

Citizens Community Bank

PRIVACY POLICY

Revised by Board of Directors on February 21, 2017

OUR POLICY

The collection, storage and sharing of customer information is an important part of delivering useful banking products and services to consumers. To serve you, as a consumer, efficiently and conveniently, we have to make use of modern technology and customer information. But we know that you are concerned about privacy and our use of the information you give us. We are committed to an ongoing review of our procedures and policies in the interest of protecting your privacy. As a result, we have established the following privacy policy to provide guidance in our dealings with consumers:

WE RECOGNIZE YOUR EXPECTATION OF PRIVACY

We understand that you expect us to maintain proper safeguards to protect confidential information you provide to us. The privacy of your information is protected not only by state and federal laws, but by our commitment to the protection of your financial information. We have established policies and procedures to help prevent misuse of that information. This Policy has been prepared to explain to you what types of information we collect, how we use that information, and the circumstances under which we may share all or part of the information. Under no circumstances do we provide deposit or loan account personal information to third parties for the purpose of independent telemarketing or direct mail marketing of any non-financial products or services of those companies. We disclose information permitted or required by a variety of federal and state laws, as required to consummate your transaction, and as directed by you. Our strict policies to protect your information applies equally to current (active) accounts as well as inactive (closed) accounts both loans and deposits.

WE COLLECT, RETAIN, AND USE INFORMATION ABOUT YOU ONLY FOR LEGITIMATE BUSINESS PURPOSES, AS REQUIRED BY LAW OR AS DIRECTED BY YOU

We collect information about customers and consumers from many sources. Some information is provided to us by you such as your social security number, income, employment, monthly expenses, and assets. Other information is created by us in the course of providing you with products and services. Some information comes from our experience of doing business with you, such as account usage or payment history. Additional information comes from outside third party sources such as consumer credit reporting agencies and other lenders you have done business with. Some information is obtained at your request. We gather, use and keep information about you only if we believe:

- it is necessary or useful as part of our relationship with you.
- it will serve your interests.
- it will help us provide you with products and services meeting your needs or
- it is required by law or regulation and federal or state regulatory agencies.

Sometimes, we gather or store or analyze data as the agent or service provider for another person, in which case that person decides what data is collected and how it will be used.

We retain customer information as required by federal and state regulation. This includes retaining some information after a loan or deposit account no longer exists. We exercise extreme care in protecting the sharing of this information.

We use the information we collect about our customers to:

- Identify new products or services that may help us meet a customer need or that may result in additional savings or convenience to consumers.
- Positively identify our customers to protect their accounts and guard against unauthorized access to deposits or loan and deposit account information.
- Help us identify and minimize potential risks for loss to Citizens Community Bank.

WE CONTROL THE DISCLOSURE AND USE OF ACCOUNT INFORMATION

Citizens Community Bank places internal restrictions on the disclosure of your account information. We limit the type of information shared and whom we share it with. We may share information concerning your account history, experiences with us, and other data to outside parties, such as another bank or clearing house, to process transactions on your account or loan, verify information that you provide us, to obtain information concerning a particular transaction involving your account, loan or deposit, or to perform any of our obligations to you. We may disclose information as permitted by any of our agreements with you, or as provided in any permission given by you to share information about you or your account. We may also share with third party providers of service or companies in which our bank is acting as a broker or agent certain information you have given us in connection with an application for one of our products or services, or information we have received from a consumer reporting agency or other third party. We do not reveal specific information about your accounts, or other personally identifiable data, to third parties we are not affiliated with for their independent use, unless:

- the information is provided to help complete a customer transaction,
- you request or authorize it,
- the disclosure is made to a financial institution, reputable information reporting agency, merchant or other person in accordance with standard banking industry practice,
- the disclosure is required or allowed by law, or
- you have been informed about the possibility of disclosure for marketing or similar purposes and been given the opportunity to decline.

We may disclose, as permitted by law, limited client information to companies that perform marketing services on our behalf or to other financial institutions/securities companies with whom we have joint marketing agreements. Although these entities are not owned by us, they work closely with us to help us meet all of your financial needs. We may disclose to these entities information we receive from you on application forms, such as your name, address, phone number, social security number, assets, income and information about your transactions with us, or others, such as your account balance, payment history, and parties to transactions. We carefully select these business partners and they must agree to strictly safeguard the confidentiality of our client information. They are not allowed to disclose this information to anyone else without our permission.

