



**LUZERNE BANK**

*Member of the Penns Woods Bancorp Family*

# PRODUCT & SERVICE GUIDE

IMPORTANT INFORMATION REGARDING YOUR ACCOUNTS



Penns Woods Bancorp, Inc.

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Dear Valued Customer:

On behalf of the entire Penns Woods Bancorp, Inc., family we would like to take this opportunity to thank you for your business.

On June 1, 2013 the addition of Luzerne Bank to Penns Woods Bancorp, Inc. (PWB) was finalized. Since that time we have been upgrading systems, evaluating operational functions as well as reviewing the products and services offered at both Luzerne Bank and Jersey Shore State Bank (JSSB). Luzerne Bank will continue to operate as Luzerne Bank with the added benefit of using Jersey Shore State Bank ATMs to access your Luzerne Bank accounts with no fees.

We will begin a product and system conversion on April 3, 2014. Effective with the start of business on April 4, 2014, Luzerne Bank will introduce changes to deposit accounts, fees, and account rules. We are working hard to make this conversion as smooth as possible. This booklet will answer many of the questions you have about your accounts. Should you have any additional questions please call Luzerne Bank at 1.800.447.9464.

Thank you for doing business with Luzerne Bank and Penns Woods Bancorp, Inc.

Sincerely,

Richard A. Grafmyre, CFP<sup>®</sup>  
President & CEO  
Penns Woods Bancorp, Inc.

Robert Glunk  
President & CEO  
Luzerne Bank



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## **IMPORTANT INFORMATION FREQUENTLY ASKED QUESTIONS**

**Q. When was the acquisition of Luzerne Bank by Penns Woods Bancorp Inc. complete?**

A. June 1, 2013

**Q. Why am I being contacted now?**

A. We will begin a product and system conversion on April 3, 2014. Effective with the start of business on April 4, 2014, Luzerne Bank will introduce changes to deposit accounts, fees, and account rules. Please refer to the Product & Service section of this booklet for account changes.

**Q: Will Luzerne Bank's name change following the changes?**

A: No. It will remain Luzerne Bank.

**Q: Is there anything I need to do right now?**

A: No. Just keep banking as usual. We are working to make the transition as easy as possible. For detailed information on account changes, please read the information in this booklet and feel free to call Luzerne Bank at 1.800.447.9464.

**Q: Why will there be changes to the existing products or services?**

A. In reviewing the products and services at the Penns Woods Bancorp, Inc. family of banks, we feel we have created a streamlined competitive line of products at both banks to help you meet your financial needs. These differences are outlined in the Product & Service section of this booklet.

### **DEPOSITS**

**Q. Will my deposit account numbers change?**

A. No. Deposit account numbers will remain the same.

**Q. Do I need a new bank routing number for electronic transactions?**

A. No. The Luzerne Bank routing number will remain 031312288.

**Q. Will Luzerne Bank customers have to re-establish any direct deposits or automatic payments that were previously set-up?**

A. No. All direct deposits and automatic payments will transfer with the change to the new operating system.

**Q. Will the rate or term of my Certificate of Deposit change?**

A. No. All current CD rates and terms will be honored.

**Q. What will happen to my Individual Retirement Account?**

A. All current IRA rates and terms will be honored.

**Q. What will happen to my Christmas and Tax Accounts?**

A. All current rates and terms will be honored.

**Q. Will this acquisition affect the FDIC insurance on my deposit account?**

A. There should be no affect with the FDIC insurance on your Luzerne Bank accounts. If you have deposit accounts at any PWB bank your FDIC insurance will be counted separately.

**TELEPHONE BANKING**

**Q. Will the Luzerne Bank Telephone Banking phone number change?**

A. No. It will continue to be 570.331.0434 and 570.602.4434 for the Pittston-Scranton area.

**Q. Will Telephone Banking be available during the product and system conversion?**

A. No. Telephone Banking will be unavailable from April 3 – April 7. Contact your local Luzerne Bank Branch during normal business hours for information on your Luzerne Bank account.

**Q. Will there be any changes to the Telephone Banking system?**

A. When you use the Telephone Banking system for the first time after April 7, you will be asked to re-establish a PIN.

**Quick Reference Guide to Telephone Banking**

Press 1 for Checking or Money Market Information

Press 2 for Savings Account Information

Press 3 for CD or IRA information

Press 4 for Loan Information

Press 5 to Transfer funds between accounts or make a loan payment

Press 6 to change your PIN

Press 0 to speak to an Operator

**ATM/VISA® DEBIT CARD SERVICES**

**Q. Will I need a new Luzerne Bank Debit Card to access my accounts?**

A. No. Your current Luzerne Bank Debit Card will continue to work.

**Q. Will the Luzerne Bank ATMs be available during the product and system conversion?**

A. Yes. All Luzerne Bank ATMs will be operational during the conversion.

**Q. What are the daily withdrawal limits on my Luzerne Bank Debit Card following the system conversion completion on April 7, 2014?**

A. The limits are \$1,000 for ATM withdrawals per calendar day and \$2,000 for Point of Sale transactions per calendar day.

