



MEMBER INFORMATION GUIDE



Raleigh NC



Fayetteville NC



Charleston SC



Greenville SC



Walhalla SC



Morehead City NC

DOGWOOD STATE BANK & TOWNEBANK

Joining Hearts and Hands for an Extraordinary Banking Experience



SERVING THE COMMUNITY Together

Welcome!

We are so grateful for the opportunity to join hearts and hands with our Dogwood family and those recently joining from Community First Bank. We promise to deliver the same relationship-based banking with a personal touch, but with greater financial, technical, and geographical capability.

You'll continue to enjoy personalized service from local banking professionals you know and trust. Many key elements you've come to expect will remain the same – or better!

- Continued leadership from Dogwood team members
- Greater financial capability for larger loan requests and deposit relationships
- Larger and more robust capabilities for sophisticated treasury relationships
- Local decision-making
- A continued commitment to volunteerism and support in our local communities
- Convenient banking at 74 TowneBank offices across North and South Carolina and Virginia

Information in this guide is also available at TowneBank.com/Dogwood or by scanning the QR code to the right.





YOUR CHECKLIST

- Confirm phone numbers, email address, and mailing address are updated with Dogwood to receive TowneBank communications.
- Receive new TowneBank debit card – on or after **October 19**
- Activate new debit card – **on or after November 2**
- Find the TowneBank closest to you! Choose from over 74 locations listed on page 30. Visit the same friendly bankers you know today!
- Validate your account number, as some account numbers have changed to meet TowneBank system settings – on or after **November 2**, in online banking or by contacting your banker.
 - Personal users re-enroll in Zelle®
 - Sign up for e-statements
 - Confirm Bill Pay account information is correct
- Business online banking conversion: Confirm your email is correct to receive a webinar invitation.
- Order TowneBank checks for your personal and business accounts that include the TowneBank routing number and your account number, which may be new. *First order of custom personal checks is complimentary; Receive \$125 off business check orders. See page 20 for details.*
- Update routing number to 051408949 and the account number, if new, on authorized deposits and withdrawals by **December 31, 2027**.
- Call Towne Member Care for personal support at 844-638-6714, M-F, 8:30 AM-6:00 PM
- Call Treasury Member Care for business support at 844-638-6724, M-F, 8:30 AM-6:00 PM



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DEAR FRIENDS,

An exciting partnership now becomes official! On November 2, Dogwood will become TowneBank. We share a mission to build stronger communities, and TowneBank embraces our focus on serving as a trusted local partner. Be assured that our combined mission makes us even stronger, together

Best of all, relationship bankers you know and trust will continue to serve you and provide local decision-making to bolster our communities. We will continue to support the community and empower our bankers to deliver on our pledge of providing you with the very best service. Your choice to trust us with your financial needs remains the right one.

Together, we will offer you an expanded branch network of 74 offices that extends from Charlotte to the Triangle, Triad, Fayetteville, Wilmington, Morehead City, and the Outer Banks in North Carolina, the Charleston, Greenville, Anderson, and Oconee County markets of South Carolina, and all of Hampton Roads and Greater Richmond in Virginia. In addition to visiting an office, online and mobile banking solutions ensure continued banking convenience. We will also be able to offer a broader array of insurance, wealth management, trust services, and mortgage products, as well as increased lending power.

Please take time to review this member guide designed to make the transition to TowneBank smooth and easy. Should you have any questions about your account or your relationship with our bank, please know our bankers are here to assist you. You have our promise we will do everything we can to make the transition as seamless as possible.

Sincerely,



Steve Jones
Founder and CEO
Dogwood State Bank,
A Division of TowneBank





DEAR FRIENDS,

At Dogwood, you've come to expect a commitment to friendly service, a passion for the community, and local bankers who are totally dedicated to you. These same values are embraced by the Towne Family and form the basis for our guiding principles and culture of caring.

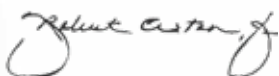
TowneBank was founded in 1999 as a relationship bank with a unique brand that has distinguished us from our larger competitors. Our members enthusiastically welcomed our model of high-touch regional banking, delivered with unparalleled service.

We are humbled and excited to join hands with you, the Dogwood family, and to expand the TowneBank culture of caring into your lives. We are committed to building a lasting community asset focused on "Serving Others and Enriching Lives." This includes our bank members as well as the communities we serve. As Dogwood and TowneBank join, you can expect an even higher level of volunteerism, philanthropy, and service to the community. It's simply part of our DNA.

At Towne, you'll notice that we often refer to our customers as 'members.' This is a term of affection and respect, as we truly value each relationship, and consider our members to be a special part of our extended family. As we begin this new journey together, please know how much your relationship means to us!

We are grateful to Steve Jones and the team at Dogwood for building an amazing organization with a focus on serving the community. These exceptional bankers are well-respected in the industry, and we eagerly welcome them into the Towne Family. You have my personal promise that we will embrace and build upon the legacy that Dogwood has built. We look forward to a bright future, together!

With warmest regards,



G. Robert Aston, Jr.
Executive Chairman
TowneBank





“We’re always working for
you and for our community.”

Greg Heaton

President
Western Carolinas

Stewart Patch

President
Eastern Carolinas

Great News

ABOUT YOUR EXISTING ACCOUNTS!

We are pleased to let you know that your bank accounts will continue to enjoy many of the same features and benefits as before with new products at TowneBank. Please see the following pages for an overview of your deposit accounts. Your banker would be happy to provide additional details about account features, benefits, and interest rates. Please refer to page 36 for consumer account disclosures, page 54 for commercial account disclosures, and pages 34 to 35 for a list of miscellaneous service fees.

ACCOUNT NUMBERS We have great news to share regarding your account numbers. *Many checking, money market, savings, and CD/IRA account numbers will remain unchanged.* Some account numbers will change to meet our system settings. You can view these new account numbers in online banking on or after November 2, 2026, or confirm by contacting your banker, local branch, or Towne Member Care at 844-638-6714. We will send separate communications to customers whose account numbers will change.

The following pages reference the TowneBank ABA routing number - **051408949** - in several sections. In the future, as you replace account items or are asked to provide your routing and account numbers for new automated credits and debits, it will be helpful to have this information for reference.



Personal Accounts

CHECKING, MONEY MARKET, and SAVINGS

TowneBank offers an exciting array of personal checking, money market, and savings accounts to meet your financial needs and goals. We have taken the utmost care in selecting TowneBank products that align closely with your Dogwood account(s). The following pages provide details on the features of your new personal account types at TowneBank that retain many of your current benefits, plus additional ones described below. To verify your current account type at Dogwood, log in to online banking or review your most recent statement.

CURRENT PRODUCT NAME

Basic Checking
Freedom Checking[☆]
Freedom Exempt[☆]
Perks Plus[☆]

NEW PRODUCT NAME

Towne Classic

TOWNE CLASSIC is our personal checking account designed for members with busy lives who need regular access to their accounts. Enjoy unlimited transactions, account access through online and mobile banking, and account statements delivered to your door or to your device. While this account has a \$12 monthly maintenance fee if the minimum balance requirements are not met, **we are waiving the maintenance fee for converting Dogwood accounts through December 2027.** After December 2027, you can avoid the maintenance fee by having a \$1,500 minimum daily balance, a \$2,500 average balance, or \$10,000 combined minimum daily balances with this account and other TowneBank checking, savings, money market, and CD accounts in your name. At all times, we waive the maintenance fee for primary account owners age 62+, and by request for full-time students whose parents have an account at TowneBank.

CURRENT PRODUCT NAME

Dogwood Complete
Perks Platinum[☆]

NEW PRODUCT NAME

Towne Gold

TOWNE GOLD is an interest-bearing account for members who maintain higher balances in their checking accounts and would like to earn interest. Interest compounds daily. While this account has a \$15 monthly maintenance fee if the minimum balance requirements are not met, **we are waiving the maintenance fee for converting Dogwood accounts through December 2027.** After December 2027, you can avoid the maintenance fee by having a \$2,500 minimum daily balance, a \$5,000 average balance,

or \$20,000 combined minimum daily balances with this account and other TowneBank checking, savings, money market, and CD accounts in your name. Please note that this is a single-tier account with the same interest earned on all balances over \$0.01.

☆ **PERKS CHECKING BENEFITS**, currently enjoyed by Freedom Checking, Freedom Exempt, Perks Plus, and Perks Platinum customers, will be discontinued as of November 1, 2026. Many of the services provided are available through other commonly used loyalty programs.

GET TO KNOW TOWNEBANK SENIOR PARTNER CHECKING

Senior Partner Checking is part of a unique program available to members age 62 or better, who maintain \$5,000 daily in Senior Partner Checking and/or Savings. A \$20 monthly maintenance fee applies if the minimum daily balance of \$5,000 is not met in Senior Partner Checking and/or Savings. Interest compounds daily. The rate is determined by the balance in each account and not the combined balance, based on these tiers:

- Up to \$4,999.99
- \$5,000 - \$24,999.99
- \$25,000 - \$49,999.99
- \$50,000 - \$99,999.99
- \$100,000 and over



CURRENT PRODUCT NAME

- Regular Savings
- Statement Savings
- Junior Savings
- Minor Savings

NEW PRODUCT NAME

Towne Saver

TOWNE SAVER is your account for hassle-free savings. While this account has a \$6 monthly maintenance fee if the minimum balance requirements are not met, **we are waiving the maintenance fee for converting Dogwood accounts through December 2027.** After December 2027, maintain a \$300 balance to avoid a \$6 monthly maintenance fee. At all times, we waive the maintenance fee for primary account owners age 62 or better, and by request for full-time students whose parents have an account at TowneBank. Interest compounds daily. Please note that the first six (6) monthly external transactions are included and a \$10.00 fee applies for each additional external transaction. **See the Deposit Account Agreement Addendum on page 45 for more information on Transaction Limitations.**

HEALTH SAVINGS ACCOUNTS will convert to an account with the same features at TowneBank. Please use this account for eligible transactions. TowneBank will issue a 2026 Form 1099-SA showing withdrawal activity. Notices for 2026 activity will be mailed in early 2027.

“Count on us now and
in the future.”

Betania Freire
Greenville Branch Manager



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CURRENT PRODUCT NAME

Personal Money Market
DSB Money Market
Willow Consumer Money Market

NEW PRODUCT NAME

Towne Investor

TOWNE INVESTOR is a two-tiered interest-bearing account that compounds daily. While this account has a \$12 monthly maintenance fee if the minimum balance requirements are not met, **we are waiving the maintenance fee for converting Dogwood accounts through December 2027.** After December 2027, you can avoid the maintenance fee by maintaining a \$2,500 minimum daily balance. Please note that the first six (6) monthly external transactions are included and a \$10.00 fee applies for each additional external transaction. **See the Deposit Account Agreement Addendum on page 45 for more information on Transaction Limitations.**

Please note that these interest rate tiers apply to the Towne Investor and may differ from your current interest tiers:

NEW TOWNE TIERS

Up to \$2,499.99
\$2,500 and over

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CURRENT PRODUCT NAME

Consumer Money Market
(Azalea, Beech, Cedar, Cypress, Dogwood,
Elm, Fig, Hickory, Magnolia, Wisteria)

NEW PRODUCT NAME

Towne Market Master

TOWNE MARKET MASTER is an interest-bearing account with a range of tiers for investors at all levels. Interest compounds daily. While this account has a \$20 monthly maintenance fee if the minimum balance requirements are not met, **we are waiving the maintenance fee for converting Dogwood accounts through December 2027.** After December 2027, you can avoid the maintenance fee by maintaining a \$10,000 minimum daily balance.



Please note that the first six (6) monthly external transactions are included and a \$10.00 fee applies for each additional external transaction. **Deposit Account Agreement Addendum on page 45 for more information on Transaction Limitations.**

Please note that these interest rate tiers apply to the Towne Market Master and may differ from your current interest tiers:

TOWNE MARKET MASTER TIERS

- Up to \$9,999.99
- \$10,000.00-\$24,999.99
- \$25,000 - \$49,999.99
- \$50,000 - \$99,999.99
- \$100,000 and over

CURRENT PRODUCT NAME	NEW PRODUCT NAME
Promotional Money Market	SC & NC Promo Money Market

This account honors the promotional rate on all tiers through December 31, 2026. Interest compounds daily. This account has a \$15 monthly maintenance fee if the minimum daily balance is below \$25,000. Please note that the first six (6) monthly external transactions are included and a \$10.00 fee applies for each additional external transaction. **See the Deposit Account Agreement Addendum on page 45 for more information on Transaction Limitations.**





Business Accounts

CHECKING, MONEY MARKET, and SAVINGS

With awards of excellence for business banking and treasury services, TowneBank offers a robust line of products and services to meet your unique needs. Whether your business is large or small, we have the perfect package of financial services to assist in your company's success. We have taken the utmost care to select TowneBank products that align closely with the account(s) you hold at Dogwood. **We are pleased to waive monthly maintenance fees on all business checking accounts through December 2027**, giving you time to learn more about our expansive product offerings and meet personally with your local banker and treasury partners to review your needs.

The following pages provide details on the features of your new business account types at TowneBank that retain many of your current benefits, plus additional ones described below. Dogwood customers will continue to enjoy full-service treasury support for ACH Initiation and Wire Transfers, Online and Mobile Banking, Positive Pay, and much more. As always, your banker is available to answer any specific questions related to your account.

CURRENT PRODUCT NAME

Business Plus
Preferred Business
Small Business

NEW PRODUCT NAME

Value Classic

VALUE CLASSIC is the perfect account for small businesses with a predictably moderate level of account activity. Enjoy 150 processed items (debits and credits) per month with \$0.50 charged for each item over 150 and \$10,000 cash-in processed per statement, with \$0.30 charged for each additional \$100 cash-in processed. Please note that processed items at TowneBank include both debits and credits. While this account has a \$20 maintenance fee if the \$3,000 minimum daily balance requirement is not met, **we are waiving the maintenance fee for converting Dogwood accounts through December 2027.**

CURRENT PRODUCT NAME

DSB Non-Profit Checking

NEW PRODUCT NAME

Community Partner Checking

This unique **COMMUNITY PARTNER CHECKING** account for nonprofits provides unlimited check writing with no minimum balance requirements, no monthly maintenance fee, and no 'per item' deposit or



“Now we can offer more services for you and your business.”

Greg Reames
Fayetteville President

debit fees. Interest will be paid on balances of \$3,000 or more. Your organization will also receive cashier’s checks at no cost, free notary services, discounts on safe deposit boxes, and the opportunity to provide special banking benefits to your staff.

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CURRENT PRODUCT NAME

Business Platinum

NEW PRODUCT NAME

Value Classic Plus

VALUE CLASSIC PLUS is designed for businesses that deposit frequently and process numerous items each month. Enjoy 500 processed items (debits and credits) per month, with \$0.50 charged for each item over 500 and \$10,000 cash-in processed per statement, with \$0.30 charged for each additional \$100 cash-in processed. Please note that processed items at TowneBank include both debits and credits. While this account has a \$30 maintenance fee if the \$15,000 average daily balance requirement is not met, we are waiving the maintenance fee for converting Dogwood accounts through December 2027.

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CURRENT PRODUCT NAME

Commercial Analysis

NEW PRODUCT NAME

Value Solutions

VALUE SOLUTIONS is the account of choice for businesses with more complex needs and includes specialized online banking options. This analysis account includes a competitive earnings credit rate to help offset analysis fees. Treasury Services will ensure that the automated business solutions you had in place at Dogwood continue uninterrupted at TowneBank.

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CURRENT PRODUCT NAME

Business Interest
DSB Business Interest

NEW PRODUCT NAME

Value Select

This interest-bearing account for businesses allows 150 processed items (debits and credits) per month, with \$0.50 charged for each item over 150. Enjoy \$10,000 cash-in processed per statement, with \$0.30 charged for each additional \$100 cash-in processed. Interest compounds daily based on the daily collected balance. Please note that processed items at TowneBank include both debits and credits. While this account has a \$20 maintenance fee if the \$3,000 minimum daily balance requirement is not met, **we are waiving the maintenance fee for converting Dogwood accounts through December 2027.**

All DSB Business Interest and Business Interest Accountholders: For your benefit, you will continue to enjoy unlimited processed items and cash-in processed per statement through December 2027. **After the grace period**, account activity will be assessed and charged on your statement cycle date. Please contact your local banker to review current account needs and learn about the many accounts TowneBank has to offer.

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CURRENT PRODUCT NAME	NEW PRODUCT NAME
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DSB Commercial MMDA	Cashflow Investor
Willow Business MM	

CASHFLOW INVESTOR is a two-tiered interest-bearing account, compounding daily based on the daily collected balance. While this account has a \$12 monthly maintenance fee if the minimum balance requirements are not met, **we are waiving the maintenance fee for converting Dogwood accounts through December 2027.** After December 2027, you can avoid the maintenance fee by maintaining a \$2,500 minimum daily balance. Please note that the first six (6) monthly external transactions are included and a \$10.00 fee applies for each additional external transaction. **See the Deposit Account Agreement Addendum on page 45 for more information on Transaction Limitations.**

Please note that these interest rate tiers apply to the Towne Investor and may differ from your current interest tiers:

CASHFLOW INVESTOR TIERS

Up to \$2,499.99
\$2,500 and over

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CURRENT PRODUCT NAME	NEW PRODUCT NAME
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Business Money Market	Cashflow Market Master
(Azalea, Beech, Cedar, Cypress, Dogwood, Elm, Fig, Hickory, Magnolia, Wisteria)	



CASHFLOW MARKET MASTER is an interest-bearing account that allows businesses to earn a competitive rate and still enjoy access to funds. Interest compounds daily based on the daily collected balance. While this account has a \$20 monthly maintenance fee if the minimum balance requirements are not met, **we are waiving the maintenance fee for converting Dogwood accounts through December 2027.** After December 2027, you can avoid the maintenance fee by maintaining a \$10,000 minimum daily balance. Please note that the first six (6) monthly external transactions are included and a \$10.00 fee applies for each additional external transaction. **See the Deposit Account Agreement Addendum on page 45 for more information on Transaction Limitations.**

Please note that these interest rate tiers apply to the Cashflow Market Master and may differ from your current interest tiers:

CASHFLOW MARKET MASTER TIERS

Up to \$9,999.99
\$10,000 - \$24,999.99
\$25,000 - \$49,999.99
\$50,000 - \$99,999.99
\$100,000 and over

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CURRENT PRODUCT NAME

Promotional Money Market Business

NEW PRODUCT NAME

SC & NC Promo Money
Market Business

This account honors the promotional rate on all tiers through December 31, 2026. Interest compounds daily based on the daily collected balance. This account has a \$15 monthly maintenance fee if the minimum daily balance is below \$25,000. Please note that the first six (6) monthly external transactions are included and a \$10.00 fee applies for each additional external transaction. **See the Deposit Account Agreement Addendum on page 45 for more information on Transaction Limitations.**

Dogwood IOLTA ACCOUNTS will transition to IOLTA accounts for the respective state where the account is held, with eligible interest paid to the state's IOLTA program.

Your **INTRAFI® NETWORK DEPOSITS** will remain unchanged, and you can continue to use this service at TowneBank in the future to meet your financial needs.

Z SUITE HOLDING ACCOUNTS will convert to an account with the same features at TowneBank, with no interruption of service.



Treasury Services

FULL-SERVICE SUPPORT

Treasury Services are as unique as your business. Dogwood customers will continue to enjoy full-service treasury support for ACH Initiation and Wire Transfers, Online and Mobile Banking, Positive Pay, Remote Deposit Capture, Sweep Accounts, and much more.

Our team will ensure that your automated business solutions in place at Dogwood continue uninterrupted at TowneBank. We will contact you directly regarding access to the services you use. As always, your banker is available to answer any specific questions related to your account.

SUPPORT FROM TREASURY MEMBER CARE Treasury Services representatives are available Monday through Friday, 8:30 AM to 6:00 PM to assist business banking members with online banking, ACH, wires, remote deposit capture, positive pay, reporting, transmissions, and more.

