

Retail Disclosure Statement & Cardholder Agreement

This document contains important information that we are required to furnish you regarding your rights and obligations associated with your account. Please read this material carefully and keep it for future reference. This is for your information only and requires no action on your part.

Effective August 2011

1. Agreement. An access method, which may consist of a card and personal identification number (PIN), a password or other means, will provide access to your accounts. By signing, using or authorizing use of the card, PIN, or password, or otherwise initiating an electronic transfer, you agree to be bound by these Terms and Conditions. If an account is joint, each account holder may access the account electronically and each account holder is responsible for the full amount of any transfers or withdrawals regardless of which holder accessed the account or what method of access was used.

2. Summary of Your Liability. Tell us AT ONCE if you believe your Card, Personal Identification Number (PIN), and/or password have been lost, stolen or used without your permission. Telephoning is the best way of keeping your possible losses down. You cannot lose more than \$50.00 and if you give us notice within 24 hours of the loss or theft you may not be liable for any amount.

If you discover that an unauthorized electronic funds transfer appears on your statement and you fail to give us notice of such unauthorized electronic funds transfer, within 60 days of when we send or make your statement available to you, you will be liable for the lesser of \$50.00, or the amount of the unauthorized electronic funds transfer(s). If you fail to give us notice of such unauthorized electronic funds transfer(s) that appear on your statement within 60 days of when we send or make your statement available to you, you will be liable for the lesser of \$50.00, or the amount of the unauthorized electronic funds transfer(s) occurring prior to 60 days after we send or make your statement available to you; and unlimited liability for unauthorized electronic funds transfers that occur after 60 days after we send or make your statement available to you.

IMPORTANT: If you believe your card is lost or stolen, please call us immediately at (800) 339-6573 or (207) 985-4903. If you need to report your card as lost or stolen during non-banking hours, please call (800) 264-5578 immediately and call Kennebunk Savings Bank on the next business day. For purposes of this disclosure, our business days are Monday through Friday. Saturday, Sunday, and holidays are not included.

3. Address and Telephone Number. If you believe your Card is lost or stolen or that someone has transferred or may transfer money from your account without your permission call: (800) 339-6573 or (207) 985-4903 or write: Kennebunk Savings Bank, 104 Main Street, PO Box 28, Kennebunk, ME 04043.

4. Types of Transfers and Limits on Transfers. We are able to handle the following types of Electronic Funds Transfers. Some may not apply to your accounts.

a. Transfers. You may use:

1. Your card at authorized facilities to:

- i. withdraw cash from your checking, money market and statement savings;
- ii. transfer funds between your checking, money market and statement savings, subject to any restrictions on account linkage which we may impose;

iii. pay for purchases at places that have agreed to honor the card and to accept payments from your checking account. If your Debit Card is an ATM card that accesses a checking account, you can use your Card and PIN at merchants who have agreed to accept the Card. These purchases will be deducted directly from the primary checking account on your ATM card;

- iv. if your Card is also a Debit Card you can use your Card and signature to pay for purchases wherever MasterCard® is accepted. You can also use your Card and PIN at merchants who have agreed to accept the Card. These purchases will be deducted directly from the primary checking account on your Debit Card. Your rights relating to refunds and returned merchandise are the same as when you pay with cash or check. You must resolve issues of this type directly with the merchant. It is the merchant's own policy and returns that governs these transactions
- v. if your Card is an ATM and Debit Card you may receive cash advances at selected financial institutions up to a daily limit of \$300.00.

2. To make a pre-authorized Transfer to:

- i. pay certain bills directly from your checking account;
- ii. receive certain automatic deposits to your checking and savings accounts

b. Electronic Check Conversion, WEB and TEL.

- i. Electronic Check Conversion is a process where your check is used by third parties as a source of information to make a one-time electronic funds transfer from your account. You may also authorize a merchant to electronically collect a returned check charge through an electronic funds transfer. When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction.

When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment, and you will not receive your check back from us.

- ii. A WEB code transaction is an electronic funds transfer that you authorize over the internet and provide your account and bank information to a third party to initiate the transfer.

iii. A TEL code transaction is similar to a WEB transaction except that you authorize the electronic funds transfer over the telephone.

c. Limitations on frequency of transfers. For security reasons, and to enforce federal regulations, there are certain limits on the number of transfers you can make using your Access Device.

