



## Monarch Business Online Agreement

This Agreement sets forth the terms of the Monarch Business Online Services (the “Services”) that Territorial Savings Bank makes available to Territorial Savings Bank Business accountholders (“Accounts”) registering for Services. By applying for any of the Services, you agree to be bound by these terms. Your use of any Service will be additional evidence of your agreement to these terms. “You” and “your” refers to the Account holder and its employees, agents and representatives. “We,” “us” and the “Bank” refer to Territorial Savings Bank and its employees, agents and representatives. Please retain a copy of this Agreement for your records.

### DISCLOSURE AND AGREEMENT TO RECEIVE ELECTRONIC COMMUNICATIONS

By signing below, you (1) acknowledge your receipt and agreement to this Agreement; and (2) agree that the following may be provided to you in electronic form: any contract for the provision of any Service, any disclosures or information regarding any Service and transactions made through any Service.

You are also acknowledging receipt of the following information and agree that:

- You will check your e-mail regularly for notices from Territorial Savings Bank.
- You will provide accurate, current and truthful registration information and contact information (including your e-mail address) and that you will keep this contact information up-to-date with Territorial Savings Bank.
- We may provide you with this Agreement and any revisions and amendments in electronic form. If you accept this Agreement, you are consenting to entering into an agreement electronically that will apply to all future transactions you conduct using any Service.
- You are able to access information and Services via the Internet in the same manner.

If you do not agree, do not use any Service, and contact us so that we may remove the Services from your Account.

1. Agreement. This Agreement supplements the terms of those certain Territorial Savings Bank Rules which are applicable to your various Account Rules, along with the terms and conditions of various types of Services (e.g., the Online Wire

Transfer Service and the Online Bill Payment Service) attached to your Accounts, the Monarch Business Schedule of Fees, and other instructions, notices, disclosures, terms and conditions, rules, and operating procedures that we provide for your accounts and services from time to time (the "Guides"). To the fullest extent possible, the provisions of the various documents will be interpreted to give force and effect to all terms. In the event of any irreconcilable inconsistency, the provisions of the more specific document will control. For example, the terms and conditions of the Monarch Business Online Bill Payment Service specific Service will control over the Monarch Business Online Agreement which will control over the Monarch Business Account Rules. If there is an unresolvable conflict between what an employee says and the terms of this Agreement (or Guide), the terms of this Agreement (or Guide) will prevail.

2. Services. We will notify you when the Services you request will become available to you. If you request additional Services in the future, they will also be governed by this Agreement and the Guides, unless we advise you otherwise.
3. Equipment. You are responsible for providing and maintaining any equipment that is necessary for the Services, such as telephones, terminals, modems and computers. You agree to use equipment and software that are compatible with our programs, systems and equipment, which we may change from time to time. We assume no responsibility for the defects or incompatibility of any computers, equipment or software that you use in connection with the Services, even if we have previously approved their use. You agree to comply with the terms of any and all of the license(s) provided to you in connection with the Services.
4. Accounts. Your application may list certain Bank accounts that you wish to access with the Services. If it includes the accounts of your parent company, subsidiaries, or affiliates, you warrant that they have authorized you to access their accounts through the Services in the same manner as your own accounts. You agree to provide us with their written authorization, in form and substance acceptable to us, evidencing that authority, and to notify us immediately in writing of any change to that authorization. You will need to designate certain accounts for specific purposes in connection with some of the Services. If you link more than one checking account to our Wire Transfer Service, for example, you will need to specify the account from which transfers should be made.
5. Company Administrator and Users. By your application, you will appoint an individual (a "Company Administrator") with the authority to determine who will be authorized to use the Services on your behalf. Anyone using the Company Administrator's Security Codes may establish separate Security Codes for each user (each a "User"). Anyone using the Company Administrator's Security Codes also may set limits for each User. Certain Services may allow anyone using the Company Administrator's Security Codes to specify that approval from the Company Administrator is needed prior to processing certain instructions. (Please see section 10 below on "Guides and Security Procedures" for additional information on Security Codes.)

It is therefore important that you maintain the confidentiality and security of Security Codes. If you suspect any unauthorized activity, contact us at once. (Please see section 28 below on "Notice" for information on contacting us.)

You or your Company Administrator will need to designate which accounts will be utilized for Service payments and transfers. You agree that we may act upon any Service instruction that is accompanied by the Security Code(s) designated by your Company Administrator or a User for that Account and the Service in question. Note: This may mean that we will act upon the instruction of only ONE person (e.g., to wire funds), even though the signature card for the account in question requires two or more signatures on checks.

At your request, tokens may be used to generate additional single-use Security Codes for your Account, to be used in conjunction with the Security Code that the Company Administrator or User selects. If you elect to include the use of tokens as part of the security mechanism for your Account, you agree to safeguard the tokens and to assume all risks in connection with the loss, theft or misuse by any person of the tokens and the Security Codes generated by the tokens.

You assume sole responsibility and agree to indemnify us against all actions of anyone using the applicable Security Codes assigned to the respective Company personnel or generated by the tokens. As long as an instruction or approval is accompanied by the designated Security Codes, the transaction will be deemed authorized by you, even if the instruction or approval is provided by an unauthorized person. You agree that these procedures constitute ordinary care, consistent with reasonable commercial standards.

6. Fees. You agree to pay us the fees we establish for each of the Services, which fees are in addition to those fees charged in accordance with this Agreement and Guides. Please see our Business Schedule of Fees for details. We may send a bill to you for the fees (which must be paid within 10 days of the invoice or statement date) or charge them directly to your accounts with us. If you fail to pay any amount owing to us under this Agreement and Guides, we may charge interest at the rate of ten percent (10%) per year until paid. We may amend our Service fees from time to time. Certain fees are subject to change without prior notice. Special or additional Services performed at your request will be subject to such additional terms and fees as you and we may agree. If your accounts with us are analyzed, you may be able to use your available earnings credit to offset certain Service fees. If your analyzed accounts contain funds belonging to third parties, you represent that your use of any related earnings credit is not limited by law, regulation or agreement with such third parties.
7. Access to Account Data; Available Balance. Some of the Services, including but not limited to Account Details provide you with balance and other account information. Since certain information and transactions, such as check deposits, may not be processed by us until after the close of our business day, some transactions may not be reflected in the system until the next banking day.

Posted items may be reversed due to insufficient funds, stop payment orders, legal process, and other reasons. Decisions to process transactions may be based on the available balance at the time of the transaction and restrictions placed on the Account to prevent withdrawal. We assume no responsibility for any loss arising from incomplete information or for any temporary interruption in our information system. If you are unable to access our system for any reason, you may contact your branch of account for transaction information. You agree that these procedures constitute ordinary care, consistent with reasonable commercial standards.

8. Information Processing and Reporting. We offer Services that require us to receive, process and report information involving your accounts and transactions. We will not be responsible for determining the accuracy, timeliness or completeness of any information that you or others provide to us. We will not have a duty to interpret the content of any data transmitted to us, except to the limited extent set forth in this Agreement and Guides. Unless otherwise agreed in writing, we will not be required (by means of any security procedure or otherwise) to detect errors in the transmission or content of any information we receive from you or third parties.
- a. *Information You Provide to Us.* You assume the sole responsibility for providing us with complete and accurate information in the form and format that we require (e.g., in connection with wire transfers). We are not responsible for confirming such information, or for monitoring or refusing to process duplicate instructions by you or your agents. For example, if you give us a wire transfer instruction that is incorrect in any way, you agree that we may charge your account for the payment whether or not the error could have been detected by us. We are not obligated to detect errors in your instructions.
  - b. *Your Instructions.* You must accurately describe transaction beneficiaries, intermediary financial institutions, the beneficiary's financial institution and account in transfer and payment instructions, and their addresses. If you describe any beneficiary, institution, account or address inconsistently by name, number, or location, other institutions and we may process the transaction solely on the basis of the number, even if the number identifies a person, entity, account or address different from the named beneficiary, institution, account or address.
  - c. *Your Review.* You acknowledge that it is not possible for the Services to be free from operator, programming or equipment error, and that errors in processing and compiling data may occasionally occur (e.g., due to the failure of others to provide accurate information, telecommunication failures, or a breakdown in an electronic data interchange). As such, you agree to review and verify all results and to maintain adequate controls for insuring both the accuracy of data transmissions and the detection of errors. Unless otherwise required by law, our sole liability to you or any

third party for any reporting errors caused by us will be to reprocess the information for the period in question and to provide corrected reports at our own expense. You agree to maintain adequate backup files of the data you submit for a reasonable period of time in order to facilitate any needed reconstruction of your transactions (e.g., in the event of a telecommunication failure). A Service may be unavailable from time to time. To confirm whether or not a transaction was processed, view the Account details or contact any of our branches. Please note that online Account details are preliminary and subject to our verification.

