

Business Debit Card Agreement

This Business Debit Card Agreement together with the Business ATM/ Debit Card Application ("Application") establishes the terms and conditions governing the Business Debit Card issued by Mercantile Bank ("Bank") to the Business specified in the Application ("Customer"). If any terms of this Agreement conflict with the Account Terms and Conditions provided at account opening, the terms of this Agreement shall prevail but only to the extent of the conflict.

1. Subject to Bank approval, Bank agrees to issue a business debit card ("Card") for each of Customer's authorized signers (each a "Cardholder") to gain access to its Account(s). Each Cardholder will have access to Account(s) specified in the Application. Customer agrees that the Card is for use by business owners and employees and the Card may only be used for business purpose transactions ("Transactions"). Customer acknowledges and understands that the Card shall NOT be treated as a consumer card under state or federal law provisions. Customer agrees to limit use of Cards to legitimate business purposes and to take all necessary steps to assure that each Card is used for no other purpose. Cards will be issued in the name of the business identified in the Application and in the names of the employees designated as Cardholders on the Application. Bank shall deliver Cards to Customer. Customer will be responsible for distributing the Cards to its authorized Cardholders. Cards must be signed upon receipt by Cardholder. All Cards remain property of Bank and must be surrendered upon demand. Bank is providing the Service as an accommodation only and, unless otherwise provided by law, is not responsible in any way for the manner in which the Cards are used.

2. The following is a list of the types of transactions that can be performed using the Card:

- ATM Transfers - Cardholders, if applicable, may access Account(s) by ATM using a Card and personal identification number ("PIN") to:
 - Get cash withdrawals from Accounts.
 - Transfer funds from savings to checking.
 - Transfer funds from checking to savings.
 - Withdraw up to the dollar maximum both per day and per transaction as set forth on the Application.
- Point-of-Sale Transactions ("POS") - Cardholder(s) may access Account(s) to obtain cash advances or purchase goods and services (in person, by phone, or by computer) from participating merchants up to the dollar threshold as set forth on the Application.
- Visa Card Transactions - Cardholder(s) may access Account(s) to purchase goods or services (in person, by phone, or by computer) from participating merchants up to the dollar threshold as set forth on the Application.

3. Each Card will be assigned a PIN. The Card and the PIN are to be used as instructed and Customer agrees not to disclose its PIN in any manner whatsoever to anyone other than the Cardholder. Customer acknowledges that the use of a PIN provides a commercially reasonable degree of protection in light of its needs and circumstances and all Transactions made using any PIN assigned to a Cardholder shall be conclusively presumed to be authorized by Customer.

As additional security procedures, Customer agrees to instruct each Cardholder, as applicable to: 1) safely keep the Card and PIN separate and in his/her sole possession; 2) not disclose the PIN, record it on the Card, or otherwise make it available to anyone else; 3) use the Card, PIN, and ATM/POS terminals only for business purposes and only as authorized by the Bank; 4) save all receipts and never throw them in the trash or on the ground; 5) verify all receipts against periodic statements for the Account(s); 6) report all crimes immediately to the operator of the ATM machine or to local law enforcement personnel; 7) immediately report to Bank any loss, theft, disappearance, or known or suspected unauthorized use of the Card and/or PIN; and 8) treat each Card and PIN with the same degree of care and secrecy that Customer and each Cardholder use to protect other sensitive financial data, but not less than reasonable care. Additionally, each Cardholder shall sign the Card promptly upon receipt.

Customer authorizes Bank to follow any instructions entered through use of the Card with or without use of the PIN. Customer agrees to notify Bank when it terminates a Cardholder's rights and to promptly return the Card to Bank.

4. In limited circumstances, Bank may issue a Card in the name of the Customer alone without a designated Cardholder. Customer understands that there is additional risk with this type of arrangement for which it accepts all liability, including the additional risk that the Card and/or PIN may be used for unauthorized Transactions. Customer understands that the Card may not be accepted by merchants for some Transactions. For purposes of this Agreement, Cards issued to Customer alone shall be subject to the same terms and conditions as those applicable to Cards issued to Cardholders.

Customer agrees to put in place additional security procedures to prevent and detect unauthorized use of the Card. At a minimum, Customer must change the PIN for all cards not issued in the name of a Cardholder when an employee who knew one or more PINs leaves Customer's employ ("User").

5. It is Bank's policy to post and pay all Transactions from highest to lowest from the Account Customer designates on the Application as the "Primary Account. Payment for Transactions is due at the time the Transaction is presented to Bank for payment through the applicable network, at which time Bank will debit the Primary Account in the amount of the Transaction. Customer agrees that it or its employees will not use the Card to overdraw its Primary Account or any other Accounts. In the event that, for any reason, the balance in the Primary Account is insufficient to pay the amount of Transactions in full when presented, or Bank is otherwise unable to settle for Transaction by debiting the Primary Account, Bank may set-off the amount due against any Account. If the balance in any Account is insufficient, Bank may set-off the amount due against any account maintained by Customer at Bank. Nothing within this paragraph shall be construed to require Bank to permit Customer to overdraw any Account.