**INTERNET BANKING**

**Q. Will Internet Banking be available during the conversion?**

A. You will have the ability to view your account information April 3 – April 7. Bill Payment and account transfers will not be available during this time. A Demo of the new Internet Banking product will be available on luzernebank.com on March 3.

**Q. Will my Internet Banking login ID and Password change?**

A. Your Internet Banking ID login will not change. Your initial password will be the last 4 digits of your tax ID or Social Security Number. After your initial sign in, you will be prompted to change your password.

**Q. Will my Bill Payment payees transfer?**

A. Not all bill payment information will transfer. In the event that your bill payment information does not transfer, you will need to re-establish payee information, and scheduled payments after the conversion. New payees cannot be established March 28 – April 7.

**Access Internet Banking at [www.luzernebank.com](http://www.luzernebank.com)**

**OTHER INFORMATION**

**Q. Will my deposit and loan statements change?**

A. The content and look of your loan and deposit statements may vary from what you are currently seeing each month.

**Q. Will there be changes to my Safe Deposit Box?**

A. No. If you currently have a safe deposit box lease, the terms, rate and conditions will not change.

**Q. Will my automatic loan payment continue from my Luzerne Bank deposit account?**

A. Yes.



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**PRODUCT & SERVICE INFORMATION**

The following section will help you identify any changes that will be made to your accounts and services. All account changes will become effective on April 4, 2014.

For additional information, please refer to the Disclosures and Fee Schedule in this booklet for additional changes to your accounts. Please contact Luzerne Bank at 1.800.447.9464 for any additional questions.

<b>PERSONAL DEPOSIT ACCOUNTS</b>		
<b>Current Luzerne Bank Account</b>	<b>Will Be</b>	<b>Features of Your New Luzerne Bank Account Effective April 4, 2014</b>
<b>Free Personal Checking</b> <b>Direct Deposit Free Checking</b> <b>Regular Checking</b>	Easy Checking	<ul style="list-style-type: none"> <li>• No minimum balance</li> <li>• No monthly maintenance fee</li> <li>• No Fee for Luzerne Bank &amp; JSSB ATM usage</li> <li>• Unlimited Check Writing</li> <li>• \$15 fee to sweep from other Luzerne Bank Deposit Account</li> <li>• No Fee Luzerne Bank Debit Card</li> <li>• No Fee Telephone Banking</li> <li>• No Fee e-Statements</li> <li>• Non-Interest bearing</li> </ul>
<b>Good Neighbor Senior Checking</b>	Advantage 55 Checking	<ul style="list-style-type: none"> <li>• No minimum balance</li> <li>• No monthly maintenance fee</li> <li>• No Fee for Luzerne Bank &amp; JSSB ATM usage</li> <li>• Unlimited Check Writing</li> <li>• No Fee for checks (2 Check orders / year)</li> <li>• No Fee Luzerne Bank Debit Card</li> <li>• No Fee Telephone Banking</li> <li>• No Fee e-Statements</li> <li>• No Fee Financial Service Consultation</li> <li>• No Fee to sweep funds from other Luzerne Bank Deposit Account</li> </ul>
<b>Good Neighbor Checking</b> <b>Good Neighbor Special Checking</b>	Advantage Gold Checking	<ul style="list-style-type: none"> <li>• Unlimited Check Writing</li> <li>• No Fee Debit Card</li> <li>• No Fee for Luzerne Bank &amp; JSSB ATM usage</li> <li>• No Fee Telephone Banking</li> <li>• No Fee Financial Services Consultation</li> <li>• No Fee e-Statements</li> <li>• No Fee to sweep funds from other Luzerne Bank Deposit Account</li> </ul>