CALL 844-638-6724 | EMAIL TreasurySupport@TowneBank.net



TowneBank has been honored to earn seven consecutive “Outstanding” ratings from the FDIC for our Community Reinvestment Act (CRA) performance.



“Going above and beyond is
the way we do business.”

Caitlyn Holloway

*Private Banker
Raleigh*



Certificates of Deposit (CDs) and IRAs

INTEREST and WITHDRAWAL

INTEREST RATE AND MATURITY DATE Your Dogwood Certificate of Deposit(s) was issued to you with a specific interest rate and maturity date, and we will honor these existing terms. We will send you a renewal notice when your certificate nears maturity. You can view CD activity and confirm your account number in online banking on or after November 2. If your account number has changed, we can reference your former account number at any time. At maturity, normal TowneBank terms and conditions will apply. For additional information, see the Time Deposit Agreement and Disclosure Terms on page 36.

INTEREST PAYMENTS Interest on your CDs and IRAs will be calculated using the accrual method, accruing daily based on the principal balance and interest rate. If you received an interest check in the mail or if your interest was transferred to your account, this will continue on the same schedule as before. At maturity, renewed CDs and IRAs will continue to have interest calculated using the simple interest method.

INTEREST CALCULATIONS CDs and IRAs that renew will use actual days to calculate interest. Every fourth year, there are 366 days instead of 365, resulting in a fraction of a difference of interest paid in that year.

EARLY WITHDRAWAL PENALTIES Early withdrawal penalties remain the same as those outlined in your original account agreement, until maturity. At that time, TowneBank early withdrawal penalties will apply. See Early Withdrawal Penalty section under Account Specific Provisions for Certificates of Deposit/Time Deposit Accounts on page 44.



FDIC INSURANCE

On January 12, 2026, Dogwood and TowneBank became a single deposit institution under the FDIC. As a grace period, the FDIC permits separate insurance coverage for six months following mergers. After that time, deposits held under each trade name – Dogwood and TowneBank – are NOT separately insured but combined to determine whether a depositor has exceeded the \$250,000 federal deposit insurance limit.

The FDIC also has a special merger rule for CDs. See below:

IF	AND	THEN
Dogwood CD matures within 6 months after January 12, 2026	is renewed for the SAME amount and for the same term...	CD remains separately insured until the first maturity date after the 6-month period
Dogwood CD matures within 6 months after January 12, 2026	is renewed for a DIFFERENT amount or term..	Separate coverage is provided only for the six months following the merger date.
Dogwood CD does not mature within 6 months after January 12, 2026		The CD will be separately insured until its maturity.

If you have deposit accounts at both Dogwood and TowneBank that exceed the standard insurance amount of \$250,000, please talk with your relationship banker or visit www.fdic.gov and select 'Deposit Insurance.' Accountholders should note that they may qualify for additional FDIC insurance coverage, well above the \$250,000 standard if certain requirements are met.

INTRAFI® AND FDIC We are pleased to offer additional FDIC coverage through the IntraFi® Network. If you have IntraFi® Network Deposits at both Dogwood and TowneBank, please talk with your relationship banker or visit www.fdic.gov to ensure optimum coverage.

Online and Mobile BANKING

We are pleased to offer robust online and mobile banking[®] services for our personal and business members through Towne24. We are reviewing all usernames and will provide additional information regarding login credentials by email in late October. Please look for this and other important email communications to prepare for a smooth transition to Towne24 on November 2, 2026.

Please make note of your current username and password before the conversion to Towne24, as these may carry over with your profile. If you use fingerprint login, face recognition features, or an authenticator tool, please note that these settings will not carry over to TowneBank.

Certain devices are eligible to enable fingerprint sign-on. If you store multiple fingerprints on your device, including those of additional persons, those persons will also be able to access your Mobile Banking app via fingerprint when fingerprint is enabled. App Store is a service mark of Apple Inc. Touch ID and Face ID are registered trademarks of Apple Inc. Only select Apple devices are eligible to enable Face ID. If you have family members who look like you, we recommend you log in to mobile banking with your username and password.

If you enjoy accessing your bank accounts on your mobile device, you may continue this service at TowneBank by downloading our mobile app on or after November 2, 2026.

Updated app icon available to download on November 2, 2026



Leading up to conversion weekend, we will send direct communications to online banking users regarding user IDs and passwords, downtime, and helpful demonstrations to optimize your experience.

Business users will be invited to attend a webinar that introduces exciting features in Towne24 and ensures a smooth transition. It is important that the email address attached to your Dogwood online banking profile is up to date to receive communications about these sessions.

As account information is updated from October 30-November 1, online banking services may be temporarily unavailable, beginning as early as 12:00 PM on Friday, October 30. We recommend that you plan to do your online banking before or after the weekend to ensure optimum access.

If you are a personal or business Bill Pay user, we expect all previously scheduled payments to continue as usual, without interruption. You may continue to add new payees or payments through Bill Pay, both pre- and post-conversion.



If you have online banking at both Dogwood and TowneBank, you may continue to have separate logins for a period of time. We will share more information closer to conversion weekend.

We are pleased to share these personal online banking benefits, which you can set up on or after November 2:

- **PERSONAL ONLINE BANKING USERS CAN SET UP “ME-TO-ME” TRANSFERS** between your accounts at TowneBank and other financial institutions at no charge. If you already had scheduled transfers in place, please ensure that they look correct after your initial login.
- **ZELLE®** will continue to be available for personal online banking users to send or receive money safely and quickly. It will be necessary to re-enroll in Zelle® on or after Monday, November 2, 2026, to connect this service to your TowneBank account. We remind you only to use Zelle® to exchange money with people you know and trust.

Zelle® and the Zelle® related marks are wholly owned by Early Warning Services, LLC and are used herein under license. U.S. checking or savings account required to use Zelle®. Transactions between enrolled consumers typically occur in minutes. In order to send payment requests or split payment requests to a U.S. mobile number, the mobile number must already be enrolled with Zelle. To send or receive money with a small business, both parties must be enrolled with Zelle® directly through their financial institution's online or mobile banking experience. Payments made with Zelle® are like sending cash.

- **TRAVEL NOTIFICATIONS** for personal accounts are available by sending a message through our secure chat feature or calling Towne Member Care at 844-638-6714 to advise us of your travel plans.

Debit card controls currently available through Dogwood online banking will end on October 30. TowneBank offers debit card control through the Card Suite Pro mobile app°, available in the App Store and on Google Play. For debit card support, please call Towne Member Care at 844-638-6714, M-F, 8:30 AM – 6:00 PM and 866-952-5651 after hours and on weekends.

If you prefer e-statements, it will be necessary to accept the TowneBank electronic disclosure agreement and set up electronic delivery. **Until you elect electronic statement delivery, you will receive a paper statement.**

We will provide ongoing information regarding your online services through email and online banking messaging before, during, and after the weekend of October 30–November 1, 2026.

°For online, mobile, and text banking from a personal device, your mobile carrier's web access and text messaging charges may apply. Availability may be affected by your mobile carrier's coverage area.



Towne24

TELEPHONE BANKING

Voice Recognition Unit (VRU)

Dogwood customers who wish to use our 24-hour telephone banking system to get updated balance information will need to enroll in Towne24 VRU by calling 833-869-6324 (833-TOWNE24) on or after November 2. Members can:

- Access your account balance information and transaction history.
- Transfer funds between your TowneBank checking and savings accounts.
- Transfer funds from checking or savings accounts to your line of credit.
- Make various types of loan payments from your TowneBank checking or savings accounts.

FOLLOW THESE EASY STEPS TO ENROLL:

- 1.** Call Towne24 VRU at 833-869-6324.
- 2.** Listen to the following menu prompts:
 - ATM/Debit Card Information
 - Deposit Account Information
 - Loan Account Information
 - Transfer Funds
 - Change PIN for Towne24 VRU
- 3.** Choose either "Deposit Account Information" or "Loan Account Information" and enter the information requested, **keeping in mind that account numbers may have changed.**
- 4.** Press option 2, "to set up your VRU Access Number" (this is a one-time enrollment process).
- 5.** Validate your identity by following the prompts.
- 6.** Set up your 8-digit VRU Access Number as well as a 4-digit PIN. Keep in mind, this PIN is for your Towne24 VRU, not your ATM or Debit Card.



New Checks and DEPOSIT TICKETS

You may continue to use your Dogwood and Community First Bank-issued checks, deposit tickets, and money market documents **through December 31, 2027**. Please know that your existing checks will continue to be accepted any place you do business.

When you are ready to place your order for TowneBank checks, we recommend contacting your banker first. If an outside vendor supplies your checks, please ask your banker for a 'Specification Document.' This will provide all the details your check printer needs to know to process the order correctly. Remember to change the routing number to 051408949 TowneBank and your account number, if it has changed.

PERSONAL ACCOUNTS Below is a form for your first, free order of NEW custom TowneBank checks and money market documents. We encourage you to order in the next several months!

BUSINESS ACCOUNTS Below is a form for your first order of NEW checks (up to \$125 value) and free money market documents. We encourage you to order in the next several months!



Free Order of Custom TowneBank Personal Checks and Money Market Documents or \$125 credit on Business Checks

May be used for each Dogwood account number. Feel free to make copies.

NAME: _____
(Please print your name as it appears on your account statement.)

PHONE NUMBER: _____

STYLE: ☐ Wallet ☐ Duplicate ☐ Savings ☐ Money Market ☐ Business Checks

STARTING NUMBER: _____

Please staple a voided check or deposit ticket to this coupon for ordering accuracy. When you are ready to reorder, simply bring this coupon into any office. We strongly recommend that you reorder by April 2027. Although your checks will continue to be accepted for a period of time, it's best to begin using new documents with the TowneBank routing number (051408949) and account number, if changed, as soon as possible. For assistance, feel free to contact your banker.

Debit CARDS

You may continue using your current Dogwood Debit Card through Sunday, November 1. You should be able to make ATM withdrawals and Debit Card purchases as normal; however, over the weekend of October 30–November 1, balance information at the ATMs may not be available.

As early as October 19, you will receive your NEW TowneBank Debit Card and a separate mailer confirming your Personal Identification Number (PIN). Please wait to activate and begin using your new card until Monday, November 2. Instructions for activation will be included with your new card. If you do not receive your new card by November 4, please contact Towne Member Care at 844-638-6714.

PIN REMINDERS AND RESETS If you need a PIN reminder or reset for any account, please contact Towne Member Care at 844-638-6714 on or after November 2 to request a new PIN mailer.

HEALTH SAVINGS ACCOUNT (HSA) DEBIT CARDS Members with HSA accounts will receive a TowneBank HSA debit card and separate PIN mailer as early as October 19. This card clearly displays “Health Savings Account” on the front to differentiate it from other cards you carry.

CARD SUITE PRO This card management app is designed to help you stay in control of everyday spending. From turning cards on or off in seconds to setting spending limits, reviewing transactions, and catching suspicious activity early, Card Suite Pro puts security and oversight right at your fingertips anytime, anywhere.



Card Suite
Pro app
icon

ATM DOWNTIME ATM maintenance to install new machines will begin the week of October 26 at Dogwood locations. Some ATMs will be unavailable during this time. We will communicate with customers regarding expected downtime. Any TowneBank ATM is available to Dogwood customers surcharge-free. We will be happy to waive other financial institutions’ ATM fees during this transition, upon request.

Your new Debit Card will carry the Mastercard emblem and can be used anywhere Mastercard is accepted, nationally or internationally. If you have travel plans and expect to use your card outside of the U.S., please notify your banker or Towne Member Care to ensure card access while abroad. *International Service Fees (ISA Fee) apply – see fee schedule on page 34.*

In order to offer debit cards with contactless or 'tap and go' payment features, all new and replacement debit cards will be ordered through and delivered by our card provider. For your convenience, you can add these cards to mobile wallets for smartphones and smartwatches. Most cards mail within 7 to 10 business days. Expedited delivery is available.

For information on daily ATM and point-of-sale transaction limits, please see the Electronic Fund Transfer Disclosure and Agreement starting on page 47. Please contact your banker to request an increase.

*NOTE: If you have any automatic payments tied to your Dogwood Debit Card (like gym memberships, toll passes, etc.) it is important that you provide your **NEW** TowneBank Debit Card number to these specific merchants so that your payments will continue as before.*

 **ALLPOINT ATM NETWORK** Your TowneBank debit card is part of the Allpoint ATM Network, giving you the freedom to get cash how you want it, without ATM surcharge fees, at over 55,000 conveniently located ATMs. With such a large network, finding an Allpoint ATM is easy. Look for the Allpoint sign at popular retailers such as Circle K, Costco, CVS, Harris-Teeter, Kroger, Target, Walgreens, Wawa, and Wegmans.

Additional INFORMATION

BANK STATEMENTS Please look for your final Dogwood checking and/or money market statement in the mail in mid-November. Transactions on these statements will include items processed and interest paid through Sunday, November 1, 2026.

Going forward, your TowneBank statement will be printed approximately at the same time each month as your previous Dogwood cycle date. If you would like to adjust your statement date, please contact your banker for assistance.

We are pleased to inform you that check images are included in all statements by default, at no charge. Images appear at the back of the statement, three across, seven down on a page. As a standard practice, we do not include credit images.

If you are accustomed to electronic statements, you can make this selection in online banking after logging in on Monday, November 2. Until you elect



electronic delivery, you will continue to receive a paper statement. Your complete history of electronic statements may not be immediately available.

Upon request, your banker can provide any past statements and check images you need.

SAVINGS ACCOUNT STATEMENTS Savings account holders will receive their first quarterly statement for activity ending on December 31, 2026. Check and withdrawal images are included. As a standard practice, we do not include credit images. All account activity can be viewed in online banking.

BRANCH DEPOSITS AND FUNDS AVAILABILITY Deposits made at any office will be credited the same business day if they are received prior to the close of business, Monday through Friday, excluding holidays. Cash deposits are typically updated immediately; check deposits are updated after nightly processing. Both receive same-day credit if made before the close of business at the teller line or in the drive-thru. The first \$2,500 of non-TowneBank checks deposited at the ATM or through mobile check deposit will be available for use on the same day as the deposit. The remaining funds deposited over this amount will be available on the second business day following the date of the deposit.

Please see our Funds Availability Policy Disclosure on page 52 for further details. Your mobile carrier's web accessibility and text messaging charges may apply. Availability may be affected by your mobile carrier's coverage area. Mobile check deposit is subject to eligibility and further review. Deposits subject to verification and are not available for immediate withdrawal. Deposit limits and other restrictions apply.

DIRECT DEPOSITS Your payroll, social security, retirement, and other direct deposits will continue without interruption. In the months following conversion, we do ask that you review your account activity regularly to ensure that all deposits occur as anticipated.

We also encourage you to follow up with your deposit provider to see if any updates are needed. Some providers, i.e., Social Security Administration and government agencies, may only accept Notice Of Change requests from the account holder.

AUTOMATIC DRAFTS Your automatic drafts will continue without interruption. In the months following conversion, we do ask that you review your account activity regularly to ensure that all payments occur as anticipated. We also encourage you to check with your service provider to ensure that the necessary changes have been made.



Please note that automated deposits scheduled for a Monday may be available to access over the weekend. Automated deposits scheduled for a day following a holiday may be available to access on the holiday. Similarly, automated drafts scheduled for a Monday may withdraw from your account over the weekend. Automated drafts scheduled for a day following a holiday may withdraw from your account on the holiday.

Please make an effort to update the routing number for all deposits and withdrawals to **051408949 by December 31, 2027**. Your banker would be happy to assist you with any updates.

WIRE TRANSFERS If you receive incoming wire transfers, please notify your originator of the following information, effective November 2, 2026. (Please note that this information applies to wires initiated within the United States. If you receive international wires, please consult your relationship banker for assistance.)

- | | |
|-----------------------------------|---|
| 1. Financial Institution Name: | TowneBank |
| 2. Routing Number (ABA): | 051408949 |
| 3. Your TowneBank Account Number: | Please confirm if your account number has changed |

OVERDRAFT PROGRAMS If you have an overdraft protection service set up between your existing Dogwood deposit accounts, this service will continue as it has in the past. We are pleased to share that TowneBank does not charge transfer fees to move money between your accounts.

If you have an overdraft protection service set up from your Dogwood Line of Credit, this service will continue as it has in the past. The **Overdraft Privilege program** will not carry over to TowneBank. The selection you made to have your ATM and everyday debit card transactions paid in the case of an overdraft will continue without interruption at TowneBank.

We are pleased to share the following Standard Overdraft Practices:

We do authorize and pay overdrafts for the following types of transactions:

- Checks or other transactions made with your checking account number
- Automatic bill payments

Please note, we **will not** authorize and pay overdrafts for the following types of transactions **unless you ask us to**:

- ATM transactions
- Everyday debit card transactions



We pay overdrafts *at our discretion*, which means we *do not guarantee* that we will always authorize and pay any type of transaction. If we do *not* authorize and pay an overdraft, your transaction will be declined.

If you do not have overdraft protection measures in place, here are the available options:

- **OVERDRAFT PROTECTION TRANSFERS** Talk with your banker about linking your checking account to another checking or money market account. In the event of an overdraft, available funds will automatically be transferred, in \$100 increments, to the linked account.
- **BALANCE NOTIFICATIONS THROUGH ONLINE BANKING** Anyone enrolled in online banking can select those accounts to monitor. An email or text notification will automatically be sent to you when those accounts hit your specified minimum balance.

Your mobile carrier's web access and text messaging charges may apply. Availability may be affected by your mobile carrier's coverage area.

- **COVERLINE** Apply for a line of credit that will transfer overdraft protection funds, in \$100 increments, from your line of credit to designated accounts of your choice. Coverline funds may also be used for purposes other than overdraft services. Your banker can provide an application and additional details. Subject to credit approval; applicable interest rates apply.

RETURNED DEPOSITED ITEMS Returned Deposited Items will not be resubmitted a second time and will instead be charged back to the account. Returned Deposited Items are items that were returned unpaid once they were deposited into your account.

POSTING ORDER OF INCOMING CHECKS AND ELECTRONIC ITEMS

On consumer accounts, we currently post items within categories from the lowest to the highest dollar amount. On commercial accounts, we currently post items within categories from the highest to the lowest dollar amount.

1099 AND 1099-SA NOTICES Please note that all accounts, regardless of tax-exempt status, receive a 1099 notice if interest earned exceeds \$10.00 annually. Notices for 2026 activity will be mailed in early 2027.

PERSONAL AND BUSINESS CREDIT CARDS You can continue using your currently issued credit card as usual.



MERCHANT CREDIT CARD DEPOSITS If your credit card sales are currently credited to your Dogwood account, simply provide your merchant processor with the following information:

1. Financial Institution Name: TowneBank
2. Routing Number (ABA): 051408949
3. Your TowneBank Account Number: *Please verify your TowneBank account number*

Ask them to make this change effective November 2, 2026.

TowneBank Merchant Services offers merchant processing through Deluxe Payment Processing. To learn about our offerings, talk with your banker or contact Merchant Support at 866-462-9161.

SAFE DEPOSIT BOXES Your safe deposit box will continue to be available for entry during normal business hours. For your convenience, TowneBank is waiving the first year's rent for current Dogwood safe deposit box holders and will provide a 50% discount for the second year.

Standard sizes and pricing for annual safe deposit box rental are as follows:

2 x 5: \$55	3 x 6: \$60	3 x 10: \$80	5 x 10: \$100	10 x 10: \$135
3 x 5: \$60	4 x 13: \$60	5 x 5: \$70	7 x 10: \$115	11 x 10: \$150

Box sizes and availability vary by location. Prices are subject to change. Enjoy a 10% discount on regular rental fees with auto debit from a TowneBank account. Ask about account programs that include additional discounts.

Loans AND PAYMENTS

The terms and conditions of your existing Dogwood loan or line of credit will remain the same. Your due dates will also continue as they have in the past. Collateral holds on deposits will remain in place.

LOAN ACCOUNT NUMBERS Your Dogwood loan account numbers will change to align with TowneBank system settings. Your new TowneBank loan number(s) will appear on your first billing notice and will be available in online banking as of November 2, 2026. For your convenience, we will be able to reference your former loan account number at any time.

