

## **Important Change to the Deposit Account Agreement Effective March 12, 2017**

Thank you for choosing Discover Bank. We appreciate your business and are here to help you save money. For your reference, we have listed a change to the Deposit Account Agreement that will take effect on March 12, 2017.

Section 36 Early Withdrawal Penalties; Fee Schedule and Minimum Account Requirements

Fee Schedule & Opening Account Requirements

- Products Impacted: Online Savings Accounts
- The table on the reverse side is updated to reflect our removal of the minimum opening balance

## Fee Schedule & Opening Account Requirements

<b>Product</b>	<b>Minimum Opening Balance</b>	<b>Monthly Maintenance Fee</b>	<b>Other Product Specific Requirements/ Fees</b>
<b>Cashback Checking</b>	\$0	\$0	Online Account only; Account Center Registration Required to Open
<b>Online Savings</b>	\$0	\$0	Excessive withdrawal fee per item = \$15 (See Section 11)
<b>Money Market</b>	\$2500	\$10 if balance falls below \$2500 after third statement cycle	Excessive withdrawal fee per item = \$15 (See Section 11)
<b>CDs/IRA CDs</b>	\$2500	\$0	See Section "36" for Early Withdrawal Penalties that may apply

## Additional Fees for Checking, Savings and Money Market Accounts

<b>Deposit Item Returned (per item)</b>	<b>\$15</b>
<b>Stop Payment (per order)</b>	<b>\$15</b>
<b>Insufficient Funds (maximum 1 per day)</b>	<b>\$30</b>
<b>Insufficient Funds for Discover Student Deposits Program per Section 7</b>	<b>\$0*</b>
<b>Outgoing Wire Transfer</b>	<b>\$30 (applies to CDs too)</b>

*\*Once you are no longer part of the Discover Student Deposits Program, you will be subject to the terms and conditions of the Cashback Checking Account, including the Insufficient Funds Fee.*

Thank you for choosing Discover Bank. This Deposit Account Agreement includes the terms and conditions you need to know about your Discover Bank deposit accounts. You can always call our knowledgeable Customer Service Representatives anytime at 1-800-347-7000. There's always someone right here in the U.S. to answer your questions, explain things in straightforward language and take the time to help you find ways to make the most of your money.

## **Deposit Account Agreement Effective February 18, 2017**

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# Deposit Account Agreement

Effective February 18, 2017

## (1) DEFINITIONS/INTRODUCTION

The following is a list of terms used throughout this Deposit Account Agreement (“Agreement”):

“Account” means your Discover Certificate of Deposit (“Non-IRA CD”), Discover Individual Retirement Account Certificate of Deposit (“IRA” or “IRA CD”), Discover Cashback Checking® Account (“Checking Account”), Discover Money Market Account (“Money Market Account”), Discover Premium Savings Account, and/or Discover Online Savings Account, as applicable.

“Branch” means the Discover Bank Branch in Greenwood, Delaware;

“Business Days” are Monday through Friday, excluding Federal Reserve Bank holidays;

“CD” includes both Non-IRA CD and IRA CD, unless otherwise specified;

“Discover Student Deposits Program” means Cashback Checking Accounts opened through the RefundSelect<sup>SM</sup> and eRefunds PLUS<sup>TM</sup> Program;

“EFT” means Electronic Fund Transfer;

“Savings Account” includes both Discover Premium Savings Account and Discover Online Savings Account;

“we”, “us”, “our”, and “Discover” refer to Discover Bank, a Delaware-chartered bank;

“you”, “your”, and “Accountholder” refer to each person or entity in whose name an Account is held or who has authority to operate the Account, as well as any permitted assignee or successor in interest to the Account.

**This Agreement, together with any amendments or addendums to these terms and conditions or other agreements with respect to specific products or services that we provide you concerning your Accounts and related products and services, governs your Accounts with Discover Bank. Please read and keep this Agreement for your records. You agree to use your Accounts only for personal, family, or household purposes and not for business or other non-personal purposes. Deposit accounts established for business purposes are governed by a separate agreement. You accept this Agreement by signing a Signature Card or opening or using an Account. This Agreement supersedes any prior agreements or communications that you may have had with us. The headings contained herein are provided for convenience only and are not substantive terms.**

