

CONSUMER DEPOSIT ACCOUNT CONTRACT



In this portion of this Agreement, “you” and “your” refer to anyone who signs the signature card for any deposit account, as well as any person or entity on whose behalf the account is opened. “We,” “us,” and “our” refer to Essex Savings Bank. “Check” means a check or other noncash item that we handle for collection or payment (other than an electronic fund transfer or wire transfer). Except as otherwise provided in this Agreement or as otherwise defined in applicable law, “banking day” means every day, except Saturdays, Sundays and federal holidays.

1. GENERAL RULES FOR ALL DEPOSIT ACCOUNTS

1.1 Your Agreement. You agree to the terms and conditions in this agreement for each account that you maintain with us. This includes the terms in our Schedule of Interest, our Schedule of Consumer Account Charges, our Funds Availability Policy and our Consumer Electronic Fund Transfer Agreement, which are made part of this Agreement. This Agreement also includes the terms of any other documents which we designate as part of this Agreement. You also agree that you and we have all rights given by law.

1.2 Authorized Signatures. (a) Written Signatures. For purposes of withdrawal and other account matters, unless we specifically agree otherwise in writing, we can honor any request or order signed by any person whose signature appears on the signature card for the account. We may supply endorsements as allowed by law on checks that you deposit to the account. **(b) Facsimile Signatures.** You agree that we may pay, and charge your account for, all checks and orders bearing facsimile signature(s) of the person(s) required to sign such checks and orders, if such facsimile signatures resemble the facsimile signature(s) you have designated, regardless of who placed the facsimile signature(s) on the checks or orders.

1.3 Collection of Checks. When you deposit a check to your account we collect the money from the bank or other party obligated to pay it. We act as your agent to do this. Except to the extent otherwise required by law, we are not responsible for losses which happen during collection of a check that are not caused by our own negligence. When you cash or deposit a check, we may require that funds equal to the amount of the check remain in your account or another account you have with us until the funds from that check become “available for withdrawal”. See our Funds Availability Policy for an explanation of when funds are “available for withdrawal”. If we receive a check you have written on your account in an amount greater than the funds “available for withdrawal” from your account, we have the right not to pay that check. If we credit your account or allow you to withdraw the amount of a deposited check and it is returned to us unpaid or we receive a notice of non-payment of the check, we have the right to take that amount from your account or to obtain a refund of such a credit by any method we choose, including the exercise of our right of set-off (see Section 1.8). If the amount of available funds in your account is less than the amount of a check we decide, in our sole discretion, to honor, you are required to pay us the balance. There are certain checks that we will not cash or accept for deposit. These include checks drawn on banks in foreign countries. We may agree to try to collect the money for you from the bank on which the check is drawn. If we succeed, we will then deposit the money we collect into your account. We will charge you for this service. The amount of our charge is listed in our Schedule of Consumer Account Charges.

1.4 Charges. (a) General. You agree to pay the charges listed on our Schedule of Consumer Account Charges. We can change these charges or add new ones upon giving any notice that may be required under Section 1.6 below. We may take these charges from your account. **(b) Minimum Balance to Waive or Reduce Charges.** For certain accounts, we may waive or reduce certain account charges if you maintain a specified minimum balance. The minimum balance rules for waiving or reducing charges for all deposit accounts are described in our Schedule of Consumer Account Charges.

1.5 Joint Accounts. (a) Joint Accounts with Right of Survivorship. If this is an account in the names of two or more individuals, unless we specifically agree otherwise in writing, it will be a joint account with right of survivorship as defined in Section 36a-290 of the Connecticut General Statutes or the successor to that statute. This means that each of you is making this Agreement with each other and with us. Each of you agrees that all amounts deposited by any of you, as well as any interest earned or bonus payments earned, can be paid to any one or more of you while you are all alive. After the death of any one or more of you, we can pay any money in the account to any one or more of you who is then alive. Each of you gives to all of the others authority to deposit to the account any check payable to any one or more of you. For certain checks, such as a check payable by the government, we may require all persons to whom the check is payable to endorse the check for deposit. If we honor a check which was signed by any one or more of you, and this causes an overdraft, each of you is liable for the overdraft, whether or not you signed the check or benefited from its proceeds. **(b) Limitation on Number of Owners.** We have the right to limit the number of owners on any account.