All TowneBank account numbers include a 10-digit loan number followed by a 5-digit note number.



“As part of TowneBank,
we can offer larger loans
and more financial services.”

Mark Johnson
Wilmington President

BILLING NOTICES Going forward, you will receive a monthly billing notice from TowneBank, which will include the amount due, due date, other important information, as well as your NEW loan number.

For your convenience, your notice will continue to be generated at approximately the same timeframe as before. Please refer to your original loan documents for grace periods and any late charges that may apply.

If you have a consumer line of credit, please look for a final Dogwood loan statement in November. This statement will show a snapshot of your loan history through November 1, 2026.

PAYMENTS You can continue to pay your loan using the same payment method. Please read this section to ensure a smooth transition. For your first loan payment on or after November 1, 2026, feel free to use your current Dogwood billing notice.

For future payments, you may make your payment in many ways:

- Make your payment at any TowneBank office
- Continue to use an automatic draft/ACH for your payment
- Continue to make your loan payments through online banking
- Mail your payment to our post office box:

TowneBank
P.O. Box 2818
Norfolk, VA 23501-2818

NOTE: As a courtesy, TowneBank will send billing notices for all loans and lines of credit, regardless of how the payment is made. If your payment is made automatically through ACH or online banking, you may simply retain the billing notice for your records.



LOAN PAYMENTS MADE THROUGH AUTOMATIC DRAFTS/ACH OR ONLINE BANKING If your loan payment is currently auto-drafted via ACH from another financial institution, this service will continue as scheduled.

If your loan payment is auto-drafted from an existing Dogwood account, this service will continue as scheduled through your TowneBank account.

If your personal loan payment transfers from your Dogwood checking account to your loan through Dogwood online banking, you may need to reschedule these transfers in our Towne24 online banking system. We will provide instructions directly to online banking users.

ONLINE BANKING PAYMENTS MADE THROUGH ANOTHER FINANCIAL INSTITUTION If you schedule your loan payments through online banking at another financial institution, please update your biller/payee information after receiving your NEW TowneBank billing notice:

Name of Bank:	TowneBank
Address:	P.O. Box 2818 Norfolk, Virginia 23501-2818
Phone Number:	844-673-1511
Your Loan Number Format:	5-Digit Note Number + 00 + 10 Digit
Loan Number Ex.:	(10000-00-10000000000)

Your first TowneBank billing statement will show your loan and note number.

INTRODUCING LOANPAY PLUS FOR VEHICLE & OTHER TITLED LOAN PAYMENTS TowneBank offers an online service to pay your titled vehicle loans (e.g., auto, RV, boat, trailer) using a debit card or outside account for one-time or recurring payments. Visit TowneBank.com/LoanPay for more information about these payment options.

HOME EQUITY LINE CHECKS Please contact your banker by April 30, 2027, to order complimentary TowneBank Home Equity Line checks. In the interim, you may continue to use your existing Dogwood Home Equity Line checks. Please shred and discard your Dogwood checks once you receive a new supply.

CREDIT REPORTING TowneBank may report consumer loan information to credit bureaus as early as December 2026. These records are marked as transferred to another creditor, and borrowers may get an alert that an account has closed. This may lead to a brief credit score fluctuation that will stabilize once TowneBank credit information is reported to all bureaus. A free copy of your credit report is available at annualcreditreport.com.

**“We’re pleased to be your local,
neighborhood bank.”**

Donna Cabaniss
Williamston Branch Manager



TowneBank

LOCATIONS AND HOURS

Beginning Monday, November 2, Dogwood branches will open under the TowneBank name. As we shared earlier this year, some Dogwood locations in proximity to TowneBank locations will move operations to the closest TowneBank branch. These locations are noted on the following page.

With 74 total locations, you may handle your banking transactions at any TowneBank office. This includes 29 TowneBank branch offices across North and South Carolina and 45 in the Hampton Roads and Richmond regions of Virginia. **Operating hours are posted at each location and available at [TowneBank.com/Locations](https://www.townebank.com/locations).** (Please note that TowneBank ‘Mortgage’ and Towne ‘Insurance’ offices are not bank offices and are not set up to accept banking transactions.)

Towne24 ATMs are available 24 hours a day to accept deposits, transfer funds, and withdraw cash.

For your convenience, **Towne Member Care** is available at 844-638-6714 to assist you with **personal online banking** support and account questions from Monday through Friday, 8:30 AM–6:00 PM. **Treasury Member Care** is available at 844-638-6724 to assist with questions about **business online banking** and treasury services.

You can find a complete listing of all TowneBank offices as of November 2, 2026, on the following pages.

NORTH CAROLINA

CHARLOTTE

Ballantyne	13900 Conlan Cir, Charlotte, NC 28277	704-317-1600
Myers Park	150 Providence Rd, Charlotte, NC 28207	980-375-0100
SouthPark*	2101 Rexford Road, Ste 100E, Charlotte, NC 28211	704-644-4001

**Servicing branch for Dogwood customers from Carnegie Blvd, Dallas, and Elizabethton locations*

FAYETTEVILLE

225 Green St, Ste 102, Fayetteville, NC 28301	910-500-1509
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GREENVILLE*

1000 Red Banks Rd, Greenville, NC 27858	252-214-7500
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**Servicing branch for Dogwood customers from the Winterville location*

MOREHEAD CITY

5039 Executive Dr, Morehead City, NC 28557	252-727-5558
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OUTER BANKS AND NORTHEASTERN NORTH CAROLINA

Camden	178 US Highway 158 W, Camden, NC 27921	252-338-2165
Duck	1203 Duck Rd, Duck, NC 27949	252-573-7200
Grandy	6670 Caratoke Hwy, Grandy, NC 27939	252-453-2166
Moyock	250 Caratoke Hwy, Moyock, NC 27958	252-435-6331
Nags Head	2525 South Croatan Hwy, Nags Head, NC 27959	252-449-1300
Southern Shores	2 Juniper Tr, Southern Shores, NC 27949	252-255-4500

TRIAD

Greensboro	628 Green Valley Rd, Ste 100, Greensboro, NC 27408	336-493-7200
Winston-Salem	421 N. Spruce St, Winston-Salem, NC 27101	336-499-9795

TRIANGLE

Cary Parkway	3791 NW Cary Parkway, Cary, NC 27513	919-415-4377
Cary Downtown	100 Walnut St, Cary, NC 27511	919-534-0770
Glenwood	3535 Glenwood Ave, Raleigh, NC 27612	919-788-7770
North Ridge	7100 Falls of Neuse Rd, Raleigh, NC 27615	919-373-7110
Sanford	2222 Jefferson Davis Hwy, Sanford, NC 27332	919-897-5776
Six Forks	5401 Six Forks Rd, Suite 100, Raleigh, NC 27609	919-863-2293

WILMINGTON

1131-C Military Cutoff Rd, Wilmington, NC 28405	910-239-9548
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SOUTH CAROLINA

CHARLESTON

302 Wingo Way, Suite 101, Mount Pleasant, SC 29464	843-353-0783
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GREENVILLE

944 S. Main St, Greenville, SC 29601	864-252-9296
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UPSTATE

Anderson	4002 Clemson Blvd, Anderson, SC 29621	864-222-2440
Seneca	1600 Sandifer Blvd, Seneca, SC 29678	864-882-2575
Seneca North	449 Hwy 123 Bypass, Seneca, SC 29678	864-886-0206
Walhalla	3685 Blue Ridge Blvd, Walhalla, SC 29691	864-638-2105
Westminster	306 Windsor St, Westminster, SC 29693	864-647-5487
Williamston	208 East Main St, Williamston, SC 29697	864-847-5109

HAMPTON ROADS

CHESAPEAKE

Great Bridge	137 Mount Pleasant Road, Chesapeake, VA 23322	757-546-7200
Greenbrier	1312 Greenbrier Parkway, Chesapeake, VA 23320	757-548-7200

COURTLAND

28319 Southampton Pkwy, Ste D, Courtland, VA 23837	757-742-6204
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NORFOLK

Downtown Main	109 East Main Street, Ste 100, Norfolk, VA 23510	757-628-6340
Ghent	1006 Colley Avenue, Norfolk, VA 23507	757-673-1900
Harbor's Edge	1 Colley Avenue, Ste 100, Norfolk, VA 23510	757-622-7300
Wards Corner	7500 Granby Street, Norfolk, VA 23505	757-673-1800

PENINSULA

Downtown Hampton	101 E. Queen Street, Hampton, VA 23669	757-728-1266
Hampton Woodland Road	347 Woodland Road, Hampton, VA 23669	757-728-1221
Hampton Executive Tower	2101 Executive Drive #1A, Hampton, VA 23666	757-728-1276
Newport News Oyster Point	1 Old Oyster Point Rd, Ste 100, Newport News, VA 23602	757-249-7800
Newport News Professional Park	11751 Jefferson Avenue, Newport News, VA 23606	757-728-1264
Newport News Warwick	11001 Warwick Boulevard, Newport News, VA 23601	757-591-7000
York	6515 George Washington Memorial Hwy, Yorktown, VA 23692	757-877-3500

PORTSMOUTH

Churchland	5716 High Street West, Portsmouth, VA 23703	757-638-7500
Olde Towne	200 High Street, Ste 100, Portsmouth, VA 23704	757-391-3500
Portsmouth Blvd	6201 Portsmouth Blvd, Portsmouth, VA 23701	757-405-5400

SMITHFIELD

1119 S. Church Street, Smithfield, VA 23430	757-357-4777
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SUFFOLK

Harbour View	5806 Harbour View Boulevard, Suffolk, VA 23435	757-392-3400
Hillpoint	3100 Godwin Blvd, Suffolk, VA 23434	757-539-5265
Lakeside	1008 West Washington Street, Suffolk, VA 23434	757-514-3313

VIRGINIA BEACH

First Colonial	984 First Colonial Road, Virginia Beach, VA 23454	757-412-2400
Kempsville	5200 Providence Road, Virginia Beach, VA 23464	757-673-1700
Pavilion Center	600 22nd Street, Ste 100, Virginia Beach, VA 23451	757-417-6200
Princess Anne	2539 Princess Anne Road, Virginia Beach, VA 23456	757-716-3500
Town Center	297 Constitution Drive, Virginia Beach, VA 23462	757-473-2500
Westminster Canterbury*	3100 Shore Drive, Virginia Beach, VA 23451	757-769-7001

**Access limited to residents only*

WILLIAMSBURG

Kingsmill	1510 Quarterpath Rd, Williamsburg, VA 23185	757-903-2050
New Town	5216 Monticello Ave, Williamsburg, VA 23188	757-564-4700

WINDSOR

50 East Windsor Boulevard, Windsor, VA 23487	757-242-3150
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RICHMOND AND CENTRAL VIRGINIA

Clover Hill	6736 Southshore Dr, Midlothian, VA 23112	804-639-0020
Forest Office Park	1401 Santa Rosa Rd, Richmond, VA 23229	804-545-6800
Gateway	800 E Canal St, Ste 100, Richmond, VA 23219	804-377-4200
Innsbrook	4501 Cox Rd, Glen Allen, VA 23060	804-967-7026
Iron Bridge	9961 Iron Bridge Rd, Chesterfield, VA 23832	804-748-9700
Libbie Mill	4901 Libbie Mill East Blvd, Ste 140, Richmond, VA 23230	804-266-1596
Mechanicsville	7279 Bell Creek Rd, Mechanicsville, VA 23111	804-746-1335
Old Mechanicsville	8051 Mechanicsville Tpke, Mechanicsville, VA 23111	804-569-0335
Midlothian	13531 Midlothian Tpke, Midlothian, VA 23113	804-897-6000
Nine Mile	5100 Nine Mile Rd, Richmond VA 23223	804-737-0800
Powhatan	1793 S Creek One, Powhatan, VA 23139	804-419-0378
Short Pump	11704 W Broad St, Richmond, VA 23233	804-381-5918
Sliding Hill	10035 Sliding Hill Rd, Ste 101, Ashland, VA 23005	804-412-0483
Stony Point	9000 W Huguenot Rd, Richmond, VA 23235	804-323-1147
Village	7013 Three Chopt Rd, Richmond, VA 23226	804-282-7991



ABOUT TowneBank

OUR MISSION: TowneBank will be a relationship and friendship-driven local bank focused on the basic human values that will serve to create a warm sense of belonging and financial well-being among our family of members.

We will offer a competitive array of business and personal financial services, delivered with only the highest ethical standards. Our commitment to exquisite service for our members will lead to our ability to create a reasonable rate of return for our shareholders, a bright future for our dedicated bankers, and a leadership role for our bank in promoting the social, cultural and economic well-being of our community.

COMMON Vision/Culture

Dogwood and Towne share a common vision – to provide a personalized experience that is second to none! From giving back to the community to helping members achieve their financial goals, our companies share a culture of caring throughout North and South Carolina, Virginia, and beyond. It is our pleasure to provide you with a world-class banking experience.

- Friendly, familiar bankers from Dogwood and Towne working together to meet your needs and exceed your expectations.
- An exciting array of personal and professional benefits for individuals, nonprofit organizations, and businesses of any size – large and small.
- Unique Senior Partner programs for members age 62 and better that include several free and no-fee services, member entertainment, and legacy benefits to share with your children and grandchildren.
- As a tribute to those who serve and protect our community, Towne's Hometown Partners program offers a custom benefit package for teachers, police officers, firefighters, rescue workers, sheriff's departments, and members of the military.
- Private Banking for professionals and their practices, families, and staff.

TowneBank

HONORS AND AWARDS



5 Star Rating
One of the Strongest
Financial Institutions
in the Nation
2026

**Greenwich Excellence
Awards**
Small Business Banking
2025



**Platinum and
Bronze**
Presented to Top
Producing Loan
Officers
TowneBank Mortgage
2025

**Top 4 in Assets
Under Management***
Raymond James
Financial
Institution Division
Towne Wealth
Management 2026

RAYMOND JAMES®



**Named Among
Forbes Best Banks
in America
2026**

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**A Top 20 Affiliate
Berkshire Elite
Circle Award**
Berkshire Hathaway |
RW Towne Realty 2026



**Best Bank
to Work For
2025**



**Top 100
Brokers of US
Business**
Towne Insurance
2026

**Charlotte's Best
Best Bank - Gold
2025**



**Outstanding CRA
Rating**
Compliance with
Community
Reinvestment Act
(CRA) regulations
2025

**Civic 50
Hampton Roads**
One of the area's most
community minded
businesses 2025



**Top Assets Under Management (AUM) Raymond James FID is an internal Raymond James honor. This ranking is based on prior AUM. Re-qualification is required annually. This ranking is not based in any way on the individual's abilities in regard to providing investment advice or management. This ranking is not indicative of advisor's future performance, is not an endorsement, and may not be representative of individual client's experience. No fee is paid in exchange for this award/rating.*

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Personal and Business SERVICE FEES

The following schedule of miscellaneous fees will be effective November 2, 2026.

Account Research	\$25 Per Hour
ATM/Debit Cards	
Replacement Card	\$5 Each
Rush Card	\$42 Each
Rush PIN	\$10 Each
ATM/Debit Transactions	
Non-TowneBank ATM Withdrawals <i>(Allpoint network ATMs available at no charge)</i>	\$3 Each
International Debit Purchase (ISA Fee)	3% of purchase
International ATM Transaction (ISA Fee)	3% of amount
Cashier's Checks	\$15 with TowneBank account
City/County/State Liens	\$20 Each
Collections	
Domestic Incoming/Outgoing	\$30 Plus Costs
International (Foreign) Incoming/Outgoing	\$65 Plus Costs <i>(Exception: Canadian Check Deposits up to \$10,000: \$30 Plus Costs)</i>
Deposit Correction	\$5 Each <i>(only applies to business accounts)</i>
External IRA Transfer	\$50 Each
Garnishments/Levies	\$150 Each
Overdrafts/Returns	
Overdraft Fee*	\$42 per item <i>(may be created by check, in-person withdrawal, automatic bill payments, or other transactions made using your checking account number)</i>
Extended Overdrawn Account Fee^ (Business Accounts Only)	\$35 - See next page for details
Returned Item Fee (Business Accounts Only)	\$42 per item <i>(may be created by check, in-person withdrawal, automatic bill payments, or other transactions made using your checking account number).</i>
<i>If there are insufficient funds in your account to pay an item and the transaction is resubmitted, each resubmission counts as a separate item and will be assessed an Overdraft or Returned Item Fee.</i>	



Re-Deposit/Chargeback (Business Accounts Only)	\$15 Each Occurrence
Statement Copies - Additional Address	\$10 Each
Stop Payments	\$40 In-Branch / \$25 Online
Wires (Available Only to TowneBank Members)	
Incoming	\$15 Each
Outgoing (Domestic)	\$45 Each
Online Business Wires	\$25 Each
Outgoing (International)	\$75 Each
Online Business Wires	\$45 Each

*On personal accounts, Overdraft Fees will not apply until one or more items cause your final daily balance to be overdrawn by more than \$50.00. Overdraft Fees will be capped at 5 items per day.

^The extended overdrawn account fee applies when your business account has been overdrawn for 5 consecutive business days and is assessed on the 5th business day.

This fee applies each 5th consecutive business day your account remains overdrawn and is in addition to any other applicable Overdraft Fees and Returned Item Fees.

An Extended Overdrawn account fee will not be triggered on business accounts if the overdrawn balance is \$5 or less. You can avoid this fee by depositing enough available funds in your account to cover your overdraft (including any applicable fees that have accrued during this 5-day period).

Bank fees can cause your account to be overdrawn. For tips on how to avoid overdraft fees, visit TowneBank.com/OverdraftProtection.

CONSUMER DEPOSIT ACCOUNT AND TIME DEPOSIT ACCOUNT AGREEMENT AND DISCLOSURE TERMS

DEFINITIONS. Throughout this Agreement, these terms have the following meaning:

- “You,” “your,” “account owner,” and “party” refer to the depositor (whether joint or individual) named on the account.
- “We,” “our,” and “us” refer to the financial institution.
- The acronym “NOW” means Negotiable Order of Withdrawal.
- “Item” or “items,” as defined by Article 4 of the Uniform Commercial Code (UCC), means an instrument or a promise or order to pay money handled by a financial institution for collection or payment. The term includes a check but does not include a payment order governed by Article 4A of the UCC or a credit or debit card slip.
- “Debit transactions,” “debit,” or “debits” refer to funds that are taken out of your account. Common types of debits may include: checks or drafts that you have written, ACH payments, wire transfers, PIN-based debit card transactions, and signature-based debit card transactions.
- “Credit transactions,” “credit,” or “credits” refer to deposits of funds into your account. Common types of credits include: cash deposits, direct deposits, check deposits, and ACH and wire transfers made payable to you. Credits are generally added to your account and are made available to you in accordance with our funds availability schedule.

GENERAL AGREEMENT. You understand the following Account Agreement (“Agreement”) governs your account with us. Your account is also governed by other applicable documents, such as the Truth In Savings Account Disclosure and Privacy Policy, and where applicable, the Funds Availability Policy and Electronic Fund Transfer (Agreement and) Disclosure (“Disclosures”), which are incorporated by reference. By providing a written or electronic signature on the Account Information document or other agreement to open your account, or by using any of our deposit account services, you and any identified account owners agree to the terms contained in this Account Agreement.

GENERAL RULES. The following rules apply to all types of accounts:

1. **Authorization to Obtain Information.** You authorize us to check your account, credit and employment history, and obtain reports from third parties, including credit an consumer reporting agencies, to verify your eligibility for the account, products and services you request and for other accounts, products, or services we may offer you or for which you may qualify.

