



ELECTRONIC FUNDS TRANSFER DISCLOSURE STATEMENT

This section includes a General Disclosure, 24-hour Banking Cardholder Agreement and Electronic Banking Disclosure Statement. We are providing you with the General Disclosure Statement in the event that you subscribe to electronic banking services. We offer a number of services which allow you to access certain deposit accounts by what is called an electronic fund transfer. An electronic fund transfer (EFT) is a transfer of funds from or to a deposit account through the use of an Automated Teller Machine (ATM), a Point of Sale (POS) terminal, telephone or personal computer (PC). This Agreement contains the terms of our EFT program. It describes the services and types of transfers available and explains all of the rights and liabilities which apply. Please read the entire Agreement carefully.

A. ATM Card

If you request a Nantucket Bank ATM Card, the Cardholder Agreement explains the services available to you, and together with this General Disclosure Statement, sets forth your rights and responsibilities in connection with the use of the Card. The Card can be used to accomplish transactions involving only the account designated by you to us; namely your checking account or statement savings account. Such accounts will be referred to in this agreement as the "designated account". These terms constitute a legally binding contract, and by using a Personal Identification Number (PIN) or using the Card, you agree to comply with their terms.

Services Available for your ATM Card

1. Card

Your Card, together with your Personal Identification Number (PIN) can be used at all ATMs, and POS terminals that accept it. Your PIN has been confidentially chosen and it must not be shared with anyone. Do not write your PIN on your Card or on anything you carry with you.

2. ATM

Your Card allows you to access the Cirrus®, NYCE®, and Jeanie® electronic banking terminals, and any other networks that may be added from time to time. There are electronic banking terminals throughout the U.S. and worldwide that are authorized to accept your Card to the extent permitted by the Networks and applicable law. You can use your card to access your designated statement savings or checking account. You will be able to:

- Withdraw Cash
- Make deposits at Nantucket Bank ATMs
- Determine your balance

3. POS

POS terminals allow you to pay for retail purchases with your Card. These terminals can be found at grocery store check out lines, gas stations and retail establishments. Your checking account may be the only account to be designated for these types of transactions.

4. Foreign Exchange

If you use your Card in a foreign country, the amount will be converted to U.S. dollars at the rate that exists on the date of exchange at the major financial market nearest to the place where the exchange is made. We do not control the exchange rate or the rate of exchange.

5. Limitations

You may withdraw cash at any ATM from your checking or statement savings, any number of times each day up to the available balance, or your daily limit (default limit is \$500) whichever is less; if there is sufficient collected balance in your designated account to cover the withdrawal. You may make a deposit to an account at any Nantucket Bank ATM. We may restrict access to your accounts if we notice abusive use of the Card. Access will be reinstated once we notify you and have rectified any problems.

6. Charges

You will be charged in accordance with the established fee schedule. For any ATM that Nantucket Bank does not operate (non-Proprietary), you will be charged for each transaction. Fees for transactions at terminals other than non-Proprietary, as provided by network services, will be debited from your account for use of network terminals. Additional Information on POS Transactions and Limitations



Additional Information on POS Transactions and Limitations

1. Merchant Purchases

You will be able to use your Card at any merchant location that will accept it, to purchase goods and services and pay for them by a direct charge to the account that you have previously designated. You must have a sufficient balance in your account to cover the amount of each purchase.

2. Limitations

You may use your Card to make purchases from your checking account, any number of times each day, up to the available balance or your daily point of sale (POS) limit (default \$500), whichever is less, as long as there is sufficient collected balance in your designated account to cover the purchase(s). Each time you use your Card to make a purchase; your checking account will be debited for the amount of the purchase. We may, but do not have to allow purchases that exceed your available deposit balance. If we do, you agree to pay the overdraft upon demand.

B. Debit Card

If you request a Nantucket Bank Debit Card, the Cardholder Agreement explains the services available to you, and together with this General Disclosure Statement, sets forth your rights and responsibilities in connection with the use of the Card. The Card can be used to accomplish transactions involving only the account designated by you to us; namely your checking account. Such accounts will be referred to in this agreement as the "designated account". These terms constitute a legally binding contract, and by using a Personal Identification Number (PIN) or using the Card, you agree to comply with their terms.

Services Available for your Debit Card

1. Debit Card Purchases

You can use your Card to make purchases, directly from your primary checking account, at any MasterCard® merchant. You will sign a sales slip (as opposed to entering your Personal Identification Number) for the transaction.

