

# Your Health Savings Account with Sandy Spring Bank



## About Health Savings Accounts

To help better manage your health care costs, your employer has chosen a Health Savings Account designed to save you money and make it easier to pay for your medical bills.

### What is a Health Savings Account?

A Health Savings Account (HSA) is a tax-advantaged\* savings plan, owned by an individual. Contributions to the HSA made through a Cafeteria Plan are made by the individual on a pre-tax basis, and may be used to pay for current and future medical expenses. There are no restrictions on who may contribute to your HSA. Therefore, you, your employer, or any other person can make an HSA contribution on your behalf.

### Eligibility Requirements

To be eligible for an HSA you must participate in a qualified high deductible health plan (HDHP) offered by your employer. An HDHP is a health plan with a:

- Deductible of at least
  - \$1,300 for an individual or \$2,600 for a family
- Maximum out of pocket expenses
  - \$6,550 (\$6,550 for 2017) for an individual or \$13,100 (\$13,100 for 2017) for a family
- Eligibility is determined on a month-to-month basis

### Limitations

- You must be enrolled in a qualified HDHP to participate in an HSA. You cannot have other health insurance, with the following exceptions: worker's compensation, insurance for a specific disease, insurance that pays a fixed amount per day of hospitalization, dental, vision, long-term care, accident and disability insurance
- You cannot be enrolled in Medicare Part A or Part B
- You cannot be a dependent on another person's tax return
- You cannot have received VA benefits in the past 3 months

### A Health Savings Account provides:

- Convenience and ease of use
- Control over your health care dollars
- The ability to pay for current and future health care expenses with tax-free dollars
- A means to save for the future

\*All references to tax savings are at a federal level. State taxes vary. Please consult your tax advisor.

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# Health Savings Accounts

## Features



### More Control Over Your Health Care Dollar

- More flexibility than other tax-advantaged accounts, such as medical savings accounts (MSAs), flexible spending accounts (FSAs) and health reimbursement accounts (HRAs)
- You manage your health care dollars and decide:
  - How much money you want to contribute to your HSA each year, up to plan limits
  - Which health care expenses to pay from your HSA
  - How much of your HSA funds will be used for health care expenses and how much will be saved for the future

### Tax Savings

- Contributions, earnings and eligible withdrawals from your HSA are tax-free
- Money you contribute to your HSA is deductible from your federal tax return, even if you do not itemize deductions
- Money you contribute to your HSA through a Cafeteria Plan is contributed on a pre-tax basis.
- Employer contributions to your HSA, if any, are also tax exempt from federal income tax

- Withdrawals from your HSA used to pay for qualified health care expenses are not taxed - you must keep supporting receipts for the Internal Revenue Service
- Your unused HSA balance is not forfeited - it grows year after year
- Unused contributions and gains continue to grow tax-free

### Convenience

- The money in your HSA may be used to pay for a variety of health care expenses, such as:
  - Doctor visits
  - Prescription drugs
  - Dental care
  - Vision care
- Your money is easily accessible with your HSA Debit MasterCard® debit card or by using your special HSA checks
- Account information is available on line 24 hours a day
- Designate an authorized signer to transact and inquire on your HSA
- Free second debit card for use by your authorized signer



# Health Savings Accounts

## Greater Control



### Qualified Health Care Expenses

The money you contribute to your HSA can be used to pay for qualified health care expenses for yourself, your spouse or dependent children, even if your spouse and children are not covered by the same high deductible health plan. Qualified health care expenses include co-payments and fees for doctor visits, prescription drugs, medical labs, dentists, orthodontists, chiropractors, medical supplies, hospitals, vision centers, and much more. HSA funds can be used to pay for eyeglasses and contact lenses, online and mail order prescriptions. Your HSA can also be used for paying “balance due” portions of bills from health care providers. See IRS Publications 969 and 502 for details.

#### The Money in Your HSA is Your Money

**Portability** - If you leave your present employer for any reason, your HSA goes with you. You can continue to make contributions to your account as long as you are enrolled in a high deductible health plan. You can also continue to withdraw funds, tax-free, to pay for qualified medical expenses.

**Retirement Savings** - At age 65, HSA funds may be withdrawn, tax-free, to pay for certain insurance premiums (excluding Medigap policy premiums). Distributions for non-medical expenses will be treated as gross income without incurring tax penalties. Funds withdrawn before age 65 for non-qualified expenses may be subject to regular income taxes plus a 20 percent penalty.

**Transitioning** - If, at the time of your death, the beneficiary of your HSA is your spouse, ownership of your account may be assumed by your spouse in a tax-free transfer. As a new owner of the account, your spouse will have the option to retain the account as an HSA.



# Health Savings Accounts

## Plan Comparison



	401(k)	Individual Retirement Account	Medical Flexible Spending Account	Health Savings Account
Can my contributions be deducted directly from my payroll check?	Yes	Yes	Yes	Yes
Is the contribution exempt from Federal Income Tax at the time of contribution?	Yes	Yes	Yes	Yes, if made through your employer's Cafeteria Plan
Is the contribution exempt from State Income Tax at the time of contribution?	Yes	Yes	Yes, in most cases	Yes, if made through your employer's Cafeteria Plan
Is the contribution exempt from FICA Tax at the time of contribution?	No	No	Yes	Yes, if made through your employer's Cafeteria Plan
Is the contribution exempt from Medicare Tax at the time of contribution?	No	No	Yes	Yes, if made through your employer's Cafeteria Plan
Are the funds exempt from Federal Income Tax at the time of withdrawal?	No	No	Yes	Yes, if used for medical expenses
Are the funds exempt from State Income Tax at the time of withdrawal?	No	No	Yes	Yes, if used for medical expenses
Are the funds exempt from FICA Tax at the time of withdrawal?	Yes	Yes	Yes	Yes, if used for medical expenses
Are the funds exempt from Medicare Tax at the time of withdrawal?	Yes	Yes	Yes	Yes, if used for medical expenses
Are earnings tax free at the time of withdrawal?	No	No	N/A	Yes, if used for medical expenses
Can I use my account to pay for medical expenses incurred in future years?	N/A	N/A	No - use it or lose it if not spent within the same plan year	Yes, you can save medical receipts and reimburse yourself at any time during your lifetime
Is my account portable?	Yes	Yes	No	Yes

Consult your tax advisor regarding tax deductibility.



# Health Savings Accounts

## Frequently Asked Questions



### Q. What is a Health Savings Account (HSA)?

**A.** An HSA is a tax-advantaged account owned by an individual. Contributions to the account may be used to pay for current and future medical expenses. Funds that are not used for medical expenses remain in the account from year to year. There are no “use it or lose it” rules for HSAs.

### Q. How do I qualify to open an HSA?

**A.** You must have insurance coverage under a qualified High Deductible Health Plan (HDHP) to open and contribute to an HSA. The HDHP deductible must be at least \$1,300 for individual coverage and \$2,600 for family coverage. In addition, annual out-of-pocket expenses under the plan (including deductibles, co-pays, and co-insurance) cannot exceed \$6,550 (\$6,550 for 2017) for individual coverage and \$13,100 (\$13,100 for 2017) for family coverage. These amounts are adjusted annually for inflation. You may not be covered by any health plan that is not an HDHP, may not be enrolled in Medicare Part A or Part B, and may not be claimed as a dependent on another person's tax return.

### Q. When can I contribute to my HSA?

**A.** Your eligibility to contribute to an HSA is determined by the effective date of your HDHP coverage. Both the HSA contribution and catch up contribution apply pro rata based on the number of months of the year you are an eligible individual. If you have HDHP coverage as of December 1, you are allowed the full, non-pro rated contribution for the year. However, if you cease to remain an eligible individual 12 months following the last

month of the year of the first year of eligibility, the extra amount contributed is included in income and subject to an additional 10 percent tax. Contributions can be made as late as April 15 of the following year.

### Q. How much can I contribute to my HSA?

**A.** You can contribute up to \$3,350 (\$3,400 for 2017) for self-only coverage and \$6,750 (\$6,750 for 2017) for family coverage. These amounts are adjusted annually for inflation.

Individuals age 55 and older, and not enrolled in Medicare, can also make additional “catch-up” contributions. The maximum annual catch-up contribution is \$1,000.

### Q. Who can contribute to my HSA?

**A.** There are no restrictions on who may make a contribution to your HSA. Therefore, you, your employer, or any other person can make an HSA contribution on your behalf.

### Q. What is the tax treatment of an HSA contribution?

**A.** Contributions made by you or on your behalf are tax deductible when determining your adjusted gross income for tax purposes. Contributions made by your employer are already excluded from your gross income so they are not tax deductible. Earnings on amounts in your HSA are tax-deferred and are not included in gross income while held in the HSA.

These FAQs are for general information only and are not intended to provide specific advice or recommendation for any individual. Please consult your financial or tax advisor about your personal situation.





# Health Savings Accounts

## Frequently Asked Questions



### **Q. What can I use the money in my HSA for?**

**A.** You can use the money in the account to pay for any “qualified medical expense” permitted under federal tax law. (See Publication 969 and 502 at [www.irs.gov](http://www.irs.gov) for details.) This includes most medical care and services, and dental and vision care. Money in the account can be used to pay qualified medical expenses for yourself, your spouse, or your dependent children. In general, you cannot use the money to pay for medical insurance premiums.

### **Q. Can family members use my account?**

**A.** Yes. You can designate an authorized signer for your HSA. The authorized signer is able to make deposits, write checks, get his/her own debit card, and inquire on the account.

### **Q. What if I withdraw money from my HSA and don't use it to pay a qualified medical expense?**

**A.** Any amounts used for purposes other than to pay for qualified medical expenses are taxable as income and subject to an additional 20% tax penalty. After you turn age 65, or if you become disabled, the 20% additional tax penalty no longer applies.

### **Q. Are contributions and distributions on my HSA reported to the IRS?**

**A.** Yes. The Bank will report all distributions on Form 1099-SA and contributions and year-end account value on Form 5498-SA. Account holders must file Form 8889 with their tax return to report the amount of distributions used for qualified medical expenses. Be sure to keep your receipts and records to prove the expenses were incurred and were not paid for or reimbursed by another source or taken as an itemized deduction.

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# Health Savings Accounts

## Medical Expense List



### Partial List of IRS-Approved Medical Expenses

- Abortion
- Acupuncture
- Alcoholism
- Ambulance
- Artificial Limb
- Artificial Teeth
- Autoette
- Bandages
- Breast Reconstruction Surgery
- Birth Control Pills
- Braille Books/Magazines
- Capital Expenses (includes equipment/improvements to your home for medical purposes)
- Car (specially equipped)
- Chiropractor
- Christian Science Practitioner
- Contact Lenses
- Crutches
- Dental Treatment
- Diagnostic Devices
- Disabled Dependent Care Expenses
- Drug Addiction
- Eye Glasses
- Eye Surgery
- Fertility Enhancement
- Founder's Fee
- Health Institute
- Health Maintenance Organization
- Hearing Aids
- Home Care
- Hospital Services
- Laboratory Fees
- Lead Based Paint Removal
- Learning Disability
- Legal Fees
- Lifetime Care - Advance Payments
- Lodging
- Long-Term Care
- Meals (in-patient hospital care)
- Mentally Retarded, Special Home
- Nursing Home
- Nursing Services
- Operations
- Optometrist
- Organ Donors
- Osteopath
- Oxygen
- Prosthesis
- Psychiatric Care
- Psychoanalysis
- Psychologist
- Special Education
- Sterilization
- Stop-Smoking Program
- Surgery
- Telephone (special equipment for hearing impaired)
- Television (equipped for hearing impaired)
- Therapy
- Transplants
- Transportation (for medical care)
- Trips (essential to receipt of medical care)
- Tuition
- Vasectomy
- Vision Correction Surgery
- Weight-Loss Program
- Wheelchair
- Wig
- X-ray

The above listing is subject to IRS rules and regulations under code section 213(d). See Publication 502 for further detailed descriptions.



# Health Savings Accounts

## Medical Expense List



### Partial List of Medical Expenses Not Approved by the IRS

- Baby-sitting, Childcare & Nursing Services for Normal Healthy Baby
- Controlled Substances
- Cosmetic Surgery
- Dancing Lessons
- Diaper Service
- Electrolysis or Hair Removal
- Flexible Spending Account
- Funeral Expenses
- Future Medical Care
- Hair Transplant
- Health Club Dues
- Health Coverage Tax Credit
- Health Savings Account
- Household Help
- Illegal Operations and Treatments
- Insurance Premiums
- Maternity Clothes
- Medical Savings Accounts
- Medicine and Drugs from Other countries
- Nutritional Supplements (unless approved by physician for specific medical condition)
- Over-the-Counter Drugs
- Personal Use Items
- Swimming Lessons
- Teeth Whitening
- Veterinary Fees (unless trained animal specific to assist person)
- Weight-Loss Program (not diagnosed by a physician)

These are partial lists of typical expenses and do not include all eligible or non-eligible expenses. For additional information, please go to [www.irs.gov](http://www.irs.gov). This information is not intended to provide specific advice or recommendations for any individual. Please consult your tax advisor about your personal situation.





# Health Savings Accounts

## Simple HSA



The Simple HSA was designed with convenience and simplicity in mind to ensure your HSA is easy and inexpensive to manage. It offers all the features you need to conveniently pay eligible medical expenses and easily manage your account, while paying interest on your balance. Use your HSA Debit MasterCard® to make purchases, and access your account online 24/7 to keep track of transactions. With monthly direct deposit there is no monthly maintenance fee. Plus you have access to over 55,000 ATM's to reimburse yourself for qualified medical expenses with no surcharges.

Features	
Free HSA Debit MasterCard®	Yes
Free Online Access	Yes
Free Telephone Banking	Yes
Free Electronic Statements (includes check images)	Yes
Unlimited Check Writing	Yes
Interest Paid on Checking Balance	Yes
Direct Deposit of Contributions	Yes
Open Accounts as part of your benefits enrollment process	Yes
Access to over 55,000 surcharge free ATMs	Yes
Account Fees	
Account Set-Up	\$18
Monthly Maintenance Fee	\$5, waived any monthly statement cycle you receive ACH Direct Deposit or maintain a \$300 minimum daily balance
Paper Statement (includes check images)	\$2 monthly fee (paper statements with check safe-keeping - no charge)
HSA Checks	\$15
HSA Duplicate Checks (50 checks)	\$17
Account Closure	\$35

Member FDIC



# Health Savings Accounts

## Getting Started



To qualify for an HSA, you must first enroll in a qualified high deductible health plan (HDHP). In exchange for a higher deductible, these plans usually offer insurance premiums that are much lower when compared to a traditional plan.

### To participate in an HSA, you will need to:

- Enroll in a qualified high deductible health plan (HDHP)
- Elect the amount of money you want to contribute for the year
- Carefully review the information from Sandy Spring Bank, then complete and return the required enrollment forms contained in this kit
- Begin funding your HSA through automatic payroll deductions, electronic fund transfer (if available), or with a tax deductible deposit
- Receive and begin using your free HSA Debit MasterCard® from Sandy Spring Bank, or you may order checks

Note: It is important to retain your receipts for medical expenses paid through your HSA. Consult your tax advisor for IRS requirements to verify that HSA distributions have been used for qualified medical expenses.



# Health Savings Accounts

## Special Contribution Rules



### Full HSA contribution regardless of month individual becomes eligible.

Normally, the HSA contribution is pro rated based on the number of months that an individual during the year a person was an eligible individual. The new provisions provide an exception to this rule that will allow individuals who become covered under an HSA-eligible plan in a month other than January to make the maximum HSA contribution for the year based on their coverage in the last month of the year. This eliminates a common barrier to switching to HSA-eligible coverage. If an individual does not stay in the HSA-eligible plan 12 months following the last month of the year of the first year of eligibility, the amount which could not have been contributed except for this provision will be included in income and subject to a 20 percent additional tax.

### One-time transfer from IRAs to HSAs.

The new rules allow for a one-time contribution to an HSA of amounts distributed from an Individual Retirement Arrangement (IRA). The contribution must be made in a direct trustee-to-trustee transfer. The IRA transfer will not be included in income or subject to the early withdrawal additional tax. The transfer is limited to the maximum HSA contribution for the year, and the amount contributed is not allowed as a deduction. Generally, only one transfer may be made during the lifetime of an individual. If an individual electing the one-time transfer does not remain an eligible individual for the 12 months following the month of the contribution, the transferred amount is included in income and subject to a 20 percent additional tax.



# Health Savings Accounts

## Contact Information



**If you have any questions, please contact our Health Savings Account Specialists.**

Monday - Friday 8:00 a.m. to 7:00 p.m.

Saturday 8:00 a.m. to 1:00 p.m.

### Email

HSA@sandyspringbank.com

### Phone

800.399.5919 ext. 3155

### Fax

410.312.0652

### Mail

Sandy Spring Bank  
Attn: Health Savings Account  
Support, CSC  
6831 Benjamin Franklin Drive  
Columbia, MD 21046

For questions about qualified expenses and eligibility, please review IRS Publications 969 and Publication 502 at [www.irs.gov](http://www.irs.gov) or contact your employer.

### Please visit

**[www.sandyspringbank.com](http://www.sandyspringbank.com)** for our current rates, online banking enrollment, and additional information about Sandy Spring Bank.



From here. For here.