2. **Deposits.** Deposits may be made in person, by mail, or in another form and manner as agreed by us in our sole discretion. We are not responsible for transactions mailed until we actually receive and record them. We may, at our sole discretion, refuse to accept particular items as deposits. Cash deposits are credited to your account according to this Agreement. Other items you deposit are handled by us according to our usual collection practices. If an item you deposit is returned unpaid, we will debit your account and adjust any interest earned. You are liable to us for the amount of any item you deposit to your account that is returned unpaid. In addition, you are liable to us for all costs and expenses related to the collection of any or all of that amount from you. Funds deposited to your account are available in accordance with the Disclosures.
3. **Collection of Deposited Items.** In receiving items for deposit or collection, we act only as your agent and assume no responsibility beyond the exercise of ordinary care. All items are credited subject to final settlement in cash or credits. We shall have the right to forward items to correspondents including all Federal Reserve Banks, and we shall not be liable for default or neglect of said correspondents for loss in transit, nor shall any correspondent be liable except for its own negligence. You specifically authorize us or our correspondents to utilize Federal Reserve Banks to handle such items in accordance with provisions of Regulation J (12 CFR Part 210), as revised or amended from time to time by the Federal Reserve Board. In the event we are subject to local clearinghouse rules, you specifically authorize us to handle such items in accordance with the rules and regulations of the clearinghouse.

If we permit you to withdraw funds from your account before final settlement has been made for any deposited item, and final settlement is not made, we have the right to charge your account or obtain a refund from you. In addition, we may charge back any deposited item at any time before final settlement for whatever reason. We shall not be liable for any damages resulting from the exercise of these rights. Except as may be attributable to our lack of good faith or failure to exercise ordinary care, we will not be liable for dishonor resulting from any reversal of credit, return of deposited items or for any damages resulting from any of those actions.

4. **Set-offs and Security Interest.** If you ever owe us money as a borrower, guarantor, or otherwise, and it becomes due, we have the right under the law (called “set-off”) and under this Agreement (by which you grant us security interest in your deposit account and any other accounts held by you) to use your account funds to pay the debt, where permitted by law. If your account is held jointly, that is, if there is more than one account owner, we may

offset funds for the debt of any one of the joint owners. Similarly, we may also set-off funds from the individual accounts of any one of the joint owners to satisfy obligations or debts in the joint account.

The security interest granted by this Agreement is consensual and is in addition to our right to set-off.

5. **Claims.** In response to any garnishment, attachment, restraining order, injunction, levy, citation to discover assets, judgment, reclamation, other order of court or other legal process ("Claim(s)"), we have the right to place a hold on, remove from your account(s) and/or remit to the designated third-party(ies) any amount on deposit in your account(s) as set forth in and required by such Claim(s). If the account(s) is/are held jointly, we may place the hold, remove from the account(s) and/or remit the amounts from the account(s) arising from any Claim(s) relating to any one or more of the account holders. In addition, we may charge against your account(s) any fee authorized by law in connection with the Claim(s) or as otherwise set forth in the Disclosures.
6. **Expenses.** You agree to be liable to us for any loss, costs or expenses that we incur as a result of any dispute involving your account, including reasonable attorneys' fees to the extent permitted by law, and you authorize us to deduct such loss, costs or expenses from your account without prior notice to you.
7. **Financial Exploitation** As permitted by law, we may act or decline to act to prevent, stop, or mitigate financial exploitation of an adult. For example, we may (1) delay, decline, or place a hold on a transaction or disbursement involving the adult; (2) approve or deny other requests or modifications to the account, such as a transfer of funds, change in ownership, or change in beneficiaries; or (3) notify a third party of the financial exploitation. We will not be liable for the actions we take on the account if we acted in good faith and exercised reasonable care. For purposes of this section, "adult" means vulnerable adult, elder adult, senior adult, eligible adult, or other person as defined by applicable law.
8. **Dormant/Inactive Accounts.** You understand that if your account is dormant or inactive, you may be charged the fee specified in the Disclosures and we may stop paying interest to the extent permitted by law. You understand that your account balance may be escheated (that is, turned over to the state) in accordance with state law.
9. **Joint, Trust, Fiduciary and Custodial Accounts.** You acknowledge that if your account is set up as a joint, trust, fiduciary or custodial account, it is your sole responsibility to determine the legal effects of opening and maintaining an account of this nature.
10. **Individual Account.** The named party in an individual account owns the account and may withdraw all or some of the account. On the death of the party, ownership passes as part of the party's estate.
11. **Joint Account.** If this is a joint account, all deposits are the property of the person(s) indicated on the account and we may release all or any part of the amount in the account to honor checks, orders, or other Items or withdrawals or requests from any person named on this account. Any person named on the account is liable for the amount of any overdraft fees regardless of whether he or she signed the item or benefited from the proceeds of the item. Upon receiving written notice from any person named on the account, we may freeze the account. The account may be frozen until we receive written notice, signed by all parties named in the account, as to the disposition of funds. We may use the funds to satisfy a debt or judgment of any person named on this account if ordered to do so by a court of law.
12. **Joint Account With/No Right of Survivorship.** If this account is noted as a joint account with survivorship, on the death of one party to a joint account, all sums in the account on the death vest in and belong to the surviving party(ies) as his or her separate property and estate. In the event this account is designated as a **joint account—no survivorship** and we receive written notice of death of any person named on the account, we may freeze the account until we have received satisfactory evidence as to the disposition of the account. You may only change the form of the account by a written order given to us by a person named on the account which orders us to change the form of the account or to stop or vary payment under the terms of the account. The order or request must be signed by a person named on the account, received by us during that person's lifetime, and not countermanded by other written order of the same person during his or her lifetime.
13. **In Trust For or Payable on Death Account.** If this account is noted as an In Trust For or Payable on Death account, the trustee(s) may change the named beneficiary(ies) at any time by a written direction to us. The trustee(s) reserves the right to withdraw all or part of the deposit at any time. Such payment or withdrawal shall constitute a revocation of the trust agreement as to the amount withdrawn. The beneficiary(ies) acquires the right to withdraw only if: (i) all of the trustees die, and (ii) the beneficiary is then living. The beneficiary(ies) is only entitled to the amount that is in the trust after all of the trustee's(s') outstanding debts and items have been paid. If all of the beneficiaries predecease the trustee(s), the named beneficiary's(ies') death shall terminate the trust and title to the money that is credited to the trust shall vest in the trustee(s). If two or more beneficiaries are named

and survive the death of all of the trustees, such beneficiaries will own this account in equal shares without right of survivorship, unless otherwise indicated. If the primary beneficiary predeceases the owner(s), when two or more contingent beneficiaries are named and survive the death of the owner(s), such beneficiaries will own this account in equal shares without the right of survivorship, unless otherwise indicated. Named beneficiaries are assumed to be primary unless indicated as contingent.

14. **Custodial Account.** A custodial account is subject to applicable law as adopted by the state in which the account is opened. The documents that authorize the custodianship may be required for the account. An account opened under the Uniform Transfers/Gifts to Minors Act must be opened in the name of a custodian "as custodian for (name of minor) under the Uniform Transfers to Minors Act." There may be up to two custodians and one minor as beneficiary for each minor account.
15. **Accounts for Minors.** We may require any account established by a minor to be a joint account with an owner who has reached the age of majority under state law and who is jointly and severally liable to us for any returned item, overdraft, or unpaid amount on such account and for any related fees and charges. We may pay funds directly to the minor regardless of their age. Unless a parent or guardian is an account owner, the parent or guardian will not have access to the account. We have no duty to inquire about the use or purpose of any transaction except as required by applicable law. We may not change the account status when the minor reaches the age of majority unless the change is authorized in writing by all account owners.
16. **Authorized Signer (Agent) Designation.** If you designate an agent, your named agent may make account transactions for you but has no ownership or rights at death unless named as a Payable on Death beneficiary or named as an In Trust For beneficiary, if applicable. If you have designated that the agent shall continue to have power after your disability or incapacity, the agent's authority survives your disability or incapacity. The agent may act for a disabled or incapacitated party until the authority of the agent is terminated. If you have noted that the agent shall not have power after your disability or incapacity, the agent's authority terminates upon your disability or incapacity. If you failed to specify whether or not the agent's authority survives or instead terminates upon your disability or incapacity, the authority will be presumed to survive your disability or incapacity. Death of the sole party or last surviving party terminates the authority of the agent. We may continue to rely on the agency designation to the extent permitted by law, until we have proper notice of an event of termination and have had a reasonable period of time to act upon it.

17. **Power of Attorney.** If you wish to name another person to act as your attorney in fact or agent in connection with your account, we must approve the form of appointment.
18. **Payment of Interest.** For interest bearing accounts, interest will be calculated and paid in accordance with the Disclosures provided to you at the time you opened the account.
19. **Fees, Service Charges and Balance Requirements.** You agree you are responsible for any fees, charges, balance, or deposit requirements as stated in the Disclosures. We also reserve the right to impose a service charge for cashing checks and other items drawn on your account if the person cashing the check or item is not a customer of this financial institution.
20. **Special Account Instructions.** You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or provide us with other protection. We may require that account changes requested by any account owner, such as adding or closing an account or service, be evidenced by a signed document that evidences a change to an account and accepted by us. You and any surviving owner or beneficiary agree to indemnify and hold us harmless for any claim or liability asserted against us as a result of the disposition of funds in reliance on this Agreement and any account designation of yours.

21. **Non-Sufficient Funds and Overdrafts.** If your account lacks sufficient funds to pay a debit transaction or item presented for payment as determined by your available account balance or actual (ledger) balance, we may 1) return the debit or item or 2) pay the debit or item at our discretion.

Available Balance. We use an available balance method to determine if there are sufficient funds in your account to pay a debit transaction or item and to assess non-sufficient funds and overdraft fees.

How We Decide to Pay a Debit or Item. The available balance reflects deposits and transactions that have been posted to your account and transactions that have not posted to your account, including the following: checks you have written, if applicable; deposit holds; and holds on debit card transactions that have been authorized but not yet posted (i.e., preauthorization holds). These pending transactions and holds reduce your available balance. For example, you have \$100 in your

account and a pending transaction of \$30. Your available balance is \$70 because the pending \$30 transaction reduces your available account balance.

How We Assess Fees. If there are insufficient funds to pay a debit transaction or item based on your available balance, we may either: 1) return the debit or item or 2) pay the debit or item at our discretion. We may charge you fees if we return the debit or item or pay the debit or item on your behalf.

Return Item for Non-Sufficient Funds. If we do not pay the debit or item on your behalf and return the debit or item, we may charge you non-sufficient funds fees. Pursuant to National Automated Clearing House Association ("Nacha") Operating Rules and Guidelines and other applicable laws, a debit or item may be presented for payment more than one time. We may charge you non-sufficient funds fees for each resubmission or re-presentation of a debit or item, which means you may incur multiple non-sufficient funds fees if a debit or item is returned more than one time. For example, you write a check from your account with us. The check is returned for non-sufficient funds, and we may charge you non-sufficient funds fees. The same check is then re-presented to us for payment, and the check is returned again for non-sufficient funds. We may charge you non-sufficient funds fees the second time the check is presented for payment and returned for non-sufficient funds.

Overdrafts. If we pay the debit or item on your behalf, you will be responsible for the overdrawn balance, and we may charge you overdraft fees. As discussed above, subsequent pending transactions and holds impact your available balance, which may cause your account to become overdrawn and subject to overdraft fees. For example, you have \$100 in your account. You use your debit card at a gas station and a preauthorization hold of \$60 is placed on your account because the amount of the transaction is not known at the time of authorization even though your gas was only \$50. The authorization hold reduces your available account balance to \$40. You then spend \$50 on groceries. If we pay this debit on your behalf, you will be responsible for paying the overdrawn balance, and we may charge you overdraft fees.

If applicable, overdrafts may be covered by our standard overdraft practice that comes with your account or an overdraft protection plan, such as a link to an account or a line of credit. As part of our offered standard overdraft practice, we do not authorize and pay overdrafts on ATM or everyday debit card transactions unless you request us to do so. Please refer to the Overdraft Services Consent Form for more information about overdrafts and our standard overdraft policies, if applicable, and refer to your Truth In Savings disclosure for more information about our overdraft privilege policy.

22. Processing Order. We will process debit and credit transactions in accordance with our processing order policy. The processing order of these debits and credits is important because if your account balance has insufficient funds to pay for the debits and credits in the order that they are processed, we may charge you non-sufficient funds fees if we return the debit or charge you overdraft fees if we pay the debit on your behalf.

23. Amendments and Alterations. You agree that the terms and conditions governing your account may be amended by us from time to time. We will notify you of amendments as required by applicable law. Your continued use of the account evidences your agreement to any amendments. Notices will be sent to the most recent address shown on the account records. Only one notice will be given in the case of joint account holders.

24. Severability. If a court for any reason holds a provision of this Agreement to be unenforceable, the rest remains fully enforceable. All headings are intended for reference only and are not to be construed as part of the Agreement.

25. Enforcement. You are liable to us for any losses, costs, or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, costs, or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post judgment collection actions.

26. Notices. You are responsible for notifying us of any address or name changes, the death of an account holder or other information affecting your account. Notices must be in a form and manner acceptable to us with enough information to allow us to identify the account. Notice sent by you to us is not effective until we have received it and have a reasonable opportunity to act on it. Written notice sent by us to you is effective when mailed to the last address supplied.

27. Liability. If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if, for example: (1) your account contains an insufficient available balance for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor.

We are not responsible for a share drafts/ checks that is paid by us if we acted in a commercially reasonable manner and exercised ordinary care. We exercise ordinary care if our actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules, and general financial institution practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict regarding what you and our employees say or write will be resolved by reference to this Agreement.

- 28. Taxpayer Identification Number and Backup Withholding.** You must provide a taxpayer identification number (hereafter TIN) with your account with us. If you fail to provide your TIN within a reasonable time, we may suspend opening your account or close your account and return the balance to you, less any applicable service fees. We may withhold taxes from interest earned on your account as required by federal or state law or regulations. Your failure to furnish a correct TIN or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service a percentage of interest and certain other payments.
- 29. Certified Beneficial Owner Information.** If you are obligated to certify beneficial owner information at the time the account is opened, you are responsible for notifying us of any changes to the certified beneficial ownership information that was provided to us. Notice should be made to us as soon as practical upon a change to the beneficial ownership information in a form and manner acceptable to us.
- 30. Unlawful Internet Gambling.** Restricted transactions are prohibited from being processed through your account with us as required by the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG. A restricted transaction is a transaction or transmittal involving any credit, funds, instrument, or proceeds in connection with the participation of another person in unlawful internet gambling. You will notify us if your business practices regarding internet gambling change in the future.
- 31. Telephone and Electronic Communication.** You agree that we may call or send text messages to you at the telephone numbers that you provide to us, including a cell phone number, which may result in charges to you, for informational purposes regarding your account(s) with us. These calls and text messages may be made from an automatic telephone dialing system (i.e., an autodialer) or from an artificial or prerecorded voice message system. Additionally, you agree that we may send electronic communication to

you at the email addresses you provide to us. You may contact us at any time if you no longer want to receive these communications from us. You also agree that we may monitor and record telephone and electronic communications that affect your account(s) with us to the extent permitted by law. We need not provide further notice to you or receive additional approval.

- 32. Online or Mobile Services.** If you open an account or obtain a product or service from us using our online or mobile services, we may record your personal information from a scan or a copy of your driver's license or other personal identification card, or we may receive an image or make a copy of your driver's license or other personal identification card. We may store or retain this information to the extent permitted by law.
- 33. Closing Account.** We may close the account at any time, with or without cause, after sending you notice if advance notice is required by law. If applicable, a notice may be sent to you that specifies when the account will be closed. At our discretion, we have the authority to pay an otherwise properly payable item, which is presented after the closing of your account. Such termination will not release you from any fees or other obligations incurred before the termination. We will send a check for the balance in our possession to which you are entitled.
- 34. Transfers and Assignments.** We may assign or transfer any or all of our interest in this account. You cannot assign or transfer any interest in your account unless we agree in writing.
- 35. Applicable Laws and Regulations.** You understand that this Agreement is governed by the laws of the state in which the account is opened unless federal law controls. Changes in these laws may change the terms and conditions of your account. We will notify you of any changes as required by law. If any of the terms of this Agreement come into conflict with the applicable law and are declared to be invalid or unenforceable, those terms will be nullified to the extent that they are inconsistent with the law and the applicable law will govern. However, this shall not affect the validity of the remaining provisions.
- 36. ACH and Wire Transfers.** This Agreement is subject to Article 4A of the Uniform Commercial Code—Funds Transfer as adopted by the state in which the account is opened. If you send or receive a wire transfer, you agree that Fedwire® Funds Service may be used. Federal Reserve Board Regulation J is the law that covers transactions made over Fedwire® Funds Service. When you originate a funds transfer for which Fedwire® Funds Service 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 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. If you are a party to an Automated Clearing House ("ACH") entry, you agree that we may transmit an entry through the ACH, and you agree to be bound by the Nacha Operating Rules and Guidelines, the rules of any local ACH, and the rules of any other systems through which the entry is made.

Provisional Payment. Credit we give you is provisional until we receive final settlement for that entry. If we do not receive final settlement, you agree that we are entitled to a refund of the amount credited to you in connection with the entry, and the party making payment to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

Notice of Receipt. We will not provide you with notice of our receipt of the order, unless we are so requested by the transfer originator in the order. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.

Choice of Law. We may accept on your behalf payments to your account which have been transmitted, that are not subject to the Electronic Fund Transfer Act, and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state where we are located.

International ACH Transactions. If your transaction originates from a financial agency that is outside of the territorial jurisdiction of the United States, it may be subject to additional review for compliance with the rules of the Office of Foreign Assets Control (OFAC). If additional review is required, the international ACH transaction will not be available to you until it passes final verification.

37. Direct Deposits. We may offer direct deposit services, including preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. If your account is overdrawn, you authorize us to deduct the amount of the overdraft from any deposit, including deposits of government payments or benefits. If we are required to reimburse the U.S. government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

38. Real-Time Payments. We may offer real-time payment services for you to send or receive certain payments or payment-related messages through a real-time payments system. Real-time payments are credit transfers that enable you to send and receive funds with near immediacy twenty-four (24) hours a day, seven (7) days a week, and fifty-two (52) weeks a year. These transfers are subject to transaction value limits

(e.g., \$100,000) and settlement is final and irrevocable. Real-time payments are intended for domestic payments only. Payments sent or received by a person outside of the United States are prohibited. Transfers using a real-time payments system are subject to the applicable operating or governing rules of the real-time payments system used, as well as the Uniform Commercial Code 4A in effect in the state in which we are located, the Electronic Fund Transfer Act (Regulation E), and the rules of OFAC.

39. Stop Payments.

Stop Payments on Checks. If you request us to stop payment on a check you have written, you will give written or other confirmation as allowed by us within 14 days of making the request. If you fail to confirm an oral stop payment request within the 14 days, unless our policy provides otherwise, we reserve the right to cancel the request. Your stop payment request must describe the check or account with reasonable certainty and we must receive the request in a time and way that gives us a reasonable opportunity to act on it. A stop payment on a check you have written will remain in effect until the earlier of 1) six months or other time period not less than six months as specified in the Stop Payment Order, or 2) until we receive written revocation of the stop payment. If the check on which a Stop Payment Order has been placed has not yet cleared or been returned to you by the payee, you may renew the Stop Payment Order for an additional six months by providing a request to us in a record or writing within the time period the Stop Payment Order is in effect. Our acceptance of a stop payment request does not constitute a representation by us that the check has not already been paid or that we have had a reasonable opportunity to act on the request. We may accept a stop payment request on lost or stolen checks, whether a single check or series, unless our policy requires we open a new account for you to ensure your security. Written communication includes communication by electronic record.