		<ul style="list-style-type: none"> <li>No Fee if deposit and loan combined balance of \$25,000 with \$1,000 in a Luzerne Bank Checking Account. \$10 fee if balance requirements are not met.</li> <li>Interest accrues the business day we receive credit for the deposit of non-cash items.</li> <li>Your interest rate and Annual Percentage Yield will be determined by the tier where your balance falls.</li> <li>Tiered Interest (interest compounds monthly) <ul style="list-style-type: none"> <li>\$0 - \$4,999.99</li> <li>\$5,000-\$49,999.99</li> <li>\$50,000 - \$99,999.99</li> <li>\$100,000+</li> </ul> </li> </ul>
<b>Super NOW</b>	Advantage Checking	<ul style="list-style-type: none"> <li>Unlimited Check Writing</li> <li>No Fee Debit Card</li> <li>No Fee for Luzerne Bank &amp; JSSB ATM usage</li> <li>No Fee Telephone Banking</li> <li>No Fee e-Statements</li> <li>No Fee to sweep funds from other Luzerne Bank Deposit Account</li> <li>\$5.00 fee if balance falls below \$1,000</li> <li>Interest accrues the business day we receive credit for the deposit of non-cash items.</li> <li>Your interest rate and Annual Percentage Yield will be determined by the tier where your balance falls.</li> <li>Tiered Interest (interest compounds monthly) <ul style="list-style-type: none"> <li>\$0 - \$4,999.99</li> <li>\$5,000-\$49,999.99</li> <li>\$50,000 - \$99,999.99</li> <li>\$100,000 +</li> </ul> </li> </ul>
<b>Personal Money Market Account</b> <b>Personal Money Market Tiered Account</b> <b>Personal Diamond Club Money Market</b>	Money Market Account	<ul style="list-style-type: none"> <li>No Fee Debit Card</li> <li>No Fee for Luzerne Bank &amp; JSSB ATM usage</li> <li>No Fee Telephone Banking</li> <li>No Fee Financial Services Consultation</li> <li>No Fee e-Statements</li> <li>\$5.00 fee if balance falls below \$2,000</li> <li>Limit of six third party transactions per month or similar period.</li> <li>Excessive transfer fee of \$5.00 per withdrawal or debit in excess of six per month or similar period.</li> <li>Interest accrues the business day we receive credit for the deposit of non-cash items.</li> <li>Your interest rate and Annual Percentage Yield will be determined by the tier where your balance falls.</li> <li>Tiered Interest (interest compounds monthly)</li> </ul>



		<ul style="list-style-type: none"> <li>o \$0 - \$4,999.99</li> <li>o \$5,000-\$49,999.99</li> <li>o \$50,000 - \$99,999.99</li> <li>o \$100,000+</li> </ul>
<b>Statement Savings</b> <b>Star Savings</b>	Statement Savings	<ul style="list-style-type: none"> <li>• No Fee Telephone Banking</li> <li>• Interest Compounds Quarterly</li> <li>• Limit of 6 third party transfers per month or similar period</li> <li>• Excessive transfer fee of \$5.00 per withdrawal or debit in excess of six per month or similar period</li> <li>• If balance falls below \$100, account is subject to \$5.00 minimum balance fee</li> <li>• Minimum balance requirements waived for account owners under 18</li> </ul>
<b>Club Accounts</b> <b>No Check Club Account</b>		<ul style="list-style-type: none"> <li>• All Current Terms and Rates will be honored</li> </ul>
<b>Certificate of Deposits (CD)</b> <b>Star CD</b> <b>Flex CD</b>	CDs	All current CD rates and terms will be honored until maturity. You will receive a maturity notice 20 days in advance of the maturity date.
<b>IRAs</b> <b>IRA Growth CD</b>	IRAs	All current IRA rates and terms will be honored until maturity. You will receive a maturity notice 30 days in advance of the maturity date.

## BUSINESS DEPOSIT ACCOUNTS

Current Luzerne Bank Account	Will Be	Features of Your New Luzerne Bank Account Effective April 4, 2014
<b>Small Business Checking</b> <b>Better Business Checking</b> <b>Non Profit Checking</b> <b>Cash Management Checking</b>	Business Checking	<ul style="list-style-type: none"> <li>• Unlimited Check Writing</li> <li>• No Fee if maintain \$400 balance. \$2.00 plus \$0.25 per check fee exceeding 8; no more than \$6.00 will be charged.</li> <li>• No Fee Debit Card</li> <li>• No Fee for Luzerne Bank &amp; JSSB ATM usage</li> <li>• No Fee Telephone Banking</li> <li>• No Fee e-Statements</li> </ul>
<b>Commercial Checking</b>	Commercial Checking	<ul style="list-style-type: none"> <li>• Unlimited Check Writing</li> <li>• No monthly minimum balance</li> <li>• Monthly fee \$7.00</li> <li>• \$.15 Deposit Ticket</li> <li>• \$.10 items deposited</li> <li>• \$.10 Per check paid</li> <li>• Service charges are offset by an earnings credit</li> </ul>
<b>Municipal Checking</b>	Business SNOW Checking	<ul style="list-style-type: none"> <li>• Unlimited Check Writing</li> <li>• No Fee Debit Card</li> <li>• No Fee for Luzerne Bank &amp; JSSB ATM usage</li> <li>• No Fee Telephone Banking</li> <li>• No Fee e-Statements</li> <li>• No Fee to sweep funds from other Luzerne Bank Deposit Account</li> <li>• \$5.00 fee if balance falls below \$1,000</li> <li>• Interest accrues the business day we receive credit for the deposit of non-cash items.</li> <li>• Your interest rate and Annual Percentage Yield will be determined by the tier where your balance falls.</li> <li>• Tiered Interest (interest compounds monthly) <ul style="list-style-type: none"> <li>o \$0 - \$4,999.99</li> <li>o \$5,000-\$49,999.99</li> <li>o \$50,000 - \$99,999.99</li> <li>o \$100,000+</li> </ul> </li> </ul>
<b>Business Money Market</b> <b>Business Money Market Tiered</b> <b>Business Diamond Club Money Market</b>	Money Market Account	<ul style="list-style-type: none"> <li>• No Fee Debit Card</li> <li>• No Fee for Luzerne Bank &amp; JSSB ATM usage</li> </ul>