## Account Type Selection

☐ **Simple** HSA (Traditional banking services to pay for eligible medical expenses - *No annual fee - \$18 set up fee assessed after 90 days if not pre-paid*)

## Account Owner Information (Please print)

Social Security Number \_\_\_\_\_ -- \_\_\_\_\_ -- \_\_\_\_\_ Date of Birth \_\_\_\_ / \_\_\_\_ / \_\_\_\_

First Name \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_

Street Address \_\_\_\_\_  
Residence only no P.O. Boxes

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Email \_\_\_\_\_

Mailing Address \_\_\_\_\_  
Optional, if different from current home address

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home Phone \_\_\_\_\_ Bus. Phone \_\_\_\_\_ Mobile Phone \_\_\_\_\_

Mother's Maiden Name \_\_\_\_\_

Driver's License Number\* \_\_\_\_\_ State Issued\* \_\_\_\_\_ Issue Date\* \_\_\_\_\_ Expiration Date\* \_\_\_\_\_

Gender ☐ Male ☐ Female

**\*REQUIRED** – If you do not have a valid driver's license, please contact HSA Support at 800-399-5919 x3155.

*Note: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.*

Employer Name \_\_\_\_\_ Employer Address \_\_\_\_\_

## Check Order (Optional)

☐ Order Wallet Style Checks w/ Deposit Tickets \$15.00 will be deducted from your account for a book of 50 checks

☐ Order Duplicate Style Checks w/ Deposit Tickets \$17.00 will be deducted from your account for a book of 50 checks

## Statements

**Simple HSA** - I understand I will receive a monthly paper statement with check safekeeping at no charge. I may choose to receive check images for a fee of \$2 per month, or enroll in free online banking service and **Opt-In for e-Statements**. e-Statements are statements delivered electronically. (Online enrollment is to be completed within first 30 days after account opening.)



## Beneficiary Information

The following individual(s) or entity shall be my primary and/or contingent beneficiary(ies). If neither primary nor contingent is indicated, the individual or entity will be deemed to be a primary beneficiary. If more than one primary beneficiary is designated and no distribution percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the account. Multiple contingent beneficiaries with no share percentage indicated will also be deemed to share equally. If primary or contingent beneficiary dies before me, his or her interest and the interest of his or her heirs shall terminate completely, and the percentage share of any remaining beneficiary(ies) shall be increased on a pro-rated basis. If no primary beneficiary(ies) survives me, the contingent beneficiary(ies) shall acquire the designated share of my account. If all the named beneficiaries die before you, or no beneficiary is named, the H S A funds will be paid to your estate. Beneficiaries may be changed by completing a new form prior to your death. This designation revokes and supersedes all earlier beneficiary designations which may apply to this H S A. ***If you are married and designate a beneficiary other than your spouse, see the spousal consent section below.***

Name Address	Relationship	Date of Birth	Social Security #	<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	% of Benefit
Name Address	Relationship	Date of Birth	Social Security #	<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	% of Benefit
Name Address	Relationship	Date of Birth	Social Security #	<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	% of Benefit

**Spousal Consent:** This section to be completed only if (1) Account Holder is married and has designated any Primary Beneficiary other than his/her spouse; and (2) this HSA account will include property in which his/her spouse possesses a community property interest or other type of property interest. As of December 31, 2006, community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. Due to important tax consequences of giving up one's community property interest, individuals signing this section should consult with their legal or tax advisor.

I am the spouse of the HSA Account Holder named above, I agree to my spouse's naming of a Primary Beneficiary other than myself. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations, and I acknowledge that I shall have no claim whatsoever against Sandy Spring Bank for any payment to my spouse's beneficiary(ies).

Spouse's Name \_\_\_\_\_ Spouse's Signature \_\_\_\_\_ Date \_\_\_\_\_

If this account is being opened with a rollover or transfer deposit, I certify that the deposit qualifies under IRS Code Section 223. I understand that periodic service charges or other designated fees, as designated in our Deposit Account Booklet, for maintaining the HSA will be deducted from the assets in the HSA.

Under Penalties of perjury, the undersigned certifies that:

- (1) The number provided in this application is the correct Taxpayer Identification Number for the account owner (or owner is waiting for a number to be issued), and
- (2) The account owner is a U.S. person (including a U.S. resident alien).
- (3) I certify that I meet the eligibility requirements for the type of deposit I am making and that I am covered by a high deductible health plan that qualifies me to open an HSA. I acknowledge receipt of and agree to be bound by the terms and conditions found in the Health Savings Account Custodial Agreement and Disclosure. I have received no tax or legal advice from Sandy Spring Bank and will seek the advice of my own tax or legal professional to determine my eligibility for this type of account and associated deposits and /or withdrawals.

I have received a copy of the Application, the HSA Custodial Agreement and Disclosure, the Deposit Account Agreement and Rate Sheet. I understand that the terms and conditions that apply to this HSA are contained in this Application, the Custodial Agreement and Disclosure, the Deposit Account Booklet, and Rate Sheet. I agree to be bound by those terms and conditions.

I request a HSA Debit Card. I acknowledge the receipt of and agree to the Electronic Banking Disclosure and Agreement. Certain fees may apply. Refer to the Deposit Account Fee Schedule for current pricing.

I authorize Sandy Spring Bank to provide my HSA Account number and any necessary information to my employer to set up a preauthorized transfer.

Account Owner Signature

Date



May 20, 2015

Date

SSB Signing as Custodian

**Member  
FDIC**



## Authorized Signer for Health Savings Account

Name of account owner -	Account owner Social Security Number -
Address of account owner (Street address, city, state, zip code)	Date of birth of account owner -
	HSA Checking Account Number -

If you wish to designate an authorized signer on your account, please complete all of the required fields below. **If you are unable to provide all of the required information about your authorized signer, they will not be added to your account.** You hereby designate the following individual as an authorized signer on your Health Savings Account. By designating an authorized signer on your account, you authorize the person designated below as "Authorized Signer" to transact business with and give instructions to Sandy Spring Bank regarding your health savings account; make deposits or withdrawals by any means acceptable to Sandy Spring Bank, including paper and electronic methods such as ACH and Internet-generated transactions; receive and have access to account information, including account balances and transactions; endorse any instruments such as checks, orders or other documents for the payment of funds; and to otherwise serve as agent for your Sandy Spring Bank health savings account. You specifically authorize Sandy Spring Bank, as custodian of your HSA, to rely upon this authorization and designation until such time, if any, that Sandy Spring Bank receives a written revocation of this authorization, and has had a reasonable time to act upon the revocation. You understand that you are responsible for ensuring that your authorized signer reads and understands the HSA Custodial Disclosure, the Deposit Account Agreement, and the Electronic Banking Disclosure and Agreement which have been provided to you. You hold harmless and indemnify Sandy Spring Bank against any claims against or losses Sandy Spring Bank may suffer arising out of Sandy Spring Bank's reliance on this authorization, and release Sandy Spring Bank from any liability arising from such reliance, unless otherwise prohibited by law. You understand that you bear sole responsibility for any tax consequences that result from any actions taken by the authorized signer regarding your account.

NO PRESENT OR FUTURE OWNERSHIP OR RIGHT OF SURVIVORSHIP IS GIVEN TO THE AUTHORIZED SIGNER BY THIS AUTHORIZATION. UPON NOTICE TO SANDY SPRING BANK OF YOUR DEATH, THIS AUTHORIZATION TERMINATES, AND RIGHTS TO FUNDS IN YOUR ACCOUNT WILL BE TRANSFERRED TO YOUR BENEFICIARIES. IF YOU DID NOT NAME A BENEFICIARY, YOUR ACCOUNT BALANCE WILL ONLY BE PAYABLE TO YOUR ESTATE.

<b>Authorized Signer Information</b> (Please print) All fields are required	
Social Security Number _____ -- _____ -- _____ Date of Birth ____ / ____ / ____	
First Name _____ MI _____ Last name _____	
Street Address _____ Residence only no P.O. Boxes	
City _____ State _____ Zip _____ Home Phone _____	
Relationship _____ Mother's Maiden Name _____	
Driver's License Number* _____ State Issued* _____ Issue Date* _____ Expiration Date* _____	
Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	
*REQUIRED – If you do not have a valid driver's license, please contact HSA Support at 800-399-5919 x3155.	
Signature of Authorized Signer _____	Date _____

☐ I would like a second debit card issued for this individual to access my HSA.

\_\_\_\_\_  
Account Owner Signature

\_\_\_\_\_  
Date

# HEALTH SAVINGS ACCOUNT CUSTODIAL AGREEMENT AND DISCLOSURE STATEMENT

The HSA account owner named in the accompanying HSA application is establishing a health savings account exclusively for the purpose of paying or reimbursing qualified medical expenses of the account owner, his or her spouse and dependents. The account owner represents that, unless this account is used solely to make rollover contributions, he or she is eligible to contribute to this HSA; specifically, that he or she: (1) is covered under a high deductible health plan ("HDHP"); (2) is not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage); (3) is not enrolled in Medicare; and (4) cannot be claimed as a dependent on another person's tax return.

The account owner and the Custodian, Sandy Spring Bank, make the following agreement:

## Article I

1. The Custodian will accept additional cash contributions for the tax year made by you or on your behalf (by an employer, family member or any other person). No contributions will be accepted by the Custodian for any account owner that exceeds the maximum amount for family coverage plus the catch-up contribution.
2. Contributions for any tax year may be made at any time before the deadline for filing your federal income tax return for that year (without extensions).
3. Rollover contributions from an HSA or an Archer Medical Savings Account (Archer MSA) (unless prohibited pursuant to this Agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.
4. Qualified HSA distributions for health flexible spending arrangement or health reimbursement arrangement must be completed in a trustee-to-trustee transfer and are not subject to the maximum annual contribution limit set forth in Article II.
5. Qualified HSA funding distributions from an individual retirement account must be completed in a trustee-to-trustee transfer and are subject to the maximum annual contribution limit set forth in Article II.

## Article II

1. The maximum annual HSA contribution for an eligible individual with self-only coverage is \$3350 for 2016 and \$3400 for 2017. For family coverage the maximum HSA contribution is \$6750 for 2016 and \$6750 for 2017. These amounts are subject to cost-of-living adjustments. These amounts are the maximum HSA contribution amount regardless of the amount of the HDHP deductible. Both the HSA contribution and catch up contribution apply pro rata based on the number of months of the year you are an eligible individual. If you have HDHP coverage as of December 1, of a given year, you are allowed the full, non-pro rated contribution for the year. However, if you cease to remain an eligible individual through the end of December of the following year (a testing period), the extra amount contributed, the pro rated amount for the months prior to becoming eligible, is included in income and subject to an additional 20 percent tax.
2. Contributions to Archer MSA's or other HSA's count toward the maximum annual contribution limit to this HSA.
3. An additional \$1000 catch-up contribution may be made for an account owner who is at least age 55 or older and not enrolled in Medicare.
4. Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, the catch-up contributions are not subject to an excise tax.

## Article III

It is your responsibility to determine whether contributions to this HSA have exceeded the maximum annual contribution limit described in Article II. If contributions to this HSA exceed the maximum annual contribution limit, you shall notify the Custodian that there exist excess contributions to the HSA. It is your responsibility to request the withdrawal of the excess contribution and any net income attributable to such excess contribution. In considering whether contributions have exceeded the allowable annual contribution limit, you must take into account any employer contributions as well as any contributions made directly by you.

## Article IV

Your interest in the balance in this custodial account is nonforfeitable (see Article XIX).

#### **Article V**

1. No part of this HSA may be invested in life insurance contracts or in collectibles as defined in section 408(m) of the Code.
2. The assets of this account may not be co-mingled with other property except in a common trust fund or common investment fund.
3. Neither you nor the Custodian will engage in any prohibited transaction with respect to this Account (such as borrowing or pledging the Account or engaging in any other prohibited transaction as defined in section 4975 of the Code.)

#### **Article VI**

1. Distribution of funds from this HSA may be made at any time upon your direction.
2. Distributions from this HSA that are used exclusively to pay or reimburse qualified medical expenses of you, your spouse, or dependents are tax free. However, distributions that are not used for qualified medical expenses are included in your gross income and are subject to an additional 20 percent tax on that amount. The additional 20 percent tax does not apply if the distribution is made after your death, disability, or reaching age 65.
3. The Custodian is not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only you are responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show, if required, that the distribution is tax-free. All distributions from your HSA are reported in aggregate terms to the IRS annually by the Custodian. You must make the determination as to which distributions qualify for tax-free treatment and which must be reported as income with the filing of your annual income tax return.

#### **Article VII**

If you should die before the entire interest in the Account is distributed, the entire Account will be disposed of as follows:

1. If the beneficiary is your spouse, the HSA will become the spouse's HSA as of the date of death.
2. If the beneficiary is not your spouse, the HSA will cease to be an HSA as of the date of death. If the beneficiary is your estate, the fair market value of the Account as of the date of death is taxable on your final return. For other beneficiaries, the fair market value of their share of the Account is taxable to that person in the year that includes such date of death (see Article XVI).

#### **Article VIII**

1. You agree to provide information necessary for the Custodian to prepare any report or return required by the IRS.
2. The Custodian agrees to prepare and submit any report or return as prescribed by the IRS.

#### **Article IX**

Notwithstanding any other article that may be added or incorporated in this Agreement, the provision of Articles I through VIII and this sentence are controlling. Any additional article in this agreement that is inconsistent with section 223 or IRS published guidance will be void.

#### **Article X**

This Agreement will be amended from time to time to comply with the provisions of the Code or IRS published guidance. Other amendments may be made as provided in Section 11.07 below.

## **DISCLOSURE STATEMENT**

The following is a general explanation of the laws and regulation governing health savings accounts and disclosure of additional information on your HSA. You may refer to the Internal Revenue Code or a competent tax advisor for more detailed information.

The Custodian does not provide investment, legal or tax advice and is not responsible for any tax, loss or legal consequences resulting from the contributions to, investments in, or distributions from the HSA. Terms defined in the Custodial Agreement have the same meanings in this Disclosure Statement.

#### **INCOME TAX CONSEQUENCES OF AN HSA**

A) *HSA Deductibility* – If you or your employer establishes a high deductible health plan, you may be eligible to establish an HSA. Both you and your employer can make contributions to your HSA. Amounts contributed to your HSA are excluded from tax unless they exceed the maximum contribution limits described in the Custodial Agreement, including any applicable limitations.

B) *Tax Deferred Earnings* – The investment earnings of your HSA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).

C) *Taxation of Distributions* – The taxation of your HSA distributions depends on whether the distribution is for a qualifying medical expense. Generally, distributions paid due to qualifying medical expenses are excluded from your gross income. Qualifying medical expenses are amounts you pay for medical care (as defined in Section 213(d) of the Code) for yourself, your spouse and your dependents (as defined in Section 152 of the Code), but only to the extent that such amounts are not compensated for by insurance or otherwise. Distributions made for purposes other than qualifying medical expenses are included in your gross income (or, in the event of your death, gross income of your designated beneficiary unless your designated beneficiary is your spouse). If you receive a distribution that is included in your gross income, you are subject to an additional tax of 20%. This additional 20% tax shall not apply if you have attained age 65 (or, if different, the age specified under Section 1811 of the Social Security Act).

D) *Rollovers and Transfers* – Your HSA may be rolled over to another HSA of yours, or your HSA Account with the Custodian may receive rollover contributions, provided that all of the applicable rollover rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property between any of your HSA's. The rollover rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover, please consult with your attorney or tax advisor.

- Funds and assets moving from one of your HSAs to another of your HSAs, custodian to custodian, is termed a transfer. As long as the assets move directly from HSA custodian to HSA custodian, there is no limit on such transfers.
- Funds distributed from your HSA may be rolled over to another HSA of yours if the requirements of Section 223(f)(5) of the Code are met. A proper HSA to HSA rollover is completed if all or part (completed as to that portion) of the distribution is rolled over not later than 60 days after the distribution is received by you. You may not have completed another HSA to HSA rollover from the distribution HSA during the 12 month period preceding the date you received the distribution. Finally, current IRS published guidance indicates that you may make only one rollover contribution to an HSA during a given one-year period.
- Funds distributed from your Archer MSA may be rolled over to your HSA. Rollovers from a qualified Archer MSA to an HSA are permitted if made in accordance with the applicable rollover laws and regulations for medical savings accounts.
- You are allowed to transfer certain amounts from either a health reimbursement arrangement (HRA) or a health flexible spending arrangement (FSA) through a direct transfer to your HSA. The amount that can be transferred may not exceed an amount equal to the lesser of (1) the balance in the health FSA or HRA as of September 21, 2006 or (2) the balance in the health FSA or HRA as of the date of the distribution. The balance in the health FSA or HRA as of any date is determined on a cash basis (i.e., expenses incurred that have not been reimbursed as of the date the determination is made are not taken into account). This direct transfer to your HSA is limited to one time distribution from each health FSA or HRA.
- Written Election - At the time you make a proper rollover to an HSA with the Custodian, you must designate to the Custodian, in writing, your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable. You may also make a one-time trustee-to-trustee transfer to your HSA of amounts distributed from your Individual Retirement Account (IRA). The amount of this one time transfer is limited to the applicable maximum contribution limit for your HSA and will reduce the amount you could otherwise contribute that year to your HSA dollar for dollar. You may wish to consult your tax professional on the benefits or consequences of a transfer from your IRA given your particular tax and financial situation. Currently there is no comparable transfer back to your IRA. The amounts distributed from your IRA are not includible in income to the extent that the distribution would otherwise be includible in income. In addition, such distributions are not subject to the 10% additional tax on early distributions. There is also a 12 month testing period for direct rollovers from FSAs and HRAs and for direct transfers from IRAs. Consult your tax advisor on how it applies and adverse tax consequences if not met.