Stop Payments on ACH Debits. A Stop Payment Order may be placed on either a one-time debit transfer or on a multiple debit entry transfer. If you request a Stop Payment Order on an Electronic Check Conversion or other one-time debit transfer, we must receive the request, orally or in a record or writing, in a period of time that provides us a reasonable opportunity to act on it prior to acting on the debit entry, otherwise the Stop Payment Order shall be of no effect. If you requested a stop payment on a multiple or future debit entry transfer, we must receive the Stop Payment Order, orally or in a record or writing, at least three business days before a scheduled debit entry. Requests to stop all future payments on an ACH debit transfer may require additional documentation to be supplied to us. Oral stop

payment orders are binding on us for 14 calendar days only, unless our policy provides otherwise, and must be confirmed by you in a record or writing within that period. A Stop Payment Order on an ACH debit will remain in effect until the earlier of 1) your withdrawal of the Stop Payment Order, or 2) the return of the debit entry, or, where a Stop Payment Order is applied to more than one debit entry under a specific authorization involving a specific payee (Originator), the return of all such debits. When a stop is placed on a multiple or future debit entry transfer, we may require your confirmation in a record or writing stating that you have canceled your authorization for the transfer with the payee (a Stop Payment Order does not revoke authorization). Written communication includes communication by electronic record.

The Stop Payment Order shall be governed by the provisions of Article 4A of the Uniform Commercial Code as adopted by the state in which the account is opened, the Electronic Fund Transfer Act (Regulation E), Nacha Operating Rules, and any applicable state law. You may be charged a fee every time you request a Stop Payment Order and for each Stop Payment Order renewal you make. You understand that we may accept the stop payment request from any of the joint owners of the account regardless of who signed the check or authorized the transfer. A release of the Stop Payment Order may be made only by the person who initiated the stop payment request.

40. Checks. All negotiable paper ("checks") presented for deposit must be in a format that can be processed and we may refuse to accept any check that does not meet this requirement. All endorsements on the reverse side of any check deposited into your account, or on any check issued by you, must be placed on the left side of the check when looking at it from the front, and must be placed so as to not go beyond an area located 1-1/2 inches from the left edge of the check when looking at it from the front. It is your responsibility to ensure that this requirement is met. You are responsible for any loss incurred by us for failure of an endorsement to meet this requirement.

41. Electronic Checks and Electronically-Created Items. Pursuant to Regulation CC, electronic checks may be treated the same as paper checks for check collection and processing purposes. See the Substitute Checks section for more information. Electronically-created items ("ECI") are check-like items created in electronic form that never existed in paper form. For example, you set up automatic bill payments with us to pay your utility bill. From your account information, we create an ECI that is sent to your utility company for payment. An ECI cannot be used to create a substitute check since it never existed in paper form.

42. Substitute Checks. To make check processing faster, federal law permits financial institutions 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 check(s). An electronic check can be used to create a substitute check since the electronic image and electronic information was derived from its paper form.

43. Remote Deposit Capture. Remote deposit capture ("RDC") allows you to make deposits to your account from remote locations by electronically transmitting digital images of your original paper checks, which are drawn on or payable through United States financial institutions in United States dollars to us. We may then use the digital image to create an electronic check or substitute check for collection. If you use our RDC services, if applicable, we may require you to endorse the back of the paper check to indicate that it has been remotely deposited. For example, "for mobile deposit only."

44. Pre-authorized Checks or Drafts. You should guard information about your account (such as your routing number and your account number) as carefully as you would guard blank checks. If you voluntarily give such information about your account to a party which is seeking to sell you goods or services, without physically delivering a check to it, any debit to or withdrawal from your account it initiates will be deemed authorized by you.

45. Stale or Postdated Checks. We reserve the right to pay or dishonor a check more than 6 months old without prior notice to you. If you can write checks on your account, you agree not to postdate any check drawn on the account. If you do and the check is presented for payment before the date of the check, we may pay it or return it unpaid. We are not liable for paying any stale or postdated check. Any damages you incur that we may be liable for are limited to actual damages not to exceed the amount of the check.

46. Verifying Funds Availability for Check. You authorize us to release funds availability information about your account to individuals or merchants who represent to us that they have received a check or other item from you.

47. Check Safekeeping. If you can write checks on your account and utilize check safekeeping or any other system offered by us for the retention of your checks, you understand that the canceled checks will be retained by us and destroyed after a reasonable time period or as required by law. If for any reason we cannot

provide you with a copy of a check, our liability will be limited to the lesser of the face amount of the check or the actual damages sustained by you. When you request a copy of a check it may be subject to a fee as defined in the Disclosures.

48. Remotely Created Checks. A remotely created check, as defined in Regulation CC, means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn. By having a deposit account with us, you certify that all remotely created checks deposited to your account(s) will be expressly and verifiably authorized by the payor. And we reserve the rights to refuse to deposit any such remotely created check if we have any reason to believe that the item is fraudulent in any manner, and to obtain from you the payor's express, verifiable authorization for any such check.

49. Statements. If your account is a Checking, NOW, Money Market, or Statement Savings account, we will provide you with a periodic statement showing the account activity. The last address you supply us in writing will be deemed the proper address for mailing this statement to you. The account holder who receives this statement is the agent for his/her co-account holder(s) for purposes of receiving the statement and items. You must exercise reasonable care in reviewing your statement and reasonable promptness in notifying us of any discrepancies, such as alterations or forged or unauthorized signatures, even if by the same wrongdoer. You must notify us within 30 days after we mail or otherwise make the statement available to you of any discrepancies, except for transfers governed by the Wire Transfer Agreement. If you fail to notify us with reasonable promptness, you will have no claim against us to the extent permitted by law. Additionally, you agree that we will not be liable for discrepancies reported to us after one year after we mail or otherwise make the statement or items available to you, even if we failed to exercise reasonable care. However, if the discrepancy is the result of an electronic fund transfer, the provisions of our Disclosures will control its resolution. If you do not receive a statement from us because you have failed to claim it, or have supplied us with an incorrect address, we may stop sending your statements until you specifically make written request that we resume sending your statements and you supply us with a proper address.

50. Electronic Statements and Notices. You may have the option to have statements and notices regarding this account provided to you in an electronic form, including to a designated e-mail address, through an online banking portal, or other electronic method, upon your authorization. The authorization may be withdrawn at any time to return to a mailed paper form by providing written notice to us at the address provided. The fees for receiving in

either form, and for receiving paper copies, are described in your Disclosures. In order to receive your account information in an electronic form, the receiving system may have to meet specific requirements. We will keep you informed of any change to the minimum hardware or software requirements.

51. Signatures. Your signature on the Account Information form is your authorized signature. You authorize us, at any time, to charge you for all checks, drafts, orders, or other items for the payment of money, that are drawn on us regardless of by whom or by what means (including facsimile signature(s)) may have been affixed so long as they resemble the signature specimen in our files. For withdrawal and for other purposes relating to any account you have with us, we are authorized to recognize your signature; and we will not be liable to you for refusing to honor signed instruments or instructions if we believe in good faith that one or more of the signatures appearing on the instrument or instruction is not genuine.

If your items are signed using any facsimile signature or non-manual form of signature, you acknowledge that it is solely for your benefit and convenience. You agree that no facsimile signature you have authorized us to honor may be considered a forgery or an unauthorized signature, and that every authorized facsimile signature shall be effective as the signatory's own original, manual signature. You accept sole responsibility for maintaining security over any device affixing the signature as such signature will be effective regardless of whether the person affixing it was authorized to do so. Your authorization notwithstanding, we are not obligated to accept or pay any items bearing facsimile signatures.

Further, most checks, drafts, orders, or other items are processed automatically, i.e., without individual review of each item. Therefore, unless we agree in a separate writing, in our sole discretion, upon your request and due to unique circumstances to conduct individual review of checks, drafts, orders, or other items for more than one signer, you agree that we are acting within common and reasonable banking practices by automatically processing these items. You agree to indemnify, defend, and hold us harmless from and against all loss, costs, damage, liability, and other injury (including reasonable attorney fees) that you or we may suffer or incur as a result of this practice.

52. Restrictive Legends. We are not required to honor any restrictive legend on checks you write unless we have agreed to the restriction in a writing signed by an officer of the financial institution. Examples of restrictive legends are "two signatures required", "must be presented within 90 days" or "not valid for more than \$1,000.00."

53. Our Waiver of Rights. You understand and agree that no delay or failure on our part to exercise any right, remedy, power or privilege available to us under this Agreement shall affect or preclude our future exercise of that right, remedy, power or privilege.

54. Your Waiver of Notice. By signing the signature card/Account Information form, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your deposit account to the extent permitted by law. For example, if a check that you deposited is dishonored and returned to us, we are not required to notify you of the dishonor.

55. Death or Incompetency. Neither your death nor a legal adjudication of incompetence revokes our authority to accept, pay, or collect items until we know of the fact of death or of an adjudication of incompetence and have a reasonable opportunity to act on it. To the extent permitted by law, even with knowledge, we may for 10 days after the date of death, pay checks drawn on or before the date of death unless ordered to stop payment by a person claiming an interest in the account.

ACCOUNT SPECIFIC PROVISIONS.

In addition to the General Rules, the following rules apply to specific types of accounts:

CHECKING AND NOW ACCOUNTS

Checking Accounts. If your account is a checking account, it will be either non-interest bearing or interest bearing as defined in the Truth in Savings Disclosure.

Withdrawals. Deposits will be available for withdrawal consistent with the terms of our Disclosures. Withdrawals may be subject to a service charge.

Withdrawal Notice Requirements. If your account is a NOW account or a non-demand deposit checking account, we have the right to require seven (7) days prior written notice from you of your intent to withdraw any funds from your account.

MONEY MARKET AND SAVINGS ACCOUNTS

Withdrawals. We have the right to require seven (7) days prior written notice from you of your intent to withdraw any funds from your account. Withdrawals may be subject to a service charge.

Transaction Limitations. Our policy allows us to restrict the number of transfers or withdrawals you can make on a Money Market Account and Savings Account, or we may allow you to make an unlimited number of transfers or withdrawals from these accounts.

Restrictions on Money Market and Savings Accounts. If we restrict the number of transfers or withdrawals you can make on these accounts,

you understand that we will not allow more transfers or withdrawals than the maximum number specified in the Disclosures, and we may close your account, take away your ability to transfer funds, charge you a fee, or convert the account to a checking or other transaction account if the restriction is violated.

No Restrictions on Money Market and Savings Accounts. If we do not restrict the number of transfers or withdrawals you can make on these accounts, your account may still be subject to other transaction limitations. Please refer to the Disclosures to understand which transaction limitations, if any, apply to your account.

SAVINGS ACCOUNTS

Passbooks. If your account is a passbook account and you wish to make a withdrawal without your passbook, we can refuse to allow the withdrawal. If your passbook is lost or stolen, you will immediately notify us in writing.

CERTIFICATES OF DEPOSIT/TIME DEPOSIT ACCOUNTS

Account Terms. The Certificate bears interest at the rate and basis as set forth on the Certificate. The terms of the Certificate, such as the interest rate(s), Annual Percentage Yield ("APY"), length of term period, renewability, and date of maturity are specified on the Certificate and in the Disclosures provided to you at the time of account opening. Interest will not be compounded unless noted and will be paid to you at the frequency and in the method noted. If interest compounds during the term of the Certificate and may be withdrawn prior to maturity, the withdrawal of interest prior to maturity will affect the APY.

Withdrawal Prior To Maturity. You have contracted to keep the account funds on deposit from the issue date until the maturity date. We may accept a request by you for withdrawal of some or all of the account funds prior to the maturity date at our discretion or as otherwise described in the Disclosures.

Additional Deposits During The Term. No additional deposits will be allowed to this account during its term unless otherwise described in the Disclosures.

Early Withdrawal Penalty. Unless provided otherwise in the Disclosures, we will assess an early withdrawal penalty on any withdrawal, either partial or in whole, that we allow you to make from your account prior to the account's maturity date. The method for determining that penalty is described in the Disclosures.

Renewal. Automatic Renewal Certificates will renew automatically on the stated maturity date of its term. Such renewal will be for a time period equal or similar to the original term and subject to these terms and conditions. Interest for that renewal term will be paid at the interest rate then in effect at this financial institution for similar

accounts. If you close the Certificate within the grace period following the maturity date, we will not charge an early withdrawal penalty for that withdrawal. The grace period following a maturity date is described in the Disclosures.

Single Maturity. Single Maturity Certificates will not automatically renew at maturity. The Disclosures describe our policy concerning the account's status following the maturity date. To ensure a continuation of interest earning, you must arrange for a new investment of the account balance.

Grandfathered products during bank conversions are available only for existing accounts. A \$50 minimum opening balance is required for new TowneBank personal deposit accounts and a \$1,000 minimum opening deposit is required for CD accounts.

DEPOSIT ACCOUNT AGREEMENT ADDENDUM

This addendum supplements the Deposit Account Agreement and, together with that agreement (collectively, the "Agreement"), will govern your deposit account relationship with us.

DEPOSITED ITEMS. We may provisionally credit your account for the amounts stated on your deposit slip or, to the extent that we accept items as deposits without a deposit slip, the amounts on such items. However, all deposits are subject to verification. In all circumstances, you are responsible for ensuring that the amounts stated on your deposit slip are correct. If later we determine that the amounts for which we have provisionally credited your account are incorrect, we may adjust (debit or credit) your account. We will report these adjustments on your account statement. We shall not be liable for any costs or expenses that you may incur to help us properly adjust your account in connection with an inaccurate or missing deposit slip.

ORDER OF POSTING. You understand that when items are presented for payment, applicable law allows us to group items in separate categories, to post the categories in any order, and to post items in any order within each category. On consumer accounts, we post items within categories from the lowest to the highest dollar amount. On commercial accounts, we currently post items within categories from the highest to the lowest dollar amount.

TRANSACTION LIMITATIONS. On savings and money market accounts, we limit certain types of external transactions to a combined total of six (6) per statement cycle. External transactions are transfers from a savings or money market account to third parties by check, through point-of sale purchase transactions or similar debit card transactions, by pre-authorized or automatic agreements through an automated clearing house (ACH), wires, telephone, online or similar order payable to a third person, or ATM withdrawals. Exceptions apply for bank-initiated transactions and transactions required for legal

reason. A \$10.00 fee applies for each additional external transaction during the statement cycle.

NOW ACCOUNTS. Although there is a reference to NOW accounts in the Agreement, we are not, by law or otherwise, required to offer NOW accounts. We do not currently offer NOW accounts and have no plans to do so in the future.

UNDERSTANDING ACCOUNT BALANCES AND OVERDRAFT FEES. Available Balance vs. Actual (Ledger) Balance. Your 'available balance' is the most current record we have regarding the funds that are available to you. This balance is updated throughout the day with any pending transactions you might make – paying for breakfast with your debit card, getting cash from the ATM, sending money via a wire transfer, etc. For example, if you have \$100 in your account and spend \$25 on groceries, the \$25 may show as a pending transaction, and your available balance would be \$75. If you spend more than the available balance, then you may incur an overdraft fee.

Your 'actual (ledger) balance' (also called current) is the total amount of funds in your account and does not change throughout the day. It does not reflect any pending credits, debits, or other transactions or checks that have not cleared your account. The actual balance is referred to as 'current balance' in our online banking platform.

To determine whether you have sufficient funds to cover a transaction during our nightly processing, we will take into consideration (i) all transactions that have posted to your account, (ii) any holds that may be in place on deposits you have made, and (iii) pending transactions that we have authorized but have not yet posted to your account – including pending debit card purchases and ATM withdrawals. We have no obligation to cover a transaction if you do not have sufficient funds to cover it. If we return an item without paying it, we may charge you a non-sufficient funds fee. If there are insufficient funds in your account to pay an item and the transaction is resubmitted, each resubmission counts as a separate item and will be assessed a non-sufficient funds fee. If we do pay the item on your behalf, you will be responsible to pay the overdrawn balance and an overdraft fee.

We may refer to the non-sufficient funds fee as a "returned item fee" in statements, schedules, and other documents associated with this Agreement and your account.

There is a possibility that your available balance may not reflect all of your transactions. You may overdraw your account even though the available balance appears to show sufficient funds in your account. For example, the available balance does not include:

- **Outstanding checks and payments:** Any checks you have written that have not yet cleared your account, or automatic or recurring payments to you from third parties that you previously authorized but have not yet been received by us for crediting your account.

- **Final debit card transactions:** In some cases, we receive an authorization for a debit card transaction, but the final transaction may be more than the amount authorized (for example, tips you add to the transaction after the restaurant has processed your debit card).
- **Pending debit card transactions:** Certain types of card transactions, like car rentals, hotel reservations, and international transactions, may be authorized, but submitted to us for payment much later.

You understand that there are two distinct stages to a debit card transaction – authorization and payment (or settlement). We will authorize the debit card transaction when you use your debit card if you have sufficient funds for the amount of the authorization in your account's available balance at the time of the transaction. Separately, we will pay (or settle) that debit card transaction when the merchant presents it to us for payment. We are obligated to make this payment (or settlement) even if you do not have sufficient funds for the amount of the requested payment in your account's actual balance at the time of the payment.

Keeping Track of Your Balance. We do not know about every check you have written or each electronic payment you have authorized, so it is very important that you keep track of your initiated or approved transactions using a check register or online banking. Due to the electronic aspect of transactions today, many items clear the bank and your account much faster than they did before, so it's important to have sufficient funds at all times in order to prevent overdrafts.

Online banking is a useful and secure tool for keeping track of your pending and posted transactions. Pending items received during the day will be reflected on your online banking account and will reduce your intra-day available balance. However, during nightly processing, if you do not have sufficient funds in your account to pay incoming check and pending transactions, items may be returned unpaid or paid into overdraft.

Do not assume that you can make a last-minute deposit Monday through Friday to cover incoming transactions, as cut-off times for deposits vary at the ATM, TowneBank branches, mobile deposit capture, and online transfers. Visit townebank.com for specific details on cut-off times. Deposits are not always available for immediate withdrawal – see our Funds Availability Policy for more information.

Review Your Monthly Statement. We offer you the option to receive a monthly account statement either in the mail or online. This statement serves as a summary of all your account activity – cashed checks, withdrawals, deposits, as well as any fees during the statement period.

It is very important that you review your statements promptly, verify the accuracy of all transactions, and ensure that enough funds remain to cover items that may be pending, but not yet posted to your account. Online banking is a great way to review your TowneBank accounts on a daily basis.

Be sure to review all transactions (line-by-line) against your check register. Compare the ending balance on your statement with your check register. If the balances do not match, check for transactions in your register that are not shown on your statement. (These transactions could be checks you have written that, as of the end of the statement period, have not yet been processed by us or debit card purchases that have not yet been submitted to us for payment.)

Pay special attention to transactions on your statement that you may have forgotten to note on your register (such as debit card purchases or any fees). After notating and making these adjustments, your statement balance and register balance should match.

How to Avoid Overdraft Fees. In today's electronic world of ATM and debit card transactions, online bill payments, and fast-clearing checks, keeping track of your account balance can be tricky. We have services that can help prevent embarrassing situations and minimize fees.

Overdraft protection transfers – Overdraft protection links your checking account to another TowneBank deposit account. In the event of an overdraft, available funds will automatically be transferred from the linked account to cover the overdraft. Talk to your banker to get started.

Coverlines – Apply for a Coverline and, in the event of an overdraft, funds will be transferred from your line of credit to your designated account. Talk to your banker to get started. Subject to credit approval; applicable interest rates apply.

Balance notifications through online banking – Balance notifications provide a simple solution that is free and easy to use. Simply log in to online banking, select the account you wish to monitor and establish a target balance level for notification. An email will automatically be sent to you when your balance reaches that level.

Other Resources to Help Minimize Overdrafts and Fees – If you are facing financial challenges, you may want to consider free or low-cost financial workshops or individualized financial counseling. Contact the National Foundation for Credit Counseling at 1-800-388-2227, or visit www.ftc.gov or www.fdic.gov for additional consumer resources. If you need additional assistance or tips, feel free to contact your local, hometown banker.

FEES. The fees that we may charge with respect to your account are set forth in our "Schedule of Fees", which we update from time to time. We reserve the right in our sole discretion to waive or otherwise not charge a particular fee in a certain situation, but such a waiver or not charging will not affect or preclude our right to charge one or more fees in another situation, regardless of how similar or dissimilar it may be.

CLOSING ACCOUNT. Under the Agreement, we may close your account at any time, with or without cause, after sending you notice if advance notice is required by law. We will automatically close your account, at the end of such period, if it has

maintained an actual (ledger) balance of zero and has otherwise not had any activity for a period of 90 consecutive calendar days.