1.6 Amendments. (a) Interest Rates. See Section 2.1 below for an explanation of when we can change the interest rate (and the resulting annual percentage yield) on various types of accounts. **(b) Other Amendments.** We can make other amendments to this Agreement by posting written notice in our lobbies or by delivery to you of a copy of the amendment(s). Federal and state law and regulations require that we give you notice of most additional or increased charges and certain other changes to the terms of an account which may be adverse to you before those amendments can become effective.

1.7 Waiver of Your Rights To “Notice of Dishonor” and “Presentment”. If another institution refuses to pay a check (called “dishonor”) which you deposited or cashed, we may put the check through for collection again. We will not always give you notice that the check was dishonored before putting the check through for collection again. This means that in this instance you are “waiving” your right to “notice of dishonor.” In the process of collecting a check which you have deposited to your account, you agree that we may delay in putting the check through for collection. This means that you are “waiving” your right to have us begin the process of “presenting” the check by the next banking day.

1.8 Right of Set-Off. Unless this right is denied to us by law, we can take any funds in your account to pay any debt you owe us that is in default (including unpaid charges). This is called the right of set-off and applies to all funds of yours in our possession now or in the future in any account you maintain with us. We can use this right of set-off without going through any legal process or court proceedings. If this is a joint account, this right of set-off applies to our use of deposits of any of you to pay the debts owed to us by any one or more of you individually or with others. If we exercise this right by taking what you owe us from a Certificate of Deposit, such payment shall be deemed an early withdrawal, and an early withdrawal penalty may be imposed.

1.9 Collection Fees. If in the course of collecting any money you may owe us we incur expenses or fees, we may take those from your account, including attorneys’ fees (unless prohibited because suit was not instituted). If there are not sufficient available funds in your account(s) to cover these expenses or fees, you owe us the unpaid balance of such fees or expenses.

1.10 Identification. Federal law and the USA PATRIOT Act requires us to obtain, verify and record information that identifies each person who opens an account. We require proper identification when opening an account, and for other account transactions. When you open an account, we will ask you 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.

1.11 Social Security Number Required. If you fail to give us a correct social security or taxpayer identification number for the account, we can refuse to open an account or close your account or require you to apply for a taxpayer identification number. We can also take from your account any charges assessed by the IRS which result from your error, as allowed by law. We may also be required by federal law to withhold part of any interest you earn and pay it to the IRS. If we do this, the amount we withhold will be reported to you and the IRS and applied by the IRS to the payment of any federal income tax you owe for that year.

1.12 Our Right To Close Accounts. We reserve our right to stop offering any particular type of account and to close your account at any time. We will mail you a check for the amount of collected funds on deposit as soon as is practical. We reserve the right to decline to open an account for any person. We have the right to limit the number of accounts owned by any depositor(s).

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

1.14 Address. You must inform us immediately, in writing, of any change in your address. Unless you do so, we may continue to mail statements and any other notices to your address as it appears on our records.

1.15 Statements; Forgeries, Alterations, Unauthorized Withdrawals and Errors. (a) Our Checking accounts are “truncated”. This means that we do not return your original cancelled checks with your statements. You agree that we are not required to return original checks with your statements. We will include images of your cancelled checks with your statements. You have the right to request a copy of your original check as provided by law. **(b)** You agree to carefully examine and balance your periodic statements, including any items returned to you or described on or with your statements, as soon as you receive them. If you do not let us know of any forgeries, alterations, unauthorized withdrawals or errors of any kind within 30 (thirty) days of the mailing date (or the date you were notified that your statement was made available if you receive your statement electronically) of the statement containing or describing the check(s), withdrawals or deposits in question, we may consider the checks paid and withdrawals and deposits described in the statement to be genuine, authorized and/or without error. We may also consider the statement to be correct. See our Consumer Electronic Fund Transfer Agreement for different terms that apply in the case of errors or unauthorized transactions involving electronic fund transfers. We will not be liable to you for payment of any forged or altered check, unauthorized withdrawal or incorrect deposit if you fail to notify us of the forgery, alteration, unauthorized withdrawal or incorrect deposit within that 30 (thirty) day period and your failure causes us to suffer a loss. Further, we will not be liable for forged or altered checks or

unauthorized withdrawals if the forgery, alteration or unauthorized withdrawal resulted from your negligence. You may have to bear losses that could have been prevented if you had discovered and told us within the 30 (thirty) day period of any errors or unauthorized transactions.