For example:

- i. Each of your Money Market accounts* is limited as follows:

TRANSACTION TYPE	MAXIMUM PER MONTH
CHECKS	3
PRE-AUTHORIZED TRANSFERS	6
TELEPHONE TRANSFERS	6
IN-PERSON WITHDRAWALS MADE WITH TELLER WITHDRAWAL SLIPS	NO LIMIT
ATM TRANSACTIONS	NO LIMIT

*(These transactions are limited to a combined total of 6 per monthly statement cycle, only 3 of which can be by check. If any transaction exceeds any of these limitations, Kennebunk Savings reserves the right to convert your account to an interest-bearing checking account.) Aside from these, any limitations on the frequency of Transfers are a function of the limitation on dollar amounts of Transfers set forth below.

- d. Limitations on dollar amounts of transfers. Daily withdrawals from your accounts at our ATMs, other authorized facilities, and merchants who have agreed to accept the card shall not exceed the lesser of the daily withdrawal limits specified below or the balance in your account(s). You may request a different ATM, point of sale (POS), or ATM and Debit Card daily withdrawal limit.

Daily withdrawals from all of your accounts through ATMs shall not exceed the lesser of \$300.00 or your account balance. Daily cash advances from selected financial institutions shall not exceed \$300.00. Daily purchases at the POS which are activated by your PIN shall not exceed the lesser of the \$300.00 POS withdrawal limit or your account balance. For customers qualifying for an ATM and Debit Card, the daily limit for retail purchases not activated by the use of a PIN will be the lesser of your account balance or your maximum daily limit for Debit Card purchases. Check with any Customer Service Representative if you are uncertain of your limit. An ATM and Debit Card purchase is defined as a purchase at a MasterCard® merchant where you sign (as opposed to entering your PIN) for the transaction. Kennebunk Savings Bank reserves the right to reduce your daily withdrawal limit.

- e. All services may not be available at all automated teller machines and other authorized facilities, and withdrawal limitations at certain automated teller machines and certain other authorized facilities may differ.

5. Types of Available Transfers and Limits on Bank-By-Phone Telephone Banking and internet Kenn-e-banking (including Mobile Banking).

- a. Account access. A Personal Identification Number (PIN) and/or password will permit you to make the following transactions and inquiries on your accounts:
 1. Transfer funds from your checking account to pay your Kennebunk Savings residential mortgage or consumer loans.
 2. Transfer funds from your checking account to your statement savings account or from your statement savings account to your checking account.

- 3. Make account inquiries to your checking, savings, CD, and loan accounts.

- 4. Pay bills with CheckFree® at Kenn-e-banking.

- b. Limits on dollar amounts. There are no limits on the dollar amounts of transfers or transactions made by phone or through Kenn-e-banking or CheckFree® as long as there are enough funds available in your account to make them.

- c. Limits on frequency. Other than as shown in 4(c) above for Money Market accounts, there is no limit on the number of transfers, transactions, or inquiries.

- d. Recording permitted. The bank shall have the right to record, by any technical means, any transaction or inquiry made through the use of Telephone Banking.

- e. Hours. Telephone Banking and Kenn-e-banking are available 24 hours a day. Our electronic business day is a 24 hour period from 5:01 pm to 5:00 pm. If you make a loan payment or transfer after 5:00 pm it will be credited the next day.

For more information about Kenn-e-banking and Check Free® please see our website at www.kennebunksavings.com.

6. Right to Receive Documentation of Transfers.

- a. Terminal transfers. You will get a receipt at the time you make any Transfer with your Card to or from your account using an automated teller machine. However, this receipt is not final since each transaction is accepted subject to verification by us. If there is a conflict between the receipt and our records, our records will control.

- b. Pre-authorized credits or debits. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can use Kenn-e-banking or Bank-By-Phone to verify the deposit or call us at (800)339-6573 or (207)985-4903 to find out whether or not the deposit has been made. We are not liable if we have not received the direct deposit or pre-authorized debit instruction in sufficient time to process the request on its due date. We do not provide separate notification of any pre-authorized debits or credits to your account. We may cancel the direct deposit or pre-authorized debit service you receive at any time.

- c. Periodic statements. In connection with your checking and statement savings accounts, you receive a monthly account statement.

