

ICBA BANCARD, INC.
OPERATING REGULATIONS

as amended July 1, 2016

ICBA BANCARD PROGRAM

FINANCIAL SERVICES AGREEMENT

1.0 PROGRAM ELIGIBILITY

- 1.01 To be eligible to become participants ("Participants") in the ICBA Bancard Program ("Program"), applicants must:
- (a) be Members of the Independent Community Bankers of America ("ICBA") in good standing and be insured by the Federal Deposit Insurance Corporation; and
 - (b) have paid a **non-refundable** implementation fee at the time of application; and
 - (c) have completed the Program Member Information Form at the time of application.

2.0 PROGRAM ACCEPTANCE

- 2.01 To be accepted as Participants, eligible applicants must have a minimum rating of "C+" as reported by a nationally-recognized ratings service approved by the ICBA Bancard Board of Directors. However, in its sole discretion, ICBA Bancard may accept eligible applicants rated "C" or lower for the most recent reporting period or that have been placed on a "watch list" by their primary state or federal regulatory agency as Participants upon execution of the Addendum to the Financial Services Agreement requiring Participant to maintain a 30-day Settlement Account balance until achieving at least four consecutive fiscal quarters with a minimum rating of "C+" or higher. Interest on posted Participant Settlement Account balances of more than three days accrues to the credit of the Participant.
- 2.02 Eligible unrated de novo financial institutions may be accepted as Participants upon agreement to maintain a 30-day Settlement Account balance until achieving at least four consecutive fiscal quarters with a minimum rating of "C+" or higher. Accrued interest on posted Participant Settlement Account balances of more than three days accrues to the credit of Participant

3.0 PROGRAM REQUIREMENTS

3.01 Participants that become ineligible or fail to renew annual ICBA membership may continue in the Program, provided that (i) Participant pays an additional monthly fee equal to 1/12th of the highest dues level paid by Members of ICBA; and (ii) the ICBA name and logo may not be used on Participant's cards. Participants that are not ICBA Members are ineligible for full Program benefits.

3.02 Participants (i) with ratings for the most current reporting period below the minimum "C+" rating; or (ii) that are placed on a "watch list" by their primary state or federal regulatory agency; or (iii) that have had a material adverse change in condition, may be immediately terminated from the Program. ICBA Bancard may, in its sole discretion, permit such Participants to remain in the Program by increasing the Settlement Account balance in accordance with the table below.

Rating of "E" = 30 Day average volume

Rating of "D" = 21 Day average volume

Rating of "C-" = 14 Day average volume

Rating of "C" = 7 Day average volume

3.03 ICBA Bancard will review quarterly the rating and card portfolio of each Participant and, thereon in its sole discretion, may (i) increase the required minimum Settlement Account balance; or (ii) terminate participation.

3.04 ICBA Bancard may from time to time require Participants with a rating of C or lower to provide additional financial information.

3.05 In the event that Participant is acquired by a Non-Participant:

- (a) the Financial Services Agreement is not transferrable. The responsibility and obligations of the card portfolio become those of the acquiring financial institution;
- (b) notification of the merger, including name of the acquiring institution, must be sent to ICBA Bancard within (30) days after the acquisition date;
- (c) notice of intent to continue the Program or terminate the Program for the acquired portfolio must be submitted to ICBA Bancard on bank letterhead no later than ninety (90) days after the acquisition date;
- (d) acquiring institution may continue the Program uninterrupted provided the following criteria are met:
 - a. must be ICBA Members in good standing and be insured by the Federal Deposit Insurance Corporation; and

- b. must execute a new Financial Services Agreement
- (e) if the acquiring institution is not eligible or declines membership in the ICBA, the requirements of section 3.01 of these Operating Regulations apply until conversion of the acquired portfolio is complete;
- (f) if the acquiring institution elects to terminate the Program for the card portfolio, a conversion must be scheduled and completed within two-hundred seventy (270) days of notification unless express written permission is obtained from ICBA Bancard to extend the termination date;
- (g) if the acquiring institution elects to continue the Program but fails to execute a Financial Services Agreement within ninety (90) days of the acquisition date, ICBA Bancard may terminate the Program and withdraw Network Sponsorship, if applicable;
- (h) acquiring institution may solicit a bid for purchase of the credit card portfolio from ICBA Bancard's subsidiary, TCM Bank, N.A. If the portfolio is sold to TCM Bank, Termination Fees (excluding any separate contracted Program enhancement fees) may be reduced or waived.

4.0 AGENT PROGRAM

4.01 Participants may be permitted by ICBA Bancard to act as sponsors ("Sponsors") for other financial institutions as agents ("Agents") in the Program.

