

**PUTNAM BANK- TRUTH IN SAVINGS DISCLOSURE
HSA (HEALTH SAVINGS) CHECKING ACCOUNT**

Account Limitations - Annual contribution limits apply. If you register your HSA account for Online Banking you cannot make transfers into (deposits) the account through the online banking system. Additionally, you cannot make deposits into the HSA account through Automated Teller Machines (ATM).

Variable Rate Information – The interest rate on your account is _____ % with an annual percentage yield of _____ %. Your interest rate and annual percentage yield may change.

Determination of rate - At our discretion, we may change the interest rate on your account.

Frequency of rate changes - We may change the interest rate on your account at any time.

Compounding and crediting frequency - Interest will be compounded every day. Interest will be credited to your account every month.

Minimum balance to open the account – You must deposit \$50.00 to open this account.

Minimum balance to avoid imposition of fees – There is no minimum balance to maintain to avoid the imposition of fees. There is no monthly service fee on this account.

Transfer Fee – A \$25.00 transfer fee will be charged if the account is closed and the funds are transferred to another financial institution.

Minimum balance to obtain the annual percentage yield disclosed – You must maintain a minimum balance of \$50.00 in the account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on noncash items you deposit (for example, checks) on the business day on which this bank receives credit for the funds. For this purpose, we may rely on the availability schedule of our Federal Reserve Bank, Federal Home Loan Bank or correspondent bank to determine the time credit is actually received.

Automated Clearing House (ACH) Accounts – Must be set up as Checking Account transaction code.

Tax Implications - Consult Tax Advisor.

Debit Card Transactions - Are not covered by Regulation E (Electronic Funds Transfer Act – EFT) for debit card disputes.

Important Information About Procedures for Opening A New Account - In order to assist the U.S. government in its efforts to fight the funding of terrorism and money laundering activities, U.S. Federal law requires all financial institutions to obtain, verify, and record information that identifies persons and entities who open an account. We may verify information through a consumer reporting agency. What this means for you: When you open an account, we will ask for the legal name of the entity, physical address, date of birth and other information that will allow us to identify you, including a social security number or tax identification number. We may also ask to see your drivers license or other identifying documents.

Unlawful Internet Gambling - The Putnam Bank will not accept/ open commercial accounts, which will be used for accepting or transmitting bets or wagers for “Illegal or Unlawful” Internet Gambling. Putnam Bank may request, as part of the standard customer due diligence process, information about your business in order to identify businesses that may be involved in Unlawful Internet Gambling. The bank retains the right to close any commercial account that is identified as violating the Unlawful Internet Gambling Enforcement Act.

Effective 01/01/2011 - Affordable Care Act: Questions and Answers on Over-the-Counter Medicines and Drugs

Q. How are the rules changing for distributions from health savings accounts (HSAs) and Archer Medical Savings Accounts (Archer MSAs) that are used to reimburse the cost of over-the-counter medicines and drugs?

A. In accordance with Section 9003 of the Affordable Care Act, only prescribed medicines or drugs (including over-the-counter medicines and drugs that are prescribed) and insulin (even if purchased without a prescription) will be considered qualifying medical expenses and subject to preferred tax treatment.

Q. When will the changes become effective?

A. The changes are effective for purchases of over-the-counter medicines and drugs without a prescription after Dec. 31, 2010. The changes do not affect purchases of over-the-counter medicines and drugs in 2010, even if they are reimbursed after Dec. 31, 2010.

Q. How do I prove that I have purchased an over-the-counter medicine or drug with a prescription so that I can get reimbursed from my employer's health FSA or an HRA?

A. If your employer's health FSA or HRA reimburses these expenses, you would provide the prescription (or a copy of the prescription or another item showing that a prescription for the item has been issued) and the customer receipt (or similar third-party documentation showing the date of the sale and the amount of the charge). For example, documentation could consist of a customer receipt issued by a pharmacy that reflects the date of sale and the amount of the charge, along with a copy of the prescription; or it could consist of a customer receipt that identifies the name of the purchaser (or the name of the person for whom the prescription applies), the date and amount of the purchase and an Rx number.

Q. How does this change affect over-the-counter medical devices and supplies?

A. The new rule does not apply to items for medical care that are not medicines or drugs. Thus, equipment such as crutches, supplies such as bandages, and diagnostic devices such as blood sugar test kits will still qualify for reimbursement by a health FSA or HRA if purchased after Dec. 31, 2010, and a distribution from an **HSA** or Archer MSA for the cost of such items will still be tax-free, regardless of whether the items are purchased using a prescription.

Q. Will I need a prescription to use my health FSA, HRA, HSA or Archer MSA funds for insulin purchases after Dec. 31, 2010?

A. No. You can continue to use your health FSA, HRA, **HSA** or Archer MSA funds to purchase insulin without a prescription after Dec. 31, 2010.

Q. I use health FSA funds for my co-pays and deductibles. Will I still be able to reimburse those expenses with health FSA funds after Dec. 31, 2010?

A. Yes. Co-pays and deductibles continue to be reimbursable from a health FSA after Dec. 31, 2010. Similarly, funds from an HRA can continue to be used for these expenses and a distribution from an **HSA** or Archer MSA for these purposes will be tax-free.

Q. My company gives me two extra months beyond the end of the year to submit claims for health FSA expenses incurred during the year. What happens if I purchase over-the-counter medicines or drugs without a prescription in 2010 but do not submit the claim for those expenses until January 2011? Will they qualify for reimbursement?

A. Yes. The new restriction on plan reimbursements for the cost of over-the-counter medicines or drugs without a prescription applies only to purchases that are made after 2010.

For further information, including guidance on purchases of over-the-counter medicines and drugs from health care providers other than pharmacies and mail order and web-based vendors (such as physicians or hospitals), see [IRS Notice 2011-5](#). For guidance on debit card purchases at "90 percent pharmacies," see [IRS Notice 2010-59](#).

