first business day after the day of deposit if the deposit is made at an unstaffed facility. In some cases, we may delay the availability of such deposits to a new account. If we do, the funds may not be available until the ninth business day after the day of deposit.

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

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

**FACTS**

**WHAT DOES ION BANK DO WITH YOUR PERSONAL INFORMATION?**

<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>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>■ Social Security number and payment history</li> <li>■ Credit history and overdraft history</li> <li>■ Account balances and transaction history</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
<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 Ion Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Ion Bank 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>	Yes	No
<b>For our affiliates’ everyday business purposes—</b> information about your transactions and experiences	Yes	No
<b>For our affiliates’ everyday business purposes—</b> information about your creditworthiness	No	We don’t share
<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>	<ul style="list-style-type: none"> <li>■ Call 203.729.4442 or toll free 1.877.729.4442 or</li> <li>■ Mail the <b>form</b> below</li> </ul> <p><b>Please note:</b> If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we provided this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>
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<b>Questions?</b>	Call 203.729.4442 or toll free 1.877.729.4442
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**Mail-in Form**

Mark below if you want to limit:		
<input type="checkbox"/> Do not allow your affiliates to use my personal information to market to me.		
Name		<b>Mail to:</b> Ion Bank P.O. Box 370 Naugatuck, CT 06770 <b>Attn: Operations</b>
Address		
City, State, Zip		
Last 4 digits of Tax ID Number		

Who we are	
<b>Who is providing this notice?</b>	Ion Bank; Ion Financial, MHC; Ion Insurance, Nutmeg Financial Holdings, LLC and Ion Bank Mortgage Corp. (“Affiliates”)
What we do	
<b>How does Ion Bank protect my personal information?</b>	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.
<b>How does Ion Bank collect my personal information?</b>	<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>■ provide account information or apply for insurance</li> <li>■ show your government-issued ID</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can’t I limit all sharing?</b>	<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>
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your choices will apply to everyone on your account.
Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Our affiliates may include financial companies such as: Insurance Companies, Brokerage Companies, Other Banks, Mortgage Companies or Financial Service Providers.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Ion Bank and its affiliates do not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<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>Our joint marketing partners include: Insurance Companies, Broker-Dealer and Insurance Agencies. Companies that provide marketing services for us, such as bulk mailing companies, direct marketing companies, market research firms and marketing consultants.</i></li> </ul>