

THE FIRST NATIONAL BANK OF KENTUCKY

MOBILE REMOTE DEPOSIT TERMS & CONDITIONS

First National Bank's Mobile Remote Deposit (MRD) allows you to deposit checks electronically, eliminating the need to make a physical bank deposit.

Qualification

In order to enroll in this service, you must be designated as an authorized signer or owner of a First National Bank (FNB) account (the "Account") that is eligible for this service and must be approved by FNB.

Conditions

As conditions to the Bank's provisions of service, you must maintain the Account in good standing and comply with requirements and restrictions set forth in these Terms and Conditions, as well as those of the Deposit Account Agreement.

Eligible Checks

MRD allows you to deposit most US consumer and business checks; however certain checks are not supported through the remote deposit channel. These items include but are not limited to: third party checks, foreign checks, substitute checks, government bonds, checks payable in a medium other than U.S. dollars, U.S., state, or other savings bonds.

Inspecting Physical Checks & Check Images

- You are responsible for inspecting both the physical check and check images as they appear on the screen of your mobile device. Because some physical security feature on the actual checks, such as watermarks, may not survive the imaging process, you must manually examine checks prior to transmission to the bank to verify their authenticity.
- Additionally, when depositing a check via MRD, you are required to examine check images to ensure the payee name, amount, signature and other important pieces of information are legible and in accordance with the physical check. If they are not, cancel the photograph and photograph the item again.
- Any original paper check items that remain illegible after repeated scanning/photographing attempts must be physically deposited at the branch or at FNB ATM.
- You should regularly inspect your mobile image camera to ensure that it is operating optimally. Please refer to the user manual of your mobile device for instructions on equipment cleaning and care.

MICR Lines on the Check

The bottom of your check contains numeric information that identifies the bank the check is drawn on, the account number and the check number. This information is known as the MICR line (Magnetic Ink Character Recognition). A MICR defect, such as a tear in the MICR line, or markings over the MICR line may inhibit the scanner or mobile phone's

ability to read this information. If you receive error messages indicating that the mobile phone is unable to read the MICR line, the check with defects in the MICR line must be physically deposited at the branch or ATM.

Marking Electronically Deposited Checks

To help ensure that an electronically deposited check is not processed multiple times either as an Electronic Item and/or a physical check, First National Bank of Kentucky requires that you write the words “for mobile deposit only” on the endorsement line of the check to indicate that it will only be deposited electronically. **First National Bank may refuse to accept items which are not endorsed in this manner.** Marking a check in this way will also allow you to identify that the item has been photographed and deposited if it becomes intermingled with other undeposited checks.

Checks Safekeeping, Retention and Destruction

- Check storage and the destruction of items processed through MRD is your responsibility because the paper checks are never physically deposited with the bank.
- FNB requires MRD customers use commercially reasonable methods to securely store all source documents and all related banking information until destruction. We require that deposited check items be securely stored. To help ensure that checks are not electronically processed more than once or physically deposited to the bank after being electronically deposited, procedures should be established to ensure that only you or another account owner have access to these checks during the retention period.
- FNB recommends retention of the checks for at least 7 (seven) business days after the deposit is made in case a check is returned and you need to collect on the check by re-depositing the original item. All items must thereafter be destroyed as soon as reasonably possible. First National Bank requires destruction of all checks within 14 (fourteen) days from deposit. Cross-cut shredding is strongly recommended for check destruction.

If you believe you may have deposited a check item more than once, please contact FNB at 502-732-4406. Do not re-scan/photograph the items. FNB will provide assistance in determining the best approach for managing the situation.

Deposit Amount Limits

A blanket deposit amount limit has been set for all customers for \$1,000.00 per item. This amount may vary at the sole discretion of the Bank based on customer standing.

Processing Your Electronic Item(s)/Availability of Funds

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and Federal Holidays. If you transmit your Electronic Item(s) to FNB before 4:30pm ET (the “Cut-Off Time”) on any business day, we shall review and process your electronic item(s) on that business day. If you transmit your electronic item(s) to us after the Cut-Off Time on any business day, we shall review and process your electronic item(s) on the next business day. Your electronic item(s) is deemed to have been received by the Bank when the service generates a confirmation message. Details on status of the deposit should be viewed in the “Deposits” page of the app.