4.02 Sponsors of Agents in the ICBA Bancard Program must:

- (a) be Principal Members of Visa and/or MasterCard with individually assigned BINs/ICAs for card issuance and merchant processing depending on the product brand(s) offered;
- (b) be Participants in the Program with a minimum rating of "C+";
- (c) sign ICBA Bancard Agent Bank Agreements;
- (d) be responsible for payment of all VISA, MasterCard and Bancard fees;
- (e) remit the Agent bank fee to ICBA Bancard at least forty-five (45) days prior to card issuance;
- (f) assume full administrative and financial responsibility for Agents including, but not limited to, merchant acquisitions, and applicable VISA, MasterCard, ICBA Bancard, federal, state and local laws, rules and regulations;
- (g) respond to Agents' inquiries with regard to FIS and/or ICBA Bancard;

- (h) obtain access to the current user-interface computer processing system utilized by FIS;
 - (i) identify Sponsor as credit card issuer on the initial and subsequent required annual disclosures to cardholders.
- 4.03 Sponsors shall be responsible for payment of all costs and fees applicable to Sponsors as listed in the Financial Services Agreement, Schedule A and/or K, as now or hereafter in effect and as from time to time amended, restated or supplemented.
- 4.04 Agents may not originate inquiries to FIS unless ICBA Bancard's implementation fee is paid and monthly fees are current.

5.0 ICBA LOGO

- 5.01 Cards issued by Participants that are ICBA Members may display the ICBA logo.
- 5.02 Cards issued by Participants which display the names of Agents that are not ICBA Members may not display the ICBA logo.
- 5.03 The ICBA logo can be reproduced in any contrasting color, can be placed in any visible position on the back of the card, and can be proportionally reduced to as small as five-eighths inch (5/8") across.

6.0 MERCHANTS

- 6.01 Prior to admitting merchants to the Program, Participants shall
 - (1) check the "Terminated Merchant File" (TMF), also known as the "Member Alert to Control High Risk" (MATCH) file; and
 - (2) complete the FIS Merchant Questionnaire and the standard set-up information required by FIS.
- 6.02 ICBA Bancard retains the right to terminate merchants from the Program at any time and for any reason.
- 6.03 Participants are required to enroll in the FIS Enhanced Risk Monitoring Service.

7.0 TIERED INTERCHANGE

- 7.01 Participants may qualify for increased shares of interchange revenue when annual sales volume reaches five million (\$5,000,000) dollars ("Tiering Rebate") according to the requirements in Appendix 1 of the Financial Services Agreement.

- 7.02 Participants may earn an additional 100 basis points in interchange revenue after 20 consecutive calendar quarters of card issuance in the Program ("Longevity Rebate") according to the requirements in Appendix 1 of the Financial Services Agreement.
- 7.03 Participants must be Members of the ICBA at the time of the rebate in order to be eligible for payment.
- 7.04 Participants that have submitted Notice of Termination from the Program to ICBA Bancard are not eligible for payment.

8.0 CARD ISSUANCE

- 8.01 Participants are required to pay the minimum monthly service fees per applicable Program schedule beginning six months after the effective date of the Financial Services Agreement, regardless of whether cards have been issued.
- 8.02 Participants intending to offer secured cards or instant issuance on their credit cards must be the BIN Licensee of the applicable BIN(s).

9.0 THIRD PARTY PROVIDERS

- 9.01 Participants enrolling in services through third party providers, such as tokenization and/or digital wallet services, must follow the rules and regulations of the vendor(s) and observe industry best practice.
- 9.02 Participants acknowledge their responsibility to perform due diligence prior to entering into agreements with any third party provider and to maintain and monitor the terms and conditions of those agreements.
- 9.03 Participants acknowledge that ICBA Bancard is not responsible for the performance, service levels, or security of third party providers.

10.0 FRAUD LOSS PROTECTION PROGRAM

- 10.01 Refer to the current Terms and Conditions located at www.icbabancard.org/protect for Program eligibility and termination requirements.

11.0 TERMINATION

- 11.01 Bancard may terminate the Financial Services Agreement and Participant's participation in the Program pursuant to (i) violation of these Operating Regulations; (ii) Section 4 of the Financial Services Agreement and as otherwise provided therein; (iii) Section 4 of the Renewal Service Agreement, and as otherwise provided therein.

- 11.02 Participant may terminate the Financial Services Agreement pursuant to (i) Section 4 of the Financial Services Agreement and as otherwise provided therein; (ii) Section 4 of the Renewal Service Agreement and as otherwise provided therein.
 - 11.03 Upon providing Notice of Termination, Participant may be required to pay a deposit to secure a portfolio conversion date as stipulated in the Deconversion Questionnaire.
 - 11.04 Termination of the Financial Services Agreement shall be effective one-hundred eighty (180) days from the date of Participant's notice of intent or the date of final deconversion by FIS, whichever is later. On the effective date of termination, all of Participant's rights and privileges in the Program will terminate.
 - 11.05 Termination of the Financial Services Agreement does not affect the Financial Institution's membership or standing in the ICBA.
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DEBIT PROGRAM AGREEMENT

1.0 PROGRAM ELIGIBILITY

1.01 To be eligible to become participants ("Participants") in the ICBA Bancard Program ("Program"), applicants must:

- (a) be Members of the Independent Community Bankers of America ("ICBA") in good standing and be insured by the Federal Deposit Insurance Corporation; and
- (b) have paid a **non-refundable** implementation fee at the time of application; and
- (c) have completed the Program Member Information Form at the time of application.