	<ul style="list-style-type: none"> <li>• No Fee Telephone Banking</li> <li>• No Fee Financial Services Consultation</li> <li>• No Fee e-Statements</li> <li>• \$5.00 fee if balance falls below \$2,000</li> <li>• Limit of six third party transactions per month or similar period.</li> <li>• Excessive transfer fee of \$5.00 per withdrawal or debit in excess of six per month or similar period.</li> <li>• Interest accrues the business day we receive credit for the deposit of non-cash items.</li> <li>• Your interest rate and Annual Percentage Yield will be determined by the tier where your balance falls.</li> <li>• Tiered Interest (interest compounds monthly) <ul style="list-style-type: none"> <li>o \$0 - \$4,999.99</li> <li>o \$5,000-\$49,999.99</li> <li>o \$50,000 - \$99,999.99</li> <li>o \$100,000+</li> </ul> </li> </ul>	
<b>Business Savings</b>	Statement Savings	<ul style="list-style-type: none"> <li>• No Fee Telephone Banking</li> <li>• Interest Compounds Quarterly</li> <li>• Limit of 6 third party transfers per month or similar period</li> <li>• Excessive transfer fee of \$5.00 per withdrawal or debit in excess of six per month or similar period</li> <li>• If balance falls below \$100, account is subject to \$5.00 minimum balance fee</li> </ul>

## LOAN SERVICES

All terms and conditions on current Luzerne Bank loans will remain the same following the system conversion. No action on your part is necessary. In addition, any automatic payments toward your loan will also continue uninterrupted.



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## REGULATION CC FUNDS AVAILABILITY DISCLOSURE

### Changes in Bold

**YOUR ABILITY TO WITHDRAW FUNDS AT LUZERNE BANK.** 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. However, funds from 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/or we will use them 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 our branch closes 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 our branch closes or on a day we are not open, we will consider that the deposit was made on the next business day we are open.**

**Reservation of Right to Hold.** 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 \$200 of your deposit, however, may be available on the first business day after the day of your deposit. 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 business 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.

**Longer Delays May Apply.** We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- We believe a check you deposit will not be paid.
- 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.

**Holds On Other Funds.** If we cash a check for you that is drawn on another financial institution, 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 financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

**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 \$5,000 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. The excess over \$5,000 will be available on the first 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 \$5,000 will not be available until the second business day after the day of your deposit.**

**Funds from deposits of checks drawn on Luzerne Bank will be available on the first business day after the day of your deposit. Funds from all other check deposits will be available on the ninth business day after the day of your deposit.**

**ATM Processing cutoff times:** If you make a deposit at an ATM before 3:30 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 at an ATM after 3:30 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.



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## Changes in bold

### ELECTRONIC FUNDS TRANSFER DISCLOSURE

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 FUNDS TRANSFER AGREEMENT AND DISCLOSURES

This Agreement and Disclosure is made in compliance with federal law regulating electronic funds transfer (EFT) services. Electronic funds transfers are electronically initiated transfers of money involving an account at the Financial Institution. The following disclosures set forth your and our rights and responsibilities concerning the electronic funds transfers. In this Agreement, the words "you" and "your" mean those who sign as applicants or any authorized user(s). The words "we", "us" and "our" mean the Financial Institution. The abbreviation "PIN" or word "code" means a personal identification number.

#### Government Direct Deposit

Types of Preauthorized Transfers: You may arrange for us to complete the following preauthorized transfers to your deposit accounts:

- Accept direct deposits from the U.S. Treasury Department to your checking or savings account.