Like most banks, we use automated systems to process checks and other items in order to handle more efficiently the high volume of items we receive for processing. You agree that the use of such automated systems constitutes ordinary care by us, and we will not be liable to you for forgeries or alterations not detected by such systems. Further, we will not be liable to you or to any third party for losses due to a forgery or alteration that a reasonable bank could not have detected with commercially reasonable and general banking practices.

1.16 Use of Our Checks and Forms. (a) Checks. We can require that you use only checks we have approved for account use. The only checks we have given our prior approval to are the ones offered to you through us by our approved vendor. If you use a check we have not approved we can refuse to pay the check and charge you the fees listed, if any, in our Schedule of Consumer Deposit Account Charges. **(b) Forms.** We can also require that you use our forms for making deposits, withdrawals and any other account matters. **(c) Deposit of Checks.** You agree not to deposit any copy of a check other than a substitute check that meets industry standards and is the legal equivalent of the original check. For example, a check deposited to your account one time that is converted to a substitute check, but that is not paid and is returned to you, would generally be the legal equivalent of the original check. However, a substitute check that is created by a company other than a bank (or other depository institution), and that has not previously been deposited at a bank, would generally not be the legal equivalent of the original check (see Section 1.24 below). You agree that you will be liable for any losses that we suffer because you violated this provision.

1.17 Not Transferable. Your deposit account is not transferable to anyone, except on our books. You may not voluntarily transfer or pledge your account without our consent. This does not affect a transfer occurring by operation of law, as would occur on death, bankruptcy or as a result of a court order.

1.18 Stop Payment Orders. If you request us to stop payment on a check, we will make a good faith effort to do so. The stop payment order must describe the check with reasonable certainty. If the stop payment order does not do so or if we do not have a reasonable opportunity to act on it, we won't be liable if we fail to stop payment or if our payment of the check(s) causes other checks to be returned for insufficient funds. If we do stop payment of a check at your direction, you agree to pay all costs we may incur as a result. An oral stop payment order is good for only 14 (fourteen) days unless we receive written confirmation from you within that time. A stop payment order is only good for 6 (six) months, but you may renew it by a written notice which we receive before it expires. Any renewal of a stop payment order is good for an additional 6 (six) months. You also agree to tell us if you request a stop payment on a check that may have been converted to an electronic fund transfer ("EFT") by the payee. We will not be liable for failing to stop payment (i) if we do not have a reasonable period of time to act before the EFT is paid, (ii) if you failed to notify us that the check was converted to an EFT, or (iii) if you failed to provide us with enough information to identify the transaction. (See our Consumer Electronic Fund Transfer Agreement.)

1.19 Receipt of Funds Transfer. A "funds transfer" is a transfer of funds to your account which is not initiated by a check, draft or similar paper instrument issued to you, but by a payment order directed to the institution holding the payor's funds. Most funds transfers, including regularly recurring transfers such as direct deposit of Social Security payments or wages are governed by our Consumer Electronic Fund Transfer ("EFT") Agreement. Some, like wire transfers, are not. If we receive a "funds transfer" to your account that is not governed by our EFT Agreement, we may, in our discretion, refuse to accept it, if it is a "funds transfer" we are not required by law to accept. (Generally, we are required by law to accept "funds transfers" that are not governed by our Consumer EFT Agreement.) If we accept a "funds transfer" not governed by our EFT Agreement, we may, in our discretion, send notice by first class mail to your last address as it appears on our records. We do not have to send a notice other than your periodic statement, if you get a statement for that account.

1.20 Postdated Checks. If the date on a check is later than the date the check was issued, the check is called "postdated." We will not look to see if a check is postdated when we determine whether or not to pay the check. We have the right to charge against your account any payment we make on a postdated check before the date on the check, unless you have given us notice of the postdated check. The notice must describe the check with reasonable certainty. If the notice does not do so, or if we do not have a reasonable opportunity to act on the notice, we will not be liable if we pay the check before the date on the check or if such payment causes other checks to be returned for insufficient funds. A notice of a postdated check will never be good beyond the date of the check. An oral notice of a postdated check is good for no longer than 14 (fourteen) days unless we receive written confirmation from you within that time. A written notice of a postdated check is good for no longer than 6 (six) months, but you may renew it by a written notice which we receive before it expires. Any renewal of a notice of a postdated check is good for an additional 6 (six) months.