2. Card

The Card cannot be used for POS transactions until it is activated. In order to activate the card, you must first perform an ATM PIN based transaction at an ATM terminal. Your card, together with your (Personal Identification Number) PIN can be used at all ATMs and POS terminals that accept it. Your PIN has been confidentially chosen and must not be shared with anyone. Do not write your PIN on your Card or on anything you carry with you.

3. POS

By using your card, POS terminals allow you to pay for retail purchases only from your primary checking account. These terminals can be found at grocery store check out lines, gas stations and retail establishments.

4. ATM

Your card allows you to access the Cirrus®, NYCE® and Jeanie® banking terminals, and any other networks that may be added from time to time. There are electronic banking terminals throughout the U.S. and worldwide that are authorized to accept your Card to the extent permitted by the Networks and applicable law. You can use your Card to access your designated checking account. You will be able to:

- Withdraw Cash
- Make deposits at Nantucket Bank ATMs
- Determine your balance

5. Foreign Exchange

If you use your Card in a foreign country, the amount will be converted to U.S. dollars at the rate that exists on the date of exchange at the major financial market nearest to the place where the exchange is made. We do not control the exchange rate or the rate of exchange.

6. Limitations

You may withdraw cash at any ATM from your checking account any number of times each day up to the amount of your available balance, or your daily withdrawal limit (default \$500) whichever is less; if there is sufficient collected balance in your designated account to cover the withdrawal. You may make a deposit to your checking account at a Nantucket Bank ATM. We may restrict access to your accounts if we notice abusive use of the Card. Failure to use the Card properly may result in transferring the Debit Card to a Nantucket Bank ATM card, or prohibiting any electronic access to your accounts.



7. Charges

You will be charged in accordance with the established fee schedule. You will be charged for each transaction you make at any ATM that we do not operate (non-Proprietary). Fees for transactions at terminals other than our own, as provided by network services may be debited from your account for use of network terminals.

Additional Information on POS Transactions and Limitations

1. Merchant Purchase

You will be able to use your Card at any merchant location that will accept MasterCard® to purchase goods and services and pay for them by a direct charge to your account. You must have a sufficient balance in your designated checking account to cover the amount of each purchase. Your rights relating to refunds and returned merchandise are the same as when you pay with cash or checks. You must resolve any issue of this type directly with the merchant. It is the merchant's own policy on refunds and returns that govern these transactions.

2. Limitations

You may use your Card to make purchases and/or withdraw funds from your designated checking account, any number of times each day up to your available balance or your daily limit (default limit \$500.00) whichever is less, as long as there is sufficient collected balance in your designated account to cover the purchase(s). Each time you use your Card to make a purchase; your designated checking account will be debited for the amount of the purchase.

C. Pre-authorized Credits

A pre-authorized credit is an automatic deposit from a third party which you have authorized to be made directly into your account. Examples of these kinds of credits are Social Security payments and direct payroll deposits. If you have arranged to have direct deposits made to your account, you can call us at (508)228-0580 on any business day to find out if your deposit has been received or you can check your account through Online Banking or Bank by Phone.

D. Pre-authorized Debits

A pre-authorized debit is an automatic payment from your Checking Account, Statement Savings or Money Market Deposit Account. For Money Market Deposit Accounts you may have as many as six pre-authorized transfers from your account each month. Three may be in the form of a check or draft payable to a third party.

1. Stopping Payment

If you have told us in advance to make regular payments out of your account to a third party, you can stop any of these payments by calling us at (508)228-0580 or writing to Nantucket Bank, Operations Department, P.O. Box 988, Nantucket, MA 02554. We must receive your stop payment request at least three 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 and get it to us within 14 days after your call. Once we have processed your stop payment request, we will stop all payments, in the amount indicated by you, to the third party named in your request, unless you instruct us in writing to resume making such payments. (We will charge you the amount indicated on the Bank's schedule of charges for each stop payment order you give, and you agree that we may debit your account for this amount). If you have arranged to make regularly scheduled payments through the Bill Payment Service and you initiate stopping any scheduled payments yourself through the Bill Payment Service, you will not be charged.

2. Notice of varying amounts

If these regular payments may vary in amount, the person whom you are paying may tell you ten days before each payment, when the payment will be made and how much it will be. You may choose instead to get this notice from this person 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.

3. Our liability for failure to stop a payment

If you have properly requested us to stop any of these regular payments, three business days or more before the transfer is scheduled, and we do not do so, we will be liable to you for the damages which you prove are directly caused by our failure to stop payment.



E. Documentation of Transfer

1. Periodic Statements

a. Passbook Savings Accounts

If you bring your passbook to the Bank, the Bank will record any pre-authorized electronic deposits that were made to your account since the last time you brought in your passbook. The Bank will not send you a periodic statement on your Passbook Savings Account.

b. Other Accounts

For any account other than a Passbook Savings Account, you will receive a monthly statement covering electronic banking activity in your account.