WAIVER OF JURY TRIAL. You waive your right to a jury trial in any action, proceeding, or claim arising out of or relating to the Agreement. Such matters may be tried before a judge only irrevocably.

WAIVER OF CLASS ACTIONS. You agree that the transactions of each depositor of our bank arise from a unique relationship between us and our depositor such that any damages that may arise as a result of a violation or alleged violation of the Agreement or the laws and regulations governing the Agreement are not the same for all depositors and is not, therefore, appropriate for class action treatment. You waive your right to participate in a class action against us either as a member of a putative class or as lead plaintiff in any dispute against us.

IMPORTANT DECISION NEEDED FOR YOUR ATM AND DEBIT CARD TRANSACTIONS

TowneBank is committed to providing you with superior products and service. If you would like for us to consider authorizing and paying overdrafts on your ATM and everyday Debit Card transactions, please review the following information and opt-in.

If you do not opt-in, we will not be able to authorize or pay any ATM or everyday Debit Card transactions that would cause an overdraft. If there are insufficient funds in your account, those transactions will be declined.

What You Need to Know About Overdrafts and Overdraft Fees on Your Personal Account

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We can cover your overdrafts in two different ways:

1. We have standard overdraft practices that come with your account.
2. We also offer overdraft protection plans, such as a link to a savings account or an overdraft line of credit*. To learn more, ask us about these plans. *Normal credit approval criteria apply.

What are the standard overdraft practices that come with my account?

We do authorize and pay overdrafts for the following types of transactions:

- Checks and other transactions made using your checking account number
- Automatic bill payments

We will not authorize and pay overdrafts for the following types of transactions unless you ask us to:

- ATM transactions
- Everyday Debit Card transactions

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize

and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined.

What fees will I be charged if TowneBank pays my overdraft?

Under our standard overdraft practices:

- Overdraft fees will not apply until one or more items cause your final daily balance to be overdrawn by more than \$50.00. Bank fees can cause your account to be overdrawn.
- If your final daily balance is overdrawn by more than \$50.00, we will charge you a fee of \$42.00 each time we pay an overdraft created by checks, in-person withdrawals, automatic bill payments, and other transactions made using your checking account number. Overdraft Fees will be capped at 5 items per day.

What if I want TowneBank to consider authorizing and paying overdrafts on my ATM and everyday Debit Card transactions?

If you want us to consider authorizing and paying overdrafts on ATM and everyday Debit Card transactions, please let TowneBank know. If you wish to change your preference at any time for ATM and everyday Debit Card transactions, feel free to contact your banker.

ELECTRONIC FUND TRANSFER DISCLOSURE AND AGREEMENT

For purposes of this disclosure and agreement the terms "we", "us" and "our" refer to TowneBank. The terms "you" and "your" refer to the recipient of this disclosure and agreement.

The Electronic Fund Transfer Act and Regulation E require institutions to provide certain information to members regarding electronic fund transfers (EFTs). This disclosure applies to any EFT service you receive from us related to an account established primarily for personal, family or household purposes. Examples of EFT services include direct deposits to your account, automatic regular payments made from your account to a third party and one-time electronic payments from your account using information from your check to pay for purchases or to pay bills. This disclosure also applies to the use of your Towne24 ATM Card (hereinafter referred to collectively as "ATM Card") or debit card (hereinafter referred to collectively as "Debit Card") at automated teller machines (ATMs) and any networks described below.

TERMS AND CONDITIONS. The following provisions govern the use of EFT services through accounts held by TowneBank which are established primarily for personal, family or household purposes. If you use any EFT services provided, you agree to be bound by the applicable terms and conditions listed below. Please read this document carefully and retain it for future reference.

DEFINITION OF BUSINESS DAY. Business days are Monday through Friday excluding holidays.

ELECTRONIC FUND TRANSFER SERVICES PROVIDED

ATM CARD SERVICES. The services available through use of your ATM card are described below.

TOWNE24 ATM CARD SERVICES:

- You may withdraw cash from your checking account(s), savings account(s), and money market account(s).
- You may make deposits into your checking account(s), savings account(s), and money market account(s).
- You may transfer funds between your checking and savings accounts, checking and money market accounts, and savings and money market accounts.
- You may make balance inquiries on your checking account(s), savings account(s), and money market account(s).

DEBIT CARD SERVICES. The services available through use of your debit card are described below.

- You may withdraw cash from your checking account(s), savings account(s), and money market account(s).
- You may make deposits into your checking account(s), savings account(s), and money market account(s).
- You may transfer funds between your checking and savings accounts, checking and money market accounts, and savings and money market accounts.
- You may make balance inquiries on your checking account(s), savings account(s), and money market account(s).
- You may use your card at any merchant that accepts Mastercard® debit cards for the purchase of goods and services.

TOWNEBANK ATM SERVICES.

NETWORK. Your ability to perform the transactions or access the accounts set forth above depends on the location and type of ATM you are using and the network through which the transaction is being performed. A specific ATM or network may not perform or permit all of the above transactions.

Besides being able to use your ATM Card or Debit Card at our TowneBank ATM terminals, you may access your accounts through the following network(s): Mastercard, Maestro, Cirrus, NYCE, AFFN and CU24.

ATM FEES. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used, and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer.

POINT OF SALE TRANSACTIONS.

Listed below are the cards you may use to purchase goods and services from merchants that have arranged to accept your cards as a means of payment (these merchants are referred to as "Participating Merchants"). Some Participating Merchants may permit you to receive cash back as part of your purchase. Purchases made with your cards, including any purchase where you receive cash, are referred to as "Point of Sale" transactions and will cause your "designated account" to be debited for the amount of the purchase. We have the right to return any check or other item drawn against your account to ensure there are funds available to pay for any Point of Sale transaction. We may, but do not have to, allow transactions which exceed your available account balance or, if applicable, your available overdraft protection. If we do, you agree to pay an amount equal to the overdrawn balance plus any overdraft fees.

The following cards and the corresponding designated account(s) may be used for Point of Sale transactions:

- Debit card: primary checking.
- Towne24 ATM Card: primary checking.

Your ATM and Debit cards may also be used to obtain cash from your designated account(s) at participating financial institutions when so authorized under the terms of your Account Agreement.

SERVICES PROVIDED THROUGH USE OF TOWNE24 VRU TELEPHONE BANKING.

You may perform the following functions through use of Towne24 VRU Telephone Banking:

- You may initiate transfers of funds between your checking and savings accounts, checking and money market accounts, and savings and money market accounts.
- You may make balance inquiries on your checking account(s), savings account(s), and money market account(s).
- You may make payments on consumer loans, home mortgage loans, home equity loans, and Commercial Loans that you have with us.

PRE-AUTHORIZED TRANSFER SERVICES.

- You may arrange for the pre-authorized automatic deposit of funds to your checking account(s), savings account(s), and money market account(s).
- You may arrange for the pre-authorized automatic payments or other transfers from your checking account(s), savings account(s), and money market account(s).

SERVICES PROVIDED THROUGH USE OF ONLINE BANKING. TowneBank offers its members use of our Online Banking service, Towne-Personal, Towne-Biz, and Business Online Banking.

ELECTRONIC CHECK CONVERSION. You may authorize a merchant or other payee to make a

one-time electronic payment from your checking account using information from your check to pay for purchases or to pay bills.

LIMITATIONS ON TRANSACTIONS

TRANSACTION LIMITATIONS - TOWNE24 ATM CARD.

CASH WITHDRAWAL LIMITATIONS. You may withdraw up to \$1,000.00 through use of ATMs in any one day. You may make up to 10 withdrawals of cash through use of ATMs in any one day.

POINT OF SALE LIMITATIONS. You may buy up to \$1,000.00 worth of goods or services in any one day through use of our Point of Sale service. You can use our Point of Sale service for up to 20 transactions in any one day.

TRANSACTION LIMITATIONS - DEBIT CARD.

CASH WITHDRAWAL LIMITATIONS. You may withdraw up to \$1,000.00 through use of ATMs in any one day. You may make up to 10 withdrawals of cash through use of ATMs in any one day.

POINT OF SALE LIMITATIONS. You may buy up to \$3,000.00 worth of goods or services in any one day through use of our Point of Sale service. You can use our Point of Sale service for up to 50 transactions in any one day.

OTHER WITHDRAWAL LIMITATIONS. Your Debit Card Point of Sale daily limit can be a combination of 20 PIN Purchases and 30 Non-PIN Purchases.

NOTICE OF RIGHTS AND RESPONSIBILITIES

The use of any electronic fund transfer services described in this document creates certain rights and responsibilities regarding these services as described below.

RIGHT TO RECEIVE DOCUMENTATION OF YOUR TRANSFERS.

TRANSACTION RECEIPTS. Depending on the location of an ATM, you may not be given the option to receive a receipt if your transaction is \$15.00 or less. Upon completing a transaction of more than \$15.00, you will receive a printed receipt documenting the transaction (unless you choose not to get a paper receipt). These receipts (or the transaction number given in place of the paper receipt) should be retained to verify that a transaction was performed. A receipt will be provided for any transaction of more than \$15.00 made with your ATM Card or Debit Card at a Participating Merchant. If the transaction is \$15.00 or less, the Participating Merchant is not required to provide a receipt.

PERIODIC STATEMENTS. If your account is subject to receiving a monthly statement, all EFT transactions will be reported on it. If your account is subject to receiving a statement less frequently than monthly, then you will continue to receive your statement on that cycle, unless there are

EFT transactions, in which case you will receive a monthly statement. In any case you will receive your statement at least quarterly.

PRE-AUTHORIZED DEPOSITS. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company:

- You can call us at 757-638-6700 to find out whether or not the deposit has been made.

USING YOUR CARD AND PERSONAL IDENTIFICATION NUMBER ("code"). In order to assist us in maintaining the security of your account and the terminals, the ATM Card or Debit Card remains our property and may be revoked or canceled at any time without giving you prior notice. You agree not to use your ATM Card or Debit Card for a transaction that would cause your account balance to go below zero, or to access an account that is no longer available or lacks sufficient funds to complete the transaction, including any available line of credit. We will not be required to complete any such transaction, but if we do, we may, at our sole discretion, charge or credit the transaction to another account; you agree to pay us the amount of the improper withdrawal or transfer upon request.

Your ATM Card may only be used with your code. Certain transactions involving your Debit Card require use of your code. Your code is used to identify you as an authorized user. Because the code is used for identification purposes, you agree to notify TowneBank immediately if your ATM Card or Debit Card is lost or if the secrecy of your code is compromised. You also agree not to reveal your code to any person not authorized by you to use your ATM Card or Debit Card or to write your code on your ATM Card or Debit Card or on any other item kept with your ATM Card or Debit Card. We have the right to refuse a transaction on your account when your ATM Card or Debit Card or code has been reported lost or stolen or when we reasonably believe there is unusual activity on your account.

The security of your account depends upon your maintaining possession of your ATM Card or Debit Card and the secrecy of your code. You may change your code if you feel that the secrecy of your code has been compromised. You may change your code at our ATM.

RIGHTS REGARDING PRE-AUTHORIZED TRANSFERS.

RIGHTS AND PROCEDURES TO STOP PAYMENTS.

If you have instructed us to make regular pre-authorized transfers out of your account, you may stop any of the payments. To stop a payment,

call us at: 757-638-6700 or write to:

TowneBank
Card Services
P. O. Box 2818
Norfolk, VA 23501-2818

We may charge you for each stop payment order you give us. The amount we may charge is included in the current fee schedule, which is hereby incorporated into this document by reference.

We must receive your call or written request at least three (3) business days prior to the scheduled payment. If you call, please have the following information ready: your account number, the date the transfer is to take place, to whom the transfer is being made and the amount of the scheduled transfer. If you call, we will require you to put your request in writing and deliver it to us within fourteen (14) days after you call.

NOTICE OF VARYING AMOUNTS. If you have arranged for automatic periodic payments to be deducted from your checking or savings account and these payments vary in amount, you will be notified by the person or company you are going to pay ten days prior to the payment date of the amount to be deducted. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

OUR LIABILITY FOR FAILURE TO STOP PRE-AUTHORIZED TRANSFER PAYMENTS. If you order us to stop one of the payments and have provided us with the information we need at least three (3) business days prior to the scheduled transfer, and we do not stop the transfer, we will be liable for your losses or damages.

YOUR RESPONSIBILITY TO NOTIFY US OF LOSS OR THEFT. If you believe your ATM Card or Debit Card or code or internet banking access code has been lost or stolen,

call us at: 1-888-638-6718 (Monday-Friday 9 AM–6 PM) or 1-866-952-5651 (After hours, holidays, and weekends) or write to:

TowneBank
Card Services
P. O. Box 2818
Norfolk, VA 23501-2818

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.

CONSUMER LIABILITY. Tell us AT ONCE if you believe your ATM Card or Debit Card or code or internet banking access 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. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit, if applicable). If you tell us within two (2) business days after you learn of the loss or theft of your ATM Card or Debit Card or code or internet banking access code you can lose no more than fifty dollars (\$50) if someone used your ATM Card or Debit Card or code or internet banking access code without your

permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your ATM Card or Debit Card or code or internet banking access code and we can prove we could have stopped someone from using your ATM Card or Debit Card or code or internet banking access code without your permission if you had given us notice, you can lose as much as five hundred dollars (\$500).

Also, if your statement shows transfers you did not make, including those made by card, code, or other means, tell us at once. If you do not tell us within sixty (60) days after the statement was transmitted to you, you may not receive back any money you lost after the sixty (60) days, and therefore, you may not get back any money in your account (including your maximum overdraft line of credit, if applicable), if we can prove that we could have stopped someone from taking the money had you given us notice in time. If a good reason (such as a long trip or hospital stay) keeps you from giving the notice, we will extend the time periods.

CONSUMER LIABILITY FOR UNAUTHORIZED TRANSACTIONS INVOLVING DEBIT CARD.

The limitations on your liability for unauthorized transactions described above generally apply to all electronic fund transfers. However, different limitations apply to certain transactions involving your card with the Mastercard® branded card.

If you promptly notify us about an unauthorized transaction involving your card and the unauthorized transaction took place on your Mastercard® branded card, including any PIN-based ATM or POS transactions, zero liability will be imposed on you for the unauthorized transaction. In order to qualify for the zero liability protection, you must have exercised reasonable care in safeguarding your card from the risk of loss or theft and, upon becoming aware of such loss or theft, promptly reported the loss or theft to us.

ILLEGAL USE OF DEBIT CARD. You agree not to use your debit card for any illegal transactions, including internet gambling and similar activities.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR TRANSACTIONS. In case of errors or questions about your electronic fund transfers,

call us at: 888-638-6718

or

write to:

TowneBank
Card Services
P. O. Box 2818
Norfolk, VA 23501-2818

or

use the current information on your most recent account statement.

Notification should be made as soon as possible if you think your statement or receipt is wrong or if you need more information about a transaction listed on the statement or receipt. You must contact TowneBank no later than 60 days after we sent you the first statement on which the problem or

error appears. You must be prepared to provide the following information:

- Your name and account number.
- A description of the error or transaction you are unsure about along with an explanation as to why you believe it is an error or why you need more information.
- The dollar amount of the suspected error.

If you provide oral notice, you may be required to send in your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days (twenty (20) business days for new accounts) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days (ninety (90) days for new accounts and foreign initiated or Point of Sale transfers) to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days (twenty (20) business days for new accounts) for the amount which you think is in error, so that you will have the use of the money during the time it takes to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account. The extended time periods for new accounts apply to all electronic fund transfers that occur within the first thirty (30) days after the first deposit to the account is made, including those for foreign-initiated or Point of Sale transactions.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

LIABILITY FOR FAILURE TO COMPLETE

TRANSACTION. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages as provided by law. However, there are some exceptions.

We will NOT be liable, for instance:

- If through no fault of ours, you do not have enough money in your account to make the transfer.
- If the transfer would result in your exceeding the credit limit on your line of credit, if you have one.
- If the electronic terminal was not working properly and you knew about the breakdown before you started the transfer.
- If circumstances beyond our control (such as fire or flood, computer or machine breakdown, or failure or interruption of communications facilities) prevent the transfer, despite reasonable precautions we have taken.

- If we have terminated our Agreement with you.
- When your ATM Card or Debit Card has been reported lost or stolen or we have reason to believe that something is wrong with a transaction.
- If we receive inaccurate or incomplete information needed to complete a transaction.
- In the case of pre-authorized transfers, we will not be liable where there is a breakdown of the system which would normally handle the transfer.
- If the funds in the account are subject to legal action preventing a transfer to or from your account. If the electronic terminal does not have enough cash to complete the transaction.

There may be other exceptions provided by applicable law.

CHARGES FOR TRANSFERS OR THE RIGHT TO MAKE TRANSFERS.

PER TRANSACTION CHARGE. We may assess a fee for each pre-authorized transfer, ATM transaction, telephone transaction or Point of Sale purchase you make. Please see the applicable Fee Schedule to determine the applicable amount.

FEES. You may be charged a fee for withdrawals of cash under certain circumstances, whether they take place at proprietary machines or through a network or are Point of Sale transfers or transfers made without the use of your ATM Card or Debit Card. The circumstances under which such charges will be assessed, as well as the amount of the charge, are included in the current Fee Schedule, which is hereby incorporated into this document.

FEE SCHEDULE. The Fee Schedule referred to above is being provided separately and is incorporated into this document by reference. Additional copies of the schedule may be obtained from TowneBank upon request.

PRE-AUTHORIZED TRANSACTIONS. There are no additional charges for your use of pre-authorized electronic fund transfers except as stated in our Fee Schedule, which is incorporated into this document by reference.

DISCLOSURE OF ACCOUNT INFORMATION.

You agree that merchant authorization messages transmitted in connection with Point of Sale transactions are permissible disclosures of account information, and you further agree to release TowneBank and hold it harmless from any liability arising out of the transmission of these messages.

We will disclose information to third parties about your account or electronic fund transfers made to your account:

1. Where necessary to complete a transfer or to investigate and resolve errors involving the transfer(s); or
2. In order to verify the existence and condition of your account for a third party such as a credit bureau or merchant; or

3. In order to comply with government agency or court orders; or
4. If you give us your permission in a record or writing.

AMENDING OR TERMINATING THE

AGREEMENT. We may change or amend any of the terms and conditions of the Agreement and those portions of the applicable Fee Schedule which relate to EFT services, at any time upon at least 21 days' written notice to you prior to the effective date of the change or amendment. Your failure to timely furnish notice as set forth in the written notice shall be deemed to be your acceptance of such change or amendment. If you do not agree to abide by a change or amendment, you must notify TowneBank of the fact prior to the effective date of the change or amendment and cancel this Agreement. TowneBank may cancel this Agreement at any time, without giving you prior notice. If you or TowneBank cancels this Agreement at any time, you shall surrender any card and you may no longer use any of TowneBank's EFT services other than automated clearing house transfer services.

SAFETY PRECAUTIONS FOR ATM TERMINAL USAGE. Please keep in mind the following basic safety tips whenever you use an ATM:

- Have your ATM Card or Debit Card ready to use when you reach the ATM. Have all of your forms ready before you get to the machine. Keep some extra forms (envelopes) at home for this purpose.
- If you are new to ATM usage, use machines close to or inside a financial institution until you become comfortable and can conduct your usage quickly.
- If using an ATM in an isolated area, take someone else with you if possible. Have them watch from the car as you conduct your transaction.
- Do not use ATMs at night unless the area and machine are well-lighted. If the lights are out, go to a different location.
- If someone else is using the machine you want to use, stand back or stay in your car until the machine is free. Watch out for suspicious people lurking around ATMs, especially during the times that few people are around.
- When using the machine, stand so you block anyone else's view from behind.
- If anything suspicious occurs when you are using a machine, cancel what you are doing and leave immediately.
- If going to your car, lock your doors.
- Do not stand at the ATM counting cash. Check that you received the right amount later in a secure place, and reconcile it to your receipt then.
- Keep your receipts and verify transactions on your account statement. Report errors immediately. Do not leave receipts at an ATM location.