In addition, sometimes it is necessary for us to disclose confidential customer information to third parties assisting us in the operation of our business, such as vendors and service companies we hire to provide services for us or to provide support for one of our products or services to you. We require those third parties to agree to safeguard confidential information about you and to observe all applicable laws and regulations about privacy, except to the extent required by federal or state law to the contrary. Occasionally we may decide to sell a particular part of our business, including the customer loan or deposit data, to someone else; we reserve the right to transfer the customer data in those instances.

WE DISCLOSE INFORMATION WHEN REQUIRED BY LAW OR REGULATION

There are many state and federal laws that require us to disclose information to various government entities. Some examples of these laws are the Bank Secrecy Act, the Internal Revenue Code, Equal Credit Opportunity Act, Flood Disaster Protection Act, and the Right to Financial Privacy Act. There are many other laws and regulations that require us, and our contractors and service providers, to disclose information. In addition, if you are involved in a legal proceeding, state and federal law provides the parties to the litigation with the right to subpoena and obtain records and information from us. In all these instances, we will disclose the information whenever required to do so by law, regulation, lawful judicial or administrative process, or court order.

As permitted by law, we routinely share customer information with reputable consumer reporting agencies (commonly known as credit bureaus) in accordance with standard banking industry practice and the Fair Credit Reporting Act. We disclose information that is otherwise permitted or required by a variety of federal and state laws, such as a court order or a subpoena for records. We do not disclose or share information about our customers or former customers to anyone, except as permitted or required by law or as directed by you.

We are also selective in determining who we will allow to provide support services for our bank and our customers (for example, the company that imprints checks for our customers).

WE STRIVE TO ENSURE THAT OUR RECORDS ARE UP-TO-DATE AND ACCURATE IN ACCORDANCE WITH COMMERCIAL STANDARDS

We're proud of our quality service to you and if you find a mistake, let us know. This includes an error on your statement, checks ordered from us, your ATM or debit card, or other bank loan payoffs and teller errors. If you find an error with our information about you, please call us or write us at the address or telephone number we

have provided you on your deposit or loan statement. We have procedures in place for maintaining and updating information about our customers. We also have procedures for timely correction of inaccurate information provided to us by you or third parties after we become aware of the inaccuracy. We'll correct the error and credit your account for any charges imposed if the error is ours and they will not be reported to a credit reporting agency or reflected negatively in your records.

In addition, various state and federal laws and federal and state regulatory agencies impose specific obligations and standards on us with respect to the collection of information and the accuracy of information we maintain, and the correction of erroneous information.

If we do not approve an application for a product or service and have used a consumer credit report during the application process, we will give you the name and address of each credit reporting agency that gave us the consumer credit report, even if the report was not used in making our decision. You are entitled to free copies of reports from reporting agencies and to have the reports corrected by those agencies if they contain inaccurate information. If we deny a credit application for other reasons, we will tell you why or give you an opportunity to request the reasons.

If you are declined for an insurance policy such as credit life insurance and Citizens Community Bank is merely an agent for the carrier that actually provides the insurance, we will provide the information you need to contact the carrier that made that decision. You have a right to find out from the carrier whether a consumer report was used and/or why the application might have been declined.

WE HAVE POLICIES AND PROCEDURES ADDRESSING EMPLOYEE ACCESS TO INFORMATION ABOUT YOU

We have procedures in place intended to limit employee access to personally identifiable information about you. Employee access to this information is limited to our employees who, because of their position or responsibilities, have a business reason to know or have access to such information. We educate our employees about the importance of confidentiality and customer privacy through training. All of our employees are bound by our Code of Ethics, which addresses the importance of confidentiality and customer privacy. We also take appropriate disciplinary actions to enforce employee privacy responsibilities.

WE MAINTAIN STANDARDS AND PROCEDURES INTENDED TO HELP PREVENT UNAUTHORIZED ACCESS TO INFORMATION ABOUT YOU

We have established internal security procedures and safeguards intended to prevent access to your confidential information by unauthorized persons. We periodically upgrade and test our technology and these security procedures and safeguards to enhance protection of your information and to ensure their integrity.

If you have any questions about the use or sharing of consumer financial information or if you wish more information please contact us at 1418 Dinah Shore Blvd. Winchester TN 37398, or call (931)967-3342, and we will be happy to answer them. We want to safeguard your trust in us as well as your personal and financial information.

PRIVACY ON OUR WEBSITE

We are equally committed to protecting the privacy of customer information on the Internet. For information on our Internet security measures, please visit our **Online Banking/Security** section.