Except where noted, your Account and this Agreement are governed by Delaware and Federal law. If Delaware and Federal law are inconsistent, or if Delaware law is preempted by Federal law, then Federal law governs. **You may reject the Arbitration of Disputes provision, as set forth in Section 35(i), including the waiver of your right to a jury trial. You must follow the procedures set forth in Section 35 if you want to reject the arbitration provision.**

## (2) CUSTOMER INFORMATION AND ELIGIBILITY

### (a) Customer Information

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

#### What this means for you:

When opening an Account, we will ask you to provide your name, U.S. physical address (no P.O. Boxes), Social Security Number (“SSN”) or other Taxpayer Identification Number (“TIN”), and other information that will help us to identify you. You may also be asked to provide a copy of your driver’s license, state ID card or other identifying documents.

It is your responsibility to maintain and promptly update any changes in the identifying information you provided to us at Account opening or during the time your Account is open. You can update this information by contacting us at 1-800-347-7000.

### (b) Eligibility

To open an Account, each Account owner must be a U.S. citizen, U.S. resident alien or other U.S. person, at least 18 years old, and have a valid TIN and a valid physical U.S. address. To open an Account under the Delaware Uniform Transfer to Minors Act, you must be at least 21 years old. To maintain your Checking Account with us, you must have a primary physical U.S. address. There may be additional eligibility requirements imposed at our discretion.

We may obtain information about you from third parties, including, credit or other consumer reporting agencies that will help us determine if we will open the Account you have requested. There may be additional eligibility requirements imposed at our discretion.

This may include verification of employment and credit or other consumer reports or other reports from account information services and credit or other consumer reporting agencies. These inquiries may delay Account opening. If you apply for an Account and we decline to open one as the result of a consumer report or another report from a consumer reporting agency, we will tell you the name, address and phone number of the consumer reporting agency. We reserve the right to decline to open an Account for you for any reason. We do not open or maintain Accounts for customers with foreign tax status (e.g., W-8 filing status). We only open Accounts for consumers that can certify their W-9 status. If you notify us that you are no longer eligible to W-9 certify, we will close your Accounts as described in Section 24 below.

There are additional eligibility requirements for the Discover Student Deposits Program, please see Section 7 for more details.

### (3) AGREEMENT ACCEPTANCE / W-9 CERTIFICATION

As a condition to open or maintain an Account with us, you must do the following:

- (i) Indicate your acceptance of the Agreement.
  - a. For Accounts (other than IRA CDs) opened online, the acceptance of the Agreement is included as part of the online application.
  - b. For Accounts (other than IRA CDs) opened by phone, fax, mail or at the Branch, the acceptance of the Agreement can either occur online for eligible accounts, on the Signature Card, or on the application. We must receive your acceptance of the Agreement, before any debits, including withdrawals, are permitted on your Checking Account, Money Market Account, Non-IRA CD or Savings Account.
  - c. For IRA CDs applied for online, or by phone, fax, mail or at the Branch, the acceptance of the Agreement is included on the Signature Card.
  - d. You also accept the Agreement by opening or using the Account.
- (ii) Complete W-9 Certification. If we do not receive a completed W-9 certification from the Account holder whose name appears first on the Account (“Primary Account holder”) or already have a signed W-9 on file, the Account(s) may be subject to backup withholding, as set forth in Section 8(b), or we may close the Account(s) and return the funds to you, without interest, by mail or other reasonable means as determined by us and you will not be entitled to any special incentives that may have been offered to you for opening your Account.
  - a. For Accounts (other than IRA CDs) opened online, W-9 certification is included as part of the online application.
  - b. For Accounts (other than IRA CDs) opened by phone, fax, mail or at the Branch, W-9 certification can either occur online for eligible accounts, on the Signature Card, or on the application.
  - c. For IRA CDs applied for online, or by phone, fax, mail or at the Branch, W-9 certification occurs on the Signature Card.
- (iii) (a) New IRA Plans: (1) If you open a new IRA Plan(s), you will have 60 days (starting with your IRA application date) to return the correctly and fully completed IRA application and Signature Card (“IRA Documents”). You will have an additional 60 days from the date we receive the completed IRA Documents to return the IRA contribution form(s) (“Contribution Form(s)”) and fund your IRA CD. If we do not receive the signed IRA Documents within 60 days from your application date, or if we do not receive the Contribution Form(s) and funding within 60 days from the date we receive the signed IRA Documents, your application will be deemed abandoned and your IRA CD will not be opened. If you provided ACH funding