- d. *Care.* You agree that these procedures constitute ordinary care, consistent with reasonable commercial standards.
9. Reliance on Third Parties. Our ability to provide certain Services (e.g., in connection with electronic data interchange) is dependent upon our ability to obtain or provide access to third party networks. In the event any third party network is unavailable or we determine, in our discretion, that we cannot continue providing any third party network access, we may discontinue the related Service or may provide the Service through an alternate third party network. In such situations, we will have no liability for the unavailability of access.
  10. Guides and Security Procedures. We may provide you with an ID and/or passwords (collectively, a "Security Code") to access the Services. We may also provide you with Guides in connection with your Account or certain Services. You agree to: (a) comply with the Guides and procedures that we provide to you; (b) use best efforts to safeguard the security and confidentiality of the Security Code, the Guides, and any other proprietary property or information we provide to you in connection with the Services; (c) closely and regularly monitor the activities of your employees and agents who access the Services; and (d) notify us immediately if you have any reason to believe the security or confidentiality required by this provision has been or may be breached. Our security procedures are not designed for the detection of errors (e.g., duplicate payments or errors in your fund transfer instructions). We will not be obligated to detect errors by you or others, even if we take certain actions from time to time to do so.

Users are prompted to change their passwords on a regular basis, but no less frequently than every 120 days. You agree to change your temporary passwords promptly after you are given access to the Services for the first time and whenever anyone who has had access to your Security Code is no longer employed or authorized by you to use the Services. We may require you to change your Security Code at any time. We may deny access to the Services without prior notice if we believe such action is necessary for security reasons.

You agree not to give or make available your Security Code to any unauthorized individuals. You are responsible for any transactions requested by persons using your Security Code to access your Account, whether or not you have authorized

them to make the transaction. If you believe that your Security Code has been lost or stolen or that someone may attempt to use the Service without your consent or has transferred money without your permission, you must notify us and change your password immediately. If you contact us with instructions or regarding a suspected breach of your Account, we will email you or provide other written confirmation of our receipt of your notice. If you do not receive confirmation, please contact us to verify that we received your communication. (Please see section 28 below on “Notice” for information on contacting us.)

Each time you make an online transaction, you agree that our security procedures constitute ordinary care, consistent with reasonable commercial standards (based on the normal size, type, and frequency of your transactions). Some of our Services allow your Company Administrator to set transaction limitations and establish internal controls. Your failure to set such limitations and implement such controls increases your exposure to, and responsibility for, unauthorized transactions. You agree to be bound by any instruction that we receive through the Services, even if the instruction is not authorized by you, if it includes your Security Code or is otherwise processed by us in accordance with our security procedures.

11. Transfer Service. Transfers between your accounts with us are subject to the terms of your Account Rules and Guides. You may instruct our electronic system to make transfers between your accounts at any time on any day, in accordance with the Account Rules and Guides.
12. Amending/Canceling a Transaction. Unless this Agreement or Guides provide otherwise, you do not have a right to cancel or amend a payment, instruction or other transaction once we have received it. If we attempt to reverse a transaction at your request, we assume no liability for any interest or losses that result if the reversal is not effected. Requests to cancel a transaction must state the exact amount (dollars and cents) of the transaction you wish to stop. You agree to indemnify, defend, hold harmless and reimburse us for all expenses, losses, claims, actions, proceedings and damages we incur in effecting or attempting to effect any reversal, as well as all damages that may arise out of our failure to complete such reversal. You are solely responsible for providing notice to the receiver/beneficiary that a reversal is being transmitted and the reason for the reversal no later than the settlement date of the reversing entry.
13. Notice of Returned Payments or Transfers. We may endeavor to notify you electronically, in writing, by telephone, or otherwise if any transaction is rejected or returned (e.g., by wire transfer). We will not be obligated to credit your account with any interest, unless the return is caused by our failure to properly execute your instruction.
14. Unauthorized Transactions. We may process any payment or transfer instruction (including an amendment or cancellation instruction) that we believe is transmitted or authorized by you if we act in compliance with the security

procedures (e.g., we obtain the Security Code) for the Service. The instructions will be deemed effective as if made by you, and you will be obligated to pay us in the amount of such transactions, even though they are not transmitted or authorized by you. We may elect to verify the authenticity or content of any instruction as an alternative security procedure, but we are not required to do so. We may elect to do this by using the phone, text, email address or other information indicated in our records. If we are unable to verify an instruction to our satisfaction, we may reject the instruction. You agree that these procedures constitute ordinary care, consistent with reasonable commercial standards.

15. Transaction Limits and Safeguards. You agree not to exceed the Service transaction limits that are established by us or by law from time to time for your accounts. We may, but are not required, to process transaction in excess of specified limits. You agree to review pending payment and transfer instructions prior to their submission to us to ensure that they are complete, accurate and properly authorized.
16. Electronic Mail/Internet. If you send us electronic mail (“e-mail”) inquiries at [ebank@territorialsavings.net](mailto:ebank@territorialsavings.net), or any other email we make available to you for such email inquiries, we may not receive or review it immediately. We will have a reasonable time to act upon any e-mail request or notice, and reserve the right to reject any transaction or request received by e-mail. You acknowledge that, even though e-mail may be encrypted, we cannot ensure that it will not be intercepted or affected by the actions or omissions of others, such as third party networks or persons with access to the Internet. As such, we recommend that you not send account data or other sensitive information to us by e-mail. Your use of the Internet will be entirely at your own risk. We make no representation, warranty or endorsement with respect to: (a) information placed on the Internet by third parties; (b) the security or continued availability of the Internet or of any Internet web site, including without limitation our web site; or (c) the services, products or information made available over the Internet by others whose sites may be accessed, directly or indirectly, as a result of our Services. Our service providers and we assume no responsibility for viruses created by third parties, or for any third party’s unauthorized access to, or use of, your computer system. You agree that: (i) Internet services are provided to you on an “AS IS” basis, without warranties of any kind; (ii) we, our affiliates, Internet service providers, and licensors will not be liable for any errors, defects in, or the untimeliness or lack of authenticity of, any information provided over the Internet; (iii) you will comply with all laws applicable to your Internet activities; (iv) you will not transmit any information which is defamatory, abusive, or which may give rise to civil liability; (v) we may monitor your e-mail and Internet communications with our employees; and (vi) our Internet Service will be subject to the additional qualifications and operating rules, if any, set forth on our web site or in the terms and conditions for the Service.
17. Processing Deadlines. A number of our Services are subject to processing deadlines; for example, 2:00 p.m. (Central Time) for wire transfer orders; and

2:00 a.m. (Central Time) on business days or 11:00 pm (Central Time) on Saturdays for internal fund transfers. These deadlines are subject to change pursuant to notice provided to you. Instructions (or approvals, if applicable) received after the deadline or on a non-business day may be deemed received as of the next business day. Our business days are Monday through Friday, excluding Federal and State holidays. Services may occasionally be unavailable due to needed maintenance, security, system/network interruptions or other factors. We will not be liable for any failure or delay in acting on your instruction. There may be a delay between the time we process a transaction and when it appears in the Account details. You may review your Account details online or contact us to determine whether or not an instruction has been processed. (Please see section 5 above on “Company Administrator and Users” regarding submitting and approving orders.) We will not be liable for any failure or delay in acting on your order.

18. Dispute Resolution. Any disputes will be handled in accordance with the terms of your Account Rules and Guides.
19. Statements and Notices. Information on transfers to or from your accounts will be reflected on your periodic statements and will be available to you online. We are not required to provide you with any other notice of the receipt, transmittal or debiting of wire transfers, bill payments or other transactions. Any error or discrepancy between your records and the information we provide to you about your accounts or transactions (e.g., in a statement, confirmation, or electronic report) must be reported to us in accordance with the Account Rules and Guides. You agree to notify us immediately if you discover: (a) unauthorized transactions involving any account; (b) a breach in the confidentiality of the Security Codes or Guides; or (c) other problems related to the Services. Notify us immediately so that we may minimize losses to your Accounts. (Please see section 28 below on “Notice” for information on contacting us.)
20. Your Records. This Agreement and the Services are not intended to relieve you of any obligation imposed by law or contract regarding the maintenance of records or from employing adequate audit, accounting and review practices as are customarily followed by similar businesses. You agree to retain and provide to us, upon request, all information necessary to remake or reconstruct any deposit, transfer, transmission, file, entry or other transaction until ten business days following processing by us of the deposit, transfer, transmission, file, entry or other transaction affecting an account.
21. Termination. You or we may terminate this Agreement as to some or all of the Services, with or without cause, by giving 30 days prior notice to the other party. We may suspend or terminate your Services or this Agreement immediately and without prior notice if: (a) you breach any agreement with us; (b) the confidentiality of your Security Code is compromised; (c) we have reason to believe that an unauthorized transaction has taken or may take place involving any of your accounts or any of the Services; (d) you become insolvent or the



subject of a bankruptcy, receivership, or dissolution proceeding; (e) we are uncertain as to any person's authority to give us instructions regarding your accounts or the Services; (f) for other security reasons; (g) a change in law applicable to the Services or Account impacts our ability to continue to provide the Service; or (h) any other reason we deem appropriate. The termination of this Agreement will not affect the rights or obligations of the parties that arise prior to termination.