Fees and Charges:

- We do not charge for any preauthorized EFTs.
- We will charge \$30.00 for each stop-payment order for preauthorized transfers.

#### Direct Deposit Non-Government Source

Types of Preauthorized Transfers: You may arrange for us to complete the following preauthorized transfers to your deposit accounts:

- Accept direct deposits from your employer or other financial institutions to your checking or savings account.

Fees and Charges:

- We do not charge for any preauthorized EFTs.
- We will charge \$30.00 for each stop-payment order for preauthorized transfers.

#### Preauthorized Debits

Types of Preauthorized Transfers: You may arrange for us to complete the following preauthorized transfers to or from your deposit accounts:

- Pay certain recurring bills from your checking or savings account.

Fees and Charges:

- We do not charge for any preauthorized EFTs.
- We will charge \$30.00 for each stop-payment order for preauthorized transfers.

#### Luzerne Bank Check Card

Types of Transactions/Transfers: You may use the card and PIN issued you to pay for purchases from merchants who have agreed to accept the card at Point of Sale (POS) terminals within the networks identified on your card and such other terminals as the Bank may designate from time to time. Point of Sale (POS) transactions will be deducted from your Primary Account. Point of Sale (POS) transactions involving a refund will be credited to your Primary Account. You may also use the card to pay for purchases from merchants that accept the POS debit card with a VISA symbol. You may use the automated teller machine (ATM) card and personal identification number (PIN) issued to you to initiate transactions at ATMs of ours, ATMs within the networks identified on your card and such other facilities as we may designate from time to time. Unless you specify a different account during Automated Teller Machine (ATM) transactions, your Primary Account will be used for your transactions. Your Primary Account number and information may be obtained from the Combined ATM/POS/Debit Card Request Form. At present you may use your card to (some of these services may not be available at all ATMs):

- Deposit funds to your checking account.
- Withdraw cash from your checking account.
- Deposit funds to your savings account.

- Withdraw cash from your savings account.
- Transfer funds between your checking and savings accounts.
- Obtain balance information on your deposit accounts.
- Make loan payments from your deposit accounts.
- Your Luzerne Bank Check Card may also:
  - Purchase goods in person, by phone, or online.
  - Pay for services in person, by phone, or online.
  - Get cash from participating merchant or financial institutions.

**Limitations on Frequency and Amount:**

- For security purposes, there are limits on the frequency and amount of transfers you may make using ATMs and this Point of Sale service.

**Fees and Charges:**

- There is no charge for ATM withdrawals at machines owned by us.
- There is a \$1.00 charge for each ATM withdrawal at machines we do not own.
- There is no charge for ATM deposits at machines owned by us.
- There is a Replacement Card Fee of \$5.00 per card.
- We do not charge for any POS transactions.

ATM 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).

### Telephone Banking

Types of Audio Response Services: You may access your deposit accounts by using a separate personal identification number (PIN) assigned to you and your account number in our audio response system. At the present time you may use the system to:

- Transfer funds between your deposit accounts.
- Obtain balance information on your deposit accounts.
- Verify the last date and amount of your payroll deposit.
- Determine if a particular check has cleared your account.
- Obtain history of recent deposits, withdrawals or transfers.

**Limitations on Frequency and Amount:**

- For security purposes, there are limits on the frequency and amount of transfers you may make using this Audio Response service.

**Fees and Charges for Audio Response Transactions:**

We do not charge for any Audio Response Transactions.

Other EFT Transactions. You may access certain account(s) you maintain with us by other EFT transaction types as described below.

Electronic Check Conversion. You may authorize a merchant or other payee to make a one-time electronic payment from your account using information from your check to pay for purchases or pay bills. Electronic check conversion is a payment process in which a merchant or other payee (after obtaining your authorization) uses your check to gather routing, account, and check number information to initiate a one-time EFT. When information from your check is used to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day you make your payment. This type of EFT transaction involving a consumer account is covered by the Electronic Funds Transfer Act and this disclosure. A description of the transaction will appear on your statement.

Re-presented Check Transactions and Fees. You may authorize a merchant to electronically collect a fee associated with the re-presentation of a check that is returned due to insufficient or unavailable funds. The resulting fee transaction if debited as an EFT from a consumer account is covered by the Electronic Funds Transfer Act and this disclosure. When a merchant re-presents a check electronically, that transaction is not covered by the Electronic Funds Transfer Act or this disclosure. A description of the transaction will appear on your statement.

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 financial institution information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your financial institution 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, saving or IMM or Club Accounts.
- + Preauthorized payments - You may make arrangements to pay certain recurring bills from your checking, savings or IMM accounts.