6. Customer may request multiple Cards. Transaction limitations are established individually for each Card as a set amount on a Bank-wide basis for a specific type of account ("Transaction Limits"). In all cases, the daily Transaction Limit per Card will be the lesser of the amount available in the Account or the Transaction Limit. Transaction Limits are as follows:

- Transfers between designated accounts: No dollar limits.
- Cash withdrawals from a checking or savings account: you may withdraw no more than 4 (four) times per day.
- Cash Withdrawal: \$1,005.00
- POS Transactions: \$5,000.00
- Signature Based Transactions: \$5,000.00
- Money Transfer Transactions: \$5,000.00

7. Bank debits your Primary Account for POS Transactions as of the date of the POS Transaction and Customer agrees that each such debit shall constitute a simultaneous withdrawal from or demand on such Primary Account even if you have not signed a sales authorization and even though the transaction may not actually be posted to the Primary Account until a later date. POS Transactions will be posted to your Primary Account in the order received and with the same legal effect as checks or drafts drawn on such type of Account. We may require that merchants who accept the Card for POS Transactions obtain an authorization from Bank for any Transaction over a certain dollar amount. The available balance in Customer's Primary Account will be reduced by the amount of the POS Transaction for which a merchant receives authorization from us, even if the documentation evidencing such POS Transaction has not yet been received and processed by us. When the documentation has cleared through us, any "hold" placed on the Primary Account for the amount of the POS Transaction will be released and the Primary Account will be debited for the amount of the POS Transaction. Bank will not be liable for the dishonor of checks or failure to authorize subsequent POS Transactions during any time that a prior POS Transaction Bank authorized has not yet been processed.

8. There are no monthly or annual fees for use of the Card. However, Customer may be subject to individual charges for items posted to the Account(s). Bank provided Customer a list of charges relating to the Account(s) when the account was opened. Further, when a Cardholder uses an ATM not owned by Bank, a fee may be assessed by the ATM operator or the network used. **Effective December 1, 2022 we will automatically reimburse up to one ATM deposit or withdrawal fee charged by ATMS located in the United States of America per cardholder per calendar month.**

9. Customer will not have the benefit of any consumer law limiting liability with respect to the authorized use of the Card. This means Customer's liability for unauthorized use is greater than the liability for a consumer debit card Transaction. Customer accepts and agrees to undertake the additional risk and greater measure of liability associated with the use of the Cards.

10. Customer is responsible and liable for ALL transactions made through the use of a Card and/or PIN, including unauthorized transactions that occur prior to the time Customer notifies the Bank to cancel the Card or that an unauthorized transaction has taken place or that an issued Card or PIN has been lost or stolen, provided Bank has had a reasonable opportunity to act upon such notification, and as otherwise as provided in this Agreement. All Transactions are subject to all applicable agreements, rules and regulations of the Bank relating to the type of Account(s) on which Card use is authorized now or in the future, as said agreements, rules, and regulations are now in effect or as they may hereafter be amended, modified, or adopted. Only the Customer and those noted on the Application may be Cardholders. Customer authorizes us to charge the

Account(s) for all Transactions resulting from the use (including any use after the Card is returned to us) of the Card and Customer assumes all responsibility and liability for all such Card use unless otherwise noted. Customer agrees to indemnify Bank and hold us harmless from any and all losses, liabilities, claims from any party, damages, and expenses (including legal fees and expenses) arising from or relating to the issuance of any Card or the use of the Card by any Cardholder or any other person. Customer will require any Cardholder and others in Customer's employ to comply with the provision of this Agreement and all other aforementioned agreements, regulations, and rules, and Customer guarantees that they will do so.

Customer agrees to be solely responsible for the use of the Card and any Transactions performed using the Card, whether or not Customer has authorized its use. Customer should notify Bank AT ONCE if it believes its Card has been lost or stolen or if the PIN has been disclosed. Telephoning is the best way of reducing possible losses. Customer could lose all the money in the Account(s). Bank will not be liable for any Transactions made with a lost or stolen Card. Even if Customer has reported the Card lost or stolen, Customer will indemnify Bank for any use of the Card. Whenever a Cardholder leaves Customer's employ or Customer revokes such Cardholder's authorization to use a Card, Customer must obtain the Card from the Cardholder, return it to Bank and contact Bank immediately by calling the number set forth below.