2.0 PROGRAM ACCEPTANCE

2.01 To be accepted as Participants, eligible applicants must have a minimum rating of "C+" as reported by a nationally-recognized ratings service approved by the ICBA Bancard Board of Directors. However, in its sole discretion, ICBA Bancard may accept eligible applicants rated "C" or lower for the most recent reporting period or that have been placed on a "watch list" by their primary state or federal regulatory agency or de novo applicants as yet unrated as Participants. ICBA Bancard may require these Participants to act as the BIN Licensee.

2.02 Participants acknowledge that the ICBA Bancard Debit Program Agreement is supplemental to the direct debit agreement ("Agreement") between the Participant and FIS. The Debit Program Agreement establishes the relationship between Participant and ICBA Bancard for Program benefits.

- (a) Participants acknowledge their responsibility to negotiate the pricing, term, exit conditions, service level agreements etc. of the Agreement and that ICBA Bancard is not a party to the Agreement;
- (b) the term of the Debit Program Agreement is concurrent to that of the Agreement and can be renewed with the renewal of the Agreement or will expire upon Agreement expiration.

3.0 PROGRAM REQUIREMENTS

- 3.01 Participants that become ineligible or fail to renew annual ICBA membership may continue in the Program, provided that (i) Participant pays an additional monthly fee equal to 1/12th of the highest dues level paid by Members of ICBA; and (ii) the ICBA name and logo may not be used on Participant's cards. Participants that are not ICBA Members are ineligible for full Program benefits.
- 3.02 ICBA Bancard may from time to time require Participants with a rating of C or lower to provide additional financial information.
- 3.03 In the event that Participant is acquired by a Non-Participant:
- (a) the Debit Program Agreement is not transferrable. The responsibility and obligations of the card portfolio become those of the acquiring financial institution;
 - (b) notification of the merger, including name of the acquiring institution, must be sent to ICBA Bancard within thirty (30) days after the acquisition date;
 - (c) notice of intent to continue the Program or terminate the Program for the acquired portfolio must be submitted to ICBA Bancard on bank letterhead no later than ninety (90) days after the acquisition date;
 - (d) acquiring institution may continue the Program uninterrupted provided the following criteria are met:
 - a. must be ICBA Members in good standing and be insured by the Federal Deposit Insurance Corporation; and
 - b. must execute a new Debit Program Agreement
 - (e) if the acquiring institution is not eligible or declines membership in the ICBA, the requirements of section 3.01 of these Operating Regulations apply until conversion of the acquired portfolio is complete;
 - (f) if the acquiring institution elects to continue the Program but fails to execute a Debit Program Agreement within ninety (90) days of the acquisition date, ICBA Bancard may terminate the Program and withdraw Network Sponsorship if applicable;
 - (g) if the acquiring institution elects to terminate the Program for the card portfolio, a conversion must be scheduled and completed within two-hundred seventy (270) days of notification unless express written permission is obtained from ICBA Bancard to extend the termination date.

4.0 ICBA LOGO

- 4.01 Cards issued by Participants that are ICBA Members may display the ICBA logo.
- 4.02 The ICBA logo can be reproduced in any contrasting color, can be placed in any visible position on the back of the card, and can be proportionally reduced to as small as five-eighths inch (5/8”) across.

5.0 CARD ISSUANCE

- 5.01 Network Sponsorship is an optional Participant benefit. Participants can be a Principal Member of Visa and/or MasterCard and participate in the Program.
- 5.02 If Participant instant issues debit cards on the Program, Participant must follow Visa and MasterCard instant card personalization issuance rules and regulations and observe industry best practices. Participant must have policies and procedures on system access controls, embosser security, card stock inventory, card and PIN mailer handling, daily and monthly reporting, key controls, and audits.

6.0 THIRD PARTY PROVIDERS

- 6.01 Participants enrolling in services through third party providers, such as tokenization and/or digital wallet services, must follow the rules and regulations of the vendor(s) and observe industry best practice.
- 6.02 Participants acknowledge their responsibility to perform due diligence prior to entering into agreements with any third party provider and to maintain and monitor the terms and conditions of those agreements.
- 6.03 Participants acknowledge that ICBA Bancard is not responsible for the performance, service levels, or security of third party providers.

7.0 FRAUD LOSS PROTECTION PROGRAM

- 7.01 Refer to the current Terms and Conditions located at www.icbabancard.org/protect for Program eligibility and termination requirements.

8.0 TERMINATION

- 8.01 Bancard may terminate the Debit Program Agreement and Participant's participation in the Program pursuant to (i) violation of these Operating Regulations; (ii) Section 3 of the Debit Program Agreement and as otherwise provided therein; (iii) Section 12 of the Debit Services Agreement, and as otherwise provided therein.

- 8.02 Participant may terminate the Debit Program Agreement and its participation in the Program pursuant to (i) Section 3 of the Debit Program Agreement and as otherwise provided therein; (ii) Section 12 of the Debit Services Agreement and as otherwise provided therein.
- 8.03 Termination of the Debit Program Agreement shall be effective one-hundred eighty (180) days from the date of Participant's notice of intent or the date of final deconversion by FIS, whichever is later. On the effective date of termination, all of Participant's rights and privileges in the Program will terminate.