E) *Carryback Contributions* – A contribution is deemed to have been made on the last day of the preceding taxable year if you make a contribution by the deadline for filing your income tax return (not including extensions), and you designate the contribution as a contribution for the preceding taxable year. For example, if you are a calendar year taxpayer and you make your HSA contribution on or before April 15th, your contribution is considered to have been made for the previous tax year if you designated it as such.

F) *Beneficiary Issues* – You can name one or more beneficiaries to whom the balance of your HSA will be paid when you die. To do so, just fill out the designation of beneficiary form provided by the Custodian. Your designation of beneficiaries will not be effective until received by the Custodian. You should review your designation periodically, especially if there is a change in your family status such as marriage, divorce, death of a family member, or birth, or adoption of a child. You may change your beneficiary at any time by filling out a new form and sending it to the Custodian. You can use a new designation to revoke your prior designation in whole or in part. If your spouse is your beneficiary, the HSA becomes your spouse's HSA and continues after your death and your spouse will have the same right to name beneficiaries. If you do not name beneficiaries or if all your beneficiaries die before you or disclaim the HSA, the assets in your HSA will be paid to your estate.



**NO INVESTMENT ADVICE**

Custodian offers no investment management recommendations or investment advice as to which investments may be best for your HSA. As Custodian, Sandy Spring Bank accepts custody of different types of assets. The fact that Sandy Spring Bank accepts custody of an asset does not constitute an endorsement of that asset or entity or principals which/who sell or manage such assets. You alone are responsible to do the appropriate investigation of the investment, entity and principals involved before you invest. You are also responsible for obtaining a prospectus for any investment you are considering. Likewise, you alone are responsible for continuing oversight for all your investments. Growth in value of the HSA is neither guaranteed nor projected, and depends entirely on the success of your investment strategy. The profits and/or losses of each HSA are allocated to that HSA. Your HSA fees are for custodial and administrative services.

**NO TAX ADVICE**

This Disclosure Statement, together with the Custodial Agreement should answer most basic questions concerning the HSA. If you have additional questions regarding HSAs you should consult your tax advisor or attorney. Also, you may obtain additional information regarding HSAs from any District office of the IRS. Sandy Spring Bank does not render tax or legal advice.

**LIMITATIONS AND RESTRICTIONS**

- A) *Deduction of Rollovers and Transfers* – A deduction is not allowed for rollover or transfer contributions.
- B) *Special Tax Treatment* – Capital gains treatment and the favorable five or ten-year forward averaging tax authorized by Section 402 of the Code does not apply to HSA distributions.
- C) *Prohibited Transactions* – If you or your beneficiary engage in a prohibited transaction with your HSA, as described in Code Section 4975, the HSA, (or the portion of the HSA engaged in a prohibited transaction), will lose its exemption from tax and you must include the fair market value of the amount involved in the prohibited transaction in your gross income for the year during which the prohibited transaction occurred in addition to any regular income tax that may be payable. It is your responsibility to determine if a transaction constitutes a prohibited transaction. The Custodian is not responsible for determining if a transaction constitutes a prohibited transaction. The Custodian reserves the right to request certification from you that the direction provided by you does not create a prohibited transaction, If such certification is not forthcoming, the Custodian reserves the right to take whatever action it deems appropriate, including, but not limited to, resigning from the HSA and/or distributing the assets. Not requesting such a certification regarding a transaction is not a determination that a prohibited transaction does not exist or that the Custodian even reviewed the transaction.
- D) *Pledging* – If you pledge any portion of your HSA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

**FEE DISCLOSURE**

- A) In connection with your HSA, you agree to pay the fees set forth on the accompanying Services and Fee Schedule.
- B) The services and fees on the Services and Fee Schedule can be changed or additional fees added from time to time.
- C) Fees on and revenues from your HSA account may be shared between Sandy Spring Bank and with other parties which refer accounts and/or provide services to HSA accounts. The interest rates paid on the Bank Account are set by Sandy Spring Bank based on short-term interest rates and competitive market conditions, and will vary from time-to-time. You may obtain information on Sandy Spring Bank and FDIC insurance coverage at [www.sandyspringbank.com](http://www.sandyspringbank.com) and [www.fdic.com](http://www.fdic.com), respectively.

**PRIVACY DISCLOSURE**

Sandy Spring Bank respects the privacy of customers and is committed to treating customer information responsibly. You will receive a written copy of Sandy Spring Bank's Privacy Policy. You can also view Sandy Spring Bank's Privacy Policy at [www.sandyspringbank.com](http://www.sandyspringbank.com)

**NO DISCLOSURES OUTSIDE OF EXCEPTIONS ALLOWED BY LAW OR REGULATION**

Sandy Spring Bank will not reveal specific information about HSA accounts or provide account or personal information to outside companies for the purpose of independent telemarketing or direct mail marketing of any nonfinancial products or services of those companies.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an

account. What this means for you: When you open an HSA account, you will be asked for your name, address, date of birth and other information that will allow the Custodian and the Bank to identify you.

**ACKNOWLEDGEMENT**

By signing the HSA application, you acknowledge the opening of the account and agree to read, abide and be bound by this Health Savings Custodial Agreement, including this Disclosure Statement, all Bank Account agreements and disclosures provided to you, the Privacy Policy included herein, and where applicable, the Bank's Funds Availability Policy and/or Electronic Fund Transfer Agreement. A document detailing the Bank Account Agreement will be provided to you along with this Health Savings Custodial Agreement at the time the HSA is opened or at a reasonable time thereafter. Although not a part of the HSA application process, you authorize that the Custodian and the Bank can make inquiries from any consumer reporting agency or other personal information agency or service, including a check protection service, in connection with this HSA, if deemed necessary at a future time.

# Personal Deposit Account and Electronic Banking Agreement

This booklet contains important information about your account.  
Please review it and keep it with your important papers.



Sandy Spring Bank

From here. For here.

301.774.6400 • 800.399.5919  
[www.sandyspringbank.com](http://www.sandyspringbank.com)

SSB 1670  
(08/2016) Personal  
Deposit Account  
Agreement  
Member FDIC



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### Important Information About Procedures For Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

#### What this means for you.

When you open an account, we will ask for:

- Your Name • Address • Date of Birth • And other information that allows us to identify you

We may also ask to see your driver’s license or other identifying documents.



# PERSONAL DEPOSIT ACCOUNT AGREEMENT

## A. GENERAL LEGAL AGREEMENT

**1. Applicability** – This Personal Deposit Account Agreement (hereinafter “Agreement”) contains the terms and conditions governing the relationship between Sandy Spring Bank and any of its affiliates (hereinafter referred to as “Bank”, “we”, “us” or “our”) and its clients, including all persons or entities who sign or are designated on the Signature Card for the Account, except as the powers of that person are expressly limited by the terms of the Signature Card (hereinafter referred to as “Client”, “you” or “yours”), with respect to any deposit account (“Account”) opened or maintained by you with us and any services (including electronic banking services) provided by us with respect to any Account. You promise to be bound by the terms and conditions of this Agreement. For Accounts opened on-line through a Sandy Spring Bank website, the term “Signature Card” shall mean the Confirmation Page(s), which follows your submission of the on-line Account application and contains and confirms important Account information. You should print a copy of the Confirmation Page(s) for your records. Your electronic submission of the on-line Account application indicates that you have read and agreed to the terms of the Agreement.

**2. Amendment** – The terms of this Agreement, as well as any pricing or other changes to your Account, may be amended from time to time by the Bank. Amendments to this Agreement will be accomplished by written notice to you. The notice may be included in or on your Account statement. The notice may state that there has been a change to your Account and that you may obtain a revised agreement at your local branch or from your relationship manager. Continued use of your Account following notice of amendment or a change to the Account constitutes your acceptance of such changes.

### 3. Definitions

“**Account**” means your checking, savings, time deposit and/or loan Account(s) on which Transactions may be conducted or that may be accessed by one or more services according to your request.

“**Agreement**” means this Personal Deposit Account Agreement.

“**Business Day(s)**” means Monday through Friday, excluding Federal holidays.

“**Consumer**” refers to a natural person who owns an eligible Account at the Bank with respect to which the service is used primarily for personal, family, or household purposes.

“**Deposit(s)**” means funds (whether by cash, check, draft, other order, other item, or other deposit request) either cashed or added to your Account (subject to any limitations on making deposits into your Account).

“**Monthly Evaluation Period**” means the time period 3 business days prior to the beginning of the statement cycle to 3 business days prior to the ending of the statement cycle for determining the balance requirement to avoid a monthly maintenance fee for selected types of personal checking accounts. See the specific Product Sheet to determine if this feature is applicable.

“**Order**” means negotiable orders of withdrawal, checks, substitute checks, electronified checks, “counter/in-person” withdrawals, drafts, wires, ATM withdrawals, point of sale purchases, ACH withdrawals, online banking and telephone banking withdrawals, credit card transactions, other orders, other items and other withdrawal or transfer requests used to transfer or withdraw funds out of your Account by any means (subject to availability and any withdrawal limitations or penalties for your Account) are referred to throughout this Agreement as “Order(s).”

“**Originator**” means an individual, corporation or other entity that initiates pre-authorized debit or credit Transactions through the Automated Clearing House Association (ACH).

“**Primary Account**” means the Account whether one or more than one, that you have designated as your Primary Account(s) for certain services as described below.

“**Primary Checking Account**” means the checking Account that you have designated for access to certain Services as described below.

“**Security Devices**” means any combination of user identification information, Personal Identification Numbers (“PIN’s”), passwords/passcodes, tokens or other security methodology.

“**Transaction(s)**” means all Account transactions, including all means by which funds are deposited or withdrawn from the Account, including all electronic funds transactions performed through any Electronic Banking Services, including requests for such transactions.

**Your and our rights and obligations as to your Account shall be governed by this Agreement, any applicable Deposit Account Fee Schedule (hereafter called “Fee Schedule”), the Rate Sheet if you have an interest-bearing account, the IRA or Coverdell Education Savings Account (ESA) plan documents if you have an IRA or ESA, the Signature Card for your Account, applicable state and federal laws and regulations, and clearing house rules, as may be amended from time to time.**

**4. Governing Law/Venue** – Except as provided in the next sentence, this Agreement is governed by and construed in accordance with federal law and, to the extent not inconsistent with federal law, the internal laws of Maryland, excluding its choice of law provisions. Accounts opened in Virginia are also governed by federal and Maryland law except as provided otherwise expressly in this Agreement. If, for Accounts opened in Virginia, election of Maryland law is determined in a legal proceeding to be against public policy, this Agreement is governed by the internal laws of Virginia but only to the extent Virginia law must govern. The state and federal courts of the State of Maryland shall have exclusive jurisdiction on all claims brought by or against Maryland residents. The state and federal courts of the Commonwealth of Virginia shall have exclusive jurisdiction on all claims brought by or against Virginia residents. The Circuit Court of Montgomery County Maryland shall have exclusive jurisdiction over all claims brought by or against all other individuals or parties.

**5. Severability** – You understand that if any of the provisions of the Agreement are found to be in violation of, or restricted by, any

applicable federal, state or local law, regulation or ordinance, this Agreement shall be so construed as to conform with such law, and that the remainder of this Agreement shall not be affected by such laws, and shall remain in full force and effect.

**6. Assignment** – You may not assign this Agreement to any other party. We may assign this Agreement to any future, directly or indirectly, affiliated or unaffiliated company. We may also assign or delegate certain of our rights and responsibilities under this Agreement to independent contractors or other third parties.

**7. No Waiver** – We shall not be deemed to have waived any of our rights or remedies hereunder unless such waiver is in writing and signed by us. No delay or omission 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.

**8. 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.

**9. Entire Agreement** – You agree that this Agreement is the complete and exclusive statement of the agreement between you and us and supersedes any proposal or prior agreement, oral or written, and any other communications between you and us relating to the subject matter of this Agreement.

**10. Use of Eastern Time** – In this Agreement, all references to specific times are deemed to be Eastern Time, unless otherwise indicated.

**11. Standard of Care** – **WE AGREE AND WARRANT THAT WE WILL PROVIDE ALL SERVICES IN A COMMERCIALY REASONABLE MANNER. THIS WARRANTY IS IN LIEU OF, AND WE DISCLAIM, ANY AND ALL OTHER WARRANTIES, CONDITIONS, OR REPRESENTATIONS (EXPRESS OR IMPLIED, ORAL OR WRITTEN) WITH RESPECT TO ANY SERVICES PROVIDED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS OR SUITABILITY FOR ANY PURPOSE (WHETHER OR NOT WE KNOW, HAVE REASON TO KNOW, HAVE BEEN ADVISED, OR ARE OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE).**

**12. Changes in Terms / Other Notices** – We reserve the right to amend the terms and conditions and add new terms and conditions to this Agreement. Unless applicable law requires otherwise, all such amendments will be binding upon you immediately after we give you notice. Such notice may be given at our discretion by mail, by electronic communication or by revising the terms and conditions in this Agreement and making it available on our website or in our community offices. We will also mail you the most recent version of this Agreement upon your written request.

You agree that we may send communications and confidential mailings, including mailings concerning Security Devices, to your address as shown in our records or to you via secure electronic communications, in our sole discretion.

Any notice that is mailed is considered given 48 hours after we place it in the mail, postage-paid, for delivery to your address as shown on our records. Any notice delivered electronically is considered given 24 hours after it is first made available through Electronic Banking Services. If a specific notice period or type of notice is required by applicable law, the revised terms will be binding in accordance with such law.

Continued use of your Account after we provide you a notice of change will constitute your agreement to such change(s).

**13. Collection Costs** – You shall be liable for all collection costs and reasonable attorneys' fees incurred by us in the construction or enforcement of this Agreement.

## **B. ARBITRATION**

**READ THIS ARBITRATION PROVISION CAREFULLY. IT PROVIDES THAT YOU MAY BE REQUIRED TO SETTLE A CLAIM OR DISPUTE THROUGH ARBITRATION, EVEN IF YOU PREFER TO LITIGATE SUCH CLAIMS IN COURT. YOU ARE WAIVING RIGHTS YOU MAY HAVE TO LITIGATE THE CLAIMS IN A COURT OR BEFORE A JURY. YOU ARE WAIVING YOUR RIGHT TO PARTICIPATE IN A CLASS ACTION LAWSUIT, CLASS ACTION ARBITRATION, OR OTHER REPRESENTATIVE ACTION WITH RESPECT TO SUCH CLAIMS.**

Any claim or dispute ("Claim") by either you or us against the other will, at the election of either you or us, be resolved by binding arbitration. This arbitration provision governs all Claims, whether such claims are based on law, statute, contract, regulation, ordinance, tort, common law, constitutional provision, or any other legal theory and whether such Claim seeks as remedies money damages, penalties, injunctions or declaratory, or equitable relief. Claims subject to this arbitration provision include Claims regarding the applicability of this provision or the validity of this or any prior agreement. As used in this arbitration provision, the term "Claim" is to be given the broadest possible meaning, and includes past, present, and/or future Claims. If a party elects to arbitrate a Claim, the arbitration will be conducted as an individual action only. This means that even if a demand for class arbitration, class action lawsuit or other representative action, including a private attorney general action is filed, any Claim related to the issues of such lawsuits will

be subject to individual arbitration. Claims subject to arbitration also include Claims that are made as counterclaims, cross-claims, third-party claims, interpleader, or otherwise. **Notwithstanding this arbitration provision, if you have a Claim that is within the jurisdiction of small claims court, you file your Claim there.** Any appeal from a decision of a small claims court shall be subject to this arbitration provision. The arbitration, including the selection of the arbitrator, shall be administered by the American Arbitration Association (“AAA”), according to the Commercial Arbitration Rules and the Supplemental Procedures for Consumer-Related Disputes. To start arbitration, you or we must give notice of an election to arbitrate. This notice may be given after a lawsuit has been filed and may be given in papers or motions in the lawsuit. Our notice may be provided to you at your last known address or at such other address as we may have in our records. Your notice to us shall be given to: Sandy Spring Bank, c/o Legal Department 17801 Georgia Avenue, Olney, Maryland 20832. All fees and costs are allocated pursuant to the rules of the AAA. The arbitrator may award any fees, costs, and expenses including attorneys’ fees, as permitted by the administrator’s rules. If there is a conflict between the rules and procedures of the administrator and any term in this arbitration provision, the terms of this arbitration provision shall prevail. You or the Bank may bring a summary or expedited motion to compel arbitration of any Claim or to stay the litigation of any claims pending in any court. Such a motion or action may be brought at any time. The failure to initiate or request arbitration at the beginning of a dispute or claim shall not be construed as a waiver of the right to arbitration. In the event the prohibition on class arbitration is deemed invalid or unenforceable, the remaining portions of the arbitration agreement will remain in force.

Any arbitration proceeding shall take place in Montgomery County, Maryland. Any non-arbitration civil action shall be brought exclusively in either the Montgomery County (MD) Circuit Court (non-Virginia residents) or the Fairfax County (VA) Circuit Court (Virginia residents) or the appropriate federal court in those states. This Section shall not apply to, limit or affect our ability to exercise our right of offset pursuant to Section C.5 “Right to Offset” or other common law or statutory remedies. This Section shall survive termination of this Agreement.

## C. GENERAL RULES

The following rules generally apply to all types of accounts, except as the ability to make Deposits or initiate Orders are limited by the terms of the Signature Card or by the terms for your particular type of Account.