Q. If I use HSA or Archer MSA funds to reimburse the cost of over-the-counter medicines or drugs purchased after Dec. 31, 2010 without a prescription, what taxes will I incur?

A. If you have an **HSA** or Archer MSA, the amount of the distribution for expenses that are not qualifying medical expenses will be includable in your gross income and subject to an additional tax of 20%.

For more information visit: www.irs.gov for more information. See Affordable Care Tax Provisions

TERMS AND CONDITIONS OF YOUR ACCOUNT

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your accounts) with us. Please read this carefully. If you sign the signature card or open or continue to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us.

This agreement is subject to applicable federal laws and the laws of the state of Connecticut (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holders) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued.

You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available.

You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. You will also be liable for our costs to collect the deficit as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account including, but not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account.

DEPOSITS - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open.

WITHDRAWALS - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us. You agree that, as to any item that we have no opportunity to examine the signatures, such as an electronic check conversion transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation, you waive any requirement of multiple signatures for withdrawal. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it)

To apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. You agree that we may charge fees for overdrafts and use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees. If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts for which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal.

We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION -

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. **Individual Account** - is an account in the name of one person.

Joint Account - With Survivorship (And Not As Tenants In Common) - is an account in the name of two or more persons. Each of you intend that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivors). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common. **Joint Account - No Survivorship (As Tenants In Common)** - is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of signatures" necessary for withdrawal. **Revocable Trust Account** - If you create such an account, the beneficiary cannot withdraw unless:

- (1) the person creating the account dies, and (2) the beneficiary is then living. The person creating this account type reserves the right to: (1) change the beneficiary. (2) change account types, and (3) withdraw all or part of the account funds at any time.

BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS -

Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

STOP PAYMENTS - You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the item, and the payee.

You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

TELEPHONE TRANSFERS - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing.

Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the months. Other account transfer restrictions may be described elsewhere.

AMENDMENTS AND TERMINATION - We may change any term of this agreement. Rules governing changes in interest rates are provided separately. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Notice from us to any one of you is notice to all of you.

STATEMENTS - Your Duty to Report Unauthorized Signatures, Alterations and Forgeries - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Your Duty to Report Other Errors - In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such as an encoding error. You agree that the time you have to examine your statement and report to us will depend on the circumstances. However, such time period shall not exceed 60 days. Failure to examine your statement and report any such errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any such errors on items identified in that statement and as between you and us the loss will be entirely yours. Errors Relating to Electronic Fund Transfers or Substitute Checks (For consumer accounts only) - For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

ACCOUNT TRANSFER - This account may not be transferred or assigned without our prior written consent.

DIRECT DEPOSITS - If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If this option is selected, this is a temporary account agreement. Each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account.

However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

SETOFF - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

AUTHORIZED SIGNER (individual Accounts only) - A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

RESTRICTIVE LEGENDS - We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$ 1,000.00"

CHECK PROCESSING - We may process items mechanically by relying on the information encoded along the bottom of the items.

This means that we may not individually examine all of your items to determine if the item is properly completed, signed and indorsed.

You agree that we have not failed to exercise ordinary care solely because we use an automated system to process items and do not inspect all items processed in such a manner. We reserve the right not to inspect each item because using an automated process helps us keep costs down for you and all account holders. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the time we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

CHECK CASHING - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

UNLAWFUL INTERNET GAMBLING NOTICE - Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named.

You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

FACSIMILE SIGNATURES - You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signatures) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

Two signatures required will **not** be enforced by us (the bank). Any attempt to include such requirement on your checks, signature card or other governing account documents will be for your internal purposes or controls only and will not be binding on the Bank. The Bank may pay checks, items, electronic debits, wires, check card transactions, online banking transactions, or other withdrawal instructions signed or approved by any one of the authorized signers on the Account.

Putnam Bank
CHECK 21: Important Information

What is Check 21?

Check 21 (Check Clearing for the 21st Century) is a new federal law that takes effect on October 28, 2004. It impacts all financial institutions. The goal of Check 21 is to streamline how checks are processed through the banking system, reduce paper, and combat fraud. It enables financial institutions the option of moving checks electronically by allowing them to replace an original check with a substitute check when necessary.

Substitute Checks & Your Rights

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. Some or all of the checks that you receive back from us may 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, bounced check 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. You are also entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under the 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 receive your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we receive 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 1-800-377-4424. You must contact us within 60 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. Your claim, which must be in writing, 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 following information to help us identify the substitute check: (the check number, the name of the person to whom you wrote the check, the amount of the check)

**Putnam Bank Electronic Funds Transfer Agreement
Your Rights and Responsibilities
Consumer Accounts Only**

Definitions

"You" and "your" mean any person who has an Account with us and is authorized to use the applicable EFT, "We", "us" and "our" mean Putnam Bank.

"Account" means any account at our bank to or from which we allow electronic fund transfers ("EFTS").

"Checking" and "Savings" Accounts refer to the Accounts that you have designated in your application. The types of Accounts which are eligible as "Checking" accounts are your personal and Money Market Checking accounts. The types of accounts that are eligible as "Savings" accounts are Statement Savings, Money Market Statement Savings.

"ATM" means an automated teller machine at which you can use your Card and Personal Identification Number.

"Card" means your ATM or Debit Card.

"PIN" means the personal identification number which you agree to use to identify yourself when using an ATM, POS terminal or when making a telephone transfer through our telephone banking system.

"Point of Sale" or "POS terminal" refers to an electronic terminal at which you can use your Card and PIN to pay for goods and services by debiting an Account.

"Available Funds" means the money in your Account which can be withdrawn or transferred together with any credit you may have available to you. Available Funds may be less than the entire balance in your Account, if for example, we have placed a "hold" against certain funds in your Account for a certain number of days to allow checks deposited to or cashed against your Account to clear.