7. Stop Payment Procedure and Notice of Varying Amounts.

Unless otherwise provided in this agreement, you may not stop payment of an electronic funds transfer; therefore, you should not employ electronic access for purchases of goods or services unless you are satisfied that you will not need to stop payment.

- a. Right to stop payment and procedure for doing so. If you have told us in advance to make regular payments out of your account, you can stop any of those payments. Here's how: Call us at (800) 339-6573 or (207) 985-4903 or write us at Kennebunk Savings, 104 Main Street, PO Box 28, Kennebunk, Maine 04043 in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we will require you to put your request in writing within 14 days after you call. When making an oral or written order to stop payment, you must give us the date the payment will be made, the amount of the payment, and to whom the payment is to be made. As set forth in the Service Pricing Schedule

governing checking accounts, a service charge will be imposed for each stop-payment order you give.

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

8. Liability for Failure to Make Transfers. If we do not properly 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 certain of your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If through no fault of ours, your account has insufficient available funds to make the transfer
- If the funds in your account are subject to legal process, such as garnishment, attachment, or other lien.
- If an account which may be accessed by use of your Card becomes dormant, in which case we may eliminate card access to that account.
- If the automated teller machine where you are making the transfer does not have enough cash.
- If the system was not working properly and you knew about the breakdown when you started the transfer, or if circumstances beyond our control (such as fire or flood) prevent the transfer despite reasonable precautions we have taken. There may be other exceptions stated in our agreement(s) with you.

9. Disclosure of Account Information to Third Parties. In order to protect your privacy, we will not disclose any information about you or your account(s) to any person, organization, or agency except:

- a. where it is necessary for completing transfers; or
- b. to verify the existence and condition of your account and to provide a general range of balances for a third party, such as a credit bureau or merchant; or
- c. to comply with government agency or court orders, lawful subpoena; or
- d. to our employees, auditors, service providers, attorneys, or collection agents in the course of their duties; or
- e. to persons authorized by law in the course of their duties; or
- f. to a consumer reporting agency as defined by Title 10, Ch. 210 of Maine Revised Statutes Annotated; or
- g. by your written authorization which will expire automatically 45 days after receipt by us.

If an unauthorized disclosure occurs, we must inform you of the particulars within 3 days after we discover the unauthorized disclosure.

10. Error Resolution. In case of errors or questions about your electronic funds transfers, telephone us at (800)339-6573 or (207)985-4903 or write us at Kennebunk Savings Bank, 104 Main Street, PO Box 28, Kennebunk, Maine 04043 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we send you the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about and explain why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error and the date that the transaction occurred. If you tell us orally, we may require that you send us your complaint in writing within 10 business days.

We will generally tell you the results of our investigation within 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 45 calendar days to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within 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 the error involves an electronic funds transfer to or from your account within 30 days after the first deposit was made into the account, we will have 20 business days in which to determine whether an error occurred and 20 business days before we will provisionally credit your account. If we ask you to put your complaint in writing and we do not receive it within 10 business days, we may not provisionally credit your account. We may take up to 90 days to investigate your complaint instead of 45 days if the complaint involves an electronic funds transfer which was not initiated within the United States, resulted from a POS debit card transaction, or occurred within 30 days after the first deposit into the account was made. If we take this extra time your account will be provisionally credited as stated above within 10 business days.

If we decide that there was no error, we will send you a written explanation within 3 business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation. For a reasonable fee to cover our costs, we will provide you any copies you request.

If the alleged error concerns a transfer to or from a third party (for example, a Social Security payment) our investigation may be limited to a review of our own records. If we decide that there was no error, you may want to contact such third party to pursue the matter further.

NOTE: You should retain all of your receipts and record all transactions in your appropriate account register, e.g., your checkbook or savings register

11. Charge for Electronic Funds Transfers. There is no charge for direct deposits to any account type. We do not charge for pre-authorized withdrawals from any savings account. And, as long as you meet the minimum balance requirements, there is no charge for pre-authorized withdrawals from any type of checking account.

All transactions at Kennebunk Savings ATMs will be done at NO CHARGE. We will charge \$1.00 per withdrawal, transfer, or inquiry for transactions at other banks or terminals not owned by Kennebunk Savings. No charge will be imposed on Point-of-Sale transactions. Replacement cost for your card is \$5.00.