**1. Deposits** – Deposits may be made in person at any of our community offices, via mobile deposit, or sent to us by mail. Deposits to your Account will be posted before Orders. Even though we may credit your Account upon you making a Deposit, you understand, except for cash deposits, if you deposit a check, draft, bond, or other non-cash item, we have the right to clear it before we make the money available to you. This kind of deposit is cleared when we present it to the institution it’s drawn on and they pay us its value. If there are any special fees for collecting your Deposit, you promise to pay them. If we feel there is reason, we can refuse, limit, or return your Deposit or may close your Account by sending you a check in the amount of the balance of the Account.

We may accept deposits to your Account from any source or from any party. The Bank may also refuse to accept a deposit or may reverse a deposit even after provisional credit has been granted without prior notice. Deposits may not be made through any night deposit receptacle or through delivery by a courier service, and we assume no liability for any such deposit unless you have entered into an agreement with the Bank for this service. In our sole discretion, we may process any such deposit and you agree to indemnify and hold the bank harmless from any loss, claim, or damage arising out of such deposit. You agree that the Bank’s verification of the delivery or amount of a deposit shall be controlling notwithstanding any conflicting record, receipt or delivery acknowledgment. Deposits are considered accepted in the state in which your Account is maintained. If you did not open your account in person at a branch, but through the mail, by phone, or over the internet and you do not reside in a state or maintain a residence in a state where the bank operates a branch office, your deposit(s) will be considered accepted in the state of Maryland.

If we cash an item for you or permit you to withdraw the money before the item has been finally paid and if it is not paid for whatever reason, we have the right to charge your Account or obtain a refund from you.

Deposits will be verified and handled by us consistent with our usual practices and applicable law and regulations. You authorize us, at our discretion and without notice to you, to resubmit for collection those Deposits, which have been returned to us unpaid. Further, in such a circumstance, we may charge your Account or obtain a refund from you without prior notice to you and you waive notice of dishonor of the item you deposited. We are not obligated to accept any Deposit dated six months or more prior to the time it is deposited, but we may do so at our discretion.

Checks that are deposited to your Account must not contain markings in the area of the depository bank endorsement. We will not be liable for the late return of a deposited check if the late return is caused by improper markings on the check by you or the prior endorser.

**2. Transaction Posting Order** – We reserve the right to pay the withdrawals you make from your Account, regardless of the method of withdrawal, in any order we determine. This includes withdrawals made at an ATM or through online banking, point-of-sale (POS) purchases (debit or credit), checks, preauthorized payments and by any other means we make available to you. Deposits and withdrawals are NOT necessarily posted in the order in which they were made. We will post deposits to your account before we post withdrawals. Generally, we post debit/withdrawal Transactions to your account in the following Transaction Group order:

Transaction Groups*	How We Post These Items
1. Wires, cashed checks, ATM and teller withdrawals and previously incurred service charges or fees	By Transaction date and time stamp order
2. Non-returnable electronic items including debit card Transactions	By Transaction date and time stamp order
3. ACH Transactions	By Transaction date and time stamp order
4. Paid checks	In serial number order

\* Transactions not referenced above may be posted in any order at the Bank's discretion.

When date and time stamp order or check serial number is not available or is the same as another Transaction, we will post items by each Transaction Group in dollar amount order, starting with the smallest amount.

The order in which we post your Transactions may affect whether you incur fees for insufficient or unavailable funds. Amounts shown as "available" funds at a branch or through our online systems or otherwise made available by us for your use may not yet be collected and accordingly may be debited from your account if the underlying deposit item is uncollectible. You should always keep a record of all deposits and withdrawals on your account and check your account balance regularly.

**3. Stop Payment and Postdating** – At your risk, upon your proper and timely request, and subject to the provisions outlined below, we will accept either a) notice of a stop payment to prevent payment of an Order or Transaction; or b) notice of postdating to prevent the payment of an Order before the date written on it (hereafter collectively referred to as "Notice(s)"). Such Notices may be given by the person who signed the Order, an individual authorized to initiate or originate a Transaction, or any other owner of the Account. You agree to pay our fee for Notices and renewals of Notices which will be deducted from your Account. If, in the case of a stop payment, the Order or Transaction is presented or, in the case of a postdating, the Order is presented before the date written on it, we may return it unpaid in any manner consistent with Federal Reserve Bank and clearinghouse procedures. You agree to hold us harmless from all expenses and costs incurred by us, including attorneys' fees, in refusing payment on the Order or Transaction. You understand that any holder in due course of the Order, including us, may be entitled to enforce payment against you despite your Notice. A Notice to stop payment will cease to be effective after the expiration of the stop payment Notice. A Notice of postdating will cease to be effective at the earlier of the date written on the Order or the expiration of the Notice of postdating. The Order or Transaction may be paid by us and charged against your Account if the Order or Transaction is presented to us after that time. A Notice may be made in either or both of the following ways: by oral Notice, which is effective for 14 calendar days, or by written Notice, which is effective for six months. If you fail to renew any type of Notice before it has expired, you shall be deemed to have consented to payment of the Order or Transaction.

Our receipt of your Notice is timely only if: (a) we have not indicated in any manner that we will pay or honor the Order or Transaction; (b) the Order or Transaction is not already in our processing system; or (c) we have a reasonable time to act upon it. You and we agree that receipt of a Notice on the same day as the Order or Transaction is presented to us does not give us a reasonable time to act on the Notice. You must provide us with the exact: (a) date written on the Order or Transaction; (b) amount of the Order or Transaction; (c) payee; (d) Order or Transaction number; (e) Account number; and (f) any other information we may require.

You agree that if all of this information is not correctly provided by you, we will not be liable if the Order or Transaction is paid. Except in the event of our gross negligence or willful and intentional misconduct, our liability for payment of an Order or Transaction for which we have received a proper and timely Notice (and for any dishonor of other Orders or Transactions due to insufficient funds in such a case) is limited to your actual losses, up to the amount of the Order at issue. Under no circumstances will we be liable for any consequential, incidental, indirect, special or other damages. If we re-credit your Account after paying an Order or Transaction over a proper and timely Notice, you agree to transfer to us all of your rights against the payee or other holder of the Order and to assist us in legal action taken against that person at a subsequent time.

**Electronic Banking Services** – You can use the Stop Payment Service via the Electronic Banking Services to place a stop payment order on any Transaction, whether one or more than one, that you authorized an Originator to post to your account. Call us at 800-399-5919 and press 2 for the Client Service Center between 8:00 A.M. and 7:00 P.M. on Business Days and 8:00 A.M. and 1:00 P.M. on Saturdays or write us at Sandy Spring Bank Attn: Client Service Center, 17801 Georgia Avenue, Olney, Maryland 20832. If you call, we may require you to put your request in writing and send it to us within 14 days or your stop payment could be canceled.

**Additional Terms for Stop Payment on Preauthorized Debit Entries to Consumer Accounts** – You may place a stop payment order on any Transaction, whether one or more than one, that you authorized an Originator to post to your account. A stop payment request/order placed in accordance with stated requirements will remain in effect until the earlier of (1) a written request of withdrawal of the stop payment order by you; or (2) the return of the debit; or, (3) where a stop payment order is applied to more than one debit under a specific authorization involving a specific Originator, the return of all such debits. Stop payment orders must be received by us at least three (3) business days prior to the scheduled date of the transfer. If you order us to stop a direct debit from your Account three (3) Business Days or more before the Transaction is scheduled, and we do not do so, we will be liable for your losses or damages as provided under this Agreement. When you desire to block all future payments related to a specific authorization/Organator, we may require you to confirm in writing that you have revoked authorization with the Originator. The charge for stopping a payment is listed on the Fee Schedule.

**4. Automated Processing of Items** – You recognize that we have adopted automated collection and payment procedures so that we can process the greatest volume of items (both Deposits and Orders) at the lowest possible cost to all clients. These automated procedures rely primarily on information encoded onto each item in magnetic ink and the written numerical amount. You agree that such automated check payment and notification procedure is commercially reasonable. The Bank and Organization, pursuant to applicable law, therefore agree that the Bank shall be deemed to have exercised ordinary care if it adheres to a standard of manual or mechanical examination of a random sampling of items being processed for payment or items which meet certain minimum criteria established by the Bank for manual or mechanical inspection (such as large amounts). You agree that in paying or taking an item for collection, we may disregard all information on the item other than the drawer's signature, the identity of the drawee bank, the amount of the item, and any other information encoded onto the item in magnetic ink according to general banking standards in our community, whether or not that information is consistent with other information on the item. Unless we have agreed to the contrary in writing, we are not obligated to honor any restrictive instructions that you write on an Order, such as "Void after 90 Days" or "Two Signatures Required for Amounts Over \$5,000." You agree to reimburse us for any loss or expense we incur because you issue or deposit an item containing such extra information. These items may represent a sampling or selection of items drawn on all Accounts. The Bank shall be deemed to have acted in good faith and in accordance with reasonable commercial standards, and did not fail to exercise ordinary care in paying any items forged or altered so cleverly (as by unauthorized use of a signature, stamp and facsimile machine or otherwise) that the unauthorized signature, endorsement, or alteration could not be detected by a reasonable person. You agree that we did not fail to exercise ordinary care in paying an item if our procedures provide for limited or no sight examination of items we process. Furthermore, we shall not be liable for forgeries done by facsimile or other methods, which are not susceptible to ordinary detection.

**5. Right to Offset** – You agree that we shall have the right to offset against your Account at any time and without notice, for your indebtedness to us. Any indebtedness of any one of you or all of you, whether individual or joint, direct or indirect, primary or secondary, now owing or hereafter owing, may be charged to any Account in your name including Accounts held by husband and wife. You agree to hold us harmless and indemnify us in the event the Account is offset for the debt of less than all owners. We will not be liable if such a deduction causes Orders to be dishonored because of insufficient funds.

You agree that we shall have the right of offset to pay for any overdrafts or fees on your Account, even if the only funds in your Account are from Social Security Administration, Supplemental Security Income funds or other government benefits. This right of offset does not apply to the Account if: (a) it is an IRA or tax-deferred retirement Account; or (b) the debtor's right of withdrawal arises only in a representative capacity.

**6. Joint Owners** – Owners are jointly and severally liable for payment of all charges against the Account, even when only one owner created the charge or benefited from it. Any owner may make Deposits to the Account and each of them appoints the other(s) as attorney-in-fact with the power to deposit into the Account any Deposit payable to any one or more owner(s) and, for that purpose, to endorse any Order payable to any one or all of them. Any owner may initiate Orders withdrawing or transferring funds from the Account, may request a stop payment on any Order, may close the Account, and may obtain additional services without the consent of the other(s).

**7. Agents and Employees** – If you allow (including through unintentional access to Account information or Security Devices) another person to conduct any transactions (including any Order) or perform any actions with respect to any Account, you are fully responsible for that person's actions. You will be solely liable for any loss caused by the actions or inaction of that person and you cannot hold us liable for any part of that loss.

**8. Garnishments/Attachments/Liens/Executions/Levies** –The Bank is authorized, upon receipt of any notice of lien, process in attachment, garnishment, execution, levy or other proceeding relating to you or your Account, to withhold payments of as much of the balance in your Account(s) as may be the subject of such notice or process and to pay such amount to the court, creditor, or other party in accordance with applicable state or federal law. The Bank may also, in its discretion, place a hold on your account(s) for a reasonable period of time to permit the parties or the Bank an opportunity to file any additional legal proceedings or to informally resolve the action involving the Account(s). You understand and agree that the Bank will not be liable for dishonoring checks, drafts, or other items because of insufficient funds in your account due to a hold placed on the account or resulting from service charges, setoff, levies, garnishments, lien claims, or other legal processes. You agree that, if we incur any expense due to an attachment, garnishment or levy upon your Account, including, but not limited to, court costs and attorney fees, you will reimburse us for such expense or we may charge any portion of such expense to your Account. All attachments, garnishments, and levies upon your Account will subject you and your Account to a service charge as set forth in our Fee Schedule.

**9. Powers of Attorney** – The owner of this Account may grant broad or limited powers affecting this account to an agent or attorney-in-fact pursuant to a power of attorney. An agent or attorney-in-fact may conduct transactions on any Account and also open other Accounts pursuant to authority granted in a power of attorney. We may, in our sole discretion, charge a fee for the review of any power of attorney. Appropriate identification information will be required from both the principal and any agents who will have ownership or transaction authority over the Account. We will have no duty to inquire into the circumstances underlying the execution of the power of attorney. We have the right to act upon any direction or instruction of the named agent without further inquiry unless we have actual knowledge of the revocation of the power of attorney or the agent's authority thereunder. We may, however, at our sole discretion, request verification from the agent of his/her continued authority under the power of attorney. We have no duty to inquire into whether transactions made by any appointed agent may result in a breach of any fiduciary duties held by that agent. If the power of attorney appoints co-agents and such agents may act independently, we have the right to act at the direction of either agent even if such directions may be contrary to directions given by another co-agent. If the power of attorney appoints co-agents and such agents must act together or jointly (e.g. two



signature checks), we may restrict the types of services available to the co-agents and may charge additional administrative fees.

**10. Non-Transferability** – This Account, whether it be in an individual or in joint names, is for the use of the owner(s) only. Ownership of this Account cannot be transferred except as permitted by us and any permitted transfer will be effective only when reflected in our records for the Account.

**11. Dispute Among Signers or Owners** – In the event that we reasonably believe that the signers, owners, or persons acting on behalf of the signers or owners of an Account are in dispute concerning any aspect of the Account, we may, in our sole discretion, do any or all of the following things: continue to act as set forth in this Agreement based upon the signature of any authorized signer as shown in our records; freeze the funds in the Account pending resolution of the dispute to our satisfaction; or deposit the funds from the Account into the registry of an appropriate court pending a court order establishing the parties who are authorized to transact business with respect to the Account. You agree that we may deduct or setoff from any account balance any and all costs (including reasonable attorney fees) of any interpleader action commenced pursuant to this Paragraph and further agree to indemnify us and hold us harmless for any liability or expenses incurred in any such action.

**12. Dormant Accounts** – All funds remaining in an Account may be turned over to the custody of the appropriate state after the Account has been presumed abandoned because of inactivity and notice is sent to you. For certificate of deposit Accounts the period giving rise to the presumption of abandonment begins after the maturity date of the initial term; for retirement Accounts, the period begins after distributions from the Account are mandatory. An Account will be presumed abandoned if, for the period of time specified by applicable law, you have not increased or decreased the amount in the Account, written to us about the Account, including signing up for new services or asking for address changes, engaged in a credit or other deposit transaction with us, or otherwise indicated an interest in the Account as evidenced by a memorandum on file with us. Dormant or inactive Accounts may be subject to reasonable service charges as set forth in our Fee Schedule. We are relieved of all responsibility if your Account balance is turned over to a state as provided by applicable law.

**13. Closing Accounts** – You may withdraw all collected funds in the Account at any time. We may close the Account at any time by sending you a check for the collected balance in our possession less our standard Cashier's Check fee as set forth in our Fee Schedule and giving you notice that we have done so. If your balance is less than the fee, we will simply close your Account. We may charge a fee as set forth in our Fee Schedule if an Account is closed within 6 months of opening. If an interest bearing account remains at a zero balance, the account may be closed by the Bank and any accrued interest may be forfeited.

**14. Statements** – Any error in the description, or in the amount, of any deposit is subject to correction by the Bank within a reasonable time after discovery of the error. Periodically, we will deliver you a statement concerning activity in the Account. You agree to promptly examine your statement and notify us of any discrepancies. You agree that you will notify us within a reasonable time (not to exceed 60 days) of any erroneous or missing entries, including but limited to deposits, withdrawals or transfers. You understand that we will not return your canceled checks but we will provide you with copies upon written request and you may be charged for photocopies as set forth in our Fee Schedule. We will securely store copies for 7 years. You agree that delivering periodic statements to a single address constitutes notice to you and that any of you may change the delivery address for statements. If a statement is returned to us because you have failed to claim it or you have failed to provide us with a proper delivery address, we may discontinue sending your statements until you specifically make written request that we commence sending statements to you again, furnishing us with a proper address. Applicable fees may be charged.

Unless you notify us of an unauthorized signature or alteration within a reasonable time (not to exceed 30 days - 60 days for electronic transactions), after we send or make available to you your statement and/or items: (a) you cannot assert the unauthorized signature or alteration against us to recover any funds paid, regardless of whether or not we are able to show a loss due to your failure, and (b) you cannot assert any unauthorized signatures or alterations by the same person on Orders paid by us after the reasonable time stated above elapses, but before we receive your notice.

**15. ACH or Wire Payments to Accounts** – Under the operating rules applicable to automated clearinghouse ("ACH") transactions involving your Account, we are not required to give next day notice to you of receipt of an ACH Item, and we will not do so. You agree that we may notify you of the receipt of ACH and other electronic payments in the periodic statements we provide to you. If periodic statements are not provided to you, you agree that we are not obligated to provide you with notice of receipt of payments, unless otherwise required by law. In all cases, Account number rather than client name will control crediting of funds transfers. ACH operating rules also provide that credit given by us to you for ACH credit entries is provisional until we receive final settlement for the entry through a Federal Reserve Bank or otherwise receive final payment. If we do not receive final settlement, we are entitled to a refund of any amount credited to you in connection with the entry, and the party that originated the payment to you shall not be deemed to have paid you. You agree to be bound by these rules. If a funds transfer entry includes transmission through a funds transfer system that nets obligations multilaterally and has a loss-sharing agreement among participants, and the system fails to complete settlement, we are entitled to a refund of any amount credited to your Account.