22. Standard of Care. You acknowledge that the Services are provided as an alternative method for obtaining certain services; that there are risks to using Services online, such as the potential for fraud if someone gains access to a Security Code; and that the risks of using the Services could be mitigated or eliminated by making transactions in person at a Territorial Savings Bank branch rather than online. You agree that our procedures outlined in this Agreement and the Guides constitute ordinary care, consistent with reasonable commercial standards, with Territorial Savings Bank acting in good faith and fair dealing.
23. Proprietary Information. The material and content accessible from this site is the proprietary information of Territorial Savings Bank (or the third party providing the content), and we (or such third party) retain all right, title, and interest in the content. The content may not be copied or used in any way without our prior written consent (or the consent of the third party, as applicable), except that you may print out a copy of the Content solely in connection with your use of Services for your account with us. Any modification or use of the content except as expressly provided in this Agreement or the Guides is prohibited.

We may use anonymous, aggregate information, which we collect and store, or which is collected and stored on our behalf by third party vendors, to conduct certain analytical research and help us to create new offerings and services for our customers. As we make additional offerings and online banking services available to you, some of which may rely on banking information maintained in your accounts, you will have the opportunity to participate in the services if you choose. If you choose not to participate, you do not need to notify us. We may also use anonymous, aggregate information which we collect and store, or which is collected and stored on our behalf by third party vendors, to (a) conduct database marketing and marketing program execution activities; (b) publish summary or aggregate results relating to metrics comprised of research data from time to time; and (c) distribute or license such aggregated research data to third parties. Additionally, automated technology may be used to tailor messages or advertisements that best reflect your interest and needs.

24. Internal Business Use Only. You agree to use the Services only for the Account holder's own internal business use in accordance with the terms of this Agreement and the Guides. Without limiting the generality of the foregoing, you agree not to make the Service available or allow use of the Service in a computer bureau service business, timesharing, reselling or otherwise allow the use of the Service by or for the benefit of any person other than the Account holder.

25. Disclosure Statement. While the Online Service is designed to give you timely notice of specific events, it cannot provide immediate notice. We make no warranties for the timeliness of the alerts or the accuracy, reliability, or completeness of alerts provided to you as a result of, but not limited to, the following circumstances: (a) incorrect or invalid email addresses; (b) canceled or inactive email accounts; (c) lack of Internet or cell phone service provider; (d) technical difficulties suffered by your Internet or cell phone service provider or wireless communications carrier; (e) cell phones or other devices omitted a portion of an alert; or (f) other causes beyond the control of Territorial Savings Bank.
26. Prohibited Transactions. You agree to defend, indemnify and hold us and our service providers harmless from any liability, claims or damages resulting from your scheduling of any Prohibited Transaction through the Service. We have no obligation to research or resolve any claim in connection with any Prohibited Transaction. All research and resolution will be the sole responsibility of you and not of us or our service providers. We have the right but not the obligation to monitor for, block and/or reverse any Prohibited Transaction. The following are Prohibited Transactions:
- a. Transactions to any person or organization listed in the Office of Foreign Asset Control's Specially Designed Nationals list;
  - b. Transactions that violate any law, statute, ordinance or regulation;
  - c. Transactions related to goods or services that use the Site for commercial purposes of any kind other than to facilitate a transaction on the Service;
  - d. Transactions relating to transactions that constitute money-laundering or terrorist financing; and
  - e. Transactions for a computer bureau service business; timesharing, reselling, disclosing or allowing the use of the Service by or for the benefit of any third party.
27. Errors and Questions. In case of errors or questions about your transactions, notify us as soon as possible. (Please see section 28 below on "Notice" for information on contacting us.)

Any error or discrepancy between your records and the information we provide to you about your accounts or transactions (e.g. in a statement, confirmation, or electronic report) must be reported to us in accordance with this Agreement and the Guides.

Contact us immediately if you discover: (a) unauthorized transactions involving any account; (b) a breach in the confidentiality of the Security Codes or Guides; or (c) other problems related to the Services.

28. Notice.

- a. *Notices to Us.* Required notices to us must be in signed writing. However, you may contact us by calling (808) 946-1400 during our office hours; by faxing us at (808) 951-1272, by e-mailing [ebank@territorialsavings.net](mailto:ebank@territorialsavings.net), or by visiting any of our branch offices. To contact us in writing about the Service, write to:

Territorial Savings Bank  
Attn: Electronic Banking Services  
P. O. Box 1481  
Honolulu, Hawaii 96806

If you send electronic mail ("e-mail") inquiries to [ebank@territorialsavings.net](mailto:ebank@territorialsavings.net), or any other email address we make available to you for such email inquiries, we may not receive or review it immediately. We will have a reasonable time to act upon any e-mail request or notice, and reserve the right to reject any transaction or request received by e-mail. You acknowledge that, even though e-mail may be encrypted, we cannot ensure that it will not be intercepted or affected by the actions or omissions of others, such as third party networks or persons with access to the Internet. As such, we recommend that you not send account data or other sensitive information to us by e-mail.

If you contact us with instructions or regarding a suspected breach of your Account, we will email you or provide other written confirmation of our receipt of your notice. If you do not receive confirmation, please contact us to verify that we received your communication.

We will never contact you by email, telephone, mail or other type of correspondence and request your PIN, password, username, or other access code. If you are contacted by anyone asking for your PIN, password, username or other access code, you should refuse and immediately contact us. You may be the target of identity theft.

- b. *Notices to You.* You agree that we may provide notice to you by posting it on the Site, sending you an in-product message within the Service, emailing it to an email address that you have provided us, mailing it to any postal address that you have provided us, or by sending it as a text messages to any cellphone number that you have provided us, including but not limited to the cellphone number that you have listed in your Service Setup. For example, users of the Service may receive certain notices (such as requests for approval of an Order) as text messages on their cellphones. All notices by any of these methods shall be deemed received by you no later than twenty-four (24) hours after they are sent or posted, except for notice by postal mail, which shall be deemed received by you no later than three (3) business days after it is mailed.

As part of the Service, you agree to receive all legally required notifications electronically. You may withdraw consent for electronic notices; however, doing so will not affect the legal effectiveness, validity, or enforceability of electronic records that were made available to you prior to the implementation of your withdrawal. To withdraw consent for electronic notices, come to any Territorial Savings Bank branch or write to the address above. We reserve the right to terminate Online Services for your Account if you withdraw your consent to receive electronic communications.

- c. *Calls to You.* By providing us with a telephone number (including a wireless/cellular telephone), you consent to receiving autodialed and prerecorded message calls from us at that number for non-marketing purposes.
29. Address or Banking Changes. It is your sole responsibility to ensure that the contact information in your user profile is current and accurate. This includes, but is not limited to, name, address, phone numbers and email addresses. Changes can be made by contacting Customer Service. Any changes in your Account should also be made in accordance with the procedures outlined within the application's Help files.
  30. Notice of Rejection. We may refuse any transfer, payment or other instruction without cause or prior notice. If we reject your transfer or payment order, we generally will attempt to notify you of the rejection orally or in writing within three business days. We are not liable to you for any rejection, and we are not obligated to pay you interest for any period before you receive the notice of rejection. When a transfer or payment order which we have initiated is rejected by someone else, we generally will attempt to notify you of such rejection orally or in writing within three business days following the day that we receive notice of the rejection. We will not be responsible for any loss, including interest, which you may claim as a result of your late receipt of a rejection notice.
  31. LIABILITY; INDEMNIFICATION; WARRANTIES.
    - a. YOUR LIABILITY FOR UNAUTHORIZED ACTIVITY BY OTHERS. YOU AGREE THAT WE SHALL NOT HAVE ANY LIABILITY OR RESPONSIBILITY OF ANY KIND FOR ANY LOSS INCURRED OR FOR ANY UNAUTHORIZED PERSON GAINING ACCESS TO OR OTHERWISE MAKING USE OF THE SERVICE. YOU ASSUME FULL RESPONSIBILITY FOR THE CONSEQUENCES OF ANY MISUSE OR UNAUTHORIZED USE OF OR ACCESS TO THE SERVICE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION OR INSTRUCTIONS BY YOUR EMPLOYEES, AGENTS, OR OTHER THIRD PARTIES.