Exception Items

Each business day, on which we review and process your Electronic Item, we will use commercially reasonable efforts to review each electronic item and to reject any Electronic Item that we in our sole discretion determine to be ineligible for the service (each, an "Exception Item"). "Exception Item" includes, without limitation, and Electronic Item that (a) is illegible or contains MICR data that is not machine-readable, (b) was previously processed as an Electronic Item, or (c) is drawn on banks located outside the U.S. and is not payable at or through a bank located within the United States. **YOU WILL BE RESPONSIBLE FOR ACCESSING THE DEPOSITS SCREEN TO SEE THE STATUS OF YOUR DEPOSIT.** If you wish to attempt to deposit any Exception Item to your account, you shall do so only by depositing the original paper item on which the Exception Item is based or otherwise agreed between us. Even if we do not initially identify an Electronic Item as an Exception Item when we review and process the Electronic Item to which the Exception Item relates, the Electronic Item, substitute check, or the Image Replacement Document (IRD) created by us from it may nevertheless be returned to us because, among other reasons, the Paying Bank determines that such item or check is illegible or missing an image. Our failure to identify an Exception Item shall not preclude or limit your obligation to First National Bank of Kentucky. Details on status of the deposit should be viewed in the Deposits Page of the app.

Chargebacks

All checks posted to your account through MRD are posted subject to our receipt of final payment by the paying bank. Upon receipt of final payment, the item becomes a collected item. If final payment is not received or if any item you have deposited is charged back to us for any reason, you authorize us to charge any of your accounts without prior notice and at any time, for the amount of the returned item, our return fee, any interest paid on that item, and any other fee we pay incur. We reserve the right to refuse any item for deposit into your account as well as the right to withhold the availability of funds as per the Deposit Account Agreement. Details on status of the deposit should be viewed in the Deposits Page of the app.

Deposits to the Account

Subject to our right to identify and reject Exception Items, we shall be deemed to have accepted each Electronic Item that is not an Exception Item for deposit to the account on the business day (Monday-Friday) that we process the Electronic Item, provided its transmission to us is complete prior to the Cut-Off Time (4:30PM ET, Excluding Holidays).

Customer Deposit Item Review

YOU ARE RESPONSIBLE FOR ACCESSING THE DEPOSITS SCREEN, TO ENSURE YOUR CHECK HAS PROCESSED COMPLETELY. YOU WILL NOT RECEIVE ANY OTHER TYPE OF NOTIFICATION REGARDING THE STATUS OF YOUR DEPOSIT OUTSIDE OF THE DEPOSITS SCREEN WITHIN THE BANK'S MOBILE APPLICATION. ON THE DEPOSIT ITEM REVIEW SCREEN YOU WILL VIEW PROCESSED ELECTRONIC ITEMS AS WELL AS EXCEPTION ITEMS.

Termination of Service

First National Bank of Kentucky reserves the right to terminate this service at any time and without notice, if in the Bank's sole discretion, the Bank determines that customer has abused the service or the Bank will suffer a loss if the service is not terminated immediately.

Warranties

FAILURE TO PROTECT YOUR HARDWARE AND SECURITY CREDENTIALS MAY ALLOW AN UNAUTHORIZED PARTY TO ACCESS THE SERVICE AND TRANSMIT AN ELECTRONIC ITEM FOR DEPOSIT. ALL USES OF THE SERVICE THROUGH YOUR SECURITY CREDENTIALS WILL BE DEEMED TO BE AUTHORIZED BY YOU AND BE BINDING UPON YOU. YOU ASSUME THE ENTIRE RISK FOR THE FRAUDULENT OR UNAUTHORIZED USE OF YOUR SECURITY CREDENTIALS. YOU AGREE TO (I) EXERCISE RESPONSIBLE BEHAVIOR WHEN USING THE SERVICE, (II) FOLLOW THE INSTRUCTIONS AND RECOMMENDATIONS THAT FIRST NATIONAL BANK OF KENTUCKY PROVIDES YOU WITH RESPECT TO THE SERVICE, AND (III) USE MAXIMUM CAUTION IN PROTECTING YOUR HARDWARE AND SECURITY CREDENTIALS FROM UNAUTHORIZED ACCESS. YOU AGREE TO NOTIFY FIRST NATIONAL BANK OF KENTUCKY IMMEDIATELY IF YOU BECOME AWARE OF ANY LOSS OR THEFT OR, OR ANY UNAUTHORIZED USE OF THE SERVICE OR YOUR SECURITY CREDENTIALS.

You will use the service only for paper items that are payable to, and endorsed to you.

You will properly secure all hardware you use in connection with the Service (including, but not limited to the, securing hardware with Security Credentials to prevent unauthorized use.) You will maintain control over and be responsible for secure retention, storage, and destruction of original paper items for which you have created an Electronic Item. After transmitting the Electronic Item to us, you will retain the original paper items as discussed in the *Check Safekeeping, Record Retention and Destruction* section of this document.

Last Updated: CMH, ISO 6-15-2017