2. Evidence of Transfer

Any documentation provided to you by the Bank which indicated that an electronic fund transfer was made shall be admissible as evidence of such transfer and shall constitute prima facie proof that such transfer was made.

F. Business Days

Our business days are Monday through Friday, holidays are not included.

G. Our Liability

Our liability, if we fail to complete electronic transfers, is governed by federal and state law. The following is a summary of that law and is provided for your information. It is not intended to affect our rights or your rights under that law. 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 in the following situations:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
3. If the funds are subject to legal process or other encumbrance restricting such transfer.
4. Any other specific exceptions contained in our agreement with you.

H. Information to Third Parties

In order that your privacy may be protected, we will not disclose any information about you or your account to any person, organization or agency, except:

1. for certain routine disclosures necessary for completion of a transfer, or
2. Verification of the condition or existence of your account for a credit bureau or merchant, or
3. To persons authorized by law in the course of their official duties, or
4. To our employees, auditors, service providers, attorneys, or collection agents in the course of their duties, or
5. Pursuant to a court order or lawful subpoena, or
6. to a consumer reporting agency as defined in Massachusetts General Laws, Chapter 93, or
7. by your written authorization. If any unauthorized disclosure has been made, we must inform you of the particulars of the disclosure within three days after we have discovered that an unauthorized disclosure has occurred.

I. Resolving Errors & Questions

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUND TRANSFERS (EFTs), or if you think your statement or receipt is wrong, or you need more information about a transfer listed on your statement or receipt, telephone us as soon as you can (508)228-0580 or (800)533-9313 (except Saturdays, Sundays or Holidays) between 8:30 a.m. and 5:00 p.m. or write us at Nantucket Bank, P.O. Box 988, Nantucket, MA 02554. We must hear from you no later than 60 days after we sent your FIRST statement on which the problem or error appeared.

1. Tell us your name and account number.



2. Describe the error or the transfer you think is incorrect and clearly explain why you believe it is an error, or why you need more information.
3. Tell us the dollar amount of the suspected error. If you notify us orally, we have the right to require you to send us your complaint or question in writing within ten business days following the date you notified us. We will report to you the results of our investigation within ten calendar days following the date you notified us. We will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint, or question, following the date you notified us. If we decide to use more time to investigate, within ten calendar days following the date you notified us, we will re-credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint in writing, and we do not receive it within ten calendar days following your oral notification, we may not re-credit your account. If we decide that there was no error, we will send you a written explanation within three business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation, and we must make these available to you for your inspection. For a reasonable fee covering our duplication costs, we will provide you with copies of any such documents which you request. If your alleged error concerns a transfer to or from a third party, 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 the third party to pursue the matter further. If you comply with the conditions set forth above, in cases in which you think that a transfer from your account was initiated by a third party that was not authorized to initiate any transfers from your account, we will request a copy of the third party's authorization. If you do not request it within 30 days, we will re-credit your account for the transfer you think is unauthorized, so you will have the use of your money until we determine whether you had authorized the transfer.

J. Protected Consumer Use of EFT Services

Chapter 167B of the Massachusetts General Laws was enacted to provide a means for financial institutions, businesses and consumers to conduct their business relations more conveniently. Transferring funds electronically will supplement the use of checks, credit and cash and will not replace those present methods of doing business. As a consumer, you should be aware of your rights if you choose to utilize this system.

1. Prohibition of compulsory use.

No Person may: Require you to use a pre-authorized electronic fund transfer as a condition for the extension of credit that is being extended to maintain a specified balance in your account, or Require you either to accept a transfer service or to establish an account which is accessed electronically as conditions of employment or receipt of government benefits, or Require you to pay electronically for the purchase of goods or services. If your account is to be credited by a pre-authorized transfer, you may choose the financial institution to which the transfer may be made, if the institution is technically capable of receiving such a pre-authorized transfer.

2. Waiver of Rights

No writing or agreement signed by you can waive the rights conferred to you by Chapter 167B of the Massachusetts General Laws, unless you decide to waive these rights in settlement of a dispute or action.

3. Discounts

No store or retail business may offer a discount to you for making payment on any purchases of goods or services by electronic payment, rather than by cash, check or change.

4. Refunds

If it is the policy of a store/retail business to give cash refunds in return for an item purchased by cash, this policy must also cover refunds for items purchased by electronic fund transfer unless it is clearly disclosed at the time the transaction is consummated that no cash or credit refunds are given for payment made by electronic fund transfers.