We are subject to U.S. law, including Office of Foreign Assets Control (OFAC) sanctions, and, if applicable, the National Automated Clearinghouse Association (NACHA) Operating Rules when handling your ACH or wire transactions. These required reviews may involve delays in posting and availability of proceeds for ACH or wire transactions initiated by parties outside U.S. jurisdiction if we find it necessary to scrutinize the transaction in more detail. In cases where there appears to be a violation of U.S. sanction policies, proceeds from an ACH or wire deposit may be frozen and therefore may affect your funds availability.

**16. Large Currency Withdrawals** – If you request a large currency withdrawal from your Account, we may require up to five business days' notice to process your request. We may require you to conduct your Transaction at the community banking office of our choice. You will be required to provide proper identification and other pertinent information prior to processing the withdrawal. The withdrawal of large amounts of currency involves potentially significant security risk. Accordingly, once the currency is provided to you, you assume full responsibility for, and agree to hold Sandy Spring Bank harmless from, any loss, theft or damage of any kind resulting from the currency withdrawal.

**17. Check Cashing Fees** – If you issue a check drawn on your Account with us and someone who is not a deposit customer of ours seeks to cash it at one of our community offices, we reserve the right to charge a service fee to that individual as a condition of cashing the check. By continuing to maintain your Account with us, you agree that it shall not constitute wrongful dishonor if we refuse to pay such a check because the individual seeking to cash the check declines to pay such a service fee.

**18. Check Cashing Identification** – If you issue a check drawn on your Account with us, we have the right not to pay the check if the person who presents it for payment fails to provide us with such reasonable identification as we may request. You agree that our reasonable identification requirements may include such documentary forms of identification (such as a valid passport or driver's license) and/or physical forms of identification as we may from time to time establish.

**19. Creation of Check Image Files/Substitute Checks/Remotely Created Checks** – Unless explicitly provided for in a contract entered into by you and Sandy Spring Bank, you may not deposit any substitute check or "remotely created check" (as defined by federal regulations) that has not previously been handled by a bank in the U.S. collections process. This means that you cannot, except as provided above, send a check image file for deposit, or deposit a substitute check or "remotely created check" you create or one that has been created by another person, business, entity or agency.

**20. Unlawful Internet Gambling Enforcement Act of 2006** – In accordance with the requirements of the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG, you agree that restricted transactions are prohibited from being processed through your account or relationship with our institution and engaging in such transactions will result in account closure. Restricted transactions are transactions in which a person accepts credit, funds, instruments or other proceeds from another person in connection with unlawful Internet gambling.

**21. Service Charges and Balance Requirements** – You agree to pay us, or have us deduct from your Account, such fees and service charges imposed on the Account, in question. The Fee Schedule sets forth the service charges or fees that may be imposed against you or your Account for activity, overdrafts, return of unpaid checks or deposits, or other fees applicable to your type of Account. The Fee Schedule is part of this Agreement, which is subject to amendment from time to time, and has been provided to you and is available upon request. Service charges and fees are imposed to cover our cost of providing services and to generate income. These charges and fees may be reduced or avoided through your actions. You agree to comply with any minimum balance/deposit requirements we may impose. Nothing herein is intended to apply to criminal conduct by you, which will be prosecuted by us to the fullest extent of the law.

**22. Disclosure of Account Information to Third Parties** – We may disclose information to third parties about your Account or the Transactions you make under various circumstances including, but not limited to:

- When it is necessary for completing Transactions.
- When it is necessary to activate additional services.
- To consulting firms, in an aggregate non-personally identifiable format, for internal research and product improvement purposes only.
- If you give us your written permission.
- In the course of preparation, examination, handling or maintenance of financial records by any officer, employee or agent of ours that has custody of the records.
- In the course of examination of our financial records by a certified public accountant while engaged by us to perform an independent audit.
- During the course of examination of financial records by or the disclosure of financial records to any officer, employee or agent of a supervisory agency for use only in the exercise of that person's duty as an officer, employee or agent.
- In the course of publication of information derived from financial records if the information cannot be identified to you or any particular account of yours.
- In the course of making reports or returns required or permitted by federal or state law.
- Under certain provisions of law relating to the dishonor of a negotiable instrument.
- In an exchange, in the regular course of business, of credit information between us and any other fiduciary institution or commercial enterprise if made directly or through a consumer reporting agency.
- To comply with any government agency order, court order or applicable law.
- To appropriate officials in connection with the prosecution of an action concerning insufficient funds.
- To appropriate officials to verify or confirm eligibility for public assistance or to appropriate authorities relating to enforcement of child support obligations.
- To our subsidiaries and affiliates in accordance with applicable laws or regulations.
- If we have entered into an agreement to have another party assist us as our agent in making Transactions.
- When you authorize disclosure.
- As permitted in the Sandy Spring Bancorp Privacy Notice attached to the Personal Deposit Account Agreement.

## **D. SECURITY PROCEDURES**

- 1.** In order to mitigate Transaction risks, we have implemented both various internal procedures and technology, including Security Devices (as defined in subsection 2 herein) and established additional actions which you agree to take. These Sections D and E constitute our "Security Procedures".
- 2.** You will comply with the fraud prevention procedures described in Section E "Safeguarding Your Account – Fraud Detection/Deterrence". You acknowledge and agree that these Security Procedures, including (without limitation) any code, password, account information, personal identification number, user identification technology, token, certificate, software, or other element, means, or method of authentication or identification used ("Security Devices") used in connection therewith, constitute commercially reasonable security procedures under applicable law.
- 3.** You acknowledge that compliance with the Security Procedures is critical in mitigating security risk. Failure by you to comply with all Security Procedures could result in you assuming any and all risk for unauthorized Transactions. You authorize us to follow any and all instructions entered and Transactions initiated using applicable Security Procedures unless and until you have notified us, according to notification procedures prescribed by us, that the Security Procedures or any Security Device has been stolen, compromised, or otherwise become known to persons other than you and until we have had a reasonable opportunity to act upon such notice.
- 4.** You acknowledge that the Bank has no method to determine whether a Transaction conducted with a Security Devices was proper and therefore authorize the Bank to complete any Transaction involving your deposit or credit account(s) made with the use of such information. Transaction instructions received by the Bank when using a Security Device are effective as your instructions, whether or not you authorized them in fact, as long as we accept the instructions in good faith.
- 5.** You agree that the initiation of a Transaction using applicable Security Procedures or Security Devices constitutes sufficient authorization for us to execute such Transaction notwithstanding any particular signature requirements identified on any signature card or other documents relating to your deposit account maintained with us, and you agree and intend that the submission of Transaction orders and instructions using the Security Procedures shall be considered the same as your written signature in authorizing us to execute such Transaction. You acknowledge and agree that the Security Procedures are not designed to detect error in the transmission or content of communications or Transactions initiated by you and that you bear sole responsibility for detecting and preventing such error.
- 6.** You acknowledge that for certain services, repeated entries of an incorrect Security Device may lead to the Security Device being automatically revoked. Also, your connection to certain services may be automatically terminated if there is no activity for 90 days or more. When you access any of the services, your instructions may be recorded. You consent to such recording.
- 7.** You agree to keep all Security Procedures and Security Devices protected, secure, and strictly confidential. You agree not to disclose or provide any Security Procedures or Security Devices to any unauthorized person. Where you have the ability to change or modify a Security Device from time to time (e.g., a password or PIN), you agree to change Security Devices frequently in order to ensure the security of the Security Device. You agree to notify us immediately, according to notification procedures prescribed by us, if you believe that any Security Procedures or Security Device has been stolen, compromised, or otherwise become known to persons other than you or if you believe that any Transaction or activity is unauthorized or in error. In the event of any actual or threatened breach of security, we may issue you a new Security Device or establish new Security Procedures as soon as reasonably practical, but we shall not be liable to you or any third party for any delay in taking such actions.
- 8.** We reserve the right to modify, amend, supplement, or cancel any or all Security Procedures, and/or to cancel or replace any Security Device, at any time and from time to time in our discretion. We will endeavor to give you reasonable notice of any change in Security Procedures; provided that we may make any change in Security Procedures without advance notice to you if we, in our judgment and discretion, believe such change to be necessary or desirable to protect the security of our systems and assets. Your implementation and use of any changed Security Procedures after any change in Security Procedures shall constitute your agreement to the change and your agreement that the applicable Security Procedures, as changed, are commercially reasonable and adequate for the purposes intended.
- 9.** You are responsible for providing for and maintaining the security of data and systems in your possession or under your control. We are not responsible for any computer viruses (including, without limitation, programs commonly referred to as "malware," "keystroke loggers," and/or "spyware"), problems or malfunctions resulting from any computer viruses, or any related problems that may be associated with the use of an online system. Any material downloaded or otherwise obtained is obtained at your own discretion and risk, and we are not responsible for any damage to your computer or operating systems or for loss of data that results from the download of any such material, whether due to any computer virus or otherwise. You are responsible for maintaining and applying anti-virus software. We are not responsible for any errors or failures resulting from defects in or malfunctions of any software installed on your operating systems or accessed through an Internet connection.
- 10.** You acknowledge and agree that it is your responsibility to protect yourself and to be vigilant against e-mail fraud and other internet frauds and schemes (including, without limitation, fraud commonly referred to as "phishing" and "pharming"). You acknowledge that we will never contact you by e-mail in order to ask for or to verify Account numbers, Security Devices, or any sensitive or confidential information. In the event you receive an e-mail or other electronic communication that you believe, or have reason to believe, is

fraudulent, you agree that you shall not respond to the e-mail, provide any information to the e-mail sender, click on any links in the e-mail, or otherwise comply with any instructions in the e-mail. You agree that we are not responsible for any losses, injuries, or harm incurred by you as a result of any electronic, e-mail, or internet fraud.

**11.** We reserve the right to modify, amend, supplement, or cancel any or all Security Procedures, and/or to cancel or replace any Security Device, at any time and from time to time in our discretion. We will endeavor to give you reasonable notice of any change in Security Procedures; provided that we may make any change in Security Procedures without advance notice to you if we, in our judgment and discretion, believe such change to be necessary or desirable to protect the security of our systems and assets. Your implementation and use of any changed Security Procedures after any change in Security Procedures shall constitute your agreement to the change and your agreement that the applicable Security Procedures, as changed, are commercially reasonable and adequate for the purposes intended.

**12.** In the event of a breach of the Security Procedure, you agree to assist us in determining the manner and source of the breach. Such assistance shall include, but shall not be limited to, providing us or our agent access to your hard drive, storage media and devices, systems and any other equipment or device that was used in breach of the Security Procedure. You further agree to provide to us any analysis of such equipment, device, or software or any report of such analysis performed by you, your agents, law enforcement agencies, or any other third party. Your failure to assist us shall be an admission by you that the breach of the Security Procedure was caused by a person who obtained access to your transmitting facilities or who obtained information facilitating the breach of the Security Procedure from you and not from a source controlled by us.

**13.** You acknowledge and agree that it is your responsibility to protect yourself and to be vigilant against e-mail fraud and other internet frauds and schemes (including, without limitation, fraud commonly referred to as “phishing” and “pharming”). You acknowledge that we will never contact you by e-mail in order to ask for or to verify Account numbers, Security Devices, or any sensitive or confidential information. In the event you receive an e-mail or other electronic communication that you believe, or have reason to believe, is fraudulent, you agree that you will not respond to the e-mail, provide any information to the e-mail sender, click on any links in the e-mail, or otherwise comply with any instructions in the e-mail. You agree that we are not responsible for any losses, injuries, or harm incurred by you as a result of any electronic, e-mail, or internet fraud.

## **E. Safeguarding Your Account - Fraud Detection/Deterrence**

The physical or electronic theft of sensitive banking information may result in unauthorized Transactions on your Account(s). In order to decrease the risk of such unauthorized Transactions, you agree to:

- Safeguard information about your account such as your Account number(s) and don't disclose such information to third parties;
- Safeguard materials and information which can be used to access your Account, including but not limited to, your checkbook, blank or unused checks, or Security Devices, to prevent them from being misused by an unauthorized party;
- Call us immediately at our Client Service Center at 800-399-5919 if you suspect any problem with your account or unauthorized activity, or your checkbook or unused checks are lost, stolen or misplaced;
- Review your checkbook and unused checks carefully for unauthorized activity if you suspect that any of these items may have been stolen or tampered with, or if you are the victim of theft or your property is burglarized;
- Review your statement each month promptly and carefully for unauthorized activity or missing deposits;
- Close your Account immediately upon discovery of any known or suspected unauthorized activity. When you report missing, stolen, or unauthorized checks, we may recommend that any Account(s) that has been compromised by unauthorized or fraudulent activity be closed. If you decline this recommendation and elect to leave your account open, we will not be liable to you for subsequent losses on the account due to unauthorized activity and we may require you to indemnify us for any losses we incur;
- Maintain close control over your Security Devices to immediately detect any unauthorized use.
- Issue any checks with care to avoid alterations or forgeries. Precautions include without limitation using a dark colored permanent ink to write out your checks, making sure the numeric and written amounts match and are readable, and making sure there are no blank or open spaces in the body of the instrument where words or figures can be inserted.

## **F. TYPES AND OWNERSHIP OF ACCOUNTS**

**Account Opening.** You agree that when you open an Account, you have instructed us as to the correct type of account applicable to you. You agree that we may rely on such representations without requiring additional information or documentation but that you shall furnish such information upon request.

**1. Individual Owner** – The Account is owned by the one person or legal entity named as owner. No other person or entity has any present ownership rights in the Account and upon the death of the owner, any funds in the Account shall belong to the owner's estate or, in the case of an IRA, the beneficiary or beneficiaries designated in our records.

**2. Agent(s)** – Any person identified on the Signature Card, or on a separate document which we have accepted, as an Agent acts in that capacity pursuant to contract, state or federal law, regulation or judicial authority for the benefit of any named beneficial owner(s) or the true beneficial owner(s) of the Account. The Account is subject to the right of any Agent or authorized signer to withdraw, subject to the limitations imposed by any contract or judicial order of which we have had prior notice and a reasonable opportunity to act. The Agent is authorized to make withdrawals and deposits and otherwise take action in connection with the Account but only as an Agent of one or more of the beneficial owners of the Account. The Agent certifies that any funds deposited into or withdrawn from the Account are properly within the Agent's custody and may be lawfully deposited into or withdrawn from the Account in accordance with authority duly vested in the Agent and that we have no duty to verify the authority of the Agent to make particular deposits or withdrawals. The Agent is not an owner of the Account, no funds in the Account belong to the Agent by reason of that capacity, and the Agent has no right of survivorship in the Account. The Agent promises to keep records in good faith and in the ordinary course of business which detail the interests of any named beneficial owner(s) or the true beneficial owner(s) of the Account at all times. Revocation or termination of the Agent's authority shall only be effective as to us after our receipt of a written notice of revocation or termination and after we have had a reasonable time to act upon such notice.

**3. Joint Owner—With Survivorship** – The Account is owned by the two or more persons named as owners (each person named is called "owner"). Under joint ownership, the Account is subject to the right of any owner to withdraw. Except for certain Accounts opened by Virginia residents (see below), **AT THE DEATH OF AN OWNER, THE BALANCE IN THE ACCOUNT SHALL BELONG TO THE SURVIVING OWNER(S)**. If two or more owners survive, the Account will remain a joint ownership Account and the survivors each will own the Account jointly with survivorship rights. If only one owner survives, the Account will become an individual ownership Account. Each joint owner acknowledges that the Account is subject to Maryland's Multiple-Party Accounts Law.

**4. Payable on Death Payee** – Any person identified on the Signature Card as a "Payable on Death (POD) Payee" will acquire vested ownership rights in the Account only after the death of all owners and then only if the POD payee is alive. When we are provided with proof of the death of the last surviving owner, we will issue to each POD payee who provides proof of identity to our satisfaction a check for an equal pro rata share of the balance in the Account based on the number of POD payees listed in our Account records. If a POD payee claims a greater share of the Account based on the death of another POD payee before the death of the last owner, that POD payee must provide proof to our satisfaction. We are under no obligation to pay interest on the Account after the death of the last surviving owner. Each owner reserves the right (subject to any requirements that we may impose, and without notice to any POD payee, at any time) to close or pledge the Account, to change POD payees(s), Account type, and/or Account ownership, and to withdraw all or part of the Account balance. If a POD payee is identified on the Signature Card, each owner acknowledges that the Account is subject to Maryland's Multiple-Party Accounts Law.

**5. Attorney-In-Fact** – Any person identified on the Signature Card, or on a separate document which we have accepted, as an Attorney-in-Fact ("Agent") acts in that capacity pursuant to contract, state or federal law or regulation for the benefit of the named owner(s) or the true beneficial owner(s) of the Account. The Agent is authorized to make withdrawals and deposits and otherwise take action in connection with the Account but only as an Agent of one or more of the owners of the Account. The Agent certifies that any funds deposited into or withdrawn from the Account are properly within the Agent's custody and may be lawfully deposited into or withdrawn from the Account in accordance with authority duly vested in the Agent and that we have no duty to verify the authority of the Agent to make particular deposits or withdrawals. The Agent is not an owner of the Account, no funds in the Account belong to the Agent by reason of that capacity, and the Agent has no right of survivorship in the Account. The Agent promises to keep records in good faith and in the ordinary course of business which detail the interests of the named owner(s) or true beneficial owner(s) of the Account at all times. Revocation or termination of the Agent's authority shall only be effective as to us after our receipt of a written notice of revocation or termination and after we have had a reasonable time to act upon such notice.