1.21 Payment of Checks. We will pay checks drawn on your account that are presented for payment on a banking day from other financial institutions in order from the smallest amount to the largest amount. This order of payment is designed to provide for the processing of checks in an orderly manner. We will pay any other transactions and charges in any order we determine. If there are not available funds in the account to pay all of the checks and other charges against the account (such as in-person withdrawals, ATM withdrawals, or by other electronic means) presented on a banking day, you agree to pay any insufficient funds fees, associated ACH fees or other fees disclosed in our Schedule of Consumer Account Charges that result based on our payment of checks in the order described in this paragraph and from our payment of other transactions and charges in any order we decide.

A fee is charged for each check presented against insufficient funds whether we choose to pay the check or not. We will determine in our sole discretion whether to pay a check presented for payment if the account does not contain sufficient available funds. Whether we pay or do not pay a check for which there are insufficient funds, we will send you a notice disclosing the overdraft amount and the fees associated with the overdraft. The overdraft and uncollected item charges are listed in our Schedule of Consumer Account Charges.

We will not charge an overdraft fee for ATM withdrawals and everyday debit card transactions that overdraw your account unless you have authorized us in a separate document to pay such transactions. We reserve the right, in any case, to decline to pay any ATM withdrawal or everyday debit card transaction that would overdraw your account, but we will not charge a fee in connection with declining such transactions, unless you have agreed to pay such fees, as described above.

1.22 Stale Dated Checks. We may at our option pay a check that is over 6 (six) months old, but we are not required to do so.

1.23 Over credited Account. If we credit your account for an amount in excess of the checks or funds actually received for deposit, we may take the excess from your account without prior notice to you.

1.24 Check Clearing for the 21st Century Act ("Check 21"). Check 21 is a federal law that allows a bank to use image technology to create a paper copy of the front and back of an original check. This copy is called a "substitute check" if it meets applicable industry standards. A substitute check is the legal equivalent of the original check. When we receive a substitute check for a check you have drawn on your account the following rules apply: (i) if your account is truncated and you receive check images with your statement, your imaged statement will contain an image of the substitute check rather than an image of the original check, (ii) if you request a copy of the check, you may get a copy of the substitute check, rather than a copy of the original check. If you suffer a loss because your check was converted to a substitute check, you may be able to recover certain types of losses. You may contact us if you believe that you have suffered a loss relating to a substitute check.

1.25 Third Party Drafts. If you authorize a merchant, check writing service or other third party to draw one or more checks or drafts against your account, you agree that you will be responsible for the amount of the checks or drafts. If you want to revoke the third party's authorization you must notify such party in writing. You also agree to request us to stop payment on these transactions. We may require you to close your account and open a new account to prevent such future transactions. We will not be liable if you do not do so, and we do not stop payment on the transaction(s). You also agree that we will not be liable for failing to stop the transaction(s) if we do not have a reasonable amount of time to act on your request, or if your request did not provide enough information to identify the transaction(s) including the exact check number and dollar amount.

1.26 Change In Ownership. If you wish to add an owner to, delete an owner from, or otherwise change the ownership of an account, we may require you to close the account, to surrender any passbook or similar account documents, and to open a new account listing the new owners. If the account is a Certificate of Deposit, we may require you to pay an applicable penalty for early withdrawal when you close the account.

1.27 Service of Process. If we receive a court order, levy, garnishment, execution or other similar legal process (all of which we call "legal process") concerning the funds in your account, we may place a "hold" on the funds in your account. We may also place a "hold" on the funds in your account if we reasonably believe we may sustain a loss and pending resolution of any dispute, claim, or investigation concerning your account. A "hold" means you may not withdraw funds and we will not pay checks out of the funds subject to the "hold". We may also surrender the funds in your account as required by any legal process. We will not be liable if these actions cause checks to be returned for insufficient funds.