"On Line Banking" refers to an electronic banking and information service that permits you, through the use of your personal computer and your Internet service provider, to access your deposit and credit (loan) Accounts through the Internet using an Internet browser. To access On Line banking you must use User ID, Password and Security Question.

"ACH" means an electronic transaction processed through an Automated Clearing House network and International ACH transaction (IAT) means an International ACH transaction processed through an International Gateway or International ACH Operator.

1. What is an EFT?

An EFT is a transfer of your funds at our bank which is initiated electronically, for example by computer, telephone or through the ATM. We currently offer the following EFT services:

(a) Direct Deposit. You can arrange for direct deposit to your Account of Social Security benefits or other deposits, such as payroll, that we allow to be deposited directly to your Account electronically.

(b) Preauthorized Payments. You can arrange to have payments or transfers (that we allow) made from certain Accounts automatically. These payments or transfers are made to third parties, such as payments made electronically for insurance premiums.

(c) Telephone Transfer. You can use your Personal Identification Number (PIN) to transfer funds by telephone between certain Accounts or to make certain payments to us. Transfers between Accounts can be made through our automated telephone banking system. You can access the telephone banking system by calling (877) 928-6501. Transfers out of your Statement Savings Account or Money Market Account will be subject to the limitations on transfers from statement savings and money market accounts described in our Deposit Account Agreement. Transfers between Accounts must share the same social security number and savings Accounts must be statement Accounts. In order to access your Account information or perform funds transfers, you must use your pre-selected PIN through the 24 Hour Telephone Banking System. Transfers can be made 24 hours a day, 7 days a week provided there is no interruption in telephone or data communication service.

(d) ATM Transactions. You may use your Card and PIN to do the following through the ATM:

- (1) You can inquire about the available funds in your checking or savings accounts.
- (2) You may withdraw available funds from your checking or savings Accounts.
- (3) You may make deposits to your checking or savings accounts.
- (4) You may transfer available funds between your checking and savings Accounts.
- (5) If you have a Line of Credit, you can, by overdrawing your checking account, obtain a loan advance from the credit available under your Line of Credit.
- (6) If you use your card at a Putnam Bank Satellite ATM or an ATM other than a Putnam Bank ATM, normally services (1), (2), (4) (above) will be available.
- (7) When you use an ATM not owned by Putnam Bank (us), you may be charged a fee by the ATM operator or any network used to complete the transfer (and you may be charged a fee for a balance inquiry).
- (8) You may obtain cash in advance on your VISA, MasterCard or Discover, subject to the agreement you have with the card issuer.

(e) Point-of-Sale Transactions. You can pay for purchases at places that have agreed to accept the Card and PIN. At the time of purchase, you may be able to withdraw cash, subject to cash availability. (This type of EFT is called a "Point-of-Sale Transaction" or "POS".) Some of these services may not be available at all terminals.

(f) On Line Banking. Depending on the services requested by you in your application, you could perform some or all of the following functions through On Line Banking:

- (1) View account information, current transactions, statement or range of transactions.
- (2) Transfer funds between your deposit accounts.
- (3) Send electronic mail (E-Mail) to us.
- (4) Transfer funds from a deposit account to make a loan payment.
- (5) Obtain a cash advance from a line of credit associated with your qualified checking account if a transfer through online banking overdraws that account.
- (6) Download account information into money management software (Microsoft Money/ Quicken)
- (7) Pay bills through the Bill Payment Services.

(g) ACH-Type Transfers. ACH transfers are processed electronically to or from your Account. The following are some of the ACH (Automated Clearing House) transfers that you may initiate:

- (1) Web transaction. This is an EFT authorized by a consumer over the Internet and initiated by a third party.
- (2) TEL transaction. This type of transfer is authorized over the phone.
- (3) Electronic Check Conversion or Point of Purchase (POP). This is a one-time EFT from your Account using information from a check to initiate a transfer to pay for purchases or pay bills.
- (4) RCK Return Check Fees. A fee authorized by you to be debited electronically from your Account because a check was returned for insufficient funds.
- (5) ARC Accounts Receivable Conversion – Non-face to face.
- (6) IAT International ACH Transaction

(h) PINless Debit. PINless debit allows consumers to pay bills through a remote channel by entering their debit card number without the personal identification number (PIN). With PIN-less debit, consumers pay their bills by entering their PIN-debit account numbers, but not their PINs, on biller Web sites or interactive voice-response (IVR) systems.

We may accept on your behalf payments to your Account which have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Funds Transfer Act. Your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of New York as provided by the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your Account. This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have an Account with us. The bank reserves the right to postpone or reject any inbound or outbound International ACH Transaction to provide for regulatory compliance with Federal Law, including the Office of Foreign Asset Control (OFAC) requirements.

2. Agreement

By signing an application, by using your Card, or by using an EFT, you agree to the rules in this Agreement for the type of EFT service that you use.

3. Limitations

(a) Limitation on type of Accounts. We may limit the type and form of Account to or from which we allow EFTS.

(1) Limitations on Money Market and Savings Accounts. Transfers from these accounts to another account or to third parties by preauthorized, automatic, computer, check, debit card, or similar order and telephone transfer are limited to six per statement cycle.

(b) Limitation on ATM and POS withdrawals. You may withdraw up to \$400.00 each calendar day by using your ATM Card and up to \$400.00 each calendar day by using your Debit Card. These limits are subject to approval. This limitation applies separately to each cardholder. This limitation applies to the total of withdrawals and POS transfers from your Account and loan advances from your Line of Credit in one day. If on a particular day the amount of Available Funds in your Account, including credit available through your Personal Credit Protection (PCP) loan, totals less than the amount stated in this section, you may not withdraw more than the total of Available Funds on that day. During a malfunction of our ATMs, our computer system, or POS system, we may limit the dollar amount you can withdraw and the types of transactions you can make, including the types of Accounts you can access with our ATMs or POS system. We reserve the right to change the limitation on this dollar limit. For security reasons, there are other limits on the transfers you can make using your Card and Code. Other limitations may apply at ATMs of other institutions which are members of NYCE, CIRRUS or other networks.