5. Suspension of Obligations

If a person agrees to accept payment by means of an electronic fund transfer and the system malfunctions, preventing such a transfer, the consumer's obligation is suspended until the transfer can be completed, unless that person, in writing, demands payment by other means.

6. Prohibited Means of Identification.

Your Social Security number cannot be used as the primary identification number, although it can be used as a secondary aid to identify you.



7. Criminal Liability

Using a card, code or other means of electronic access to an account with the intent to defraud is a basis for criminal liability.

8. Amendments

We may amend the above terms and conditions at any time. We will provide you advance written notice a minimum of 30 days prior to the date of the amendment, if the amendment results in increased costs or liability to you or stricter limitations on the transfer you may make. If, however, an immediate change in the terms and conditions is necessary for security reasons, we may amend these terms and conditions without such prior notice.

9. Notices

Notices sent by us shall be effective when mailed to you at your last address that appears in our records. Except as otherwise provided in this Disclosure Statement or by applicable law, notices from you to us must be in writing and will be effective when received by us.

10. Governing Law; Conflict with Applicable Law

The above provisions will be construed in accordance with the laws of the Commonwealth of Massachusetts. In the event of any conflict between these provisions and any applicable law or regulation, these provisions shall be deemed modified to the extent, and only to the extent, required to comply with such law or regulation.

UNLESS OTHERWISE PROVIDED IN THIS AGREEMENT, YOU MAY NOT STOP PAYMENT OF ELECTRONIC FUND TRANSFERS; THEREFORE, YOU SHOULD NOT EMPLOY ELECTRONIC ACCESS FOR PURCHASES OR SERVICES UNLESS YOU ARE SATISFIED THAT YOU WILL NOT NEED TO STOP PAYMENT.

The initiation by you of certain electronic fund transfers from your account will, except as otherwise provided in this agreement, effectively eliminate your ability to stop payment of the transfer.

CARDHOLDER AGREEMENT

A. Authorization

You authorize us to charge your designated account(s) for money disbursed and to credit your designated account(s) for deposits received in connection with transfers involving the use of the Card, along with any applicable fees as outlined in the current schedule.

B. Limitation on Transactions

Except as otherwise provided herein, you may use your Card any number of times each up to the amount of your available balance, not to exceed your daily withdrawal limit; you may buy up to the amount of your available balance not to exceed your daily withdrawal limit; your combination of cash withdrawals and purchases cannot exceed the amount of your available balance or your daily withdrawal limit. Deposits of Nantucket Bank checks and payments made at Nantucket Bank's ATMs may not be posted to your account until the next business day. Deposits of checks from other banks made at Nantucket Bank's ATMs may not be posted to your account for up to five days. You may not use your Card for a transaction that would cause the outstanding balance of your designated account to be less than zero. We may impose additional restriction or limitation on the use of your Card when we believe they are necessary to safeguard the Card against misuse.

C. Maintenance of Accounts

As long as the Cardholder agreement remains in effect, you agree to maintain your designated account. Should your designated account close, your privileges will be revoked and we may retain your Card if you try to use it. Your designated account shall continue to be governed by your other agreements with us concerning that account, and by our Rules and Regulations concerning those accounts to the extent that such agreements are not consistent with this Cardholder Agreement.

D. Ownership of Card

The card is not transferable and remains the property of Nantucket Bank. You agree to return the Card to us immediately upon our demand.



Nantucket Bank[®]

a division of Sovereign Bank, N.A.

DISCLOSURES

E. Unauthorized Transfers

TELL US AT ONCE if you believe your Card and/or your PIN, has been lost or stolen, or that someone has withdrawn or transferred or may withdraw or transfer money from your Account or has made purchases or may make purchases without your permission. Telephoning is the best way of minimizing your possible losses. The consumer will not be liable if he or she does not notify the bank of a lost or stolen card within 24 hours. However, you still must call, but are not limited to calling within 24 hours. Consumers also have a \$0 liability if (1) the cardholder has exercised reasonable care in safeguarding their card from risk of loss or theft; (2) the cardholder must not have reported two or more incidents of unauthorized use within the preceding twelve months.; (3) the account must be in good standing. If you think your card, your PIN, or both, has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call the Bank at (508)228-0580 or (800)533-9313 Monday through Friday between 8:30 a.m. and 5:00 p.m or call Midwest Payment Systems available 24 hours a day at (800)528-2273. Or write us at Nantucket Bank, Operations Dept., P.O. Box 988, Nantucket, MA 02554-0988.

F. Collection Expenses

If we have to sue you or take other actions to collect amounts you owe us under this Cardholder Agreement, you will pay our reasonable expenses, including attorney's fees, to the extent permitted by applicable law.