- b. YOUR INDEMNIFICATION OF US. YOU AGREE TO DEFEND, INDEMNIFY, AND HOLD US AND OUR SERVICE PROVIDER HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, COSTS, EXPENSES, FEES, CLAIMS, DAMAGES, LIABILITIES AND CAUSES OF ACTIONS (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEY FEES AND DISBURSEMENTS) INCURRED AS A RESULT OF THE USE OF THE SERVICE WHATSOEVER. THIS INCLUDES, WITHOUT LIMITATION, CLAIMS OF THIRD PARTIES RESULTING OR ARISING FROM: (I) YOUR ACTIONS OR OMISSIONS, OR THOSE OF THIRD PARTIES THAT ARE NOT WITHIN OUR IMMEDIATE AND REASONABLE CONTROL; INCLUDING BUT NOT LIMITED TO WILLFUL MISCONDUCT, FRAUD, CRIMINAL ACTIVITY, INTENTIONAL TORT, NEGLIGENCE, FAILURE TO ABIDE BY OR PERFORM ANY OBLIGATION; (II) THE ACTIONS OR OMISSIONS OF YOU, YOUR AGENTS OR EMPLOYEES OR ANYONE PROVIDING A SECURITY CODE FOR THE ACCOUNT OR TRANSACTION.; (iii) ANY TRANSMISSION OR INSTRUCTION, WHETHER OR NOT AUTHORIZED, ACTED UPON BY US IN GOOD FAITH; (IV) YOUR FAILURE TO PROMPTLY NOTIFY US OF AN ERROR OR DISCREPANCY; (V) ANY AMBIGUITY, INACCURACY OR OMISSION IN ANY INSTRUCTION OR INFORMATION PROVIDED TO US; (VI) ANY ERROR, FAILURE OR DELAY IN THE TRANSMISSION OR DELIVERY OF DATA, RECORDS OR ITEMS DUE TO A BREAKDOWN IN ANY COMPUTER OR COMMUNICATIONS FACILITY; (VII) ACCIDENTS, STRIKES, LABOR DISPUTES, CIVIL UNREST, FIRE, FLOOD, WATER DAMAGE (E.G., FROM FIRE SUPPRESSION SYSTEMS), OR ACTS OF GOD; (VIII) CAUSES BEYOND OUR REASONABLE CONTROL; (IX) THE APPLICATION OF ANY GOVERNMENT OR FUNDS-TRANSFER SYSTEM RULE, GUIDELINE, POLICY OR REGULATION; (X) THE LACK OF AVAILABLE FUNDS (AS SHOWN AT THE TIME OF THE TRANSACTION) IN YOUR ACCOUNT TO COMPLETE A TRANSACTION; (XI) OUR INABILITY TO CONFIRM TO OUR SATISFACTION THE AUTHORITY OF ANY PERSON TO ACT ON YOUR BEHALF; (XII) YOUR FAILURE TO FOLLOW ANY APPLICABLE SOFTWARE MANUFACTURER'S RECOMMENDATIONS OR OUR SERVICE INSTRUCTIONS; OR (XIII) THE ACTIONS OR OMISSIONS OF ANYONE PROVIDING THE SECURITY CODE FOR THE ACCOUNT OR TRANSACTION.
- c. EXCLUSION OF WARRANTIES BY US. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, WE DISCLAIM ANY WARRANTIES REGARDING THE OPERATION, PERFORMANCE OR FUNCTIONALITY OF THE SERVICE (INCLUDING, WITHOUT LIMITATION, THAT THE SERVICE WILL OPERATE WITHOUT INTERRUPTION OR BE ERROR FREE). YOU FURTHER ACKNOWLEDGE THAT THERE ARE CERTAIN SECURITY, CORRUPTION, TRANSMISSION ERROR AND ACCESS AVAILABILITY

RISKS ASSOCIATED WITH USING OPEN NETWORKS SUCH AS THE INTERNET, OR TELECOMMUNICATION LINES OR CIRCUITS. YOU HEREBY ASSUME ALL RISKS RELATING THERETO.

OTHER THAN THE ONLINE BILL PAYMENT SERVICE GUARANTEE, ALL SERVICES AND RELATED DOCUMENTATION ARE PROVIDED "AS IS," "AS AVAILABLE" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTY OF TITLE, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. WE ARE NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN OR TO ANY INFORMATION RESULTING FROM USE OF THE SERVICES.

- d. LIMITS ON OUR LIABILITY. WE SHALL NOT BE RESPONSIBLE FOR YOUR ACTS OR OMISSIONS OR THOSE OF ANY OTHER PERSON, INCLUDING WITHOUT LIMITATION, ANY FEDERAL RESERVE BANK, INTERMEDIARY BANKS, OR ANY THIRD PARTY, AND NO SUCH PERSON SHALL BE DEEMED OUR AGENT.

EXCEPT FOR THE ONLINE BILL PAYMENT SERVICE GUARANTEE, IN NO EVENT SHALL WE BE LIABLE FOR ANY OTHER DIRECT, INDIRECT, GENERAL, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE INSTALLATION, USE, OR MAINTENANCE OF THE EQUIPMENT, SOFTWARE, AND/OR ANY SERVICE. IF, NOT WITHSTANDING THE FOREGOING, A COURT OR ARBITRATOR IMPOSES LIABILITY UPON US OTHER THAN UNDER THE BILL PAYMENT SERVICE GUARANTEE, IN NO EVENT SHALL SUCH LIABILITY WITH RESPECT TO THE SERVICE OR ANY TRANSFER EXCEED THE GREATER OF \$50 OR THE CHARGE FOR THE SERVICE IN QUESTION, AND YOU AGREE TO BE RESPONSIBLE FOR ALL OTHER AMOUNTS.

- e. LIMITATIONS ON ACTIONS; COOPERATION; SUBROGATION. ANY CLAIM, ACTION OR PROCEEDING BY YOU TO ENFORCE THE TERMS OF THIS AGREEMENT OR TO RECOVER ANY SERVICE-RELATED LOSS MUST BE COMMENCED WITHIN ONE YEAR FROM THE DATE THAT THE EVENT GIVING RISE TO THE CLAIM, ACTION OR PROCEEDING FIRST OCCURS. YOU AGREE TO COOPERATE WITH US IN ANY LOSS RECOVERY EFFORTS WE UNDERTAKE TO REDUCE ANY LOSS OR LIABILITY THAT ARISES IN CONNECTION WITH YOUR SERVICES, AND TO SUBROGATE YOUR RIGHTS TO US. YOU ACKNOWLEDGE THAT OUR SERVICE FEES HAVE BEEN ESTABLISHED IN CONTEMPLATION OF: (I) THESE LIMITATIONS ON OUR LIABILITY; (II) YOUR AGREEMENT TO REVIEW STATEMENTS,

CONFIRMATIONS, AND NOTICES PROMPTLY AND TO NOTIFY US IMMEDIATELY OF ANY DISCREPANCIES OR PROBLEMS; AND (III) YOUR AGREEMENT TO ASSIST US IN ANY LOSS RECOVERY EFFORT. WE MAY PARTICIPATE IN THE DEFENSE OF ANY CLAIM AND SETTLEMENT WITH COUNSEL OF OUR OWN CHOOSING AT OUR OWN EXPENSE. YOU SHALL HAVE NO AUTHORITY TO SETTLE ANY CLAIM AGAINST US WITHOUT OUR PRIOR WRITTEN CONSENT (WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD).

32. Miscellaneous Terms.

- a. *Amendments.* This Agreement, the Guides, and applicable fees and service charges may be altered or amended by us from time to time. In such event, we shall provide notice to you by sending a notice to your email address, or by posting the changed terms on the Service, or any other means permitted by applicable law. If you do not agree to the change or amendment, you must notify us prior to the effective date of the change or amendment and cancel your access to the Service. By using the Service after the effective date of any change or amendment, you agree to that change or amendment, except as otherwise provided by law.

We may, from time to time, revise or update the Service's applications, services, or related material, which may render all prior versions obsolete. Consequently, we reserve the right to terminate this Agreement as to all such prior versions of the applications, services, and related material and limit access to only the Service's more recent revisions and updates.