The following limitations may be applicable to your accounts, except as provided by law:

**Liability for Unauthorized VISA® Point of Sale Debit Card Transactions.** Tell us, AT ONCE, if you believe your VISA® point of sale debit card has been lost or stolen or of any unauthorized transactions. Your liability for unauthorized VISA point of sale debit card transactions that take place on the VISA® system is Zero dollars (\$0.00). We may require you to provide a written statement regarding claims of unauthorized VISA point of sale debit card transactions.

These provisions limiting your liability do not apply to VISA® commercial credit cards, ATM transactions, or PIN transactions not processed by VISA; and apply only to cards issued in the United States. With respect to unauthorized transactions, these limits may be exceeded to the extent allowed under applicable law (see Liability for Unauthorized Transfers paragraph below) only if we determine that you were grossly negligent or fraudulent in the handling of your account or point of sale debit card. For specific restrictions, limitations, and other details see your Cardholder Agreement. To notify us of lost or stolen cards, or of unauthorized transactions, call or write to us at the telephone number or address set forth below. This will help prevent unauthorized access to your account and minimize any inconvenience.

VISA® is a registered trademark of Visa® International.

In addition to the limitations set forth above, the following limitations may be applicable to your accounts:

**Liability for Unauthorized Transfers.** Tell us AT ONCE if you believe your card, ATM PIN, POS card or PIN, or Audio Response PIN 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 two (2) business days after you learn of the loss or theft of your card or code, you can lose no more than \$50.00 if someone used your card or code without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card or code, and we can prove that we could have stopped someone from using your card or code without your permission if you had told us, you could lose as much as \$500.00. 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 sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty (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. If you believe that your card or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (570) 288-2811, or write us at Luzerne Bank, Attn: Deposit Operations, 118 Main Street, Luzerne, PA 18709. You should also call the number or write this address if you believe a transfer has been made using the information from your check without your permission.

**Illegal Transactions.** You may not use your ATM, POS, or Debit Card, or other access device for any illegal or unlawful transaction, and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness. Notwithstanding the foregoing, we may collect on any debt arising out of any illegal or unlawful transaction.

**Business Days.** For purposes of these electronic funds transfer disclosures, our business days are Monday through Friday. Holidays are not included.

**Stop Payments on ATM, POS, or Debit Card Transactions.** You may not place a stop payment order on any ATM, POS, or debit card transaction.

**Documentation.**

**Periodic Statement.** You will get a monthly account statement from us on your checking account. For all other accounts you will get a monthly account statement from us, unless there are no transactions in those accounts in a particular month (in which case you will get a statement at least quarterly). You will get a quarterly statement from us on your savings account if this is the only account you maintain and the only possible electronic transfer to or from the account is a preauthorized deposit. If you have a passbook account, you may bring your passbook to us and we will record any direct deposits that we made to your account since the last time you brought in your passbook.



Terminal Receipt. You can get a receipt at the time you make a transfer to or from your account using one of our ATMs or a POS terminal. However, receipts for transactions of \$15.00 or less may not always be available.

Direct Deposits. If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can call us at (570)288-4511 to find out whether or not the deposit has been made.

**Our 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:

- If, through no fault of ours, you do not have enough money in your account to make the transfer.
- If the money in your account is subject to legal process or other claim restricting such transfer.
- If the transfer would go over the credit limit on your overdraft line.
- If the ATM where you are making the transfer does not have enough cash.
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transaction, despite reasonable precautions that we have taken. There may be other exceptions stated in our agreement with you.

**In Case of Errors or Questions About Your Electronic Transfers.** Telephone us at (570) 288-4511, or write us at Luzerne Bank, Attn: Deposit Operations, 118 Main Street, Luzerne, PA 18709 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 sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any).
- 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.
- 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 ten (10) business days.

We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty five (45) days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) 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 ten (10) business days, we may not credit your account.

If a notice of error involves an electronic fund transfer that occurred within thirty (30) days after the first deposit to the account was made, the error involves a new account. For errors involving new accounts, point of sale debit card transactions, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

If a notice of error involves unauthorized use of your point of sale debit card with the VISA® logo when it is used as a VISA point of sale debit card, we will provide provisional credit within five (5) business days after you notify us instead of within ten (10) or twenty (20) business days.

We may withhold providing this accelerated provisional credit, to the extent allowed under applicable law, if the circumstances or account history warrants the delay.