instructions or internal transfer funding instructions during the IRA application process, the instructions will be executed once the correctly and fully executed IRA Documents, Contribution Form, and Signature Card are received by us. Any type of contribution received prior to our receipt of the IRA Documents will be returned. However, if a check is received prior to the receipt of the IRA Documents or the Contribution Form, we will hold it for up to 30 days. If the correctly and fully executed IRA Documents, Contribution Form, and Signature Card are not received, the check will be sent back to the address noted on the application after 30 days. IRA funding checks will not be deposited and no interest will be paid until the IRA CD is opened. (2) If you revoke a new IRA Plan(s), you have 21 days from our receipt of the IRA Documents for the first IRA CD under the Plan to revoke your IRA Plan. If you choose to revoke your IRA Plan during the 21 days, we will close your IRA CD and return any funds to you without interest and we will waive the applicable Early Withdrawal Penalty.

(b) For Existing IRA Plans: If you open an IRA CD under an existing IRA Plan, you will have 60 days starting with the application date to return the Signature Card and Contribution Form and fund your IRA CD. If we do not receive the signed Signature Card, signed and correctly completed Contribution Form and funding within 60 days starting with the application date, your application will be deemed abandoned and your IRA CD will not be opened. If you provided ACH funding instructions or internal transfer funding instructions during the application process, the instructions will be executed once the correctly and fully executed Signature Card and Contribution Form are received. Any type of contribution received prior to our receipt of the Signature Card and Contribution Form will be returned. However, if a check is received prior to the receipt of the Signature Card and Contribution Form, we will hold it for up to 30 days. If the correctly and fully executed Signature Card and Contribution Form are not received, the check will be sent back to the IRA Plan mailing address after 30 days.

(c) If you open a new IRA Plan or a new IRA CD under an existing IRA Plan for a prior year contribution, all IRA Documents, including the IRA application and Contribution Form must be completed and returned to Discover Bank, along with the prior year contribution. All prior year contributions must be received by us and processed by the tax filing deadline. We are entitled to a reasonable amount of time after receipt to process your prior year contribution. If funding via check, the check must be postmarked on or before the tax filing deadline.

- (iv) For Formal Trust Accounts, as defined in Section 6(c), we must receive a correctly and fully completed Trust Application and Trustee Certification Form before we will open your Account.

#### (4) FDIC INSURANCE

Funds in Discover Bank Accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) to the maximum allowed by law. For more detailed information on FDIC insurance coverage, contact the FDIC directly by visiting [www.fdic.gov](http://www.fdic.gov) or by calling 1-877-ASKFDIC (1-877-275-3342), (TDD: 1-800-925-4618).

#### (5) INTEREST

- Interest is compounded daily, credited monthly, and calculated on a 365-day basis for interest-bearing Accounts.
- We use the daily balance method to calculate the interest on your Account. This method applies a daily periodic rate to the balance in the Account each day.
- If we receive your deposit before your Account is opened, interest will begin to accrue on the deposit on the Business Day your Account is opened. Once an Account is opened, interest begins to accrue on a deposit on the Business Day we receive your deposit.
- For contributions to an IRA CD under an IRA Plan, interest begins to accrue on a contribution on the Business Day we are in receipt of your contribution and your correctly completed Contribution Form and Signature Card. See Section 3(iii) for additional information regarding opening an IRA CD.

#### (a) Certificates of Deposit

##### (i) Non-IRA CDs

- The interest rate and annual percentage yield (“APY”) in effect on your application date, and the maturity date for your Non-IRA CD will be disclosed to you at application. However, the interest rate and APY on your Non-IRA CD will be determined and the interest rate will be fixed based on your funding date, not your application date.
- You will have 45 days (including your application date) to fund your Non-IRA CD from the date you submit your application.
- Once we receive funding for your Non-IRA CD, your interest rate and APY will be determined as of the date of receipt of the funds and the interest rate will be fixed for the term of the Non-IRA CD.
- If we receive your Non-IRA CD funding within ten (10) days (including your application date) of when your application is submitted, your Non-IRA CD interest rate and APY will be the highest of the interest rates we offered (applicable to your Non-IRA CD) on either: (1) the date you submitted your application, (2) the date your Account was opened, or (3) the date we received your funding. If we receive your funding more than ten (10) days (including your application date) after your application date, your Non-IRA CD interest rate and APY will be the interest rate and APY we offer (applicable to your Non-IRA CD) on the date we receive the funding.
- The interest rate, APY, and maturity date for your Non-IRA

CD will be confirmed in your Welcome Kit.