(c) Limitation on Online Banking Services - (2) Payments processed through the Bill Payment service are subject to time limitations. Three (3) business days for electronic bill payment and Five (5) business days for checks.

3. (a) Unlawful Internet Gambling - The bank will block transactions being processed through a specific Internet Gambling merchant code. If you use your Putnam Bank ® VISA Check Card to pay for or initiate Internet Gambling, VISA will block this transaction if the merchant code matches their blocked "Merchant" code. You will not be able to use your debit card for those transactions.

4. Documentation and telephone inquiry

You have a right to receive certain types of documentation and information concerning EFTs.

- (a) Periodic statements. You will get a monthly Account statement (unless there are no transfers in a particular month. In any case you will get the statement at least quarterly).
- (b) Passbook Accounts where the only authorized EFTs are preauthorized deposits. If you bring your passbook to us, we will record any preauthorized deposits that were made to your Account since the last time you brought in your passbook. We will provide this update on your passbook or on separate documents that we will give or mail to you.
- (c) Preauthorized deposits. You can arrange to have direct deposits made to your Account on a regular basis from the same person or entity, including the Federal Government. You can verify your deposit using our 24 Telephone Banking System, On Line Banking or by calling the Bank at (860) 928-6501.
- (d) ATM and POS receipts. You can get a receipt at the time you make a transaction through the ATM. You can also get a written record at the time you make a POS transfer through an electronic terminal. These records will show certain information such as the amount of your transaction, the type of transaction and the date of transaction.

5. Preauthorized transfers from your account

(a) Stop Payment. If you have told us in advance to make regular payments out of your Account, you can stop any of these payments. Call the Deposit Operations Department at: (860) 928-6501.

Or write to:

Putnam Bank
ATTENTION: Deposit Operations Department
40 Main Street
Putnam, CT 06260

We must receive your request three business days or more before the payment is scheduled to be made. The stop payment order must describe the debit with reasonable certainty (including the originator, date and precise amount of the debit). If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. If we require you to put your order in writing and send it to us within 14 days and you do not do so, then your oral stop payment order will cease 14 days after it has been made and we may make the payment if it is demanded by the person or entity involved.

NOTE: If you want to stop these preauthorized payments permanently, you must notify the person or entity you have told us to pay. A stop order which you give to us will only stop the particular payment to which it applies. If you instruct us to stop these payments permanently we will do so, but we may require you to send us a copy of your notice to the person or organization you told us to pay.

- (b) Liability for failure to stop payment of a preauthorized transfer. If you order us to stop one of these payments three business days or more before the transfer is scheduled and you comply with a request by us to put your order in writing (as described above), then if we do not do so, we will be liable for certain types of losses or damages which you suffer.
- (c) Notice of varying amounts. If these regular payments vary in amount, either the person or entity 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 ask the person you are going to pay to give you this notice only when the payment will differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set. We will not be liable if the person or entity you are going to pay fails to give you notice of varying amounts.
- (d) Unless otherwise stated in this Agreement, you cannot stop an EFT, other than a preauthorized transfer.

6. Charges

Any charges for EFTs are disclosed in our Schedule of Fees.

7. Our liability for failure to make transfers

If we do not complete a transfer to or from your Account in a timely manner in accordance with the terms and conditions of your Account and normal banking procedures, or in the correct amount according to your instructions, we will be liable for certain types of losses or damages which you suffer. However, there are some exceptions. We will not be liable in the following instances:

- (a) We will not be liable if through no fault of ours, you do not have enough Available Funds in your Account to make the transfer.
- (b) We will not be liable if the system or the ATM or POS terminal was not working properly and you knew or should have known about the breakdown when you started the transfer.
- (c) We will not be liable if you do not give us your correct PIN and, where applicable, Account numbers or other information when starting the transfer.
- (d) We will not be liable if circumstances beyond our control prevent the transfer despite reasonable precautions that we have taken.
- (e) We will not be liable if we do not receive proper instructions or notification for the use of the Account for EFTS or proper instructions for that particular transfer.
- (f) We will not be liable if the ATM or POS terminal from which you are making your withdrawal does not have enough cash.
- (g) We will not be liable if the transfer would go over the credit limit on your Line of Credit, if applicable.

- (h) We will not be liable if the Account has a "hold" on it for the amount of all or part of the funds necessary to make the transfer.
- (i) We will not be liable if the funds in your Account are subject to legal process or other encumbrance restricting such transfer.
- (j) We will not be liable if your Card has deteriorated or been damaged so that it does not function properly.
- (k) We will not be liable if your Card, PIN, and/or Telephone Transfer Code have not been reported lost or stolen.
- (l) We will not be liable if you do not follow the procedures in this or any agreement you have with us.
- (m) There may be other reasons under federal or state law why we will not be liable.

8. If your card is lost or stolen

If you believe your Card, PIN, and/or Telephone Transfer Code has been lost or stolen or that someone has withdrawn or transferred or may withdraw or transfer money from your Account without your permission, contact us immediately. Call the Deposit Operations Department at: 1-860-928-6501./ 1-800-377-4424 or write to:
Putnam Bank
ATTENTION: Deposit Operations Department
40 Main Street
Putnam, CT 06260

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

9. Personal Credit Protection(PCP) Line of Credit

If you have a Line of Credit, the Card, PIN, and/or Telephone Transfer Code may be used (as stated in Section 1 (d) (5)) to obtain credit in the form of loan advances under the terms disclosed to you in the Line of Credit Agreement, which you have already received. You agree to the terms in that agreement including the FINANCE CHARGE TERMS.

10. Business Days

Our business days are Monday through Friday. Holidays are not included.