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

- To complete transfers as necessary;
- To verify the existence and condition of your account upon the request of a third party, such as a credit bureau or merchant; or To comply with government agency or court orders; or
- If you give us your written permission

**Personal Identification Number (PIN).** The ATM PIN, POS PIN or Audio Response PIN issued to you is for your security purposes. The numbers are confidential and should not be disclosed to third parties or recorded on the card. You are responsible for safekeeping your PIN(s). You agree not to disclose or otherwise make your ATM PIN, POS PIN or Audio Response PIN available to anyone not authorized to sign on your accounts.



Notices. All notices from us will be effective when we have mailed them or delivered them to your last known address on our records. Notices from you will be effective when received by us at the telephone number or the address specified in this Agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you at least twenty one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing your account and any future changes to those regulations.

Enforcement. In the event either party brings a legal action to enforce this Agreement or collect amounts owing as a result of any Account transaction, the prevailing party shall be entitled to reasonable attorneys' fees and costs, including fees on any appeal, subject to any limits under applicable law.

Termination of ATM, POS and Audio Response Services. You agree that we may terminate this Agreement and your use of the ATM Card, POS or Audio Response services, if:

- You or any authorized user of your ATM PIN, POS card or PIN or Audio Response PIN breach this or any other agreement with us;
- We have reason to believe that there has been an unauthorized use of your ATM PIN, POS card or PIN or Audio Response PIN;
- We notify you or any other party to your account that we have cancelled or will cancel this Agreement. You or any other party to your account can terminate this Agreement by notifying us in writing.

Termination of service will be effective the first business day following receipt of your written notice. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

Preauthorized Electronic Fund Transfers.

Stop Payment Rights. If you have told us in advance to make regular electronic fund transfers out of your account(s), you can stop any of these payments. Here's how: Call us or write to us at the telephone number or address set forth above, in time for us to receive your request three (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 fourteen (14) days after you call. We will charge you \$ 30.00 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, ten (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 Transfers. If you order us to stop one of these payments three (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.

Other Provisions. There may be a delay between the time a deposit is made and when it will be available for withdrawal. You should review our Funds Availability Policy to determine the availability of the funds deposited at ATMs. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account.

## Internet Banking

### Internet Banking Fees:

**Basic Service: Free (Third party Internet providers may charge a fee)**

**Bill Payment: First 25 transactions are free, \$.25 for each transaction after the first 25**

**Mobile Banking: Free (Third party Internet providers may charge a fee)**

**Text Banking: Free**

### Cut off Times:

**International Wire Transfers - 12:00pm**

**Domestic Wire Transfers - 3:30pm**



# LUZERNE BANK

Member of the Penns Woods Bancorp Family

Rev. 06/2013

FACTS	WHAT DOES THE PENNS WOODS BANCORP, INC AND SUBSIDIARIES (PWOD) DO WITH YOUR PERSONAL INFORMATION?
Why?	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.
What?	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>▪ assets and transaction history</li> <li>▪ income and credit history</li> </ul>
How?	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 PWOD chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does PWOD 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	Yes	Yes
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For nonaffiliates to market to you</b>	Yes	Yes

<b>To limit our sharing</b>	<ul style="list-style-type: none"> <li>▪ Mail the form 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 sent 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>	Go to <a href="http://pwod.com">pwod.com</a> and use the "Contact" button or email <a href="mailto:privacynotice@pwod.com">privacynotice@pwod.com</a>
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Mail-in Form		
<p>If you have a joint account, your choice(s) will apply to everyone on your account unless you mark below:</p> <p><input type="checkbox"/> Apply my choices only to me</p>	<p>Mark any/all you want to limit:</p> <p><input type="checkbox"/> Do not allow your affiliates to use my personal information to market to me.</p> <p><input type="checkbox"/> Do not share my personal information with nonaffiliates to market their products and services to me.</p> <p><input type="checkbox"/> Do not share information about my creditworthiness with your affiliates for their everyday business purposes.</p>	<p><b>Mail to:</b> Penns Woods Bancorp, Inc. Attn: Opt-Out Dept 300 Market Street Williamsport, PA 17701</p>
	<p>Name: <input type="text"/></p> <p>Address: <input type="text"/></p> <p>City, State, Zip: <input type="text"/></p>	

Who we are	
Who is providing this notice?	PWOD which includes Jersey Shore State Bank (JSSB) & Luzerne Bank (Luzerne)
What we do	
How does Penns Woods Bancorp, Inc 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 Penns Woods Bancorp, Inc 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 deposit money</li> <li>▪ pay your bills or apply for a loan</li> <li>▪ use your credit or debit card</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 choice will apply to everyone on your account – unless you tell us otherwise.
Definitions	
Affiliates	<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 include companies with a PWOD name; Financial Companies such as JSSB, Luzerne, JSSB Mortgage Company and others</i></li> </ul>
Nonaffiliates	<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>Non-affiliates we share with can include Mortgage Companies, Insurance Companies, Direct Marketing Companies and Non-Profit Organizations.</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>Our joint marketing partners include Financial Companies and Credit, Debit, and Stored Value Card Companies.</i></li> </ul>