**6. Convenience Signer** – Any person identified on the Signature Card as a "Convenience Signer" is authorized to make withdrawals and deposits and otherwise take action in connection with the Account but only as an Agent of one or more of the owners of the Account. We have no duty to verify the authority of a convenience signer to make particular deposits or withdrawals. A "convenience signer" also is any person who an Account owner authorizes to make withdrawals or deposits or take other action in connection with the Account under separate power of attorney given by the Account owner and accepted by us. A convenience signer is not an owner of the Account, no funds in the Account belong to any convenience signer by reason of that capacity, and a convenience signer has no right of survivorship in the Account. If a separate power of attorney is used, we are not required to recognize any convenience signer to act on an Account unless the form of power of attorney is found acceptable to us in all respects. Revocation or termination of a person's authority as a convenience signer or under a power of attorney shall only be effective to us after our receipt of a written notice of revocation or termination and after we have had a reasonable time to act upon such notice. If a convenience signer is identified on the Signature Card or otherwise associated with the Account, each owner acknowledges that the Account is subject to Maryland's Multiple-Party Accounts Law.

**7. Trustee or Executor/Personal Representative** – Any person identified on the Signature Card as Trustee or Executor/Personal Representative (collectively "Fiduciary") acts in that capacity pursuant to contract, state or federal law, regulation or judicial authority for the benefit of the Trust and/or beneficiaries of the Trust or the Estate named on the Account. The Account is subject to the right of any Fiduciary to withdraw, subject to the limitations imposed by the Trust or Estate documents or judicial order of which we have had

prior notice and a reasonable opportunity to act. The Fiduciary certifies that any funds deposited into or withdrawn from the Account are properly within the Fiduciary's custody and may be lawfully deposited into or withdrawn from the Account in accordance with authority duly vested in the Fiduciary and that we have no duty to verify the authority of the Fiduciary to make particular deposits or withdrawals (except as expressly provided otherwise by the Trust or Estate documents or judicial order of which we have had prior notice and a reasonable opportunity to act). The Fiduciary promises to keep records in good faith and in the ordinary course of business which detail the interests of the true beneficial owner(s) of the Account at all times. Revocation or termination of any Fiduciary's authority shall only be effective as to us after our receipt of written notice of revocation or termination and after we have had a reasonable time to act upon such notice.

**8. Estate** – The Estate named on the Signature Card is named on the Account pursuant to its status under contract, state or federal law, regulation or judicial authority and withdrawals from the Account may be made only by the Fiduciary named on the Account. We have no duty to verify the authority of the Fiduciary to make particular deposits to or withdrawals from the Account (except as expressly provided otherwise by Estate documents or judicial order of which we have had prior notice and a reasonable opportunity to act).

**9. Beneficial Owner** – Any person identified on the Signature Card as Beneficial Owner is named on the Account pursuant to that person's status under contract, state or federal law, regulation or judicial authority and withdrawals from the Account may be made only by the agent named on the Account. We have no duty to verify the authority of the agent to make particular deposits to or withdrawals from the Account (except as expressly provided otherwise by a judicial order of which we have had prior notice and a reasonable opportunity to act).

**10. Change of Signers** – You authorize us to act without further inquiry in accordance with writings bearing authorized signatures of, or with oral instructions from, the persons shown on the Signature Card until we have been provided with written notice of a change by you of authorized signers and had reasonable time to act thereon. In such a case, you will supply any and all further assurances and new documentation, including a new Signature Card and new specimen signatures, as requested by us in our sole discretion.

## Special Provisions for Virginia Accounts

**The following provisions apply only to accounts opened at our Virginia community offices and supersede any inconsistent provisions in this Agreement.**

1. All multiple-party accounts are subject to Virginia's Multiple-Party Accounts Law, and payments we make pursuant to such law discharge us from all claims for amounts so paid.

2. If you have selected **JOINT ACCOUNT – NO SURVIVORSHIP** on your account signature card, on the death of a joint owner, the deceased owner's share in the account passes as part of the deceased owner's estate under his or her will, trust, or by intestacy. You agree that the deceased owner's share will be equal to 100% divided by the number of joint account owners (for example, if there are two joint owners, we will treat the deceased owner's share as 100% divided by 2, or 50% of the account balance). We may make payment from a joint ownership account without survivorship to the personal representative of a deceased joint owner without liability to any other owner or any other owner's heirs, personal representatives, or assigns.

3. Upon the death of the owner or the survivor of two or more owners, we may pay the sums on deposit in the account on request to the POD payee(s), or to the personal representative or heirs of a deceased POD payee upon presentation to us of proof of death showing that the deceased POD payee survived all persons named as owners. Payment may be made to the personal representative or heirs of a deceased owner if proof of death is presented to us showing that the decedent was the survivor of all other persons who were owners or named POD payees of the account.

4. A payable on death feature in an account only permits, and does not require, us to release to the named POD payees the sums on deposit at the time of the death of the owner or of the survivor of two or more owners. Whether the POD payees will be entitled to and receive the funds is a matter governed by Virginia law. We reserve the right to refuse to pay the sums on deposit to the POD payee(s) and the right to condition payment upon receipt of an order issued by a court having competent jurisdiction, a release by other potential claimants, and/or the posting of a bond with corporate surety indemnifying us from adverse claims.

## G. RULES APPLICABLE TO CERTAIN TYPES OF ACCOUNTS

### 1. All Checking Accounts

**a. How Checking Accounts are Maintained** – Every checking account (whether interest-bearing or not) will act as a master account ("Account") and may consist of two sub-accounts from time to time – a transaction sub-account to which all financial transactions will be posted and a non-transaction sub-account into which available balances above a target level will be transferred daily. Funds will be transferred back to the transaction sub-account as needed to meet your withdrawal activity so that, at all times, you will have full access to all of your available funds. Your deposit insurance will not be affected. You will conduct your banking transactions at the Account level,

and all minimum balances, fees and charges, and periodic statement information concerning the Account will be at that level. Also, for interest-bearing Accounts, all interest computation and crediting and tax reporting will be at the Account level. All of the provisions of this Agreement, the Fee Schedule, and the Rate Sheet, if applicable, apply to the Account as a whole without reference to the sub-accounts, except as provided in this section. The Signature Card you signed to open the Account (including its ownership provisions and any survivorship provisions) also governs the sub-accounts established from time to time.

Your agreement to establish the sub-accounts is made simply to assist us in the operation of our accounting system to affect the way balances are reported to the Federal Reserve Bank in accordance with their regulations. This will help lower our expenses so that we remain competitive with other financial institutions. The non-transactional sub-account will be deemed a “savings account” under federal law, but will bear interest only if the Account as a whole is interest-bearing. Also, pursuant to federal law, we reserve the right to require 7 days’ advance notice of withdrawals from the non-transaction sub-account, although we have never exercised this right previously and would generally only do so for all savings accounts as a whole, and not just individual accounts.

From time to time, we may establish a target balance for your type of Account. When the balance in your Account is less than any target balance in effect at that time, the entire balance will be allocated to the transaction sub-account. When the balance in the Account exceeds the target balance, the excess will be allocated to the non-transaction sub-account. All of your withdrawals from the Account, by whatever means, will be deducted from the transaction sub-account. To the extent that on any day the amount of such withdrawals exceeds the balance in the transaction sub-account, we will transfer available funds from the non-transaction sub-account to the transaction sub-account. The first five times we make such transfers during any monthly statement cycle for the Account, we will transfer funds sufficient to restore the transaction sub-account to the target balance. On the sixth such transfer in a monthly statement cycle, we will transfer the entire remaining balance allocated to the non-transaction sub-account to the transaction sub-account and any subsequent deposits made in that statement cycle, even if they exceed the target balance, will be allocated to the transaction sub-account. Each monthly statement cycle, we will begin the process again. These actions will be performed automatically and will not interfere with your Orders from the Account, assuming that the funds are available for withdrawal (for example, assuming that any periods for holds on deposits of checks have passed). These allocations and transfers will not appear on your periodic statement – your statement will be at the Account level. The combined balances of the sub-accounts constitute the balance in the Account for determining whether monthly maintenance fees apply. Any applicable service charges and fees will continue to apply to and be determined at the Account level. There are no separate balance requirements, service charges, or fees for the sub-accounts.

For interest checking accounts (Interest Checking, etc.), the interest rate and annual percentage yield (“APY”) for your Account apply to the combined balances of both sub-accounts, and a single interest rate, APY and balance will appear on your periodic statement for the Account.

## **2. Interest Bearing Checking Accounts**

**a. Eligibility** – Interest bearing checking accounts may be opened by: (1) natural persons; or (2) trusts or estates.

**b. Withdrawal Limitations** – There is no limit on the frequency or amount of withdrawals that you may make. However, pursuant to federal law, we reserve the right to require seven (7) days’ advance notice of withdrawals from your Account.

## **3. All Savings Accounts**

**a. Withdrawal Limitations** – There is no limit on the frequency or amount of withdrawals or transfers that you may make either in person or by mail, messenger, telephone, or automated teller machine, but each such withdrawal or transfer must be made using only those forms and Credentials provided or approved by us for your particular type of Account. Additionally, there is generally no limitation on transfers for the purpose of repaying loans and associated expenses where the loan has been made to you by us or is serviced by us.

You may make up to six pre-authorized or automatic transfers of funds from your Account per monthly statement cycle, or per calendar month if you receive a quarterly statement, to another of your Accounts with us or to a third party. Such transfers include those made by (subject to availability) negotiable order of withdrawal, check, draft, debit card or similar order, Telephone Banking Line and Online Banking. In addition, and not withstanding any other provision, any check usage will be counted towards these limits, even if you make a check payable to cash/yourself or to us as a loan payment or you present a check for handling in person at the community office. Pre-authorized or automatic transfers include (subject to availability): transfers made at a predetermined time or by telephone from this Account to any of your other Accounts with us; and transfers to a third party at a predetermined time or by telephone. The date the check, order or other transfer clears your Account (rather than the date written on the check, order, or other transfer) will determine whether you have exceeded these limits during any monthly statement cycle or calendar month as applicable. We have no duty to honor withdrawals or transfers beyond the applicable limits. For any withdrawal, we may assess excess activity fees or per check charges as described in the Fee Schedule. IF YOU EXCEED THESE LIMITATIONS ON MORE THAN AN OCCASIONAL BASIS AS DETERMINED AT OUR DISCRETION, YOUR ACCOUNT WILL BE CLOSED OR THE FUNDS WILL BE TRANSFERRED, AT OUR DISCRETION, TO A NON INTEREST-BEARING CHECKING ACCOUNT OR AN INTEREST-BEARING CHECKING ACCOUNT.

Notwithstanding any other provision, pursuant to federal law, we reserve the right to require 7 days’ advance notice of withdrawals from your Account although we have never exercised this right previously and would generally do so for all interest-bearing NOW and savings accounts.

**b. Additional Withdrawal Limitations Applicable to Accounts Held as IRAs** – There is no limit on the frequency or amount of withdrawals or transfers you may make either in person, by mail or messenger, but each such withdrawal or transfer must be made using only those forms and Credentials provided or approved by us. Withdrawals are not permitted by telephone, by negotiable order of withdrawal, check, draft, debit card or similar order or by telephone banking line or online banking. When you are eligible to receive distributions, you may arrange to set up pre-authorized or automatic transfers from your Account either monthly, quarterly, or annually by completing an IRA Withdrawal Statement through any community office.

#### **4. All Certificates of Deposit**

Some of the provisions of your Certificate of Deposit depend on the term of your Account (for example, 3 months, 1 year, etc.) and whether you have a fixed rate Certificate of Deposit, a Bump Rate Certificate of Deposit or an 18 Month Investor Certificate of Deposit, etc. and also whether your Account is an IRA. This information is set forth in the Certificate of Deposit Receipt you received at account opening.

**a. Renewal** – At maturity your Account will automatically renew for the same term from the initial and each succeeding maturity date at the interest rate then being offered by us for your type of Account, unless: (1) you withdraw your funds at maturity or have instructed us as to their disposition; (2) your Account balance at maturity or during the Grace Period (defined below) is less than the required minimum balance then in effect to open your type of Account; (3) your Account has a special promotion term that may renew with a different term; or (4) we close your Account. If the term of your Account is more than 30 days, you have 10 calendar days after the maturity date to withdraw funds without penalty. If the term of your Account is 30 days or less, you have one business day after the maturity date to withdraw funds without penalty. This 10 day or 1 day period, as applicable, is called the “Grace Period.” At maturity or during the Grace Period, if you close your Account or withdraw part of the funds, you will not earn interest on the withdrawn funds after the maturity date. Any renewal will be subject to the terms and conditions in effect at the time of renewal. A penalty also will not be imposed for withdrawals made for any reason during the Grace Period. In addition to the renewal provisions above: if your Account is a Step Rate Certificate of Deposit, after the initial term it will renew as a regular, fixed rate Certificate of Deposit and not as a Step Rate Certificate of Deposit; if your Account has a special term, it will renew to the terms as indicated on your Certificate of Deposit Receipt after the initial term.

**b. Early Withdrawal Penalties** – Except as provided above for withdrawals during any Grace Period and as further provided below, a penalty will be imposed each time you withdraw all or any part of the funds in your Account before the then applicable maturity date for your Account. In each case, your ability to make a withdrawal at all is subject to the withdrawal limitations stated below. If you are permitted to make a withdrawal, the penalty may result in a loss of principal. The amount of the penalty depends on the term of your Account:

All Accounts with a term of 1 year or less: A penalty equal to 90 days’ interest on the amount withdrawn (computed at the interest rate then being paid on the Account) will be imposed. All Accounts with a term of more than 1 year: A penalty equal to 180 days’ interest on the amount withdrawn (computed at the interest rate then being paid on the Account) will be imposed.

Federal Regulation requires that seven days’ simple interest be charged on the amount withdrawn within the first six days of the deposit. Seven days’ simple interest must also be charged on a withdrawal made within six days of an earlier partial withdrawal or an additional deposit to an account.

**c. General Exceptions to the Early Withdrawal Penalties** – (1) You may at any time withdraw the interest credited to a CD within its current term without being assessed an early withdrawal penalty. (2) A penalty will not be imposed if the early withdrawal is made within one year of the death or declaration of mental or physical disability of any named owner of the Account. Proof must be provided to our satisfaction. (3) A penalty also will not be imposed for withdrawals made for any reason during the Grace Period.

**d. Additional Exceptions to the Early Withdrawal Penalties if Your Certificate of Deposit is an IRA** – A penalty will not be imposed if the withdrawal is made: (1) as a taxable withdrawal after the owner attains age 59 1/2; (2) as a revocation within 7 days of establishing your IRA plan, provided that no earnings are included in the amount withdrawn; or (3) as a refund of an excess contribution provided the withdrawal is not made within 6 calendar days of a deposit or withdrawal from the Account. Transfers and rollovers from an IRA will incur a penalty regardless of the owner’s age.

**e. Withdrawal Limitations** – Withdrawals from your Account are subject to the penalties and the allowances during any Grace Period as stated above. Any partial withdrawal (subject to the penalties stated above) may be made only as long as the remaining funds are at least equal to any then required minimum balance to open your type of Account. Otherwise, all funds must be withdrawn and your Account will be closed. With the exception of an IRA revocation, permitted by law, a penalty-free withdrawal for any reason is prohibited from a Certificate of Deposit within 6 calendar days of any deposit (including the opening deposit) or any penalty-free withdrawal.

**f. Additional Withdrawal Limitations for Certificates of Deposit Held as IRAs** – When you are eligible to receive distributions, you may arrange to set up preauthorized or automatic transfers from your Account either monthly, quarterly, or annually by completing an IRA Withdrawal Statement through any community office.

**g. Deposit Limitations** – Except in the case of 18 Month Investor Certificates of Deposit, deposits are permitted only during the Grace Period. For 18 Month Investor Certificates of Deposit, you may make deposits at any time and for any amount.

**h. Special Rules for Bump Rate Certificates of Deposit (when available)** – You may request once each term to change the interest



rate and corresponding annual percentage yield to the interest rate and corresponding annual percentage yield then being offered by us, in our sole discretion, on a new Bump Rate Certificate of Deposit account of the same term on the day your request is received by us. Unless you are receiving interest payments by check, the change will be effective by the next business day after we receive your request. If you are receiving interest payments by check and your request is received within two calendar days prior to an interest payment, the change will be effective by the next business day after the interest payment is due. The new interest rate will be paid until the maturity date of that term. If there is more than one owner of the account, either owner may request the change, but only the first request received by us per term will be honored.

### Important Interest Rate Information

For all interest bearing accounts, we use the daily balance method to calculate interest on the account. This method applies a periodic rate to the balance in the account each day.

For all interest bearing accounts except Certificates of Deposit, interest begins to accrue on the business day you deposit cash. For non-cash items (for example checks) interest begins to accrue no later than the business day we receive credit for the items. For all Certificates of Deposit, interest begins to accrue on the business day you deposit cash or non-cash items (for example checks).

For all tiered rate accounts on any day the collected balance is within a specific tier, the interest rate and corresponding annual percentage yield for that tier will be paid on the entire collected balance.