1.28 Endorsements. You agree that all endorsements on the reverse side of any check that you deposit to your account will be made in the area designated for endorsements. If you or any other endorser signs outside of this designated area, it may cause the check to be misrouted or the payment to be delayed. You also agree to make your endorsements in black ink. You agree that you are liable for any loss we suffer resulting from your failure or any endorser of a check that is deposited to your account to comply with these requirements. You agree that we may supply endorsements on checks as allowed by law.

1.28 A Remote Deposit Capture (RDC) Restrictive Endorsements. Endorsements must be made on the back of the Check within 1½ inches from the top edge, although we may accept endorsements outside this space. Your endorsement must include your signature and the following restrictive endorsement - "FOR MOBILE DEPOSIT ONLY", or as otherwise specified by us from time to time. Any loss we incur from a delay, processing error or any other action resulting from an irregular endorsement or other markings by you will be your responsibility. We may reject any Check not containing the above restrictive endorsement.

1.29 LIMITS OF LIABILITY. 1.29 UNLESS EXPRESSLY PROHIBITED OR OTHERWISE RESTRICTED BY APPLICABLE LAW, OR UNLESS OTHERWISE PROVIDED IN THIS AGREEMENT, OUR LIABILITY IS LIMITED AS FOLLOWS: WE WILL NOT BE LIABLE TO YOU OR TO ANY THIRD PARTY FOR (I) YOUR ACTS OR OMISSIONS OR THOSE OF ANY THIRD PARTY, (II) THE ACTS OR OMISSIONS OF ANY OTHER PERSON OR ENTITY, INCLUDING BUT NOT LIMITED TO ANY CLEARING HOUSE ASSOCIATION, TRANSACTION PROCESSING NETWORK, LICENSOR OR PROCESSOR, ANY FEDERAL RESERVE BANK, ANY OTHER FINANCIAL INSTITUTION OR ANY SUPPLIER, ANY PRIVATE OR COMMON CARRIER COMMUNICATION OR TRANSMISSION FACILITY, ANY TIME- SHARING SUPPLIER OR ANY MAIL OR COURIER SERVICE, AND NO SUCH PERSON OR ENTITY WILL BE DEEMED OUR AGENT, (III) FOR ANY OF OUR ACTIONS OR FAILURE TO ACT UNDER OR IN CONNECTION WITH THIS AGREEMENT, EXCEPT TO THE EXTENT SUCH CONDUCT CONSTITUTES WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, OR (IV) FOR ANY FAILURE OR DELAY IN PERFORMING ANY OF OUR OBLIGATIONS UNDER THIS AGREEMENT IF SUCH FAILURE OR DELAY IS CAUSED BY CIRCUMSTANCES BEYOND OUR REASONABLE CONTROL, INCLUDING ANY NATURAL DISASTER (SUCH AS EARTHQUAKES OR FLOODS), EMERGENCY CONDITIONS (SUCH AS WAR, RIOT, FIRE, THEFT OR LABOR DISPUTE OR DIFFICULTIES), LEGAL CONSTRAINT OR GOVERNMENTAL ACTION OR INACTION, BREAKDOWN OR FAILURE OF OUR COMPUTER, TRANSMISSION OR COMMUNICATIONS FACILITIES AND EQUIPMENT OR OF THIRD PARTIES, BREAKDOWN OF ANY PRIVATE OR COMMON CARRIER COMMUNICATION OR TRANSMISSION FACILITIES, ANY TIME- SHARING SUPPLIER AND ANY MAIL OR COURIER SERVICE, OR YOUR ACT, OMISSION, NEGLIGENCE OR FAULT. IF A COURT FINDS THAT WE ARE LIABLE TO YOU BECAUSE OF OUR ACTS OR OMISSIONS IN CONNECTION WITH THIS AGREEMENT YOU MAY RECOVER FROM US ONLY YOUR ACTUAL DAMAGES. IN NO EVENT WILL YOU BE ABLE TO RECOVER FROM US INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES OR LOST PROFITS, EVEN IF YOU ADVISE US OF THE POSSIBILITY OF SUCH DAMAGES.