- b. *Hawaii Law.* This Agreement and the Guides will be governed by and construed in accordance with the federal laws and laws of the state of Hawaii, without reference to Hawaii's conflict of law provisions (except as otherwise provided with respect to the Bill Payment Service).
- c. *Compliance with Laws.* You agree to comply with all applicable laws and regulations when using the Services. You agree not to initiate any wire transfer, ACH entry or payment that would violate the economic sanctions administered by the U.S. Treasury's Office of Foreign Assets Control
- d. *Down Time.* From time-to-time, the online system may be inoperable. If that occurs, your request can be communicated to us by faxing your request, with the information described above, to the branch where you opened your account. Such request will not be deemed to be received until the next business banking day.
- e. *Monitoring of Communications.* You agree on behalf of yourself, your employees and agents that we may monitor and record your telephone and electronic communications in connection with the Services at any time, without further notice to you or any party to the communication.

- f. *Assignments.* We may assign our rights and delegate our duties under this Agreement to a company affiliated with us or to a third party. You may not assign any right or delegate any obligation under this Agreement without our prior written consent.
- g. *No Third Party Beneficiaries.* This Agreement is made for the exclusive benefit of you and us. No third party has any rights under this Agreement except as provided with respect to indemnitees and our third party vendors.
- h. *No Third Party Use.* Unless you have our prior written consent, you may not use the Services to process transactions for third parties or permit others to initiate Service transactions on your behalf.
- i. *Third Party Services.* You acknowledge that we use third party vendors to enable us to provide services to our account holders. You waive any and all claims against our vendors to the extent that our contract with such vendor requires us to waive such claims or to indemnify the vendor against claims made by our customers or other persons.
- j. *Third Party Fees.* Receiving banks, intermediary banks, and other third parties may assess fees in connection with a Service. These fees may be subtracted from the funds they receive. Alternatively, we may assess these fees as an additional charge against your account. If we have advance notice that an additional fee will be incurred, we will attempt to notify you. However, the fees may be assessed without prior notice to you in any transaction, and in particular for foreign wire transfers.
- k. *Waivers.* We shall not be deemed to have waived any of our rights or remedies unless such waiver is in writing and signed by us. No delay or omission on the part of the Bank in exercising any rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.
- l. *Subrogation.* In the event that we are held liable to you in connection with payments or other benefits provided to any third party, at our request, you agree to subrogate and assign to us all rights that you have against such party, to assist us to exercise our rights against such party, and not to prejudice our rights.
- m. *Hyperlinks.* Our website may be hyperlinked to other sites that may not be affiliated with us. We make no representation or warranty about the content or accuracy of any hyperlinks. Hyperlinks are used at the user's risk. Using a hyperlink may identify you as our account holder to the other site operator.



- n. *Captions.* The captions of sections are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

## Online Wire Transfer Service

In addition to the general provisions for Online Services, the following provisions apply to the Online Wire Transfer Service.

1. Wire Transfers. The Monarch Business Online Banking Wire Transfer Service allows you to wire money to other financial institutions.
2. Daily Limit. The “daily limit” means the online wire transfer limit that we may establish and change from time to time for your Account. Orders over your daily limit may not be processed. (If you exceed your daily limit, you may be able to request a wire transfer in person at one of our branches.) Contact us to determine your current daily limit.
3. Ordering an Online Wire Transfer. You must designate the Territorial Savings Bank account from which the wire is to be made; the name of the payee; the payee’s account number; the payee’s address; the reason for wire; and the receiving bank information, including: ABA number or SWIFT, bank name, and address.
4. Your Instructions. You must accurately describe transaction beneficiaries, intermediary financial institutions, the beneficiary’s financial institution and account in transfer and payment instructions, and their addresses. If you describe any beneficiary, institution, account or address inconsistently by name, number, or location, other institutions and we may process the transaction solely on the basis of the number, even if the number identifies a person, entity, account or address different from the named beneficiary, institution, account or address.
5. Approval. You may specify that approval of a wire transfer instruction is required. For example, anyone using the Company Administrator’s Security Codes may specify that approval from the Company Administrator or another agent for the Company is needed prior to processing an online wire transfer order.
6. Processing Deadlines. The current processing deadline is 2:00 p.m. (Central Time) for wire transfer orders. This means that if you opt for approval of an online wire transfer order, the initial request and the approval must be obtained by the processing deadline.
7. Prohibited Transactions. Prohibited transactions include wire transfers to any person or organization listed in the Office of Foreign Asset Control’s Specially

Designed Nationals list, as well as any transaction that violates any law, statute, ordinance or regulation;

8. Notice of Rejection. We may refuse any transfer or other instruction without cause or prior notice. If we reject your transfer order, we generally will attempt to notify you of the rejection orally or in writing within three business days. We are not liable to you for any rejection, and we are not obligated to pay you interest for any period before you receive the notice of rejection. When a transfer which we have initiated is rejected by someone else, we generally will attempt to notify you of such rejection orally or in writing within three business days following the day that we receive notice of the rejection. We will not be responsible for any loss, including interest, which you may claim as a result of your late receipt of a rejection notice.
9. Third Party Fees. Receiving banks, intermediary banks, and other third parties may assess fees in connection with the Wire Transfer Service. These fees may be subtracted from the funds they receive. Alternatively, we may assess these fees as an additional charge against your account. If we have advance notice that an additional fee will be incurred, we will attempt to notify you. However, the fees may be assessed without prior notice to you for any wire transfer, and in particular for foreign wire transfers.
10. General. Please refer to the Monarch Business Online Agreement and the other Guides governing your Account and the Wire Transfer Service. See, e.g., sections 5 (Company Administrator and Users), 8 (Information Processing and Reporting), 10 (Guides and Security Procedures), 12 (Amending/Canceling a Transaction), 14 (Unauthorized Transactions), 16 (Electronic Mail/Internet), 22 (Standard of Care), 26 (Prohibited Transactions), 27 (Errors and Questions), 28 (Notice), and 31 (Liability; Indemnification; Warranties).

## Online Bill Payment Service

In addition to the general provisions for Online Services, the following provisions apply to the Online Bill Payment Service.

1. Terms and Conditions of the Monarch Business Bill Payment Service. These rules govern the Monarch Business Online Bill Payment Service. The Bill Payment service is one of the Online Services, and you must be enrolled in Monarch Business Online Banking to use the Bill Payment Service.

These rules are in addition to all the other terms and conditions that apply to your account, including the Monarch Business Account Agreement, Monarch Business Online Agreement, and the Schedule of Fees and Charges.

2. Bill Payment Service Definitions.

"Service" means the bill payment service offered by Territorial Savings Bank through its service providers.

"Agreement" means these terms and conditions of the bill payment service.

"Biller" is the person or entity to which you wish a bill payment to be directed or is the person or entity from which you receive electronic bills, as the case may be.

"Billing Account" is the checking account from which all Service fees will be automatically debited.

"Business Day" is every Monday through Friday, excluding Federal Reserve holidays.

"Due Date" is the date reflected on your Biller statement for which the payment is due; it is not the late date or grace period.

"Payment Instruction" is the information provided by you to the Service for a bill payment to be made to the Biller (such as, but not limited to, Biller name, Biller account number, and Scheduled Payment Date).

"Payment Account" is the checking account from which bill payments will be debited.

"Scheduled Payment" is a payment that has been scheduled through the Service but has not begun processing.

"Scheduled Payment Date" is the day you want your Biller to receive the bill payment and is also the day your Payment Account will be debited, unless the Scheduled Payment Date falls on a non-Business Day in which case it will be considered to be the previous Business Day. If the payment is sent via laser draft, your account will be debited when the draft is presented to Territorial Savings Bank for payment.

"You" and "your" refers to the accountholder and its employees, agents and representatives.

"We" and "us" refer to Territorial Savings Bank and its employees, agents and representatives.

3. Payment Scheduling. The earliest possible Scheduled Payment Date for each Biller (typically four (4) or fewer Business Days from the current date) will be designated within the application when you are scheduling the payment. Therefore, the application will not permit you to select a Scheduled Payment Date less than the earliest possible Scheduled Payment Date designated for each Biller. When scheduling payments, select a Scheduled Payment Date that

is no later than the actual Due Date reflected on your Biller statement unless the Due Date falls on a non-Business Day. If the actual Due Date falls on a non-Business Day, you must select a Scheduled Payment Date that is at least one (1) Business Day before the actual Due Date. Scheduled Payment Dates must be prior to any late date or grace period to be covered by the Bill Payment Service Guarantee.

4. The Bill Payment Service Guarantee. Due to circumstances beyond the control of the Service, particularly delays in handling and posting payments by Billers or financial institutions, some transactions may take longer to be credited to your account. The Service will bear responsibility for any late payment related charges up to \$50.00 should a permitted payment post after its Due Date because of the Service's wrongful act or omission, as long as the payment was scheduled in accordance with the guidelines described under "Payment Scheduling" in this Agreement and you follow the terms and conditions of the Service.
5. Payment Authorization and Payment Remittance. You represent and warrant that you are acting with full authority for the account holder, and that you are duly authorized to execute this Agreement on behalf of the account holder. By providing the Service with names and account information of Billers to whom you wish to direct payments, you authorize the Service to follow the Payment Instructions that it receives through the payment system. In order to process payments more efficiently and effectively, the Service may edit or alter payment data or data formats in accordance with Biller directives.