Except as indicated above, we do not charge for electronic funds transfers. We may, in the future, impose other charges in connection with transactions you initiate with the Card. Any charges imposed will be specified from time to time by written notice to you.

When you use an ATM not owned by us, you may be charged a fee by the ATM operator and you may be charged a fee for a balance inquiry even if you do not complete a funds transfer.

SPECIAL TERMS AND CONDITIONS FOR CARDS

12. The Card is your personal access device to the account(s) you select. You will use the Card in accordance with the operating information which you will receive with your Card and will be responsible for authorized use of the Card. The Card is intended for your personal use only. Your use or use by anyone with actual authority or for your benefit constitutes an authorized use. If you have a problem remembering your selected PIN and would like to select a new one, you may apply for a new card.

The use of the PIN together with your Card is intended to prevent your Card from being improperly used. In order to protect this security, do not write your PIN on your Card or keep your PIN close to your Card. You should not tell your PIN to anyone.

13. The use of the Card to purchase goods and services at merchant locations or to withdraw cash will constitute a simultaneous withdrawal from and/or demand upon your account, even though the transaction may not actually be posted to your account until a later date. Transactions will be posted to your account in the order and with the same legal effect as checks drawn on the account.

14. Anyone honoring the Card may be required to obtain approval or authorization for any transaction over a certain dollar amount. The authorization will create a hold on your account for the authorized amount.

15. Any hold placed on your account may reduce the available funds in your account so that other checks or transfers presented to us for payment may not be paid, other transfers may not be authorized, or checks may not be approved. You agree that we may take this action and you agree to relieve us of any liability for placing a hold on the account as agreed.

16. You may use your Card only in the manner and for the purposes we authorize. We may recognize a transaction even if we have not authorized it, but that does not mean we will authorize the same type of transaction again.

17. You may terminate your Cardholder Agreement at any time by notifying us in writing and surrendering to us all Cards issued to you. The Card remains our property and we have the right to refuse to issue a Card or to revoke a Card at any time with or without cause or notice. You must surrender a revoked Card to us upon demand or upon knowledge of its revocation and you must not use an expired or revoked Card.

18. If a negative (overdraft) balance in your account results from the use of the Card or from any other Transfer, you will pay us on demand this negative balance, and you will pay us our then current charge for overdrafts.

19. We have the right to change the terms of this Agreement from time to time. We will notify you at least 30 days before the change will take effect if the change will cause you greater costs or liability or if it will limit the types or frequency of transactions you can make using the Card and PIN. We do not have to notify you in advance, if an immediate change is necessary for security reasons.

20. The Terms and Conditions are subject to the Deposit Account Agreement and are governed by Maine law, except to the extent that any federal law controls. If there is any conflict between any term of this Agreement and Maine or controlling federal law or regulations, that term shall be deemed to be modified to make it comply.

21. Any notice which we mail to you shall be effective when placed in the United States mail, postage prepaid and addressed to you at your last address as indicated on our records.

22. By accepting, signing, or using a Card, or otherwise engaging in a transfer, you agree as a condition to using the Card and the privilege it affords, and in consideration of the Bank allowing transfers, that in the event we determine that legal action is necessary to enforce these Terms and Conditions, all such legal action may be maintained in the courts of the state of Maine and you consent to waive any objection to venue in any of those courts for the purpose of determining the proper venue of any action.

23. If we initiate any legal action to collect money owed to us under these Terms and Conditions, including counterclaims, you agree to pay all of our costs for such action, including an attorney's fees.

24. We expressly disclaim all warranties that the NYCE® system, or the PLUS System® network, or their components, including, but not limited to, cards and terminals, shall function properly or be available for use.

25. This Agreement may be amended by us without prior notice to you when such a change is immediately necessary to maintain or restore the security of the NYCE® system, the PLUS System® network, or any other authorized network or a customer's account; however, we will notify you in writing 21 days prior to the effective date of any change in any term or condition of the Agreement or your account, if such change would result in greater cost or liability for you or decreased access to your account.

26. Each owner of a joint account will be obligated for the full amount of any withdrawal against the account, regardless of which owner electronically accesses the account.

WARNINGS

- Wrongfully obtaining funds by use of a Card or other access device constitutes a federal criminal offense punishable by fine or imprisonment or both.
- As part of the security system for the protection of your Card and PIN, we may use hidden cameras and other security devices to determine who is using a Card at an automated teller machine.