- If we do not receive funding within 45 days (including your application date) of your application date, your Non-IRA CD will be closed.

##### (ii) IRA CDs

- Your IRA CD interest rate is fixed for the term of your IRA CD.
- Your IRA CD interest rate and APY are determined and established at the later of (i) when a correctly completed IRA application, Signature Card, and Contribution Form have been received or (ii) your IRA CD has been funded.
- We will send you written confirmation of the interest rate, APY and maturity date of your IRA CD after it is opened or funded.

##### (iii) Interest Earned During the Grace Period

Interest will not accrue during the Grace Period (as defined in Section 19); however, if some or all of your CD is renewed, a catch-up accrual will be processed at the end of your Grace Period for interest earned at the interest rate that was in effect on the date your CD matured (the “CD Renewal Rate”). The catch-up accrual will be calculated as follows:

- a. If your CD renews automatically (the default setting), or as a result of your affirmative instructions, interest at the CD Renewal Rate will be applied to the amount of your renewed CD at the end of your Grace Period retroactively to the start of your Grace Period.
- b. If a partial withdrawal is made during the Grace Period, the withdrawn funds will earn interest at the CD Renewal Rate from the day after the maturity date to (and including) the day of withdrawal.
- c. If you add to your principal during the Grace Period, (1) interest at the CD Renewal Rate will be applied retroactively to the start of your Grace Period for the original principal amount, and (2) interest at the CD Renewal Rate will begin to accrue for the amount that you add as of the date of the additional deposit. Interest will not be earned during the Grace Period if you elect not to renew your CD as specified in Section 19.

##### (iv) General

(a)(i) General CD Terms:

- Any confirmation letter or notice you receive after opening a Non-IRA CD or an IRA CD is not a certificate or other instrument and is not transferrable, except on our records.
- The APY assumes interest remains on deposit until maturity.
- A withdrawal of interest or principal will reduce earnings.
- Interest will be paid to and remain in your CD if:
  - You do not specify an interest disbursement option;

- The Account you have designated to receive interest payments is closed; or
- Interest payments are returned.

(ii) Non-IRA CDs:

- During the term of your Non-IRA CD, interest earned on and posted to your Non-IRA CD may: (i) remain in your Non-IRA CD, (ii) be sent via an official bank check, (iii) be transferred to an eligible Discover Account that you own, or (iv) be, for Non-IRA CDs currently enrolled, transferred to an external bank account at another financial institution, provided that the financial institution allows such transfers. Non-IRA CD Accounts currently enrolled in the external bank account interest disbursement option will continue to receive interest under this method. Any change in interest disbursement for Non-IRA CDs will be limited to options (i) (ii), and (iii) above. For interest transfers to an external bank account, the transfer will be initiated on the date the interest is posted to your Non-IRA CD each month and will be delivered to the external bank.

(iii) IRA CDs:

- During the term of your IRA CD, interest earned on and posted to your IRA CD may: (i) remain in your IRA CD, (ii) be transferred to an eligible Discover Account that you own, subject to you providing written Distribution instructions or (iii) be transferred to an external bank account at another financial institution, provided that the financial institution allows such transfers and you have provided us completed Distribution instructions. For interest transfers to an external bank account, the transfer will be initiated on the date the interest is posted to your IRA CD each month and will be delivered to the external bank.

**(b) Money Market Accounts and Savings Accounts**

Your Money Market Account or Savings Account earns interest at interest rates established by us on a daily basis. Money Market Account interest rates and APYs are applied, based on your account balance and the applicable balance/interest rate tier. At our discretion, we may change the interest rate and APY on your Money Market Account or Savings Account at any time. Any change in the interest rate and APY will be effective on the date of such change. Interest is accrued daily after debits and credits are posted to your Account.

**(c) Checking Accounts**

Your Checking Account does not earn interest, however special promotions and bonuses may be treated as interest or tax information reporting and other purposes.