When the Service receives a Payment Instruction, you authorize the Service to debit your Payment Account and remit funds on your behalf so that the funds arrive as close as reasonably possible to the Scheduled Payment Date designated by you. You also authorize the Service to credit your Payment Account for payments returned to the Service by the United States Postal Service or Biller, or payments remitted to you on behalf of another authorized user of the Service.

The Service will use its best efforts to make all your payments properly. However, the Service shall incur no liability and any Bill Payment Service Guarantee shall be void if the Service is unable to complete any payments initiated by you because of the existence of any one or more of the following circumstances:

- a. If, through no fault of the Service, your Payment Account does not contain sufficient funds to complete the transaction or the transaction would exceed the credit limit of your overdraft account;
- b. The payment processing center is not working properly and you know or have been advised by the Service about the malfunction before you execute the transaction;

- c. You have not provided the Service with the correct Payment Account information, or the correct name, address, phone number, or account information for the Biller;
- d. You do not follow the terms and conditions for the Service or other rules that we establish and disseminate from time to time; or
- e. Circumstances beyond control of the Service (such as, but not limited to, fire, flood, interference from an outside force, Internet or communications failure) prevent the proper execution of the transaction and the Service has taken reasonable precautions to avoid those circumstances.

Subject to the terms and conditions of the Service, and provided none of the foregoing exceptions are applicable, if the Service causes an incorrect amount of funds to be removed from your Payment Account or causes funds from your Payment Account to be directed to a Biller which does not comply with Payment Instructions submitted to us, the Service shall be responsible for returning the improperly transferred funds to your Payment Account, and for directing to the proper Biller any previously misdirected transactions, and, if applicable, for any late payment related charges.

- 6. Payment Methods. The Service reserves the right to select the method in which to remit funds on your behalf to your Biller. These payment methods may include, but may not be limited to, an electronic payment, an electronic to check payment, or a laser draft payment (funds remitted to the Biller are deducted from your Payment Account when the laser draft is presented to Territorial Savings Bank for payment).
- 7. Payment Cancellation Requests. You may cancel or edit any Scheduled Payment (including recurring payments) by following the directions within the application. There is no charge for canceling or editing a Scheduled Payment. Once the Service has begun processing a payment it cannot be cancelled or edited, therefore a stop payment request must be submitted.
- 8. Stop Payment Requests. The Service's ability to process a stop payment request will depend on the payment method and whether or not a check has cleared. The Service may also not have a reasonable opportunity to act on any stop payment request after a payment has been processed. If you desire to stop any payment that has already been processed, you must contact Customer Service. Although the Service will make every effort to accommodate your request, the Service will have no liability for failing to do so. The Service may also require you to present your request in writing within fourteen (14) days. Please refer to the current Schedule of Fees and Charges for fee information. Contact Customer Service at (844) 850-4148 or Territorial Savings Bank at (808) 946-1400 during business hours to place a stop payment on an online bill payment transaction.

9. Exception Payments. Tax payments, governmental payments, and court ordered payments (“Exception Payments”) may be scheduled through the Service; however such payments are discouraged. Attempting to process any Exception Payments through the Service is done entirely at your own risk and may be rejected by us. In no event shall we or our service providers be liable for any claims or damages resulting from your scheduling of any Exception Payments. You agree to defend, indemnify and hold us and our service providers harmless from any liability, claims or damages resulting from the scheduling of any Exception Payment through the Service, and any payments that are rejected or processed in whole or in part by the Service. We have no obligation to research or resolve any claim in connection with any Exception Payment. All research and resolution for any misapplied, misposted, misdirected, partial or rejected Exception Payment will be the sole responsibility of you and not of us or our service providers. The Bill Payment Service Guarantee does not apply to any Exception Payment.
  
10. Prohibited Payments. The payments described in this section are referred to as “Prohibited Payments.” Attempting to process any Prohibited Payments through the Service is done entirely at your own risk and may be rejected by us. In no event shall we or our service providers be liable for any claims or damages resulting from the scheduling of any Prohibited Payments. You agree to defend, indemnify and hold us and our service providers harmless from any liability, claims or damages resulting from your scheduling of any Prohibited Payment through the Service, and any payments that are rejected or processed in whole or in part by the Service. We have no obligation to research or resolve any claim in connection with any Prohibited Payment. All research and resolution for any misapplied, misposted, misdirected, partial or rejected Prohibited Payment will be the sole responsibility of you and not of us or our service providers. The Bill Payment Service Guarantee does not apply to any Prohibited Payment.

We have the right but not the obligation to monitor for, block and/or reverse any Prohibited Payment. The following types of payments are Prohibited Payments:

- a. Payments to or from persons or entities located outside of the United States and its territories;
  - b. Payments that violate any law, statute, ordinance or regulation;
  - c. Payments that violate the Acceptable Use terms described below; and
  - d. Payments to any person or organization listed in the Office of Foreign Asset Control’s Specially Designed Nationals list.
11. Acceptable Use. You agree that you are independently responsible for complying with all applicable laws in all of activities related to your use of the Service, regardless of the purpose of the use, and for all communications you send through the Service. We and our service providers have the right but not

the obligation to monitor and remove communications content that we find in our sole discretion to be objectionable in any way. In addition, you are prohibited from using the Service for communications or activities that: (a) violate any law, statute, ordinance or regulation; (b) facilitate any viruses, Trojan horses, worms or other computer programming routines that may damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or information; (c) constitute use of any robot, spider, other automatic device, or manual process to monitor or copy the Service or the portion of the Site through which the Service is offered without our prior written permission; (d) constitute use of any device, software or routine to bypass technology protecting the Site or Service, or interfere or attempt to interfere, with the Site or the Service; or (e) may cause us or our service providers to lose any of the services from our internet service providers, payment processors, or other vendors.

12. Transaction Limits. You may not be able to initiate Bill Payments to or from certain types of accounts (such as Certificates of Deposits or CDs) designated by us. We may also refuse to process Bill Payments from your account that exceed \$9,999.99.

We may limit the duration of each session. We reserve the right to limit the frequency and dollar amount of any transactions at any time for security reasons.

If we receive your request after 6:30 p.m. (Central Time), your transaction may not be processed until our next Business Day.

13. Credits, Debits, Available Balance. We may pay bill payments, checks, preauthorized transfers, and other debits and credits deposits, to your account in any manner that we elect. Debits to your account may be charged against your account before any deposits are credited to your account. We also may change our procedures from time to time without telling you.

If you have a line of credit attached to your bill payment funding account, we may access your line of credit when there are insufficient funds in your account (even if the funds become available later in the day). Finance charges begin to accrue from the effective date of each advance in accordance with the terms of your line of credit agreement.

Whether or not you are enrolled in one of our overdraft programs, if your Available Balance is insufficient to make a payment using the Bill Payment Service, we may charge you an NSF fee and either process your bill payment request (in which case you will be obligated to repay the resulting overdraft or deficit to us immediately), or refuse to process your bill payment request.

14. Bill Delivery and Presentment. This feature is for the presentment of electronic bills only and it is your sole responsibility to contact your Billers directly if you do not receive your statements. In addition, if you elect to activate one of the Service's electronic bill options, you also agree to the following:

Information provided to the Biller - The Service is unable to update or change your personal information such as, but not limited to, name, address, phone numbers and e-mail addresses, with the electronic Biller. Any changes will need to be made by your contacting the Biller directly. Additionally it is your responsibility to maintain all usernames and passwords for all electronic Biller sites. You also agree not to use someone else's information to gain unauthorized access to another person's bill or account. The Service may, at the request of the Biller, provide to the Biller your e-mail address, service address, or other data specifically requested by the Biller at the time of activating the electronic bill for that Biller, for purposes of the Biller informing you about Service and/or bill information.

*Activation* - Upon activation of the electronic bill feature the Service may notify the Biller of your request to receive electronic billing information. The presentment of your first electronic bill may vary from Biller to Biller and may take up to sixty (60) days, depending on the billing cycle of each Biller. Additionally, the ability to receive a paper copy of your statement(s) is at the sole discretion of the Biller. While your electronic bill feature is being activated it is your responsibility to keep your accounts current. Each electronic Biller reserves the right to accept or deny your request to receive electronic bills.

*Authorization to obtain bill data* - Your activation of the electronic bill feature for a Biller shall be deemed by us to be your authorization for us to obtain bill data from the Biller on your behalf. For some Billers, you will be asked to provide us with your user name and password for that Biller. By providing us with such information, you authorize us to use the information to obtain your bill data.