CONTACT IN EVENT OF UNAUTHORIZED TRANSFER

If you believe your Card or PIN has been lost or stolen, call or write us at:

Mercantile Bank
310 Leonard St. NW
Grand Rapids, MI 49504
1-800-453-8700

Telephoning is the best way to keep losses to a minimum. Once Bank has been notified of a lost or stolen Card, or the authorized use of a Card, Bank will deactivate the Card within a reasonable time.

11. Customer may seek the correction of any statement errors (an error means an unauthorized Transaction, an incorrect Transaction from or to a deposit Account or the omission of a Transaction affecting an Account) by notifying Bank of the error orally or in writing within 60 days after receipt of a periodic statement containing an error. Bank will respond to Customer's notification within 10 business days after Bank receives the notification by either provisionally correcting the Account or providing Customer a written explanation stating the reason Bank believes the statement is correct.

Written error notifications must be sent to the address listed in Section 10 and contain the following information:

- Customer name and Account number.
- Description of the error or the Transaction, and explanation of why an error is believed to have occurred or what additional information is requested.
- Dollar amount of the Transaction.

All oral notifications must be verified in writing within 14 calendar days.

12. Bank will not be liable for failing to process or complete a Transaction to or from an Account unless Customer proves the failure was caused by Bank's willful misconduct or gross negligence and caused Customer actual harm. In no event, will Bank be liable for not processing a payment or transfer:

- If through no fault of Bank, Customer does not have sufficient funds in an Account to make the transfer.
- If the funds in the Account are subject to legal process (e.g., levies, liens, etc.) or another type of restriction on transfer.
- If the ATM where Customer, Cardholder, or User is making a transfer and/or withdrawal is out of service and/or unable to dispense cash.
- If circumstances such as flood, fire, power failure, or other causes beyond Bank's control prevent the transfer.
- If the terminal was not working properly and Customer/Cardholder knew about the malfunction when it/they started the transfer.
- If Bank has not received the deposit from the original source.
- If Bank has not received proper authorization and notice.
- If the merchant or financial institution fails to accept the Card.
- If the Card and/or PIN has been lost or stolen and Customer has reported it to Bank, or Bank has canceled the PIN and/or Card, and other electronic banking service.
- If the US Postal Service causes delay.
- If Bank has reason to believe that Customer or someone else is using the ATM, POS Transaction terminal, or other electronic banking service for fraudulent or illegal purposes.

There may be other exceptions stated in other applicable agreements, rules, and regulations.

13. All deposits made through the use of a Card are subject to proof and verification by Bank. All deposits are subject to the availability schedule published by Bank from time to time.

14. Bank may, at any time and at its sole discretion, limit, suspend, or modify the electronic funds transfer services we provide, including those that can be accessed through a Card, and may at any time revoke the Card or terminate Customer's Card services. In the event that we revoke the Card or terminate Customer's Card services, we will notify you in writing within 30 days of the date we have taken such action. The Card at all times remains our property and upon revocation of the Card you agree to surrender it to Bank or Bank's agent upon demand. Termination of this Agreement does not terminate the Account(s), but the closing of the last business checking Account will terminate this Agreement simultaneously.

Customer may terminate its Card privileges at any time by sending written notice to us as provided in this Agreement. Bank may terminate this Agreement if required to do so by applicable Card rules or regulations or any applicable law or regulation, as of the effective date of such rule, law, or regulation. Termination, whether by Customer or Bank, will not affect prior Transactions or

then existing obligations. This Agreement shall continue in effect until terminated in accordance with the foregoing.

13. Purchases and cash withdrawals made in a foreign country and foreign currencies using a Card will be converted to US dollars at the rate that exists on the date of exchange as determined by the foreign bank in accordance with the operating regulations relating to the applicable network and other applicable operating rules for international transactions. The conversion rate may not be the same as on the transaction date. Bank does not have any control over the conversion rate or any conversion fee that may be charged by a Card association. Customer will be charged a 1.00% fee for foreign conversions.

14. Bank will not make cash refunds or any other refund on purchases made with a Card. Any refunds of purchases made with a Card will be made in cash back by the merchant. Bank also will not be liable if a merchant refuses to honor Customer's Card. Customer agrees to handle any claim or defense for a purchase directly with the merchant or other business establishment that accepted or refused to accept its Card. Customer may not assert disputes it may have with a merchant against Bank, as, for example, when it believes that the goods or services paid for with the Card were defective, not delivered, or not as promised. Any such dispute is solely between Customer and the merchant, and Customer must still pay the total amount of the sales draft plus any appropriate charges Bank may be authorized to make. Any merchant credit vouchers for returns or adjustments will be credited to the designated Account when received by Bank.

15. If Customer believes Bank has violated any provision of applicable Michigan state law, Customer may notify:

Department of Insurance and Financial Services
P.O. Box 30220 Lansing, MI 48909-7720