2. RULES WHICH APPLY TO ALL SAVINGS ACCOUNTS.

2.1 Interest. All accounts which earn interest are savings accounts. The rates and other information about how we calculate interest are set forth in our Schedule of Interest. **(a) Accounts With Rates That Cannot Change During the Term.** The interest rate (and the resulting annual percentage yield) established at the beginning of the term of any Certificate of Deposit ("CD") or Individual Retirement Account ("IRA") (except for IRA accounts which are variable rate accounts) will not be changed during the term of that account. **(b) Variable Rate Accounts.** All other accounts are variable rate accounts. This means that, at our discretion, we may change the interest rate(s) (and resulting annual percentage yield) payable on an account at any time without prior notice to you.

2.2 When Interest Begins To Accrue On Deposited Checks. Interest begins to accrue on a noncash deposit made to a savings account on the business day the deposit is considered to have been made (see our Funds Availability Policy for the definition of the term "business day" and an explanation of when a deposit is not considered made on the day you deliver checks to us).

2.3 Balance Calculation 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. For purposes of determining the principal balance on which interest is calculated, we include deposits on the business day the deposit is considered to have been made (see the Funds Availability Policy for the definition of the term "business day" and an explanation of when a deposit is not considered made on the day you deliver checks to us).

2.4 Minimum Balance To Earn Interest. For certain savings accounts, we require a minimum balance to earn interest. The amounts of these minimum balances are described in our Schedule of Interest. For accounts with a minimum balance requirement, you will only earn interest on days when your balance is not below the required minimum. You must maintain at least that balance in the account each day to obtain the disclosed annual percentage yield. We use the daily balance method described in paragraph 2.3 to determine if the minimum balance requirement has been met.

2.5 Tiered Rate (a) Tiered Rates. For certain savings accounts, the interest rate is "tiered". That means that we pay a higher rate of interest on the entire balance in your account on any day on which the balance in the account exceeds a specified amount. The accounts for which rates are tiered and the minimum balances required to earn higher rates are set forth in our Schedule of Interest.

2.6 Crediting and Compounding of Interest. Our crediting and compounding policies for all deposit accounts are set forth in our Schedule of Interest.

2.7 Restrictions On Withdrawals. We have the right to require that you give us at least 7 days' written notice to withdraw funds from any interest bearing account.

2.8 Passbook Savings Accounts. We record transactions for this account in your passbook or on a separate document. To make a passbook withdrawal, you must present the passbook and verify the balance before you leave. If you lose the passbook, inform us right away. We do not permit preauthorized transfers or any electronic fund transfers to or from this type of account. Every payment which we make to a person presenting your passbook to us with a signed withdrawal order will be valid, provided we exercise reasonable care. This means that if anyone obtains possession of your passbook and withdraws from your account by forging your signature on a withdrawal form, we will not be liable to you for the amount withdrawn unless you notified us that the passbook was lost prior to the withdrawal or we were negligent in permitting the withdrawal.

2.9 Statement Savings Accounts. We will send you a monthly statement for these accounts. To withdraw from your statement savings account, we may require you to show us proper identification and present a withdrawal order. Except in the case of a money market account, transfers by check, draft or similar order are not permitted from this account. Limitations on transfers from statement savings accounts are described in Section 2.11 below.

2.10 Money Market Accounts. Our money market accounts are statement savings accounts. Limitations on transfers from money market accounts are described in Section 2.11 below.

2.11 Limits on Transfers. The number of transfers you can make on passbook, statement savings, money market and other types of savings accounts in person, by messenger or through an ATM are not limited. However, federal regulations limit the number of transfers and electronic payments from such accounts to a maximum of six (6) per monthly statement cycle from the following categories: preauthorized transfers, including overdraft protection; telephone transfers; electronic transactions, including transactions through our online banking service ("Web Banking"); Checks, Check Card payments to third parties; Automated Clearing House (ACH) transactions and wire transfers. The limitations on preauthorized transfers do not apply to preauthorized transfers made to pay loans you have with us. If you exceed the limitations set forth above for 3 (three) consecutive months, we may be required to close the account, take away the account's transfer capabilities, or convert the account to a NOW account or checking account. You may be charged a penalty as itemized in our Schedule of Consumer Account Charges if you exceed these limitations.

2.12 Prohibition On Preauthorized, Automatic, and Telephone Transfers. Withdrawals by means of preauthorized, automatic, or telephone transfer are not allowed from Passbook Accounts or Certificates of Deposit.