*Notification* - The Service will use its best efforts to present all of your electronic bills promptly. In addition to notification within the Service, the Service may send an e-mail notification to the e-mail address listed for your account. It is your sole responsibility to ensure that this information is accurate. In the event you do not receive notification, it is your responsibility to periodically logon to the Service and check on the delivery of new electronic bills. The time for notification may vary from Biller to Biller. You are responsible for ensuring timely payment of all bills.

*Cancellation of electronic bill notification* - The electronic Biller reserves the right to cancel the presentment of electronic bills at any time. You may cancel electronic bill presentment at any time. The timeframe for cancellation of your electronic bill presentment may vary from Biller to Biller. It may take up to sixty (60) days, depending on the billing cycle of each Biller. The Service will notify your electronic Biller(s) as to the change in status of your account and it is your sole responsibility to make arrangements for an alternative form of bill delivery. The Service will not be responsible for presenting any electronic bills that are already in process at the time of cancellation.



*Non-Delivery of electronic bill(s)* - You agree to hold the Service harmless should the Biller fail to deliver your statement(s). You are responsible for ensuring timely payment of all bills. Copies of previously delivered bills must be requested from the Biller directly.

*Accuracy and dispute of electronic bill* - The Service is not responsible for the accuracy of your electronic bill(s). The Service is only responsible for presenting the information we receive from the Biller. Any discrepancies or disputes regarding the accuracy of your electronic bill summary or detail must be addressed with the Biller directly.

This Agreement does not alter your liability or obligations that currently exist between you and your Billers.

15. Password and Security. You agree not to give or make available your password or other means to access your account to any unauthorized individuals. You are responsible for all payments using the Service. You are responsible for any transactions authorized by persons using the Service or your password or other means to access your account. If you believe that your password or other means to access your account has been lost or stolen or that someone may attempt to use the Service without your consent or has transferred money without your permission, you must notify us and change your password immediately. If you contact us with instructions or regarding a suspected breach of your Account, we will email you or provide other written confirmation of our receipt of your notice. If you do not receive confirmation, please contact us to verify that we received your communication. See section 18 below on "Notice" regarding how to contact us.
16. Periodic Statements. Information on transfers to or from your accounts will be reflected on your periodic statements and will be available to you online. We are not required to provide you with any other notice of the receipt, transmittal or debiting of wire transfers, ACH entries or bill payments.
17. Errors and Questions. In case of errors or questions about your transactions, notify us as soon as possible. See section 18 below on "Notice" regarding how to contact us.

Any error or discrepancy between your records and the information we provide to you about your accounts or transactions (e.g. in a statement, confirmation, or electronic report) must be reported to us in accordance with the Account Agreement.

Contact us immediately if you discover: (a) unauthorized transactions involving any account; (b) a breach in the confidentiality of the Security Codes or Guides; or (c) other problems related to the Services.

18. Notice

- a. *Notices to Us.* Required notices to us must be in signed writing. However, you may contact us by calling (808) 946-1400 during our office hours; by e-mailing [ebank@territorialsavings.net](mailto:ebank@territorialsavings.net), by visiting any of our branch offices. To contact us in writing about the Service, write to:

Territorial Savings Bank  
Attn: Electronic Banking Services  
P.O. Box 1481  
Honolulu, Hawaii 96806

If you send electronic mail (“e-mail”) inquiries to [ebank@territorialsavings.net](mailto:ebank@territorialsavings.net), or any other email address we make available to you for such email inquiries, we may not receive or review it immediately. We will have a reasonable time to act upon any e-mail request or notice, and reserve the right to reject any transaction or request received by e-mail. You acknowledge that, even though e-mail may be encrypted, we cannot ensure that it will not be intercepted or affected by the actions or omissions of others, such as third party networks or persons with access to the Internet. As such, we recommend that you not send account data or other sensitive information to us by e-mail.

If you contact us with instructions or regarding a suspected breach of your Account, we will email you or provide other written confirmation of our receipt of your notice. If you do not receive confirmation, please contact us to verify that we received your communication.

We will never contact you by email, telephone, mail or other type of correspondence and request your PIN, password, username, or other access code. If you are contacted by anyone asking for your PIN, password, username or other access code, you should refuse and immediately contact us. You may be the target of identity theft.

- b. *Notices to You.* You agree that we may provide notice to you by posting it on the Site, sending you an in-product message within the Service, emailing it to an email address that you have provided us, mailing it to any postal address that you have provided us, or by sending it as a text messages to any cellphone number that you have provided us, including but not limited to the cellphone number that you have listed in your Service Setup. For example, users of the Service may receive certain notices (such as notices of payment, alerts for validation and receipt of transfers) as text messages on their cellphones. All notices by any of these methods shall be deemed received by you no later than twenty-four (24) hours after they are sent or posted, except for notice by postal mail, which shall be deemed received by you no later than three (3) business days after it is mailed. You may request a paper copy of any legally

required disclosures and you may terminate your consent to receive required disclosures through electronic communications by writing to us. We reserve the right to terminate the Service if you withdraw your consent to receive electronic communications.

- c. *Calls to You.* By providing us with a telephone number (including a wireless/cellular telephone), you consent to receiving autodialed and prerecorded message calls from us at that number for non-marketing purposes.
19. Address or Banking Changes. It is your sole responsibility to ensure that the contact information in your user profile is current and accurate. This includes, but is not limited to, name, address, phone numbers and email addresses. Changes can be made either within the application or by contacting Customer Service. Any changes in your Payment Account should also be made in accordance with the procedures outlined within the application's Help files. All changes made are effective immediately for scheduled and future payments paid from the updated Payment Account information. The Service is not responsible for any payment processing errors or fees incurred if you do not provide accurate Payment Account or contact information.
20. YOUR LIABILITY FOR UNAUTHORIZED TRANSFERS; EXCLUSIONS OF WARRANTIES; INDEMNIFICATION. OTHER THAN THE BILL PAYMENT SERVICE GUARANTEE, THE SERVICE AND RELATED DOCUMENTATION ARE PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTY OF TITLE, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. WE ARE NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN OR TO ANY INFORMATION RESULTING FROM USE OF THE SERVICES.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, WE DISCLAIM ANY WARRANTIES REGARDING THE OPERATION, PERFORMANCE OR FUNCTIONALITY OF THE SERVICE (INCLUDING, WITHOUT LIMITATION, THAT THE SERVICE WILL OPERATE WITHOUT INTERRUPTION OR BE ERROR FREE). YOU FURTHER ACKNOWLEDGE THAT THERE ARE CERTAIN SECURITY, CORRUPTION, TRANSMISSION ERROR AND ACCESS AVAILABILITY RISKS ASSOCIATED WITH USING OPEN NETWORKS SUCH AS THE INTERNET, OR TELECOMMUNICATION LINES OR CIRCUITS. YOU HEREBY ASSUME ALL RISKS RELATING THERETO.

YOU AGREE TO HOLD US AND OUR SERVICE PROVIDER HARMLESS AND TO DEFEND AND INDEMNIFY US FOR ANY LOSS, COSTS OR EXPENSES INCURRED AS A RESULT OF THE USE OF THE SERVICE, EXCEPT TO THE EXTENT THAT THE BILL PAYMENT SERVICE GUARANTEE APPLIES.

THE BILL PAYMENT SERVICE GUARANTEE SHALL CONSTITUTE THE SERVICE'S ENTIRE LIABILITY AND YOUR EXCLUSIVE REMEDY. IN NO EVENT SHALL THE SERVICE BE LIABLE FOR ANY OTHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE INSTALLATION, USE, OR MAINTENANCE OF THE EQUIPMENT, SOFTWARE, AND/OR THE SERVICE. IF, NOT WITHSTANDING THE FOREGOING, A COURT OR ARBITRATOR IMPOSES LIABILITY UPON US OTHER THAN UNDER THE BILL PAYMENT SERVICE GUARANTEE, IN NO EVENT SHALL SUCH LIABILITY TO YOU WITH RESPECT TO THE SERVICE EXCEED AN AGGREGATE OF \$50.

YOU AGREE THAT WE SHALL NOT BE UNDER ANY LIABILITY OR HAVE ANY RESPONSIBILITY OF ANY KIND FOR ANY LOSS INCURRED OR DAMAGE SUFFERED BY YOU BY REASON OR IN CONSEQUENCE OF ANY UNAUTHORIZED PERSON GAINING ACCESS TO OR OTHERWISE MAKING USE OF THE SERVICE. YOU ASSUME FULL RESPONSIBILITY FOR THE CONSEQUENCES OF ANY MISUSE OR UNAUTHORIZED USE OF OR ACCESS TO THE SERVICE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION OR INSTRUCTIONS BY YOUR EMPLOYEES, AGENTS, OR OTHER THIRD PARTIES.