11. Account Information Disclosure

We will disclose information to third parties about your Account or the transfers you make in the following instances:

- (a) We will disclose information where it is necessary for completing transactions or collecting checks.
- (b) We will disclose information, as allowed by law, in order to verify the existence and condition of your Account for a third party, such as a credit bureau.
- (c) We will tell a holder of one of your checks whether it would be paid if presented at the time of the request.
- (d) We will disclose information in order to comply with any law, court order or proper government requests, such as subpoenas, tax information, bank examinations and reports of unusual cash transactions.
- (e) We will disclose information if you give us your written permission.
- (f) We will disclose information to government officials in connection with suspected violations of law.
- (g) We will disclose information to our agents, auditors, and collection attorneys.
- (h) We may disclose information relating to an Account which does not identify you or your Account.
- (i) We will disclose information to third parties if you owe us money and we must take legal action to collect it.
- (j) We may disclose information relating to your Account which is allowed to be disclosed under state or federal privacy laws.

12. Your Liability

Tell us AT ONCE if you believe your Card, PIN, and/or Telephone Transfer Code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. If you do not tell us promptly of such loss or theft you might lose all your Available Funds including the maximum limit on your Personal Credit Protection (PCP) loan. If you notify us within two business days after you learn of the loss or theft, your liability shall not exceed the lesser of \$50.00 (\$0 on a Visa Check Card) or the amount of the unauthorized transfer that occur before notice to the bank. if someone has used your Card, PIN, and/or Telephone Transfer Code without your permission.

If you fail to notify us within two business days after learning of the loss or theft of your card (access device), your liability shall not exceed the lesser of \$500 (\$50 on Visa Check Card) or the sum of: (i) \$50.00 or the amount of unauthorized transfers that occur within two business days, whichever is less; and (ii) The amount of unauthorized transfers that occur after the close of two business days and before notice to the institution, provided that we establish that these transfers would not have occurred had you notified us within the two-day period. If your statement shows transfers 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 a good reason (such as a long trip or hospital stay) kept you from telling us, we may extend the time periods.

Your Visa debit card may allow you to conduct transactions on the Accel/ Exchange, Debit MasterCard, COOP, NYCE, Pulse and Star debit networks, as applicable, which will generally require you to enter your PIN. However, some merchants are authorized to accept non-Visa debit transactions without requiring you to enter your PIN making your transaction a "PINless Debit Transaction".

Examples of these transaction include online bill pay by entering the debit account numbers, but not the PIN or PINless transactions on interactive voice-response (IVR) systems. Some of the merchants may include utility services, certain mortgage lenders, government agencies, telecom providers and educational institutions. The provisions of your Visa Debit/ ATM Card Agreement relating to Visa transactions are INAPPLICABLE to non-Visa transactions. Therefore, the zero liability provision of the Visa Card Agreement does not apply to these transactions.

13. In Case of errors or questions about your electronic transfers

If you think your statement, passbook entry or receipt is wrong or if you need more information about a transfer listed on the statement, passbook or receipt, call us or write us as soon as you can.

Call the Deposit Operations Department at: (860) 928-6501/ 1-800-377-4424 or write to:

Putnam Bank

ATTENTION: Deposit Operations Department

40 Main Street

Putnam, CT 06260

We must hear from you no later than 60 days after we sent you the FIRST statement or provided you with the passbook update on which the problem or error appeared.

(a) Tell us your name and Account number.

(b) Describe the error or the transfer 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 within 10 business days.

We will tell you the results of our investigation within 10 business days (20 business days if the error involves a new Account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days for POS, transfers initiated out of state or within 30 days of the first deposit made to your account) to investigate your complaint or question. If we decide to do this, we will re-credit your Account within 10 business days (20 days for a new account) for the amount you think is in error (minus the amount of your liability if applicable), 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 within 10 business days, we may not re-credit your Account.

We will tell you the results within 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 for copies of the documents that we used in our investigation.

14. Surrender of your card

The Card belongs to us. We can take it back at any time. You agree to surrender your Card to us when we or our agents request it.

15. Our rights in reference to overpayments

If funds have been deposited into your Account(s), to which you are not legally entitled, by mistake or otherwise, you agree that such amounts are debts owing from you to us and you authorize us summarily to withdraw such amounts from the Account or any other Account you have with us. We can do this without giving you prior notice or demand. We can also exercise our right to set-off to recover any such amount. (An example of such an overpayment to your Account to which you are not legally entitled would be a Social Security payment received by direct deposit after a death.)

16. Non-enforcement of our rights

We can choose not to enforce or to delay enforcing any of our rights under this Agreement without losing them in the future.

17. Amendments

We can change these rules, including, for example, adding or increasing fees. We will give you notice of these changes as provided by law.

18. Cancelling this agreement

We can cancel this Agreement or your ability to use an EFT service at any time, without any advance notice to you. If more than one person is authorized to request EFTs from your Account, we cannot stop that person from making EFTs from your Account unless we terminate this Agreement. You can cancel this Agreement by telling us in writing that you want to cancel this Agreement. You can also cancel this Agreement by closing your Account(s). You agree to give us 3 business days to cancel this Agreement after you give us notice. You remain responsible for all EFTs to and from your Account(s) during these 3 business days. If the Account is a joint Account, any one of the Account owners may ask us to terminate this Agreement or an EFT service. Any one of the Account owners may ask us to take any other action in connection with the Account. We can do any of this without any notice to or approval by the other Account owners before or after we do any of this. Even if this Agreement is cancelled or ends, you understand that you will continue to be responsible for paying us whatever you owe us at the time under this Agreement.

19. Evidence of transactions

You agree that a photographic record or copy of any withdrawal, deposit, borrowing, transfer or payment involving your Account shall be evidence establishing your liability in any legal action involving you and us.

20. Attorney's fees

If you bring a legal action against us or if we bring a legal action against you and the legal action involve EFTs or matters discussed in this agreement, you agree to pay all of our attorney's fees if we win.