ADDITIONAL PROVISIONS

Your account is also governed by the terms and conditions of other applicable agreements between you and TowneBank.

FUNDS AVAILABILITY POLICY DISCLOSURE

PURPOSE OF THIS DISCLOSURE. This schedule applies to transaction accounts and does not apply to deposits made remotely through mobile deposit services. Except as described later in this schedule, our general policy is to allow you to withdraw funds deposited in a transaction account on the first Business Day after the day of deposit. Funds from electronic direct deposits will be available on the day we receive the deposit. In some cases, we may delay your ability to withdraw funds beyond the first Business Day after the day of deposit. Our complete policy is summarized below. For purposes of this disclosure, the terms "you"/"your" refer to the member and the terms "our"/"we"/"us" refer to TowneBank.

YOUR ABILITY TO WITHDRAW FUNDS. Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day that we receive the deposit. Once they are available, you can withdraw the funds in cash, and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before the close of business on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after the close of business or on a day that we are not open, we will consider the deposit made on the next business day we are open. Business Day after the day of your deposit.

DEPOSITS AT OTHER LOCATIONS.

Same Day Availability. This availability policy only applies to funds deposited at TowneBank. Please inquire for information about the availability of funds deposited at other locations.

LONGER DELAYS MAY APPLY. In some cases, we will not make all of the funds that you deposit by check available to you according to the previously stated availability schedule. Depending on the type of check that you deposit, funds may not be available until the second Business Day after the day of your deposit. The first \$275.00 of your deposits, however, may be available on the first Business Day after the day of deposit.

If we are not going to make all of the funds from your deposit available to you according to the previously stated availability schedule, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the

premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

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

- (a) If we believe a check you deposit will not be paid;
- (b) if you deposit checks totaling more than \$6,725 on any one day;
- (c) if you redeposit a check that has been returned unpaid;
- (d) if you have overdrawn your account repeatedly in the last six months; or
- (e) if an emergency condition arises that would not enable us to make the funds available to you, such as the 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 FOR CHECK

CASHING. If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

HOLDS ON OTHER FUNDS IN ANOTHER

ACCOUNT. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately 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 elsewhere in this disclosure for the type of check that you deposited.

SPECIAL RULES FOR NEW ACCOUNTS. If you are a new member, the following special rules will apply during the first 30 days your account is open.

Same Day Availability. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from cash, wire transfers, and checks drawn on TowneBank will be available on the day we receive the deposit if the deposit meets certain conditions. For example, the deposits must be payable to you.

Next Day Availability. The first \$6,725 of a day's total deposits of the following will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you.

- U.S. Treasury checks
- U.S. Postal Service money orders

- Federal Reserve Bank or Federal Home Loan Bank checks
- State or Local Government checks
- Cashier's, Certified, or Teller's checks
- Traveler's checks

Funds Exceeding \$6,725. The excess over \$6,725 of a day's total check deposits will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$6,725 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

FOREIGN CHECKS. Checks drawn on financial institutions outside of the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds from deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which they are drawn.

DEPOSITS AT PROPRIETARY AUTOMATED TELLER MACHINES (ATMs).

Funds from deposits (cash or checks) made at an ATM that we own or operate will be available on the second business day after the date of your deposit. However, the first \$2,500 of the deposit, funds from checks drawn on TowneBank and deposited at an ATM located at one of our branch offices and funds from U.S. Treasury checks that are payable to you, will be available on the first business day following the day we receive your deposit. If you make a deposit at an automated teller machine (ATM) that is owned and operated by us before 7:00 P.M. EST on a Business Day that we are open, we will consider the deposit made that day. However, if you make a deposit at an ATM that is owned and operated by us after 7:00 P.M. EST or on a day that we are not open, we will consider the deposit made on the next Business Day we are open. The first \$2,500 of funds from non-TowneBank checks deposited at an ATM will be available the first business day after we receive your deposit. Funds from non-TowneBank checks in excess of \$2,500 deposited at an ATM will be available the second business day following the date of the deposit. U.S. Treasury checks will still receive next-day availability.

ADDITIONAL DEPOSIT INFORMATION.

DEPOSITS INTO A NIGHT DEPOSITORY, LOCKBOX, OR SIMILAR FACILITY. If you make a deposit into a night depository, lockbox, or similar facility, they are considered available on the next business day after the day on which the deposit is removed from such facility.

COMMERCIAL DEPOSIT ACCOUNT AGREEMENT AND DISCLOSURE TERMS

DEFINITIONS. Throughout this Agreement, these terms have the following meaning:

- “You,” “your,” “account owner,” and “party” refer to the depositor named on the account.
- “We,” “our,” and “us” refer to the financial institution.
- The acronym “NOW” means Negotiable Order of Withdrawal.
- “Item” or “items,” as defined by Article 4 of the Uniform Commercial Code (UCC), means an instrument or a promise or order to pay money handled by a financial institution for collection or payment. The term includes a check but does not include a payment order governed by Article 4A of the UCC or a credit or debit card slip.
- “Debit transactions,” “debit,” or “debits” refer to funds that are taken out of your account. Common types of debits may include: checks that you have written, ACH payments, wire transfers, PIN-based debit card transactions, and signature based debit card transactions.
- “Credit transactions,” “credit,” or “credits” refer to deposits of funds into your account. Common types of credits include: cash deposits, direct deposits, check deposits, and ACH and wire transfers made payable to you. Credits are generally added to your account and are made available to you in accordance with our funds availability schedule.

GENERAL AGREEMENT. You understand that the following Account Agreement (“Agreement”) governs your account with us, along with any other documents applicable to your account, such as our Funds Availability Policy or Privacy Policy (“Disclosures”), which are incorporated herein by reference. By providing a written or electronic signature on the Account Information document or other agreement to open your account, or by using any of our deposit account services, you and any identified account owners agree to the terms contained in this Account Agreement.

GENERAL RULES. The following rules apply to your account:

1. **Deposits.** Deposits may be made in person, by mail, or in another form and manner as agreed by us in our sole discretion. We are not responsible for transactions initiated by mail until we actually receive and record them. We may refuse to accept particular items as a deposit to your account at our discretion. The terms of our Disclosures will control the determination of the banking day deposits are deemed received by us and when they will be available for withdrawal. If any item you deposit to your account is returned unpaid, we have the right to debit your account

for the amount of such item and adjust any related interest earned. You will, in any event, be liable to us for the amount of any item you deposit to your account that is returned unpaid, plus our costs and expenses associated with collection of all or any part of such amount from you, including reasonable attorney fees whether incurred at trial, on any appeal there from or otherwise. Deposits may be subject to a service charge.

2. **Collection of Deposited Items.** In receiving items for deposit or collection, we act only as your agent and assume no responsibility beyond the exercise of ordinary care. All items are credited subject to final settlement in cash or credits. We shall have the right to forward items to correspondents including all Federal Reserve Banks, and we shall not be liable for default or neglect of said correspondents for loss in transit, nor shall any correspondent be liable except for its own negligence. You specifically authorize us or our correspondents to utilize Federal Reserve Banks to handle such items in accordance with provisions of Regulation J (12 CFR Part 210), as revised or amended from time to time by the Federal Reserve Board. In the event we are subject to local clearinghouse rules, you specifically authorize us to handle such items in accordance with the rules and regulations of the clearinghouse.

If we permit you to withdraw funds from your account before final settlement has been made for any deposited item, and final settlement is not made, we have the right to charge your account or obtain a refund from you. In addition, we may charge back any deposited item at any time before final settlement for whatever reason. We shall not be liable for any damages resulting from the exercise of these rights. Except as may be attributable to our lack of good faith or failure to exercise ordinary care, we will not be liable for dishonor resulting from any reversal of credit, return of deposited items or for any damages resulting from any of those actions.

This provision also applies to any remotely created check that you may deposit into your account. A remotely created check, as defined in Regulation CC, means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn. By having a deposit account with us, you certify that all remotely created checks deposited to your account(s) will be expressly and verifiably authorized by the payor. And we reserve the rights to refuse for deposit any such remotely created check if we have any reason to believe that the check is fraudulent in any manner, and to obtain from you the payor’s express, verifiable authorization for any such check.

3. **Unlawful Internet Gambling.** Restricted transactions are prohibited from being processed through your account with us as required by the

Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG. A restricted transaction is a transaction or transmittal involving any credit, funds, instrument, or proceeds in connection with the participation of another person in unlawful internet gambling. You will notify us if your business practices regarding internet gambling change in the future.

4. **Set-offs and Security Interest.** If you ever owe us money as a borrower, guarantor, or otherwise, and it becomes due, we have the right under the law (called "set-off") and under this Agreement (by which you grant us security interest in your deposit account and any other accounts held by you) to use your account funds to pay the debt, where permitted by law. The security interest granted by this Agreement is consensual and is in addition to our right to set-off.
5. **Claims.** In response to any garnishment, attachment, restraining order, injunction, levy, citation to discover assets, judgment, reclamation, other order of court or other legal process ("Claim(s)"), we have the right to place a hold on, remove from your account(s) and/or remit to the designated third-party(ies) any amount on deposit in your account(s) as set forth in and required by such Claim(s). In addition, we may charge against your account(s) any fee authorized by law in connection with the Claim(s) or as otherwise set forth in the Fee Schedule.
6. **Expenses.** You agree to be liable to us for any loss, cost or expense that we incur as a result of any dispute, attachment, garnishment, levy or subpoena of records involving your account, including reasonable attorneys' fees whether incurred at trial, on any appeal therefrom or otherwise, to the extent permitted by law. You authorize us to deduct such loss, cost or expense from your account without prior notice to you.
7. **Dormant/Inactive Accounts.** You understand that if your account is dormant or inactive, you may be charged the fee specified in the Fee Schedule and we may stop paying interest to the extent permitted by law and your account balance may be escheated (that is, turned over to the state) in accordance with state law. If your account balance is escheated, you agree that we are relieved of all responsibility for the balance escheated.
8. **Business Accounts.** Business accounts are those established by any partnership, corporation, association or other entity operated on a for-profit basis; all corporations and associations operated on a not-for-profit basis; and any individual who intends to use the account for carrying on a trade or business. We reserve the right to require separate written authorization, in a form acceptable to us, telling us who is authorized to act on your behalf. We are authorized to follow the directions of a person designated to having authority to act

on the entity's behalf until we receive written notice that the authority has been terminated and have had a reasonable time to act upon that notice.

9. **Escrow, Trust, Fiduciary and Custodial Accounts.** When your account is set up as an escrow, trust, fiduciary or custodial account, it is your sole responsibility to determine the legal effects of opening and maintaining an account of this nature. We have no obligation to act as trustee or to inquire into your powers or responsibilities over this account. We reserve the right to require the documentation necessary under applicable law to establish, maintain, manage, and close this account. There may be additional terms and conditions that apply to this account that are governed by a separate agreement.
10. **Additional Documents to Open Account.** You agree to supply us with a separate authorization informing us of the authorized signer(s), if requested to do so and to provide any other related document requested by us.
11. **Signatures.** Your signature on the Account Information form is your authorized signature. You authorize us, at any time, to charge you for all checks, drafts, orders, or other items for the payment of money, that are drawn on us regardless of by whom or by what means (including facsimile signature(s)) may have been affixed so long as they resemble the signature specimen in our files. For withdrawal and for other purposes relating to any account you have with us, we are authorized to recognize your signature: and we will not be liable to you for refusing to honor signed instruments or instructions if we believe in good faith that one or more of the signatures appearing on the instrument or instruction is not genuine.

If your items are signed using any facsimile signature or non-manual form of signature, you acknowledge that it is solely for your benefit and convenience. You agree that no facsimile signature you have authorized us to honor may be considered a forgery or an unauthorized signature, and that every authorized facsimile signature shall be effective as the signatory's own original, manual signature. You accept sole responsibility for maintaining security over any device affixing the signature as such signature will be effective regardless of whether the person affixing it was authorized to do so. Your authorization notwithstanding, we are not obligated to accept or pay any items bearing facsimile signatures.

Further, most checks, drafts, orders, or other items are processed automatically, i.e., without individual review of each item. Therefore, unless we agree in a separate writing, in our sole discretion, upon your request and due to unique circumstances to conduct individual review of checks, drafts, orders, or other items



for more than one signer, you agree that we are acting within common and reasonable banking practices by automatically processing these items. You agree to indemnify, defend, and hold us harmless from and against all loss, costs, damage, liability, and other injury (including reasonable attorney fees whether incurred at trial, on any appeal therefrom or otherwise) that you or we may suffer or incur as a result of this practice.

12. **Restrictive Legends.** We are not required to honor any restrictive legend on checks you write unless we have agreed to the restriction in a writing signed by an officer of the financial institution. Examples of restrictive legends are "two signatures required", "must be presented within 90 days" or "not valid for more than \$1,000.00."
13. **Fees, Service Charges, and Balance Requirements.** You agree to pay us and are responsible for any fees, charges or balance/deposit requirements as provided in the Fee Schedule or Disclosures. We also reserve the right to impose a service charge for cashing checks and other items drawn on your account if the person cashing the check or item is not a customer of this financial institution.
14. **Amendments and Alterations.** Notice will be given to you if we change the terms of this Agreement at any time by mailing notice to your address shown on our records, by posting a notice of any such changes at our main office, or by whatever notice requirements that may be required by law.
15. **Notice.** You are responsible for notifying us of any address change or other information affecting your account. Notices must be in a form and manner acceptable to us with enough information to allow us to identify the account. Notice sent by you to us is not effective until we have received it and have a reasonable opportunity to act on it. Written notice sent by us to you is effective when mailed to the last address supplied to us.
16. **Certified Beneficial Owner Information.** If you are obligated to certify beneficial owner information at the time the account is opened, you are responsible for notifying us of any changes to the certified beneficial ownership information that was provided to us. Notice should be made to us as soon as practical upon a change to the beneficial ownership information in a form and manner acceptable to us.
17. **Telephone and Electronic Communication.** You agree that we may call or send text messages to you at the telephone numbers that you provide to us, including a cell phone number, which may result in charges to you, for informational purposes regarding your account(s) with us. These calls and text messages may be made from an automatic telephone dialing system (i.e., an autodialer) or from an artificial or prerecorded voice message system. Additionally, you agree that we may send electronic communication to you at the email addresses you provide to us. You may contact us at any time if you no longer want to receive these communications from us. You also agree that we may monitor and record telephone and electronic communications that affect your account(s) with us to the extent permitted by law. We need not provide further notice to you or receive additional approval.
18. **Online or Mobile Services.** If you open an account or obtain a product or service from us using our online or mobile services, we may record your personal information from a scan or a copy of your driver's license or other personal identification card, or we may receive an image or make a copy of your driver's license or other personal identification card. We may store or retain this information to the extent permitted by law.
19. **Closing Account.** We may close the account at any time, with or without cause, after sending you notice if advance notice is required by law. At our discretion, we have the authority to pay an otherwise properly payable item, which is presented after the closing of your account. Such termination will not release you from any fees or other obligations incurred before the termination. We will send a check for the balance in our possession to which you are entitled.
20. **Transfers and Assignments.** We may assign or transfer any or all of our interest in this account. You cannot assign or transfer any interest in your account unless we agree in writing.
21. **Effective Applicable Laws and Regulations.** You understand that this Agreement is governed by the laws of the state where this account is opened except to the extent that federal law is controlling and includes, but is not limited to, Article 4A of the Uniform Commercial Code. Changes in these laws and regulations may modify the terms and conditions of your account. We do not have to notify you of these changes, unless required to do so by law. If any of the terms of this Agreement conflict with applicable law and are declared to be invalid or unenforceable, those terms will be ineffective to the extent of the conflict and the applicable law will govern. The remaining provisions will remain unaffected.
22. **ACH and Wire Transfers.** This Agreement is subject to Article 4A of the Uniform Commercial Code—Funds Transfers as adopted by the state in which the account is opened. If you send or receive a wire transfer, you agree that Fedwire® Funds Service may be used. Federal Reserve Board Regulation J is the law that covers transactions made over Fedwire® Funds Service. When you originate a funds transfer for which Fedwire® Funds Service 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 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. If you are a party to an Automated Clearing House ("ACH") entry, you agree that we may transmit an entry through the ACH, and you agree to be bound by the National Automated Clearing House Association ("Nacha") Operating Rules and Guidelines, the rules of any local ACH, and the rules of any other systems through which the entry is made.

Provisional Payment. Credit we give you is provisional until we receive final settlement for that entry. If we do not receive final settlement, you agree that we are entitled to a refund of the amount credited to you in connection with the entry, and the party making payment to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

Notice of Receipt. We will not provide you with notice of our receipt of the order, unless we are so requested by the transfer originator in the order. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.

Choice of Law. We may accept on your behalf payments to your account which have been transmitted, that are not subject to the Electronic Fund Transfer Act, and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state where we are located.

International ACH Transactions. If your transaction originates from a financial agency that is outside of the territorial jurisdiction of the United States, it may be subject to additional review for compliance with the rules of the Office of Foreign Assets Control (OFAC). If additional review is required, the International ACH transaction will not be available to you until it passes final verification.

- 23. Real-Time Payments.** We may offer real-time payment services for you to send or receive certain payments or payment-related messages through a real-time payments system. Real-time payments are credit transfers that enable you to send and receive funds with near immediacy twenty-four (24) hours a day, seven (7) days a week, and fifty-two (52) weeks a year. These transfers are subject to transaction value limits (e.g., \$100,000) and settlement is final and irrevocable. Real-time payments are intended for domestic payments only. Payments sent or received by a person outside of the United States are prohibited. Transfers using a real-time payments system are subject to the applicable operating or governing rules of the real-time payments system used, as well as the Uniform Commercial Code 4A in effect in the state in which we are located, the Electronic Fund

Transfer Act (Regulation E), and the rules of OFAC.

- 24. Checks.** All negotiable paper ("checks") presented for deposit must be in a format that can be processed and we may refuse to accept any check that does not meet this requirement. All endorsements on the reverse side of any check deposited into your account must be placed on the left side of the check when looking at it from the front, and the endorsement must be placed so as to not go beyond an area located 1-1/2 inches from the left edge of the check when looking at it from the front. It is your responsibility to ensure that these requirements are met and you are responsible for any loss incurred by us for failure of an endorsement to meet this requirement.

- 25. Electronic Checks and Electronically-Created Items.** Pursuant to Regulation CC, electronic checks may be treated the same as paper checks for check collection and processing purposes. See the Substitute Checks section for more information.

Electronically-created items ("ECI") are check-like items created in electronic form that never existed in paper form. For example, you set up automatic bill payments with us to pay your utility bill. From your account information, we create an ECI that is sent to your utility company for payment. An ECI cannot be used to create a substitute check since it never existed in paper form.

- 26. Substitute Checks.** To make check processing faster, federal law permits financial institutions 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 check(s). An electronic check can be used to create a substitute check since the electronic image and electronic information was derived from its paper form.

- 27. Remote Deposit Capture.** Remote deposit capture ("RDC") allows you to make deposits to your account from remote locations by electronically transmitting digital images of your original paper checks, which are drawn on or payable through United States financial institutions in United States dollars to us. We may then use the digital image to create an electronic check or substitute check for collection. If you use our RDC services, if applicable, we may require you to endorse the back of the paper check to indicate that it has been remotely deposited. For example, "for mobile deposit only."



28. Pre-authorized Checks or Drafts. You should guard information about your account (such as your routing number and your account number) as carefully as you would guard blank checks. If you voluntarily give such information about your account to a party which is seeking to sell you goods or services, without physically delivering a check to it, any debit to or withdrawal from your account it initiates will be deemed authorized by you.

29. Stale or Postdated Checks. We reserve the right to pay or dishonor a check more than 6 months old without prior notice to you. You agree not to postdate any check drawn on the account. If you do and the check is presented for payment before the date of the check, we may pay it or return it unpaid. We are not liable to you for paying any stale or postdated check, and you agree to reimburse us for any loss we might suffer as long as we acted in good faith or exercised ordinary care. Any damages that you incur, and which we may be liable for, are limited to actual damages not to exceed the amount of the check.