G. Terminating this Cardholder Agreement

You can terminate this Cardholder Agreement at any time. You must notify us in writing and return your Card to us with this notification in order to completely terminate the Cardholder Agreement. If this Cardholder Agreement is terminated, we shall no longer be obligated to complete transactions involving your use of the Card. Termination of the Cardholder Agreement will not affect your obligations under this Cardholder Agreement for transactions completed with Card and PIN, even if those transactions are completed after the termination date.

H. Amendment to this Cardholder Agreement

We may amend this Cardholder Agreement at any time. We will provide you advance written notice at least 30 days prior to the effective date of the amendment if the amendment results in increased costs or liability to you or stricter limitations on the transfer you may make. If, however, an immediate change in the Cardholder Agreement is necessary for security reasons, we may amend the cardholder Agreement without such prior notice.

I. Notices

Notices sent by us shall be effective when mailed to you at your last address that appears in our records. Except as otherwise provided in this Cardholder Agreement, or by applicable law, notices from you to us must be in writing and will be effective when received by us.

J. Governing Law; Conflict with Applicable Law

This Cardholder Agreement will be construed in accordance with the laws of the Commonwealth of Massachusetts. In the event of any conflict between the provisions of the Cardholder Agreement and any applicable law or regulation, the provisions of this Cardholder Agreement shall be deemed modified to the extent, and only to the extent required to comply with such law or regulation.



ELECTRONIC BANKING DISCLOSURE STATEMENT

We have added new electronic banking services that allow you to transfer funds between your accounts with Nantucket Bank or make bill payments to third parties by telephone or via the Internet. The Electronic Fund Transfer Disclosure Statement and Funds Transfer Agreement, as amended by this statement, sets forth your rights and responsibilities in connection with the use of this new service as well as existing services and constitutes a legally binding contract. By using your Personal Identification Number (PIN), Customer User ID, or performing a telephone or Internet transfer or inquiry or paying bills, you agree to comply with the terms of these documents.

A. Authorization for Account Inquiries and Telephone/Internet Transfers

When you first access the Bank's telephone or Internet banking services to perform an account inquiry or transfer, the services require that you use the last four digits of the social security number (for individuals) or the federal ID number (for incorporated businesses) on file for the designated account. The service then asks you to select a PIN (Personal Identification Number) for the account. When performing transfers, the service will ask for and verify the PINs of the accounts to and from which funds will be transferred when transferring by phone; or the single PIN if you are performing transfers using the Internet. The Bank and/or agent will assign the Personal Security Code (PSC) for the bill payment service. You may change your PIN or PSC at anytime. You agree that the verification procedure described is the only authorization procedure the Bank will perform before processing a transfer of bill payment. You agree that this verification of your Personal Identification Number or Personal Security Code is a reasonable security procedure, and you agree to safeguard your PIN or PSC. Tell the Bank AT ONCE if you believe your PIN/PSC has been stolen or has been or may be used without your permission. You can authorize us to charge/credit your designated account(s) for deposits received in connection with transfers and bill payments to third parties along with any applicable fees as outlined under Fees and Charges on this website.

B. NOW Accounts, Direct Deposit Accounts, Statement Savings Accounts Transaction Limits

Telephone/Internet transfers to and from these accounts are not limited.

C. Passbook Savings Accounts, Money Market Accounts, CDs and IRAs

Transfers from Passbook Savings accounts are not permitted. CDs and IRAs do not qualify for funds transfer or bill payment services. Money Market accounts are limited to six electronic debits with no more than 3 checks per statement period.

D. Loan Transaction Limits

Loan payments will be accepted on all types of real estate and consumer loans. Advances on lines of credit are not permitted.

E. Bill Transaction Limits

Bill payments may only be initiated from regular checking accounts and are limited to \$9,999 per transaction.

F. Documentation of Telephone/Internet Transfers and Bill Payments

You will be sent a monthly statement covering all telephone/Internet transfer to or from your accounts and bill payments. Your statement will indicate the amount and calendar date of each bill payment and telephone/Internet transfer and corresponding account/payee to or from which the funds were transferred.

Upon completion of a transfer of bill payment, you will be provided with a confirmation number. For transfers, this confirmation number will also appear on your monthly statement.

Other terms and conditions applicable to this service, including but not limited to your liability for unauthorized use of your PIN/PSC, our telephone number and address for notification in the event of unauthorized use, our business hours, and error resolution procedures are set forth in the Electronic Funds Transfer Disclosure Statement and Funds Transfer Agreement found on this website.

G. Termination

You may terminate the Fund Transfer Agreement of Bill Payment Service by written notice to us.