21. VISA Check Card

The use of the Visa* Check Card (Check Card) is subject to the provisions of the Putnam Bank Electronic Fund Transfer Agreement Schedule of Charges and Deposit Account Agreement (collectively, the "Disclosures"). Please read all of the Disclosures and keep them for your records.

22. Your use of the Putnam Bank VISA Check Card

After you have signed and activated the card you may use it for Visa* merchant purchases, ATM and POS transactions. ATM and POS transactions can be accessed at any terminal that is connected to any network that the Putnam Bank is a member, such as the NYCE and CIRRUS networks. VISA.* Merchant purchases are purchases at VISA* merchants in which the merchant processes your transaction using your card number and prepares a sales transaction slip following the credit card authorization process. The merchant will generally request that the sales slip be signed. A telephone or mail order transaction is one in which you provide your Check Card number, and the merchant follows the credit card authorization process.

The amount of your purchase at Visa* merchants is automatically debited from your Checking Account typically within three (3) business days of your purchase. POS. Terminals allow you to pay for retail purchases with your Check Card. These terminals can be found at grocery stores, gas stations and other retail establishments. In a POS transaction the merchant processes your transaction using your card number, enters the purchase amount and then requests you to enter your Personal Identification Number (PIN). The amount of your purchase is automatically deducted from your Checking Account. ATM. You may use your Check Card at any of our ATMs. You may also use your Check Card to make certain withdrawals, transfers or balance inquiries at any ATM connected to any network of which the Putnam Bank is a member. However, deposits are only accepted at our ATMs. For other available services and details please refer to section 1 (d).

23. Check Card - VISA Merchant – "open-to-buy" limits and holds

Your Visa* merchant Visa Debit card limit is \$1,500.00. This limit is subject to approval. This means that you are allowed a maximum of \$1,500.00 in outstanding holds against your Account at any one time. For instance, at the time your purchase is authorized, a "hold will be placed against the available balance of your Checking Account for the total dollar amount of the authorization. The hold will be maintained for a maximum period of (3) calendar days. Holds are cleared by receipt of the matching transaction or by expiration of the outstanding hold. As holds clear your Visa Check Card limit increases up to a maximum of \$1,500.00. For example a \$300 Visa* merchant purchase will reduce your Visa Check Card limit of \$1,500.00 by \$300 (= \$1,200.00 remaining Open-to-Buy limit) for a maximum period of 3 days. This period will be shorter if the purchase amount is debited from your Account prior to the end of the 3 day hold. This Visa Check Card limit is separate from your ATM/POS daily withdrawal limit of \$400. You cannot use your Check Card for a Visa* merchant transaction if the amount of the transaction would exceed your Visa Check Card limit. Each time you use your Check Card at a Visa merchant, your available Visa Check Card limit is reduced by the amount authorized for the transaction. Please note that the dollar amount of the hold may be larger than the actual purchase amount for some hotels, car rental agencies, restaurants, gas stations and other merchants who typically request authorizations for higher dollar amounts than the actual amount of the purchase transaction. The bank will place the hold based on the authorization amount.

24. Your card does not include a credit line

Your Check Card purchases will be approved based on the available balance in your Checking Account. If your Checking Account has a Personal Credit Protection (PCP) loan then the available credit will increase your available balance in your Checking Account. You should not use your Check Card if there are no available funds in your Checking Account. If using the Check Card overdraws your Checking Account, you must pay the Bank the amount of the overdraft, plus any applicable overdraft fees.

25. Check Card cancellation

The Check Card at all times remains the property of Putnam Bank and may be repossessed by the Bank or its authorized agent at any time. We may refuse to issue a Check Card or may revoke your Check Card privileges with or without cause or notice, other than as may be required by federal or state law. We may also limit or refuse to complete your transaction when we determine it is necessary for security reasons.

The Bank reserves the right not to reissue all Check Cards. You authorize us to make whatever credit investigation we may deem appropriate, including obtaining your credit report from a credit reporting agency, in connection with your use and renewal of your Check Card.

Upon cancellation of your Check Card privileges, the Check Card must be surrendered by you to the Bank or its authorized agent upon demand or upon knowledge of cancellation. You agree not to use or attempt to use an expired, revoked or otherwise invalid Check Card. If the Check Card is used other than as permitted by this Agreement, we may at our option and without waiving any rights, recognize the transactions and debit or credit your Account accordingly. The cancellation of Check Card privileges, by you or us, will not affect other rights and privileges under your deposit agreement for the Account. Should you decide to close your Account or terminate the Check Card, you are responsible to return of all Check Cards to the Bank. In each case, you agree to pay all amounts due to us or paid out of the Account by reason of any use of the Check Card.

26. Your Liability

If you permit someone else to use your Check Card you are liable for any transactions made by that person, even if that person exceeds the authority you have given them.

27. If your VISA CHECK CARD is lost or stolen

If your Visa* Check Card is lost or stolen, you agree to immediately notify us during business hours by calling Putnam Bank at 1(860) 928-6501. During non-business hours report stolen Visa* Check Cards to our hotline number at 1-800-377-4424.

28. Documentation of transactions and notification of errors

You may receive a copy of a signed sales draft as your receipt at the time you make a Visa* merchant purchase. All Visa* merchant purchase transactions originated by the Check Card will be reflected on your monthly account statement. You agree to inspect such statements and to notify us immediately of any erroneous, improper or unauthorized entries into the account. The notification process is governed by the EFT Agreement.

29. Foreign transactions

If you make a transaction in currency other than U.S. dollars, Visa* will convert the transaction into a U.S. dollar amount. The currency conversion rate in effect on the processing date may differ from the rate in effect on the date of your transaction. Visa will act in accordance with their operating regulations or conversion procedures in effect at the time the transaction is processed. Visa* may increase the conversion rate by one percent (Interchange Fee) and keep that fee. If a credit is subsequently given for a transaction, it will be decreased by one percent (1%) after application of the conversion rate. If the credit has a different processing date, then the exchange rate of the credit can differ from that of the original transaction. Visa charges a .8% international service assessment on international transactions regardless of whether there is a currency conversion. This charge may be passed on to you.