The interest rate and annual percentage yield for all interest bearing accounts is listed on our *Rate Sheet* along with the minimum balance you must maintain each day to earn the annual percentage yield indicated. To check our current rates please ask for a *Rate Sheet* or call our Client Service Center at 301-774-6400 or 1-800-399-5919 and press 2.

### H. Funds Availability Disclosure and Agreement

This Disclosure and Agreement applies to all checking and interest-bearing checking accounts.

Our policy is to make funds from your deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and Federal holidays.

In general, if you make a deposit at any community office, ATM location or through Mobile Banking before our cutoff time on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after the cutoff time, or on a day when we are not open or that is not a business day, we will consider that the deposit was made on the next business day we are open. Some locations may have different cutoff times. Please refer to the chart below.

Location Type	Cutoff Times	
	Maryland Locations*	Virginia and Washington, D.C. Locations
ATM	3:00 p.m.	3:00 p.m.
Community Office	3:00 p.m.	4:00 p.m.
Transaction Type	Cutoff Time	
Mobile Banking Check Deposit	7:00 p.m.	

Once funds from your deposit are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written and other withdrawals you have authorized. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

\*All deposit transactions conducted at the Bedford Court Branch (Silver Spring, MD) on or before 4:30 p.m. will be processed on the current business day.

Note: Collection of checks drawn on foreign financial institutions – the above stated availability does not apply as the availability will depend on the timeliness of the foreign financial institution.

## **Longer Delays May Apply**

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. However, the first \$200 of your deposit will be available on the first business day after the day of your deposit.

If we are not going to make all of the funds from your deposit available on the first business day after the day of your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail the notice by the next business day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. The funds will generally be available no later than the seventh business day after the day of your deposit.

## **Special Rules for New Accounts**

If you are a new customer, the following special rules may apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. (For example, the checks must be payable to you.) The excess over \$5,000 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits may be available on the fifth business day after the day of your deposit.

## **I. Substitute Checks and Your Rights**

### **IMPORTANT INFORMATION ABOUT YOUR PERSONAL DEPOSIT ACCOUNT**

#### **What is a substitute check?**

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

All of the checks that you receive back from Sandy Spring Bank will be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

#### **What are my rights regarding substitute checks?**

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, non-sufficient funds fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. If your account is an interest-bearing account, you also are entitled to interest on the amount of your refund. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

**How do I make a claim for a refund?**

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 301-774-6400 or 800-399-5919 and press 2, via email at [info@sandyspringbank.com](mailto:info@sandyspringbank.com) or visit one of our community offices. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances. We may ask that this claim be submitted to us in writing. In such cases, we will compute the time period allowed for investigation and resolution of your claim from the date we receive your claim in writing.

Your claim must include –

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and/or the check number, the name of the person to whom you wrote the check, and the amount of the check to help us identify the substitute check.

**J. Errors or Questions About Your Services or Transactions**

If you have questions about your Services or Transactions or in case of errors or questions about your Transactions, please contact us as follows:

Telephone our Client Service Center at 800-399-5919 between  
8:00 A.M. and 7:00 P.M. Business Days  
8:00 A.M. and 1:00 P.M. Saturdays  
or write us at: Sandy Spring Bank  
Attn: Client Service Center  
17801 Georgia Avenue, Olney, Maryland 20832

You can also send us a message electronically via “Customer Support” in the Electronic Banking System. Generally, electronic messages sent and received via Customer Support are secure, assuming you have logged on to the Electronic Banking System correctly and your Internet browser shows that a secured connection has been established.

Communications sent over the public Internet are not always secure. Accordingly, we strongly suggest that you do not send confidential information concerning Transactions, the Services, or your Accounts unless using the electronic messaging option provided in the Customer Support screen of the Electronic Banking System. You agree that we may respond to any electronic message that you send to us via Customer Support or Internet e-mail and that we may include your confidential information in our response. However, we reserve the right not to respond to questions that you send via Internet e-mail and, instead, to respond to you in another manner.

In all cases, when contacting us in the case of errors or questions about your Transactions, be sure to include the following:

- (a) Your name and Account number.
- (b) Describe the error or the Transaction you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (c) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing.

# ELECTRONIC BANKING AGREEMENT - Personal

This Electronic Banking Agreement (“Agreement”) contains important information about the Electronic Banking Services Sandy Spring Bank offers. Please read it carefully and retain it for future reference. The terms “you” and “your” refer to all holders and Authorized Users of any Account that may be accessed through Electronic Banking Services. The terms “we,” “us,” “our,” “Sandy Spring” and “Bank” refer to Sandy Spring Bank. By signing an application and/or by using Electronic Banking services, you agree to the following terms and conditions. Continued use of any and all services is contingent on your Account(s) remaining in good standing with the Bank and the other conditions stated in this Agreement.

**DEFINITIONS:** Throughout this Agreement, the following words have the meanings indicated below.

“**Account**” means your checking, savings, loans, and/or certificate of deposit account(s), whether one or more than one, that may be accessed by one or more Services according to your request.

“**ACH**” means Automated Clearing House, which is the system that enables participating financial institutions to process electronic debits and credits.

“**Agreement**” means this Agreement and our Personal Deposit Account Agreement, which is incorporated by reference.

“**ATM**” means an automated teller machine either operated by the Bank or that is part of a network that accepts the Card, including, but not limited to, the Allpoint®, PLUS®, and NYCE® networks.

“**Bill Payment Account**” means the Account that you have designated for use in our Bill Payment Service.

“**Bill Payment Service**” means the Bill Payment Service offered by Sandy Spring Bank, through our Bill Pay Service Provider.

“**Bill Pay Service Provider**” refers to the contractor, sub-contractor or provider of our Bill Payment Service.

“**Business Day(s)**” means Monday through Friday, excluding Federal holidays.

“**Business Client**” refers to anyone other than a consumer who owns an eligible account with respect to which the Service is requested primarily for business purposes.

“**Business Day Cut-off**” refers to the cut-off time for posting purposes. The cut-off time for transfers is based on our Business Days and the Eastern Time Zone. For posting purposes, we will process all transfers completed by 8:59 P.M. on that Business Day. Transactions completed after 8:59 P.M. will be processed on the following Business Day.

“**Card**” means the access device issued to you by the Bank that permits you to use ATMs, POS Terminals and merchants and financial institutions who accept such cards to conduct Transactions. The term includes ATM Cards and Bank debit cards.

“**Consumer**” refers to a natural person who owns an eligible Account at the Bank with respect to which the Service is used primarily for personal, family, or household purposes.

“**Debit Card Purchase(s)**” means the use of a Bank Debit Card to purchase goods or services from a merchant, or to obtain cash from a financial institution, which processed the transaction as a purchase and did not require the use of a PIN.

“**Electronic Banking Service(s)**” or “**Services**” means all of the Electronic Banking services described in this Agreement, including but not limited to ATM Cards, Bank Debit Cards, electronic direct deposits and debits, mobile banking, online banking and telephone banking.

“**Electronic Banking System**” means the components that permit you to make or initiate Transactions through the various Services including, but not limited to, ATMs, POS Terminals, telephone lines and equipment, and the automated clearing house network.

“**Electronified Check**” means a check that has been used as a source of information to enable a one-time payment from your Account in the form of an ACH debit. The check itself is not a method of payment. You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to: (i) pay for purchases or (ii) pay bills. Checks that are returned for not-sufficient funds that are re-deposited electronically are not considered to be Electronified Checks and are not covered under this agreement.

“**Interbank Transfers**” means transfer of funds between your Account(s) at another financial institution and your Account(s) at Sandy Spring. “**Intrabank Transfers**” means the transfer of funds between your Accounts at Sandy Spring Bank.

“**Internal Transfers**” mean transfers of funds among your Sandy Spring Accounts.

“**New Account**” (for the purposes of error resolution) means an account that has been established for 30 calendar days or less.

An account is not considered a new account if any Client on the account has had, within 30 calendar days before the account is established, another account at the Bank for at least 30 calendar days.

“**Originator**” means an individual, corporation or other entity that initiates pre-authorized debit or credit Transactions through the Automated Clearing House Association (ACH).

“**PIN**” means the personal identification number, or personal security code, whether one or more than one that you choose or was assigned to you by the Bank that allows you to access one or more Services.

“**POS Terminal**” means an electronic point-of-sale terminal that is part of a network that accepts the Card to pay for purchases from your Primary Checking Account or processes electronified checks.

“**Primary Account**” means the Account, whether one or more than one, that you have designated as your Primary Account(s) for certain Services as described below.

“**Primary Checking Account**” means the checking Account you designated for access to certain Services as described below.

“**Security Devices**” shall have the meaning set forth in Section D of the Personal Deposit Account Agreement.

“**Site**” means the Internet web site(s) that allow you to access certain Services pursuant to this Agreement.

“**Transaction(s)**” means all electronic funds transactions including but not limited to those performed through ATMs, POS Terminals, electronic direct deposits and debits, telephones, PCs, Web Banking and other electronic means.

## A. GENERAL PROVISIONS

**THIS AGREEMENT AND ALL SERVICES PROVIDED IN CONNECTION HERewith ARE SUBJECT TO THE TERMS OF THE PERSONAL DEPOSIT ACCOUNT AGREEMENT, WHICH TERMS ARE INCORPORATED BY REFERENCE.** This Agreement supersedes all prior oral or written agreements, understandings or communications regarding the Services. Information concerning fees applicable to Electronic Banking Services is contained in the applicable Fee Schedule, which has been provided to you and is also available in any of our community offices.

**1. Security Procedures** – See Section D of the Personal Deposit Account Agreement.

**2. Your Liability for Unauthorized Transactions** – If you believe your Card has been lost or stolen, or that your PIN has been discovered by someone else, or if you believe that an electronic fund transfer has been made without your permission, contact us immediately as described in Section A.3. Telephoning is the best way of keeping your possible losses down.

You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within two business days, you can lose no more than \$50 if someone used your Card/PIN without your permission and/or no money for unauthorized Bank Debit Card Purchases. If you do NOT tell us within two business days after you learn of the loss or theft of your Card/PIN, and we can prove we could have stopped someone from using your Card/PIN without your permission if you had told us, you could lose as much as \$500 and/or \$50 for unauthorized Bank Debit Card Purchases. The lower limits on liability with respect to unauthorized Bank Debit Card Purchases will not apply (and, instead, the general rules will apply) if we determine that you were grossly negligent or fraudulent in the handling of your Account or Bank Debit Card. Also, if your statement shows Transactions that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If good reasons (such as long trips or a hospital stay) kept you from telling us, we will extend the time periods to a reasonable limit. Notice of lost Cards, PINs, or unauthorized Transactions is considered given to us either in person, by telephone or in writing. If you notify us in writing, notice is considered given at the time you place the notice in the mail or when you deliver the notice for transmission by any other means.

**3. Errors or Questions About Your Electronic Transactions** – In case of errors or questions about your Transaction(s), call or write us as indicated below as soon as you can, if you think your statement or receipt is wrong or if you need more information about a Transaction listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

Telephone us at 800-399-5919 and press 2 for our Client Service Center between  
8:00 A.M. and 7:00 P.M. Business Days  
8:00 A.M. and 1:00 P.M. Saturdays  
or write us at: Sandy Spring Bank  
Attn: Client Service Center  
17801 Georgia Avenue, Olney, Maryland 20832

You can also send us a message electronically via “Customer Support” in the Online Banking Service. Generally, electronic messages sent and received via Customer Support are secure, assuming you have logged on to the Online Banking Services correctly and your Internet browser shows that a secured connection has been established.

Communications sent over the public Internet are not always secure. Accordingly, we strongly suggest that you do not send confidential information concerning Transactions, the Services, or your Accounts unless using the electronic messaging option provided in the Customer Support screen of the Online Banking Services. You agree that we may respond to any electronic message that you send to us via Customer Support or Internet e-mail and that we may include your confidential information in our response. However, we reserve the right not to respond to questions that you send via Internet e-mail and, instead, to respond to you in another manner.

In all cases, when contacting us in the case of errors or questions about your Transactions, be sure to include the following:

- (a) Tell us your name and Account number.
- (b) Describe the error or the Transaction you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (c) Tell us the dollar amount of the suspected error.
- (d) If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will tell you the results of our investigation within 10 Business Days (20 Business Days for Transactions involving a New Account) after we hear from you and will correct any error promptly. If we need more time to investigate your complaint or question, however, we may take up to 45 days (90 days for Transactions involving a New Account or any Transactions initiated outside the United States, its territories or possessions or Puerto Rico, or any Transaction conducted at a POS Terminal). If we decide to do this, we will credit your Account within 10 Business Days (5 Business Days for Bank Debit Card Purchases and 20 Business Days for Transactions involving a new Account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it by the time we would otherwise credit your Account as provided in the prior sentence, we may not credit your Account. We will tell you the results within three (3) Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask us for

copies of the documents that we used in our investigation.

**4. Transfers** – All Transfers will be “provisionally credited” (made available for withdrawal pending system posting) to your Account upon completion of your session. Transfers will be provisionally credited to your Account by the opening of business on the “effective date” or the next Business Day if the effective date is a non-Business Day. Typically, Transfers will be made available by 9:00 A.M. on Business Days. The cutoff time for a Transfer between your Sandy Spring Bank deposit accounts through Telephone Banking, Online Banking and Mobile Banking is 8:59 P.M. on any Business Day. The cutoff time for a Transfer between your Sandy Spring Bank account and an account held at another Financial Institution through Online Banking and Mobile Banking is 5:59 P.M. on any Business Day. The cutoff time for all other Transfers made to lines of credit is 3:00 P.M. on Business Days.

**5. Availability of the Services** – Generally, you can use the Services to access your Account(s) 24 hours a day, 7 days a week. However, it is necessary to suspend access to the Services on a regular basis to perform maintenance tasks. We try to schedule maintenance during non-business hours, like weekends or at night. At our discretion, we can extend the periods or times when the Services are unavailable to do more extensive maintenance, upgrades or to resolve system problems.

All times of day indicated in this Agreement and on the Site refer to Eastern Time unless otherwise noted. The daily cutoff time for a particular type of Transaction may vary. Contact our Client Service Center at 800-399-5919. We can change these cutoff times in our sole discretion and without prior notice.

**6. Charging Your Account; Available Balances to Make Transactions** – You authorize us to charge the Account you designate for each Transaction you request and you agree to have sufficient available funds in the Account for this purpose. If any Transaction you request exceeds the balance of available collected funds in the Account either at the time you request the Transaction or at any later time that your Account is scheduled to be debited, we need not make such Transaction and shall incur no liability to you for such inaction. If we, in our discretion, elect to make such Transaction, then an overdraft shall be created. The amount of the overdraft, and any related fees, costs and expenses shall be due and payable by you immediately, without the need for demand by us and we may debit any other account you have with us for this amount. You will be charged a fee for the overdraft as provided in the Fee Schedule. To secure any such overdraft, you hereby grant us a security interest in all of your assets in our possession or held by us for your Account. Such security interest shall attach upon the creation of any such overdraft.

**7. Liability for Incomplete Transactions** – If we do not complete a Transaction to or from your Account on time or in the correct amount according to this Agreement, our potential liability to you is set forth in Section 8 below. However, there are some exceptions to our liability in all cases. We will NOT be liable, for instance:

- If, through no fault of ours, you do not have enough money (available funds) in your account to make the Transaction.
- If you are unable to transmit your instruction to us to conduct a Transaction.
- If you transmitted a Transaction but did not receive a confirmation.
- If the Transaction would go over the credit limit on your overdraft line.
- If the ATM where you are making the Transaction does not have enough cash.
- If the Electronic Banking System was not working properly and you knew about the breakdown when you started the Transaction.
- If circumstances beyond our control (such as fire or flood) prevent the Transaction, despite reasonable precautions that we have taken.
- If you have not properly followed instructions for operation of the Electronic Banking System.
- If the funds in your Account are subject to a “hold” due to legal process, similar encumbrance or as otherwise permitted in the Agreement.
- If the Transaction would exceed one of the established limits contained in the Agreement.
- If we did not receive a direct deposit instruction.
- If the Account is dormant.
- If your own components making up the Electronic Banking System were not functioning properly.
- If you did not provide us with correct names or account information for those persons or entities to whom you wish to direct payment.
- If the recipient mishandled or delayed a payment sent by us.
- If we have received incomplete or inaccurate information from you or a third party involving the Account or Transaction.
- If we have a reasonable basis for believing that unauthorized use of your PIN or Account has occurred or may occur.
- If you or we have terminated this Agreement or closed the Account.

**8. Limitation of Liability for Electronic Banking Services** – In addition to the other limitations of liability stated elsewhere in this Agreement or the Personal Deposit Account Agreement, **WE PROVIDE THE SITE, SERVICES AND RELATED DOCUMENTATION “AS IS” WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** Except as expressly provided in this Agreement or as provided by applicable law, you agree that Sandy Spring Bank, its parent, subsidiaries, affiliates, employees, agents and third party service providers we retain to perform any functions for us in connection with the Services shall not be liable for any direct, indirect, consequential, special or other damages, loss, property damage or bodily injury incurred by your use or attempted use of the Services or due to the unavailability of the Services or due to errors in information provided through the Services, no matter how caused. To the extent not prohibited by law, you waive any statutory right you may have to recover any attorneys’ fees from us. You will defend, indemnify and hold us harmless from and against any and all claims, demands, costs, expenses (including attorneys’ fees), loss or damage arising out of our acting or refusing to act in accordance with this Agreement.