30. Verifying Funds Availability for Check. You authorize us to release funds availability information about your account to individuals or merchants who represent to us that they have received a check or other item from you.

31. Check Safekeeping. If you can write checks on your account and utilize check safekeeping or any other system offered by us for the retention of your checks, you understand that the canceled checks will be retained by us and destroyed after a reasonable time period or as required by law. If for any reason we cannot provide you with a copy of a check, our liability will be limited to the lesser of the face amount of the check or the actual damages sustained by you. When you request a copy of a check it may be subject to a fee as defined in the Fee Schedule.

32. Non-Sufficient Funds and Overdrafts. If your account lacks sufficient funds to pay a debit transaction or item presented for payment as determined by your available account balance or actual (ledger) balance, we may 1) return the debit or item or 2) pay the debit or item at our discretion.

Available Balance. We use an available balance method to determine if there are sufficient funds in your account to pay a debit transaction or item and to assess non-sufficient funds and overdraft fees.

How We Decide to Pay a Debit or Item. The available balance reflects deposits and transactions that have been posted to your account and transactions that have not posted to your account, including the following: checks you have written, if applicable; deposit holds; and holds on debit card transactions that have been authorized but not yet posted (i.e., preauthorization holds). These pending

transactions and holds reduce your available balance. For example, you have \$100 in your account and a pending transaction of \$30. Your available balance is \$70 because the pending \$30 transaction reduces your available account balance.

How We Assess Fees. If there are insufficient funds to pay a debit transaction or item based on your available balance, we may either: 1) return the debit or item or 2) pay the debit or item at our discretion. We may charge you fees if we return the debit or item or pay the debit or item on your behalf.

Return Item for Non-Sufficient Funds. If we do not pay the debit or item on your behalf and return the debit or item, we may charge you non-sufficient funds fees. Pursuant to Nacha Operating Rules and Guidelines and other applicable laws, a debit or item may be presented for payment more than one time. We may charge you non-sufficient funds fees for each resubmission or re-presentation of a debit or item, which means you may incur multiple non-sufficient funds fees if a debit or item is returned more than one time. For example, you write a check from your account with us. The check is returned for non-sufficient funds, and we may charge you non-sufficient funds fees. The same check is then presented to us for payment, and the check is returned again for non-sufficient funds. We may charge you nonsufficient funds fees the second time the check is presented for payment and returned for non-sufficient funds.

Overdrafts. If we pay the debit or item on your behalf, you will be responsible for the overdrawn balance, and we may charge you overdraft fees. As discussed above, subsequent pending transactions and holds impact your available balance, which may cause your account to become overdrawn and subject to overdraft fees. For example, you have \$100 in your account. You use your debit card at a gas station and a preauthorization hold of \$60 is placed on your account because the amount of the transaction is not known at the time of authorization even though your gas was only \$50. The authorization hold reduces your available account balance to \$40. You then spend \$50 on groceries. If we pay this debit on your behalf, you will be responsible for paying the overdrawn balance, and we may charge you overdraft fees.

If applicable, overdrafts may be covered by our standard overdraft practice that comes with your account or an overdraft protection plan, such as a link to an account or a line of credit. As part of our offered standard overdraft practice, we do not authorize and pay overdrafts on ATM or everyday debit card transactions unless you request us to do so. Please refer to the Overdraft Services Consent Form for more information about overdrafts and our standard overdraft policies, if applicable, and refer to your Truth in

Savings disclosure for more information about our overdraft privilege policy.

- 33. Processing Order.** We will process debit and credit transactions in accordance with our processing order policy. The processing order of these debits and credits is important because if your account balance has insufficient funds to pay for the items in the order that they are processed, we may charge you non-sufficient funds fees if we return the debit or charge you overdraft fees if we pay the debit on your behalf.

34. Stop Payments.

Stop Payments on Checks. If you request us to stop payment on a check you have written, you will give written or other confirmation as allowed by us within 14 days of making the request. If you fail to confirm an oral stop payment request within the 14 days, unless our policy provides otherwise, we reserve the right to cancel the request. Your stop payment request must describe the check or account with reasonable certainty and we must receive the request in a time and way that gives us a reasonable opportunity to act on it. A stop payment on a check you have written will remain in effect until the earlier of 1) six months or other time period not less than six months as specified in the Stop Payment Order, or 2) until we receive written revocation of the stop payment. If the check on which a Stop Payment Order has been placed has not yet cleared or been returned to you by the payee, you may renew the Stop Payment Order for an additional six months by providing a request to us in a record or writing within the time period the Stop Payment Order is in effect. Our acceptance of a stop payment request does not constitute a representation by us that the check has not already been paid or that we have had a reasonable opportunity to act on the request. We may accept a stop payment request on lost or stolen checks, whether a single check or series, unless our policy requires we open a new account for you to ensure your security. Written communication includes communication by electronic record.

Stop Payments on ACH Debits. A Stop Payment Order may be placed on either a one-time debit transfer or on a multiple debit entry transfer. If you request a Stop Payment Order on an Electronic Check Conversion or other one-time debit transfer, we must receive the request, orally or in a record or writing, in a period of time that provides us a reasonable opportunity to act on it prior to acting on the debit entry, otherwise the Stop Payment Order shall be of no effect. If you requested a stop payment on a multiple or future debit entry transfer, we must receive the Stop Payment Order, orally or in a record or writing, at least three business days before a scheduled debit entry. Requests to stop all future payments on an ACH debit transfer may require additional documentation to be supplied to us. Oral stop payment orders are

binding on us for 14 calendar days only, unless our policy provides otherwise, and must be confirmed by you in a record or writing within that period. A Stop Payment Order on an ACH debit remains in effect until the earlier of 1) your withdrawal of the Stop Payment Order, 2) the return of the debit entry, or, where a Stop Payment Order is applied to more than one debit entry under a specific authorization involving a specific payee (Originator), the return of all such debits, or 3) six months from the date of the Stop Payment Order, or other time period not less than six months as specified in the Stop Payment Order, unless you renew the Stop Payment Order. You may renew the Stop Payment Order for an additional six months to prevent the transfer from being paid by providing a request to us within the time period the Stop Payment Order is in effect. When a stop is placed on a multiple or future debit entry transfer, we may require your confirmation in a record or writing stating that you have canceled your authorization for the transfer with the payee (a Stop Payment Order does not revoke authorization). Written communication includes communication by electronic record.

The Stop Payment Order shall be governed by the provisions of Article 4A of the Uniform Commercial Code as adopted by the state in which the account is opened, the Electronic Fund Transfer Act (Regulation E), Nacha Operating Rules, and any applicable state law. You may be charged a fee every time you request a Stop Payment Order and for each Stop Payment Order renewal you make. You understand that we may accept the stop payment request from any of the joint owners of the account regardless of who signed the check or authorized the transfer. A release of the Stop Payment Order may be made only by the person who initiated the stop payment request.

- 35. Statements.** We will provide you with a periodic statement showing the account activity. The last address you supply us in writing will be deemed the proper address for mailing this statement to you. You must exercise reasonable care in reviewing your statement and reasonable promptness in notifying us of any discrepancies, such as alterations or forged or unauthorized signatures, even if by the same wrongdoer. You must notify us within 30 days after we mail or otherwise make the statement available to you of any discrepancies, except for transfers governed by the Wire Transfer Agreement. If you fail to notify us with reasonable promptness, you will have no claim against us to the extent permitted by law. Additionally, you agree that we will not be liable for discrepancies reported to us after one year after we mail or otherwise make the statement or items available to you, even if we failed to exercise reasonable care. If you do not receive a statement from us because you have failed to claim it or have supplied us with an incorrect address, we may stop sending your

statements until you specifically make written request that we resume sending your statements and you supply us with a proper address.

36. Electronic Statements and Notices. You may have the option to have statements and notices regarding this account provided to you in an electronic form, including to a designated e-mail address, through an online banking portal, or other electronic method, upon your authorization. The authorization may be withdrawn at any time to return to a mailed paper form by providing written notice to us at the address provided. The fees for receiving in either form, and for receiving paper copies, are described in your account opening documents. In order to receive your account information in an electronic form, the receiving system may have to meet specific requirements. We will keep you informed of any change to the minimum hardware or software requirements.

37. Our Waiver of Rights. You understand and agree that no delay or failure on our part to exercise any right, remedy, power or privilege available to us under this Agreement shall affect or preclude our future exercise of that right, remedy, power or privilege.

38. Your Waiver of Notice. By signing the signature card/Account Information form, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your deposit account to the extent permitted by law. For example, if a check that you deposited is dishonored and returned to us, we are not required to notify you of the dishonor.

39. Death or Incompetency. Neither the death nor the legal adjudication of incompetence of any individual authorized to act on your behalf, or in the case of sole proprietorships, neither your death nor the legal adjudication of incompetence, revokes our authority to accept, pay, or collect items until we know of the fact of death or of an adjudication of incompetence.

ACCOUNT SPECIFIC PROVISIONS.

In addition to the General Rules, the following rules apply to specific types of accounts:

CHECKING AND NOW ACCOUNTS

Checking Accounts. If your account is a checking account, it will be either non-interest bearing or interest bearing as defined in the account opening documents.

Withdrawals. Deposits will be available for withdrawal consistent with the terms of our Disclosures. Withdrawals may be subject to a service charge.

Withdrawal Notice Requirements. If your account is a NOW account or a non-demand deposit checking account, we have the right to require seven (7) days prior written notice from you of your intent to withdraw any funds from your account.

MONEY MARKET AND SAVINGS ACCOUNTS

Withdrawals. We have the right to require seven (7) days prior written notice from you of your intent to withdraw any funds from your account. Withdrawals may be subject to a service charge.

Transaction Limitations. Our policy allows us to restrict the number of transfers or withdrawals you can make on a Money Market Account and Savings Account, or we may allow you to make an unlimited number of transfers or withdrawals from these accounts.

Restrictions on Money Market and Savings Accounts. If we restrict the number of transfers or withdrawals you can make on these accounts, you understand that we will not allow more transfers or withdrawals than the maximum number specified in the account opening documents, and we may close your account, take away your ability to transfer funds, charge you a fee, or convert the account to a checking or other transaction account if the restriction is violated.

No Restrictions on Money Market and Savings Accounts. If we do not restrict the number of transfers or withdrawals you can make on these accounts, your account may still be subject to other transaction limitations. Please refer to the account opening documents to understand which transaction limitations, if any, apply to your account.

CERTIFICATES OF DEPOSIT/ TIME DEPOSIT ACCOUNTS

Account Terms. The Certificate bears interest at the rate and basis as set forth on the Certificate. The terms of the Certificate, such as the interest rate(s), Annual Percentage Yield ("APY"), length of term period, renewability, and date of maturity are specified on the Certificate and as indicated at the time of account opening. Interest will not be compounded unless noted and will be paid to you at the frequency and in the method noted. If interest compounds during the term of the Certificate and may be withdrawn prior to maturity, the withdrawal of interest prior to maturity will affect the APY.

Withdrawal Prior To Maturity. You have contracted to keep the account funds on deposit from the issue date until the maturity date. We may accept a request by you for withdrawal of some or all of the account funds prior to the maturity date at our discretion.

Additional Deposits During The Term. No additional deposits will be allowed to this account during its term unless indicated at the time of account opening.

Early Withdrawal Penalty. We may assess an early withdrawal penalty on any withdrawal, either partial or in whole, that we allow you to make from your account prior to the account's maturity date as indicated at account opening.



Renewal. Automatic Renewal Certificates will renew automatically on the stated maturity date of its term. Such renewal will be for a time period equal or similar to the original term and subject to these terms and conditions. Interest for that renewal term will be paid at the interest rate then in effect at this financial institution for similar accounts. If you close the Certificate within the grace period following the maturity date, we will not charge an early withdrawal penalty for that withdrawal.

Single Maturity. Single Maturity Certificates will not automatically renew at maturity. To ensure a continuation of interest earning, you must arrange for a new investment of the account balance.

Grandfathered products during bank conversions are available only for existing accounts. A \$50 Minimum Opening Balance is required for new TowneBank Business Savings Accounts, and a \$100 Minimum Opening Balance is required for TowneBank Business Checking Accounts.

CONFORMING LOAN PAYMENT NOTICE

Loan payments may be sent to:
TowneBank
PO Box 2818
Norfolk, VA 23501-2818

Loan payments may also be made in person to personnel at any of our branch locations and in order to be credited as of that business date, must be received by the close of business, Monday- Friday (except bank holidays). All other payments received will be credited as of the next business day or as otherwise permitted by law. In order to ensure proper and prompt crediting of your loan payment, please provide your loan account number or payment coupon with each loan remittance.

CONSUMER PRIVACY NOTICE

FACTS	WHAT DOES TOWNEBANK AND ITS FAMILY OF COMPANIES 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 and other employment information • Account balances and transaction history • Credit history and investment experience
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 TowneBank and its family of companies chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does TowneBank & its family of companies 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	Yes	Yes
For nonaffiliates to market to you	No	We don't share

To limit our sharing	• Visit us online: TowneBank.com/OptOut • Contact your local banker or Towne-affiliated representative. 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 at any time to limit our sharing.
Questions?	Your local banker or Towne-affiliated representative would be happy to answer questions about this Privacy Notice. To inquire, please call: TowneBank: 844-638-6714 Towne Insurance: 800-486-4611 Towne Wealth Management : 888-249-2271 Towne Benefits: 855-340-3873 RW Towne Title: 757-549-2961 Towne Trust Company: 757-599-2200 Mortgage Privacy Hotline: 844-292-8414 See next page under TowneBank Family of Companies for Mortgage company names.

WHO WE ARE | WHO IS PROVIDING THIS NOTICE?

This notice is provided by certain specific companies in the TowneBank Corporate family: as listed in the section below titled *TowneBank Family of Companies*.

WHAT WE DO

How does TowneBank and its family of companies 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 & buildings. Our employees are also committed to safeguarding customer information and preventing its unauthorized access, disclosure, or use.
How does TowneBank and its family of companies collect my personal information?	We collect your personal information, for example, when you • Open an account or apply for a loan • Apply for insurance, or use your credit or debit card • Seek advice about your investments 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: • Sharing for affiliates' everyday business purposes - information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. [See below for more on your rights under state law.]
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account.

DEFINITIONS

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>Our affiliates include companies with a TowneBank/Towne name and other financial companies such as banks, mortgage companies, insurance agencies; and nonfinancial companies such as employee benefit companies, real estate agencies, property management companies, and title and escrow companies.</i>
Non-affiliates	Companies not related by common ownership or control. They can be financial and non-financial companies. <i>Non-affiliates we share with can include government entities, credit bureaus, insurance companies, companies that perform marketing services on our behalf, and companies that assist in servicing your loan(s) or account(s) with us.</i>
Joint Marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. <i>Our joint marketing include investment and asset management services, personal insurance providers, credit card providers, securities broker/dealers, and real estate service providers.</i>

OTHER IMPORTANT INFORMATION:

Special Notice to California and Vermont Residents –In accordance with applicable state privacy laws, we will treat accounts with California and Vermont mailing addresses as if you have elected to opt-out.

This notice applies to individual consumers who are customers or former customers. This notice replaces all previous notices of our consumer privacy policy and may be amended at any time. We will keep you informed of changes or amendments as required by law.

TOWNEBANK FAMILY OF COMPANIES:

TowneBank of Currituck; TowneBank OBX; Towne Insurance Agency, LLC; Towne Benefits; Towne Wealth Management; TowneBank Mortgage; Towne Mortgage, LLC; HomeSale Mortgage, LLC; Coastal Towne Mortgage, LLC; FitzGerald Financial Group; Advance Financial Group, LLC dba RW Towne Mortgage; Towne First Mortgage, LLC; RW Towne Realty; RW Towne Title; Towne 1031 Exchange, LLC; Towne Trust Company, N.A.

“We’re here for all of
your financial needs.”

Efrem Lipscomb
Anderson Branch Manager



Towne FAMILY of SERVICES

Although we began as a community bank, Towne goes well beyond banking to bring you a large selection of services—some of which may surprise you. We offer mortgages, wealth management, insurance, trust, and real estate services.

FOR YOUR FAMILY AND HOME

PERSONAL BANKING AND LENDING* Look to TowneBank for all the financial services to run your household efficiently.

RESIDENTIAL MORTGAGES* Look to TowneBank Mortgage for a remarkable selection of residential mortgage options.

PERSONAL INSURANCE[^]

- Towne Insurance can help you protect what is most valuable to you, with the right coverage at the right price.
- Towne Benefits can design a program of health, dental, and vision coverage that makes sense for your family.

FOR YOUR BUSINESS

BUSINESS BANKING AND LENDING* TowneBank can help you put together the right program and advise you as your needs change.

TREASURY AND MERCHANT SERVICES TowneBank specialists take time to understand your payment needs and provide the tools and services to optimize your cash flow and streamline your financial process.



SBA LENDING* Dedicated business lending specialists provide credit solutions for starting, expanding, or acquiring a business, purchasing commercial real estate, and more, featuring multiple government guaranteed loan products such as SBA 7(a) and SBA 504 loans, to offer small businesses flexible terms designed to promote job creation and increase cash flow.

COMMERCIAL MORTGAGES* Towne business bankers take a consultative approach to getting you the right commercial mortgage for your unique opportunity.

BUSINESS INSURANCE AND BENEFITS^Δ

- **Towne Insurance** selects from top-rated providers to give you the right coverage for the right price.
- **Towne Benefits** can help you stay ahead of the curve in areas such as employee benefits, HR consultation, and regulatory compliance.

FOR YOUR FUTURE

TOWNE WEALTH MANAGEMENT[◇] can help you create and implement the plan to preserve and grow what you've built.

TOWNE TRUST can help you grow your legacy through trust and estate planning as your fiduciary advisor.

TOWNE MEMBER STOCK PURCHASE PLAN[‡] lets you purchase shares of TowneBank.

TOWNE 1031 EXCHANGE[§] can help you exchange an investment asset and receive the tax-deferral benefits of a 1031 Exchange.

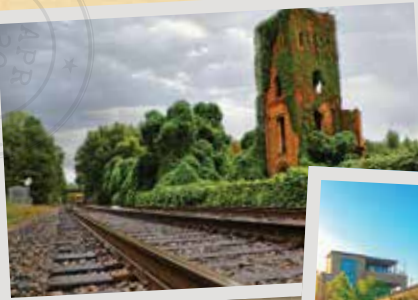
** Normal credit approval applies.*

Δ Insurance and Investment products offered through Towne Insurance and Towne Benefits, subsidiaries of TowneBank, are Not bank deposits or obligations, Not FDIC-Insured, Not insured by any federal government agency, Not guaranteed by TowneBank, and may go down in value.

◇ Securities are offered through Raymond James Financial Services Inc., member FINRA/SIPC, and are: NOT insured by FDIC or any governmental agency, NOT guaranteed by TowneBank, NOT deposits of TowneBank, and are subject to risk and may lose value. Towne Wealth Management, TowneBank and its affiliates are NOT registered broker/dealers and are independent of Raymond James Financial Services, Inc. Investment advisory services are offered through Raymond James Financial Services Advisors, Inc. Headquarters: 5806 Harbour View Boulevard, Suite 202, Suffolk, VA 23435 | 757-638-6850.

‡ Shares of TowneBank stock are Not deposit accounts insured by the FDIC or any other governmental agency, are Not guaranteed by TowneBank, are subject to investment risks, including the possible loss of principal amount invested. This statement does not constitute an offer to sell or the solicitation of an offer to buy stock in TowneBank. The offering is made by the offering circular only.

§ Towne 1031 Exchange does not provide tax or legal advice. Please consult an accountant and/or attorney.



Sanford NC



Anderson SC



Oconee SC



Charlotte NC



Wilmington NC



Winston-Salem NC



[TowneBank.com/Dogwood](https://www.TowneBank.com/Dogwood)

Equal Opportunity Employer | Equal Housing Lender  | Equal Housing Opportunity  |  Realtor® | NMLS#512138