30. Blocked Transactions – The bank may block certain country or merchant codes from being processed using your card. If you travel abroad contact the bank to request that your card be “unblocked”. The bank reserves the right to block country or merchant codes from being processed through the debit card payment system in order to prevent Debit/ ATM card fraud. You should contact the bank’s Operations Department at 1-800-377-4424 if you have any questions or need your card “unblocked”.

31. Other

- (a) We have no liability or responsibility if, for any reason, the Check Card is not honored at any establishment.
- (b) We may modify or amend this Agreement, in whole or in part, at any time upon proper notice to you.
- (c) If the Bank takes legal proceedings against you because of a default in the terms of the Agreement, you must pay reasonable attorney’s fees and other costs of the proceedings. Your responsibility for fees and costs shall in no event exceed the maximum allowed by law.
- (d) The Bank will in no event be liable for overdraft fees, other charges, or any consequential damages in connection with your use of the Check Card.
- (e) This agreement is governed by applicable state and federal laws. If any part of this agreement becomes invalid under federal, state, or local law, the rest of the agreement will remain in effect.
- (f) The Bank may restrict or refuse to process Electronic Fund Transfers, including a wire transfer, if a security breach or identity theft is suspected or has been reported.
- (g) In consideration for using the Check Card, and unless the law provides otherwise, you waive and release us from all defenses, rights and claims you have or may have against any third party arising from or related to any use of the Check Card: you waive any right to stop payment on a draft originated by use of the Check Card: and you waive any right to receive automatically with your monthly account statement a copy of any draft originated by the use of the Check Card.

*VISA ®Revised: 02/02/2011

Facts

What does **Putnam Bank, PSB Holdings, Inc., and Putnam Bank Mortgage Servicing Company** do with your personal information?

Why?

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.

What?

The types of personal information we collect and share depend on the product or service you have with us.

This information can include:

- Social Security number, assets and income
- Account balances and payment history
- Credit history and credit scores

How?

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 Putnam Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Putnam Bank share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.	Yes	No
For our marketing purposes – to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	Yes	Yes
For our affiliates' everyday business purposes – information about your transactions and experiences.	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness.	Yes	Yes
For our affiliates to market to you.	No	No
For our non-affiliates to market to you.	No	No

To limit our sharing

- Visit us online: www.putnambank.com or
- Mail the form below

Please note: If you are a *new* customer, we can begin sharing your information [30] days from the date we sent this notice. When you are *no longer* our customer, we continue to share your information as described in this notice. However, you can contact us any time to limit our sharing.

Questions

Call **800-377-4424** or go to www.putnambank.com

Who we are	
Who is providing this notice?	Putnam Bank, 40 Main Street, PO Box 151, Putnam, CT 06260
What we do	
How does Putnam Bank 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 Putnam Bank collect my personal information?	We collect your personal information, for example, when you - <ul style="list-style-type: none"> • Open an account, make deposits or withdrawal from your account; • Show your government-issued ID or driver's license; • Pay your bills on-line, apply for a loan or use your debit card We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only – <ul style="list-style-type: none"> • Sharing for affiliates everyday business purposes – information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account – unless you tell us otherwise.

Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • <i>Our affiliate, as related by common ownership and control, includes Putnam Bank (PB) Mortgage Servicing Company, a wholly owned subsidiary of the PSB Holdings, Inc. Our affiliate is located at 50 Canal Street, Putnam, CT 06260 and is staffed with the same (dual) employees as the Putnam Bank. These (dual) employees provide consumer loan services to Putnam Bank customers.</i>
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • <i>Putnam Bank does not share with non-affiliates.</i>
Joint Marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> • <i>Our joint marketing partners include 1) The Independent Bankers Bank (TIB) Card Services. Through TIB Putnam Bank is able to provide our customers with credit card options. 2) East Commerce Solutions, Inc. East Commerce Solutions, Inc. provides Merchant Credit Card processing services to business and commercial customers.</i>

Cut here

Mail-in Form		
Leave Blank OR [If you have a joint account, your choice(s), will apply to everyone on your account unless you mark below. Revised: 05/2013	Mark any/all you want to limit: <ul style="list-style-type: none"> <input type="checkbox"/> Do not share information about my creditworthiness with your <u>affiliates</u> for their everyday business purposes. <input type="checkbox"/> Do not share my personal information with joint marketing partners to market their products and services to me. 	
	Name:	Mail to: Putnam Bank PO Box 151 Putnam, CT 06260
	Name:	
	Name:	
	Address:	
	City/State/Zip:	
	Account Numbers:	

Putnam Bank Funds Availability Policy Disclosure

Your Ability to Withdraw Funds - Our general policy is to delay the availability of funds from your cash and check deposits. During the delay, you may not withdraw the funds in cash and we will not use the funds to pay checks that you have written. The bank reserves the right, based on reasonableness, to provide availability to funds in a lesser time period than indicated in this disclosure. If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available according to our Funds Availability Policy but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described in this disclosure for the type of check that you deposited.

You will be responsible for any check that you cash or deposit that is returned as uncollectable. We will place a hold on funds or take funds from your account or accounts as offset to cover the amount of any returned check. The bank reserves the right to refuse to deposit a check if collection of the item is uncertain or suspect. The bank also reserves the right to put the check through for collection rather than depositing the check directly into your account.

Determining the Availability of a Deposit - The length of the delay is counted in business days from the day of your deposit. Every day is a business day except Saturdays, Sundays, and federal holidays. The length of the delay varies depending on the type of deposit and is explained below. If you are not sure about when a particular deposit will be available for withdrawal you should ask us.

Same-Day Availability - Funds from electronic direct deposits to your account will be available on the day we receive the deposit and funds from a cash deposit will be available on the day we receive the deposit if the deposit is made in person to an employee of the bank.