All Transactions made with your Security Devices are conclusively presumed to have been authorized by you. **We shall have no liability to you for any Transaction you believe was unauthorized when such Transaction was made using your Security Devices and at a time that is before you have notified us of possible unauthorized use of the Security Devices and we have had a reasonable opportunity to act on that notice.**

Notwithstanding any other provision in this Agreement, we have no liability for failing to complete a Transaction to or from your Account in time or in the correct amount under any circumstances listed in Section A.7 above. In other cases, if we fail or delay in making a Transaction pursuant to your instructions, or if we make a Transaction in an amount which is less than the amount in your instructions, then (unless otherwise required by law) our liability shall be limited to interest on the amount which we fail to timely pay or transfer, calculated from the date on which the Transaction was to be made until the date it was actually made or you notify us of the problem, whichever occurs first, but in no event to exceed 30 days' interest. We may pay such interest either to you or the intended recipient of the Transaction, but in no event shall we be liable to both parties, and our payment to either party shall fully discharge any obligation to the other. If we make a Transaction in an amount which exceeds the amount in your instructions, or if we permit an unauthorized Transaction after we have had a reasonable time to act on notice from you of possible unauthorized use, then (unless otherwise required by law) our liability shall be limited to a refund of the amount erroneously paid or transferred, plus interest on that amount from the date of the Transaction to the date of the refund. If we become liable to you for interest under this Agreement or applicable law, such interest shall be calculated based on the lowest interest rate we are then paying on our deposit accounts. In no event shall we be liable for interest compensation unless we are notified of a discrepancy within a reasonable period (not to exceed 60 days) from the date of the first periodic statement reflecting the discrepancy.

**Unless otherwise required by law, in no event will we be liable to you for special, indirect, or consequential damages, including, without limitation, lost profits or attorneys' fees, even if we are advised in advance of the possibility of such damages.**

You agree to reimburse us and indemnify us for any loss or expense we incur and for any claim made against us in providing these Services to you, including any reasonable legal fees we have in this regard.

**9. Changes in Terms** – We reserve the right to amend the terms and conditions and add new terms and conditions applicable to your use of any Service. Unless applicable law requires otherwise, all such amendments will be binding upon you immediately after we give you notice. Such notice may be given at our discretion by mail, by electronic communication or by revising the terms and conditions in this Agreement and making it available on our website or in our community offices. We will also mail you the most recent version of this Agreement upon your written request. Any notice that is mailed is considered given 48 hours after we place it in the mail, postage-paid, for delivery to your address as shown on our records. Any notice delivered electronically is considered given 24 hours after it is first made available through our Electronic Banking Service. If a specific notice period or type of notice is required by applicable law, the revised terms will be binding in accordance with such law.

Any use of the Service after we provide you a notice of change will constitute your agreement to such change(s). Further, we may, from time to time, revise or update the 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. We may have occasion to offer new services and/or to incorporate new options into existing Services. By using such new Services and options, you agree to be bound by the rules concerning those Services and options, which will be mailed to you or disclosed through the Site, as appropriate.

## **B. BANK DEBIT CARD USE, ATM SERVICES AND POINT-OF-SALE ("POS") SERVICES**

The following sets forth the terms and conditions governing your use of Cards, ATM Services and POS Services. You must have a valid Bank Debit Card or ATM Card and PIN (when required) to transact business at ATMs and POS Terminals.

**1. Sharing of Information** – You understand and agree that by using your Card to make Transactions we may share information with third parties including, but not limited to, your Card account number and your Transactions. Please refer to our Privacy Notice for more information.

**2. Lost or Stolen ATM Cards or Bank Debit Cards** – To report a lost or stolen ATM or Bank Debit Card, call our Client Service Center at 800-399-5919 and press 2 between 8:00 A.M. and 7:00 P.M. on Business Days and 8:00 A.M. and 1:00 P.M. on Saturdays. Outside of these hours and on banking holidays, call our BankCard Department at 800-236-2442 and press 1.

**3. Use of the Card and PIN; Cancellation** – The use of the Card and PIN is restricted to the individual to whom the Card has been issued. We are not responsible for any monetary loss if you have allowed someone else to use your Card or PIN, even if their use exceeded your instructions. Transactions at an ATM or POS Terminal by the use of the Card and your PIN (if required) shall be deemed to be Transactions made or authorized by you, except as otherwise provided by law. For consumer Clients (excluding trusts and estates), see Section A.2. **Your Liability for Unauthorized Transactions**, for limitations on liability that may apply to you and the fact that your failure to notify us promptly of unauthorized use or the loss or theft of your Card, or knowledge of your PIN by someone other than yourself, could increase your liability for unauthorized use of the Card.

The Card is our property. We may, without liability or advance notice, revoke or limit all Cards issued under this Agreement. Upon

demand, you will surrender the Card promptly to us. You also agree not to keep your PIN with your Card or write your PIN on your Card, the Card carrier or any paper you will carry with the Card. A Card with the PIN written on it will be confiscated and privileges may be revoked. You acknowledge that we have the right to cause an ATM to retain your Card at any time without notice to you. You shall have the right to cancel ATM Service or use of your Card for any and all Accounts at any time upon written notice to us of the cancellation. Your cancellation of ATM Service or your Card may act as a cancellation for any joint owners on your Account(s) who have been issued their own Cards. Any termination will not affect liability incurred by you prior to termination.

- 4. Types of Transactions** – You may use your Card and PIN at any Sandy Spring Bank ATM to:
- Make deposits into your Account(s) (only at ATMs located at a Sandy Spring community office).
  - Withdraw cash from your Account(s).
  - Transfer funds between your Account(s).
  - Determine the available balance in your Account(s).
  - Perform any additional options available at the ATM you are using.

You may use your Card and PIN at any non-Sandy Spring Bank ATM that is part of a network that accepts the Card to perform the following:

- Withdraw cash from your Primary Account(s).
- Transfer funds between your Primary Account(s).
- Determine the available balance in your Primary Account(s).

**5. Bank Debit Card Purchases at POS Terminals** – Purchase of goods and services can be made with your Bank Debit Card and PIN at any POS terminal that is part of a network that accepts the Card. Payment for these purchases will be withdrawn from your Primary Checking Account. As part of the purchase, you may be able to get cash back depending on the policies of the merchant of the goods or services.

**6. Bank Debit Card Use to Obtain Cash Advances and Make Purchases** – In addition to using your Bank Debit Card at ATMs and POS terminals, your Bank Debit Card will be accepted at any participating merchant location or any participating member bank community office. You can use your Bank Debit Card and your signature to make Purchases at participating merchant locations just as you would with a credit card. You can also use your Bank Debit Card and signature to obtain cash advances at any member bank community office. You understand that using your Bank Debit Card is another way of accessing your Primary Checking Account and each use will result in a debit against your Primary Checking Account. You authorize us to debit or credit, as applicable, your Primary Checking Account for the total amount of any purchase, authorization request, cash withdrawal or credit voucher originated by use of the Bank Debit Card. Any international purchases or ATM withdrawals will be withdrawn from the Account in U.S. dollars. The exchange rate between the Transaction Currency and the Billing Currency is a wholesale market rate or the government-mandated rate in effect one day prior to the Central Processing Date, and increased by one percent, plus or minus an additional percentage that the Bank determines. You agree that you will not use the Card for any illegal transactions. You understand that per United States Regulations, your Card will be denied for any Bank Debit Card purchase in specified foreign countries with which U.S. companies and individuals are prohibited from participating in financial and other transactions. This list includes, but may not be limited to: Iran, Iraq, Libya, Sudan, or Cuba.

**7. Limitations on Dollar Amount of Transactions with Your Card Per Daily Processing Cycle**

Type of Card	ATM Withdrawal	POS Purchase (PIN)	Bank Debit Card Purchase (signature)	Cash Advance
ATM	\$300	Not available	Not available	Not available
Bank Debit Card (personal)	\$500	\$1,000	\$5,000	\$300
Bank Debit Card (world)	\$1,000	\$2,500	\$10,000	\$500
Flex Xpress Prepaid Debit Card	\$200	\$1,000	\$1,000	Not available
Bank Debit Card (HSA)	\$500	\$1,000	\$3,000	Not available

**8. Fees** – You agree to pay any service charge applicable to your use of your Card. Charges are subject to change at any time. A current list of charges can be found in our applicable Fee Schedules or other agreements for particular types of transaction services. You also agree to pay the usual service charges imposed on your Account, including any fees for failing to maintain the specified minimum balance. Depending on the type of Account, you may be charged for each withdrawal, transfer and balance inquiry at any ATM not bearing the Sandy Spring Bank name or for any purchase at a POS terminal. You may also be charged an access fee (sometimes called a “surcharge”) for the convenience of performing cash withdrawals at any ATM not bearing the Sandy Spring Bank name. These fees are charged by the third party that owns and operates the ATM and are beyond our control. These fees are in addition to any fee we charge to perform withdrawals at non-Sandy Spring Bank ATMs. For a current list of Sandy Spring Bank ATM locations, refer to our web site at [www.sandyspringbank.com](http://www.sandyspringbank.com). If you do not have sufficient funds in your Account on the date a fee or charge is due, you authorize us to charge the amount to any other Account you have with us.



**9. No Stop Payment Rights; Receipts; Statements** – You do not have the right to stop payment on any Transactions originated by use of your Card. You have the option to receive a printed record after each successful ATM Transaction. When you use your Card to perform Bank Debit Card Purchases or Transactions at POS Terminals, your copy of the sales slip will be your receipt. You agree that we do not need to return record of a sales draft or cash withdrawal slip originated by the use of your Card with the periodic Account statements we send you. Transactions will be reflected on your monthly Account statements.

**10. ATM Security** – Here are some important security tips to remember pertaining to your Card and PIN and when conducting ATM transactions. You should keep your Card secure. Also:

- Treat your Card like cash. Keep your Card in a safe place so it cannot be lost or stolen.
- Memorize your PIN. Never write it on your Card or store it with your Card.
- Check your Card receipts against your periodic statement to guard against fraud.
- Report lost or stolen Cards at once. Even though your Card cannot be used without your PIN at an ATM, it is important to contact us as soon as you discover your Card is missing. If you do so, you will be issued a new Card.

Remember that your Bank Debit Card can be used to make Bank Debit Card Purchases without your PIN.

When using ATMs you should:

- Be aware of your surroundings, particularly during the hours of darkness.
- Be accompanied by another person during the hours of darkness.
- Refrain from displaying cash, place cash in a pocket as soon as the transaction is completed, and count cash in the safety of a locked enclosure such as a car or home.
- Use another location or return at a later time if anything suspicious is noticed.
- Cancel a transaction, place the access device in a pocket and leave if anything suspicious is noticed.
- Immediately report all crimes to us or the operator of the location and to local law enforcement officials.

## C. DIRECT DEPOSIT AND DIRECT DEBIT SERVICE

We support recurring deposits directly into any of your Accounts. This is a pre-authorized credit for items such as social security or payroll automatically deposited into your Account. We further support recurring withdrawals directly from your Account that you authorize for automatic payment of loans, services, insurance premiums, etc., called direct debits or recurring payments. Further, we support not-recurring or one-time withdrawals directly from your Account, known as Electronified Checks. If a not-sufficient funds check is being returned through the ACH system as an electronified check, the transaction is not covered under the terms of this Agreement; however fees debited from your account for not-sufficient or uncollected funds are covered.

**1. Fees** – There are no service fees imposed for such Services on consumer accounts at this time; however, we reserve the right to impose a fee in the future and will notify you if we do so.

**2. Confirmation of Deposits** – If you have arranged to have direct deposits made to your Account at least once every 60 days from the same person or company, you may or may not receive proof of the deposit from the person or company making the deposit. If such person or company normally gives you notice of deposits, you will not receive any other notice from us. If the person or company does not give such notice, you can call us at 800-399-5919 and press 2 for the Client Service Center, or check on your periodic Account statement under “ACH Credit” to find out whether or not the deposit was made. You may also use Telephone Banking by calling 301-774-8400, or Online Banking to access the information electronically.

**3. Notice of Varying Amounts** – If regular direct debits may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

## D. TELEPHONE BANKING

This Section contains terms, conditions and disclosures that are applicable to our telephone-based Service. This Service gives you access to your Account(s) 24 hours a day, 7 days a week. The PIN assigned to you or selected by you for this Service must be used to obtain access to your Account(s). You can use this Service to check the balance in your Account(s), transfer funds, review transaction and/or statement information, and obtain information on other Sandy Spring products/services.

**1. Available Services** – You may access your Account through our telephone-based Service to:

- Obtain balance information;
- Review recent transaction information;
- Transfer funds between your Accounts;
- Request information and apply for other Sandy Spring Bank products/services;

**2. Equipment and Technical Requirements** – To perform Transactions you must have the telephonic or other electronic equipment

necessary for the Service at issue, such as a touch tone telephone. It is your responsibility to acquire the equipment. You are responsible for any and all telephone access fees that may be assessed by your telephone service provider.

**3. Service Termination, Cancellation or Suspension** – You may terminate your use of this Service by giving us three (3) Business Days advanced notice via a written request submitted by mail, at a community office, or by calling our Client Service Center at 800-399-5919. Your termination of this Service will act as a termination for any joint owners on your Account(s).

We may terminate or suspend the Service to you at any time. Neither termination nor suspension shall affect your liability or obligations under this Agreement.

Access to our Service may be canceled in whole or in part without prior notice due to insufficient funds in one of your Accounts or other circumstances that may create an unanticipated liability to us. If your Account(s) are closed or restricted for any reason your access may automatically terminate.

After termination or suspension of the Service, we may consider reinstatement once sufficient funds are available in your Accounts to cover any fees and other pending transfers or debits. In order to request reinstatement of the Service, you must call our Client Service Center at 800-399-5919.

**4. Exclusions of Warranties and Limitation of Damages** – The Service and related documentation are provided “As Is,” “As Available,” without warranty of any kind, either expressed or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose.

Notwithstanding our efforts to ensure that the Service is secure, we cannot and do not warrant that all data transfers via the Service will be free from monitoring or access by others.

The foregoing shall constitute Sandy Spring Bank and its Service Provider’s entire liability and your exclusive remedy. In no event shall Sandy Spring Bank or its Service Providers be liable for any direct, indirect, special, incidental, consequential, or exemplary damages, including lost profits or attorney’s fees (even if advised of the possibility thereof) arising in any way out of the installation, use, or maintenance of the equipment, software, and/or your use of the Service.

**FACTS****WHAT DOES SANDY SPRING BANCORP  
DO WITH YOUR PERSONAL INFORMATION?**

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and income</li> <li>• Account balances and transaction history</li> <li>• Credit history and credit scores</li> </ul>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Sandy Spring Bancorp chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Sandy Spring Bancorp share?	Can you limit this sharing?
<b>For our everyday business purposes -</b> Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes -</b> to offer our products and services to you	Yes	Yes
<b>For joint marketing with other financial companies</b>	Yes	Yes
<b>For our affiliates' everyday business purposes -</b> information about your transactions and experiences	Yes	Yes
<b>For our affiliates' everyday business purposes -</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For nonaffiliates to market to you</b>	No	We don't share

<b>To limit our sharing</b>	<ul style="list-style-type: none"> <li>• Call 800-399-5919 – press 2 for our Client Service Center or</li> <li>• Mail the form below</li> </ul> <p><b>Please note:</b> If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>
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**Questions?** Call **800-399-5919** – press 2 for our Client Service Center

**Mail-in Form**

Mark any/all you want to limit:

- ☐ Do not use my personal information to market to me.  
☐ Do not share my personal information with other financial institutions to jointly market to me.  
☐ Do not share my transactions and experience information with affiliates.  
☐ Do not allow your affiliates to use my personal information to market to me.

<b>Name</b>		<b>Mail to:</b> Sandy Spring Bank 17801 Georgia Avenue Olney, MD 20832 Attn: Client Service Center - Privacy Form
<b>Address</b>		
<b>City, State, Zip</b>		
<b>Account #(s) or Policy #(s)</b>		

## Who we are

### Who is providing this notice?

Sandy Spring Bancorp and its affiliates:

- Sandy Spring Bank, a Maryland Corporation
- Sandy Spring Insurance Corporation, an insurance agency
- West Financial Services, an investment management company

## What we do

### How does Sandy Spring Bancorp protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

### How does Sandy Spring Bancorp collect my personal information?

We collect your personal information, for example, when you

- open an account or deposit money
- pay your bills or apply for a loan
- use your credit or debit card

We also collect personal information from others, such as credit bureaus and affiliates.

### Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes – information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

### What happens when I limit sharing for an account I hold jointly with someone else?

Your choice will apply to everyone on your account.

## Definitions

### Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies. *Our affiliates include companies with a Sandy Spring Bancorp name and financial companies such as:*

- investment management companies and
- insurance agencies.

### Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Sandy Spring Bancorp does not share with nonaffiliates so they can market to you.*

### Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you. *Our joint marketing partners include:*

- investment companies,
- insurance companies, and
- credit card companies.

## Other Important Information

**Health Insurance Portability and Accountability Act:** We do not share medical or health information among our family of companies nor will we disclose medical information to unaffiliated third parties unless you have instructed us to do so in writing.

**State laws:** You may have additional privacy protections under the state laws of which you reside, such as California, Nevada, New Mexico, and Vermont. To the extent these state laws apply, we will comply with them with regard to our information sharing practices by automatically adding those residents to all internal Do Not Call, Do Not Market, and Do Not Share lists. You may change this designation by contacting us at the following number: 800-399-5919 or by writing to the address indicated on the mail-in form.