**(6) ACCOUNT OWNERSHIP**

The following chart sets forth the account type and eligible ownership categories:

	Checking Account	Savings Account	Money Market	Non-IRA CD	IRA CD
<b>Individual Account</b>	✓	✓	✓	✓	
<b>Joint Account</b>	✓	✓	✓	✓	
<b>Formal Trust Account</b>			✓	✓	
<b>Informal Trust Account (POD)</b>	✓	✓	✓	✓	
<b>Custodial Account</b>		✓	✓	✓	
<b>Estate Account</b>			✓	✓	
<b>Individual Retirement Account</b>					✓
<b>Guardianship Account</b>		✓	✓	✓	

**Note:** You may not open more than five (5) checking accounts per customer, including individual and joint accounts in the determination of five checking accounts.

The following is a more detailed description of the ownership categories:

**(a) Individual Account**

An Individual Account is an Account held solely by one natural person (i.e., a living person) without a designated beneficiary.

**(b) Joint Account**

- A Joint Account is an Account held by more than one natural person. All Joint Accounts are established as joint tenancy with right of survivorship only. Joint with right of survivorship means that if an owner of a Joint Account dies, the balance in the Joint Account passes to the remaining owner(s) of the Joint Account. We do not offer any other type of joint account (i.e., tenants in common or tenants by the entirety).
- If a Joint Account is established without the signature of one of the joint owners, we are not obligated to accept instructions from that joint owner but may do so at our discretion, and you agree to hold us harmless based on our reliance upon your designation of the joint owner for whom a signature was not provided.
- Any funds deposited to a Joint Account by any of its owners shall be owned by all joint owners.
- Each owner of a Joint Account may deposit to, make withdrawals or transfers from, or issue stop payment orders with respect to the Joint Account without notice to or consent from any of the other owners of the Joint Account.
- Any action of one owner of a Joint Account shall be binding upon all owners of a Joint Account.

- We may act upon the direction of one or more owners of the Joint Account without notice to or consent from any of the other owners of the Joint Account.
- Each owner of a Joint Account is jointly and severally responsible and liable for the acts and omissions of each of the other owners of the Joint Account. Each owner of a Joint Account agrees to release us from all liability in connection with any instructions or payments we receive from any other owner of the Joint Account.
- Each owner of a Joint Account appoints each of the other owners of the Joint Account as his or her agent and attorney in fact with power to endorse and deposit items payable to him or her in the Joint Account.
- If an owner of a Joint Account makes adverse claims or demands concerning the Joint Account, we may, in our sole discretion, refuse to recognize such claims or refuse to take action until the rights of all interested parties have been resolved to our satisfaction and we are provided a copy of an agreement signed by all owners of the Joint Account.

### **(c) Trust Account**

#### **(i) Formal Trust Account**

A Formal Trust Account is an Account established by a trustee appointed under a written trust instrument, such as a revocable living trust or testamentary trust. We will require you to execute a Trust Application and a Trustee Certification Form, which we will provide to you, and we may require you to provide a copy of the trust document. We will act in reliance on the information contained in the Trustee Certification Form, and we undertake no obligation to either you or any beneficiary for complying with the terms of the trust instrument.

#### **(ii) Informal Trusts – Payable on Death (POD)/In Trust For (ITF) Account**

- An Informal Trust Account (sometimes called a Payable on Death (“POD”), In Trust For (“ITF”), or Totten Trust Account) is an Account established by one or more natural persons naming one or more beneficiaries. Proof of death and additional documentation that all owner(s) are deceased is required prior to any distribution of the funds to beneficiaries.
- If you establish an Account as trustee for a third person without presenting formal trust documents, we will treat the Account as an Informal Trust Account.
- During their lifetime, the owner(s) of an Informal Trust Account may deposit to and withdraw or transfer funds from the Account, close the Account, change beneficiaries at their discretion or take any other permitted action with respect to the Account as if the Account were an Individual Account or a Joint Account, as applicable.
- A beneficiary of the Informal Trust Account is entitled to funds in the Account only if the beneficiary is living at the time all owner(s) have died.