YOU FURTHER AGREE TO DEFEND, INDEMNIFY, AND HOLD US AND OUR SERVICE PROVIDER HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, COSTS, EXPENSES, FEES, CLAIMS, DAMAGES, LIABILITIES AND CAUSES OF ACTIONS (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEY FEES AND DISBURSEMENTS) OF THIRD PARTIES RESULTING OR ARISING FROM: (A) YOUR FAILURE TO ABIDE BY OR PERFORM ANY OBLIGATION IMPOSED UPON YOU; (B) YOUR WILLFUL MISCONDUCT, FRAUD, CRIMINAL ACTIVITY, INTENTIONAL TORT OR NEGLIGENCE; (C) YOUR ACTIONS, OMISSIONS OR COMMISSIONS; OR (D) ANY TRANSMISSION OR INSTRUCTION, WHETHER OR NOT AUTHORIZED, ACTED UPON BY US IN GOOD FAITH. WE MAY PARTICIPATE IN DEFENSE OF ANY CLAIM AND SETTLEMENT WITH COUNSEL OF OUR OWN CHOOSING AT OUR OWN EXPENSE. YOU SHALL HAVE NO AUTHORITY TO SETTLE ANY CLAIM AGAINST US WITHOUT OUR PRIOR WRITTEN CONSENT (WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD).

21. Disclosure of Account Information to Third Parties. It is our general policy to treat your account information as confidential. However, we will disclose information to third parties about your account or the transactions you make in the following situations:

a. Where it is necessary for completing transactions;

- b. Where it is necessary for activating additional services;
  - c. In order to verify the existence and condition of your account to a third party, such as a credit bureau or Biller;
  - d. To a consumer reporting agency for research purposes;
  - e. In order to comply with a governmental agency or court orders;
  - f. If you give us your written permission; or
  - g. As otherwise permitted by law.
22. Service Fees and Additional Charges. Any applicable fees will be charged regardless of whether the Service was used during the billing cycle. There may be a charge for additional transactions and other optional services. You agree to pay such charges and authorize the Service to deduct the calculated amount from your designated Billing Account for these amounts and any additional charges that may be incurred by you, as set forth in our Schedule of Fees and Charges from time to time. Any financial fees associated with your standard deposit accounts will continue to apply. You are responsible for any and all telephone access fees and/or Internet service fees that may be assessed by your telephone and/or Internet service provider. We assume no liability or control over the Internet access of onsite systems, remote employee or affiliate access.
23. Failed or Returned Transactions. In using the Service, you are requesting the Service to make payments for you from your Payment Account. If we are unable to complete the transaction for any reason associated with your Payment Account (for example, there are insufficient funds in your Payment Account to cover the transaction), the transaction may not be completed. In some instances, you will receive a return notice from the Service. In such case, you agree that:
- a. You will reimburse the Service immediately upon demand any transaction amount that has been returned by the Service;
  - b. We may impose a late charge equal to 1.5% monthly interest or the legal maximum, whichever rate is lower, for any amounts not reimbursed to the Service within fifteen (15) days after the initial notification;
  - c. You will reimburse the Service for any fees and charges imposed because of the return;
  - d. You will reimburse the Service for any fees or costs incurred in attempting to collect the amount owed; and,
  - e. The Service is authorized to report the facts concerning the return to any credit reporting agency.

24. Alterations and Amendments. This Agreement, applicable fees and service charges may be altered or amended by us from time to time. In such event, we shall provide notice to you. Any use of the Service after we provide you a notice of change will constitute your agreement to such change(s). We may, from time to time, revise or update the Service's applications, services, and/or related material, which may render all such prior versions obsolete. Consequently, we reserve the right to terminate this Agreement as to all such prior versions of the applications, services, and/or related material and limit access to only the Service's more recent revisions and updates. In addition, as part of the Service, you agree to receive all legally required notifications via electronic means.

25. Service Termination, Cancellation, or Suspension. In the event you wish to cancel the Service, you may have the ability to do so through the product, or you may contact us. To contact us, see section 18 above on "Notice."

Any payment(s) the Service has already processed before the requested cancellation date will be completed by the Service. All Scheduled Payments including recurring payments will not be processed once the Service is cancelled. The Service may terminate or suspend Service to you at any time. Neither termination nor suspension shall affect your liability or obligations under this Agreement.

26. Biller Limitation. The Service reserves the right to refuse to pay any Biller to whom you may direct a payment. The Service will notify you promptly if it decides to refuse to pay a Biller designated by you. This notification is not required if you attempt to make a Prohibited Payment or an Exception Payment under this Agreement.

27. Returned Payments. In using the Service, you understand that Billers and/or the United States Postal Service may return payments to the Service for various reasons such as, but not limited to, Biller's forwarding address expired; Biller account number is not valid; Biller is unable to locate account; or Biller account is paid in full. The Service will use its best efforts to research and correct the returned payment and return it to your Biller, or void the payment and credit your Payment Account. You may receive notification from the Service.

28. Information Authorization. Your enrollment in the Service may not be fulfilled if the Service cannot verify your identity or other necessary information. In order to verify ownership of the Payment Account(s) and/or Billing Account, the Service may issue offsetting debits and credits to the Payment Account(s) and/or Billing Account, and require confirmation of such from you. Through your enrollment in the Service, you agree that the Service reserves the right to request a review of your credit rating at its own expense through an authorized bureau. In addition, you agree that the Service reserves the right to obtain financial information regarding your account from a Biller or your financial institution (for example, to resolve payment posting problems or for verification).

29. Disputes. In the event of a dispute regarding the Service, you and the Service agree to resolve the dispute by looking to this Agreement. Other agreements that you have with us continue to apply. If there is a conflict between those agreements and this Agreement, the terms of this Agreement will prevail with respect to the Service. If there is a conflict between what an employee of the Service or Customer Service Department says and the terms of this Agreement, the terms of this Agreement will prevail.
30. Assignment; No Third Party Use. You may not assign this Agreement to any other party. The Service may assign this Agreement to any future, directly or indirectly, affiliated company. The Service may also assign or delegate certain of its rights and responsibilities under this Agreement to independent contractors or other third parties. You agree to use the Services only for the Account holder's own internal business use in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, you agree not to make the Services available or allow use of the Services in a computer bureau service business, timesharing, reselling or otherwise allow the use of the Services by or for the benefit of any person other than the Account holder.
31. No Waiver. The Service shall not be deemed to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Service. No delay or omission on the part of the Service in exercising any rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.
32. Captions. The captions of sections hereof are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.
33. Governing Law. We use an independent vendor to process bill payment transactions. The vendor contract provides that Georgia law applies to any dispute governing services provided by the vendor, including without limitation the Bill Payment Service Guarantee. To the extent that the contract that we have with the vendor governs any dispute between you and us (or the vendor), you agree that Georgia law applies. For all other disputes, this Agreement shall be governed by and construed in accordance with the laws of the State of Hawaii, without regard to its conflicts of laws provisions. To the extent that the terms of this Agreement conflict with applicable state or federal law, such state or federal law shall replace such conflicting terms only to the extent required by law. Unless expressly stated otherwise, all other terms of this Agreement shall remain in full force and effect.
34. Third Party Beneficiaries. The parties acknowledge that Territorial Savings Bank's service providers, including Fiserv Solutions, LLC, are intended third party beneficiaries of this Agreement.

35. Amendments. We may change or add to the terms of this Agreement at any time by notifying you of the change by sending a notice to your email address, or by posting the changed terms on the Service, or any other means permitted by applicable law. If you do not agree to the change or amendment, you must notify us prior to the effective date of the change or amendment and cancel your access to the Service. By using the Service after the effective date of any change or amendment, you agree to that change or amendment, except as otherwise provided by law.
36. General. Please refer to the Monarch Business Online Agreement and the other Guides governing your Account and the Bill Payment Service. See, e.g., sections 5 (Company Administrator and Users), 8 (Information Processing and Reporting), 10 (Guides and Security Procedures), 12 (Amending/Canceling a Transaction), 14 (Unauthorized Transactions), 16 (Electronic Mail/Internet), 22 (Standard of Care), 26 (Prohibited Transactions), 27 (Errors and Questions), 28 (Notice), and 31 (Liability; Indemnification; Warranties).

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By signing below, you agree that you have carefully reviewed the terms of this Monarch Business Online Agreement and agree to be bound by its terms.

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Company Name *(as registered with the Hawaii Department of Commerce and Consumer Affairs)*

By: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name \_\_\_\_\_ Title: \_\_\_\_\_

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