2.13 Certificates of Deposit ("CDs"). (a) The Term. A CD is a type of deposit which requires you to leave money in the account for a certain period of time (called the "term") to earn interest throughout the term at the specified rate. CDs are subject to penalties for early withdrawal, that is, withdrawal before the "Maturity Date". The Maturity Date is the first day following the last day of the term. These penalties are described in Paragraph (e) below. When you establish a CD, you may select any term that we currently offer, as described in our current Schedule of Interest. **(b) Later Deposits.** Later deposits to CDs are not permitted, unless specifically permitted by the terms of our Schedule of Interest. **(c) Notice of Maturity.** We are required by federal law to send a notice of maturity for all our automatically renewable CDs with terms greater than one month. **(d) Automatic Renewal of CDs.** All of our Certificates of Deposit are automatically renewable unless we notify you in writing prior to the Maturity Date that your CD will not automatically renew. If you do not withdraw the funds from an automatically renewable CD within the "grace period" of seven (7) calendar days after maturity, your CD will be automatically renewed as of the Maturity Date of the maturing CD for a similar term at the regular rate of interest (excluding special promotional rates) we are then paying on CDs with that term. If you elect against automatic renewal of your CD, you must give us written instructions. You must direct us (1) to renew the CD for a term which you specify and which we allow, (2) to deposit the funds in another account you maintain with us, or (3) to mail you a check. We must get your instructions within seven (7) days after the end of the term. When properly renewed, your new CD will begin on the Maturity Date of the maturing CD. If you renew a CD or it is automatically renewed, all interest which is on deposit at the time of renewal will become principal of the renewed CD. **(e) Penalty For Early Withdrawal.** We will allow withdrawal from your CD before the Maturity Date without penalty in the following events: (1) a court's declaration of your mental incompetence, or (2) your death. In all other cases you cannot withdraw all or any part of the deposit before the Maturity Date without our consent. We can only give our consent at the time you ask to make a withdrawal. If we consent to an early withdrawal, we may impose a penalty on the amount that you withdraw. For a CD with a term of 91 days to one year, the penalty will be an amount equal to three (3) months' interest on the amount withdrawn at the rate being paid on the deposit. For a CD with a term of more than one (1) year to five (5) years, the penalty will be an amount equal to six (6) months' interest on the amount withdrawn at the rate being paid on the deposit. For a CD with a term of more than five years, the penalty will be an amount equal to one (1) year's interest on the amount withdrawn at the rate being paid on the deposit. We may take all or part of the penalty from the original deposit, if necessary. **(f) Effect of Interest Withdrawal.** The annual percentage yield shown on our Schedule of Interest assumes that interest will remain on deposit until maturity. A withdrawal of interest prior to maturity will reduce earnings.

3. IRA.

Individual Retirement Accounts (IRAs) are governed by a separate contract and by the rules in this Agreement for the type of IRA savings account opened.

4. RULES FOR NOW ACCOUNTS.

4.1 Savings Account. A NOW account is a savings account from which we permit an unlimited number of transfers to third parties by check (without regard to whether the term "NOW" is used in its name). The rules for savings accounts described in Sections 2.1 through 2.7 above also apply to a NOW account.

4.2 Limitation. A NOW account may be owned only by individuals or by certain non-profit organizations.

5. RULES FOR CHECKING ACCOUNTS.

5.1 Demand Deposit. A checking account is a demand deposit account. That means we reserve no right to require notice before withdrawal from checking accounts and permit unlimited numbers of transfers to third parties by check or by other means. We will pay no interest on a checking account.

5.2 Availability. Checking Accounts may be owned by individuals or businesses.

6. BENEFICIARY DESIGNATION

The “In Trust For” designation on your account opening documents means that you intend to open an account under Section 36a-296 of the Connecticut General Statutes or the successor to that statute. This designation means that you have full ownership of the account until your death. You, as the owner, must give us your social security number. When you die, the account will belong to the beneficiary you have named if such person is alive when you die. If you have named more than one beneficiary, the account will belong equally to the beneficiaries who are alive when you die. If this is also a joint account with right of survivorship, when any of the owners of the account dies, any remaining owners will have full joint ownership until their deaths. When the last owner dies, the account belongs to the beneficiaries who are living at that time. You are responsible for providing the name and address of each beneficiary you name.