# LUZERNE BANK

Member of the Penns Woods Bancorp Family

## SCHEDULE OF FEES

Changes in bold

ATM/Debit Card Replacement	\$5.00
<b>Non Luzerne &amp; JSSB ATM Transaction</b>	<b>\$1.00</b>
<b>Money Orders</b>	<b>\$15.00</b>
<b>Cashier's Checks</b>	<b>\$15.00</b>
Domestic Bank Draft	\$10.00
<b>Paid Item Fee (OD)</b>	<b>\$34.00 per item*</b>
<b>Returned Item Fee</b>	<b>\$34.00 per item*</b>
<b>Returned Check Fee</b>	<b>\$10.00 per item</b>
<b>Copy of checks/tickets/statement</b>	<b>\$2.00 per item</b>
<b>Account Research</b>	<b>\$25.00 per hour</b>
<b>Telephone Balance Inquiry</b>	<b>\$2.00</b>
<b>Telephone Transfer Fee</b>	<b>\$2.00 per trans.</b>
<b>Photocopy</b>	<b>\$0.25 per copy</b>
<b>Interim Statement</b>	<b>\$2.00</b>
<b>Return Mail fee</b>	<b>\$2.00</b>
<b>Escheat Fee</b>	<b>\$2.00</b>
<b>Easy Checking Sweep Fee</b>	<b>\$15.00</b>
<b>Lock Bags/Zipper Bags</b>	<b>Cost</b>
Stop Payments	\$30.00
<b>Incoming Wire Transfer Fee</b>	<b>\$10.00</b>
<b>Outgoing - Domestic Wire Transfer Fee</b>	<b>\$25.00</b>
<b>Outgoing - International Wire Transfer Fee</b>	<b>\$65.00</b>
<b>Currency Exchange</b>	<b>\$10.00</b>
<b>Collections</b>	<b>\$20.00</b>
<b>Dormant Account Fee</b>	<b>\$2.00 per cycle</b>
<b>Closing Account - 90 days</b>	<b>\$25.00</b>
<b>Safe Deposit Box Drilling</b>	<b>\$25.00 plus cost</b>
<b>Safe Deposit Box Inventory</b>	<b>\$25.00 per hour</b>
<b>Safe Deposit Box Key Replace</b>	<b>\$20.00</b>
<b>Savings/Club Early Withdrawal</b>	<b>\$10.00</b>
Night Depository	\$5.00 per year
Uncollected Funds	\$29.00 per item
<b>IRA Closeout Fee</b>	<b>\$25.00</b>
<b>Internet Banking</b>	
<b>Basic Service: Free (Third party Internet providers may charge a fee)</b>	
<b>Bill Payment: First 25 transactions are free, \$.25 for each transaction after the first 25</b>	
<b>Mobile Banking: Free (Third party Internet providers may charge a fee)</b>	
<b>Text Banking: Free</b>	

*\*The following transactions are ways to overdraw your account: teller transactions, writing a check, recurring debit card transactions, everyday debit card transactions if you opt in, ATM withdrawal if you opt in, ACH-auto debit, bill payment.*

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# LUZERNE BANK

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## LUZERNE BANK BRANCH LOCATIONS

### **Dallas Office**

509 Main Road  
Memorial Highway  
Dallas, PA 18612  
570.674.5442

### **Lake Office**

Corners of Rt. 118 & 415  
Dallas, PA 18612  
570.674.1503

### **Hazle Twp. Office**

10 Dessen Drive  
Hazle Twp., PA 18202  
570.450.7200

### **Main Office**

118 Main Street  
Luzerne, PA 18709  
570.288.4511  
1.800.447.9464

### **Plains Office**

(Next to the Woodlands)  
1077 Hwy. 315  
Wilkes Barre, PA 18702  
570.829.3900

### **Swoyersville Office**

801 Main Street  
Swoyersville, PA 18704  
570.287.1141

### **Wilkes-Barre Office**

67 Public Square  
Wilkes-Barre, PA 18701  
570.822.4211

### **Wyoming Office**

324 Wyoming Ave  
Wyoming, PA 18644  
570.613.0966

**Contact Us: 1-800-447-9464**

**[info@luzernebank.com](mailto:info@luzernebank.com)**

**Telephone Banking: 570.331.0434**

**Pittston-Scranton: 570.602.4434**

**Internet Banking: [www.luzernebank.com](http://www.luzernebank.com)**



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# LUZERNE BANK

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