Next-Day Availability - Funds from the following deposits are available on the first business day after the day of your deposit:

- U.S. Treasury checks that are payable to you.
- Wire transfers.
- Checks drawn on Putnam Bank.
- Cash not made in person

If you make the deposit in person to one of our employees, funds from State, local Government checks, Cashiers, Certified, Teller, Federal Reserve bank, Federal Home Loan bank checks and postal money orders that are payable to you are also available on the first business day after the day of your deposit. If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day we receive your deposit.

Other Check Deposits - The first \$200 from a deposit of other checks will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit. See the chart below for the example:

Other Check Deposits	When funds are available	When funds are available if a deposit is made on a Monday
	\$200 on the first business day after the day of your deposit.	Tuesday.
	Remaining funds on the second business day after the day of your deposit	Wednesday

Longer Delays May Apply - 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 computer or communications 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. They will generally be available no later than the seventh business day after the day of your deposit. **Holds on Other Funds** (Check Cashing) - If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds against an existing deposit account held by you. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

Revised: 02/26/2010

Putnam Bank Schedule of Fees

Effective: 10-15-2012

	Per Item Charge	Per Item Charge
Account Reconciliation.....	\$.25 per hr/\$25 minimum	
ATM (Automated Teller Machine)		
Putnam Bank ATM Locations	No Charge	
Transaction Fee at another bank	1.00	
ATM/Check Card Replacement Fee	10.00	
Automated Telephone Transfer	No Charge	
Cashier Checks (customer only)	5.00	
Certified Checks	15.00	
Counter Checks	25	
Coupon Collection, per envelope	15.00	
Domestic Collection Fee	15.00	
Domestic Wire Transfers		
Outgoing	20.00	
Incoming	10.00	
Dormant Deposit Account – No activity within the last 18 months	5.00 per month	
Employee-Assisted Telephone Transfer	3.00	
Health Savings Account Transfer Fee	25.00	
Overdraft or Returned Item Fee (Non-Sufficient Funds (NSF) / Uncollected Funds (UCF))	27.00	
IRA Transfer Fee	25.00	
IRS Penalty / Missing or Incorrect TIN	50.00	
Lock Box Fee	100.00	
Lost Passbook Fee	10.00	
Money Market Account Excess Activity Fee	9.50	
Savings Account Excess Activity Fee	9.50	
Money Orders (customer only)	3.00	
New Accounts closed within 3 months	10.00	
Night Deposit Bag with lock per bag	20.00	
Night Deposit Bag without lock per bag	4.00	
Night Drop Replacement Key	5.00	
Notary Fee (non-customer)	5.00	
Overdraft Protection Fee (Debit Transfer Charge)	.50	
Photocopies of Paid Checks, Money Orders or Cashier Checks	.40	
Photocopies per page	.25	
Process of Levy, Garnishment or Attachment	50.00	
Research Fee	\$.25 per hr/\$25 minimum	
Return Deposited Item	10.00	
Remote Deposit Capture	50.00	
Special Statement Printout	7.00	
Stop Payments	27.00	
Undeliverable Statement – returned mail	5.00	
Visa Gift Card (customer only)	4.95	
International Services		
Foreign Check Collection (cash letter method) per item plus Correspondent Bank Fees	5.00	
Foreign Currency Purchase plus delivery and Correspondent Bank Fees	5.00	
Foreign Currency Redemption plus delivery and Correspondent Bank Fees	5.00	
International Check Collection:		
Foreign	25.00 plus Correspondent Bank Fees	
U.S. Dollar	45.00 plus Correspondent Bank Fees	
International Drafts plus delivery and Correspondent Bank Fees	2.00	
International Draft Stop Payments	25.00	
International Wire Transfer – Outgoing	40.00	
International Wire Transfer – Incoming	40.00	
Safe Deposit Boxes		
Annual Rental Fee ★		
2x5	\$30.00	3x10..... 60.00
3x5	35.00	5x10..... 80.00
5x5	50.00	10x10..... 135.00
Late Fee		10.00
Lost Key		30.00
Box Drilling		150.00
★ Non-Deposit Customers Add \$20.00		
Mortgage Fees		
Mortgage Release Duplication	25.00	
Partial Release of Mortgage (1 st request)	100.00	
Subordination Fee	100.00	
Business Banking Fees		
Classic Business Checking Account		
Monthly Maintenance Fee	12.00	
Checks Paid	.15	
Items Deposited	.12	
Per Deposit Ticket	.25	
Small Business Checking Account		
Daily Minimum Balance of \$2,500	No Charge	
Below Daily Minimum	10.00	
Credit Transaction above 100	.25	
Debit Transaction above 100	.25	
Basic Business Checking Account		
Daily Minimum Balance of \$500	No Charge	
Below Daily Minimum	5.00	
Credit Transaction above 10	.25	
Debit Transaction above 10	.25	
Consumer Online Banking Fees		
Inactive Online Bill Payment Service (No activity for 2 months)	5.00 per month	
Active Personal Online Banking	No Charge	
Active Personal Online Bill Payment Service	No Charge	
Bill Payment Vendor Returned Item Fee	25.00	
Business Online Banking Fees ★		
Basic Business Online Banking Service	5.00	
With Bill Payment	10.00	
Business Online Banking Service	10.00	
Plus Online Banking Payment	12.50	
Premium Business Online Banking Service	17.50	
ACH (Direct Deposit)	.10	
Domestic Wire Incoming	10.00	
Domestic Wire Outgoing	15.00	
Stop Payment	15.00	
Tax Payment	1.50	
Book Transfer	.10	
Bill Payment Vendor Returned Item Fee	25.00	

★ Save \$3.00 per month by choosing eStatements

The above fees may be assessed against your account. We reserve the right to change these fees at any time.



Telephone Banking 1-877-928-6501 Toll Free 1-800-377-4424 www.putnambank.com