7. UNIFORM TRANSFERS TO MINORS ACT (“UTMA”).

If you have opened the account as custodian under the Connecticut Uniform Transfers to Minors Act, your rights and duties are governed by that Act. You must give us the minor’s Social Security number, which will be used in connection with this account. You are not permitted to pledge the account as collateral for a personal loan. When the minor reaches the age of 21, it is the responsibility of the custodian to transfer the funds to the minor. You may not have more than one custodian per account.

8. FIDUCIARY DESIGNATION.

8.1 Fiduciary. A fiduciary is a person or organization named by will, trust or other legal document or appointed by a court to manage the funds or property of another. If you have opened an account as a fiduciary, the funds are controlled by you, and not the person for whom you have been appointed a fiduciary, except as otherwise required or permitted by law, including court orders; provided that in the case of a power of attorney, the account owner may transact business on the account as described below. We may require that you give us a certified copy of any instrument, court order or decree appointing you as a fiduciary. Whether or not a copy is on file with us, we will not be held responsible for the instrument’s contents or for any duty you may owe as fiduciary to any beneficiaries or the account owner(s). The law and instrument or court order or decree appointing you as fiduciary will define your rights and duties as fiduciary.

8.2 Tax Identification Number. We may require that you apply for a taxpayer identification number for any account that you open on behalf of a separately taxable entity, such as an estate.

8.3 Power of Attorney. A Power of Attorney is a legal document signed by a person giving a second person the power to act on the first person’s behalf. If you are acting under a Power of Attorney, your right to deal with the funds in an account is determined by law and the language in the Power of Attorney. You must give us a copy of the Power of Attorney. The owner of the account may only withdraw funds from the account if he or she has also signed a signature card for the account. A Power of Attorney ends when the person who signed it revokes it; or dies, and as specified by state law. The owner of an account and the person holding the Power of Attorney from the owner agree to notify us promptly if the power terminates. When a person holding a Power of Attorney makes a deposit to or a withdrawal from an account, or takes any other action with regard to an account, that person is confirming that the power has not been terminated. We may rely on the Power of Attorney until we are given written notice that it has been revoked or terminated, and have had a reasonable opportunity to act on that notice. We may, but are not obligated to, require the person holding the Power of Attorney to certify that the Power of Attorney has not terminated. We may exercise other rights provided to us under state law, including the right to not accept a Power of Attorney under certain circumstances.

9. Overdraft Protection. Essex Savings Bank offers two options of overdraft protection. If an insufficient funds situation occurs and you have either of the requested services, funds may be automatically transferred to your account.

Personal Line-Of-Credit (Overdraft Protection)

You may apply for a Personal Line-of-Credit (Overdraft Protection) which is attached to your Personal Checking or NOW Account at Essex Savings Bank. If you have a Personal Line-of-Credit (Overdraft Protection), we may automatically advance to your Personal Checking or NOW Account at Essex Savings Bank, up to your approved credit limit in increments of \$50.00, the amount you need to cover checks, withdrawals, fees and charges or other transactions which would overdraw your account. Information about applicable interest rates, terms and conditions and applications for Personal Line-of-Credit (Overdraft Protection) are available at our branches.

Sweep Account (Overdraft Transfers)

If you sign up for a Sweep Account (allowing for overdraft transfers) with your Personal Checking or NOW Account at Essex Savings Bank we may automatically transfer, up to the balance (subject to minimum balance requirements) in the related Statement Savings Account, the exact amount you need to cover checks or withdrawals which would overdraw your account. Limitations on preauthorized transfers from Statement Savings accounts are described above in section 2.9. Information about applicable interest rates, terms and conditions and applications for a Sweep Account are available at our branches:

Office Locations

Corporate Office

35 Plains Road (860) 767-4414
Toll Free (877) 377-3922
essexsavings.com

Essex

35 Plains Road (860) 767-2573
9 Main Street (860) 767-8238

Chester

203 Middlesex Avenue (860) 526-0000

Madison

99 Durham Road (203) 318-8611

Old Lyme

101 Halls Road (860) 434-1646

Old Saybrook

155 Main Street (860) 388-3543