- Upon our receipt of proof of death and additional documentation as required by us, that all owner(s) are deceased, the funds in the Account will be distributed to each beneficiary (or to his or her representatives as applicable) who survives the owner(s). If no beneficiary survives the death of the owner(s), title to the Account will vest in the estate of the last surviving owner.
- If you designate more than one beneficiary you may customize your beneficiary elections to designate a different percentage for each beneficiary, in whole number percentages only (i.e. 5%, 10%, etc.). Your custom percentage elections must total 100%. If you designate more than one beneficiary and do not designate beneficiary percentages, each beneficiary designated will receive an equal share of the funds from your Account.
- If one or more of your designated beneficiaries pre-decease you, the funds in your Account will be distributed to the remaining living beneficiaries on a pro-rata basis.

### **(d) Custodial Account – Delaware Uniform Transfer to Minors Act**

A Custodial Account is opened and maintained by an adult (the “Custodian”) for the benefit of a minor, pursuant to the Delaware Uniform Transfer to Minors Act (“DE UTMA”). Funds deposited into a Custodial Account are irrevocably granted to the minor on the date of the gift and are then owned by the minor. The Custodian agrees to hold and use for the minor’s benefit any funds deposited into the Custodial Account until the minor reaches the age of majority, 21 years of age, as defined in the DE UTMA (18 if opened prior to June 26, 1996, 21 if on or after that date; as applicable, the “age of majority”). The minor will not have authority to withdraw funds from the Custodial Account until the minor reaches the age of majority. We will close the Custodial Account and transfer funds to the minor, or re-title the Custodial Account, when we receive appropriate documentation showing that the minor has reached the age of majority. We have no duty to monitor Custodial Accounts or the status of the Custodian or minor, nor do we have any duty to monitor or ensure that the Custodian is acting in the minor’s best interest. Each Custodial Account may designate only one Custodian on behalf of one minor.

### **(e) Estate Account**

An Estate Account is an Account opened in the name of a decedent’s estate by the estate’s executor or administrator.

### **(f) Individual Retirement Account**

We offer Traditional and Roth IRA CDs. IRA CDs are also governed by a separate IRA Plan Agreement and disclosures that we furnish to you at IRA Plan opening. The required forms must be completed and returned prior to funding, as set forth in Section 3(iii) above.



### **(g) Guardianship Account**

A Guardianship Account is an Account maintained by a court-appointed guardian on behalf of a person who is either a minor or legally incapacitated (the “Ward”).

## **(7) DISCOVER STUDENT DEPOSITS PROGRAM**

### **(a) Program Description**

The Discover Student Deposits Program is available only to university or college students who come to Discover Bank through the RefundSelect<sup>SM</sup> and eRefunds PLUS<sup>TM</sup> Program and receive Title IV funds disbursements from universities or colleges where Discover offers its Student Cashback Checking product.

### **(b) Eligibility Criteria**

In addition to all of the eligibility requirements in Section 2, a student must meet the following requirements to be part of the Discover Student Deposits Program.

(i) Eligibility to Open: Customer must have applied and been approved through the RefundSelect<sup>SM</sup> or eRefunds PLUS<sup>TM</sup> selection portal offered in conjunction with specific universities or colleges.

(ii) Eligibility to Maintain: To maintain your Discover Student Deposits Cashback Checking Account, a customer must meet the following enrollment status requirement:

- You must have been considered an enrolled student by your university or college at some point in the past 24 months as determined by Discover. In other words, if you are no longer enrolled in school and remain unenrolled for 24 consecutive months, you will no longer be eligible to participate in the Discover Student Deposits Program.

### **(c) Discover Student Deposits Program Fees**

The fee schedule disclosed in Section 36 is applicable, excluding the Insufficient Funds Fee. While the Insufficient Funds Fee will not apply, Discover reserves the right to return the transaction.

Once you are no longer part of the Discover Student Deposits Program, you will be subject to the terms and conditions of the Cashback Checking Account, including the Insufficient Funds Fee.

## **(8) INCOME TAX REPORTING AND WITHHOLDING**

### **(a) Taxpayer Identification Number**

We will use the TIN described below for income tax reporting purposes:

- (i) Individual Account (including Informal Trust Accounts and Individual Retirement Accounts): The Social Security Number or other Taxpayer Identification Number provided by the Accountholder.
- (ii) Joint Account (including Informal Trust Accounts): The Social Security Number or other Taxpayer Identification Number of the Primary Accountholder (and we will use the Social Security Number or other Taxpayer Identification Number of the other joint owners for

identity verification purposes as set forth in Section 2(a)).

(iii) Custodial Account: The Social Security Number or other Taxpayer Identification Number of the minor.

(iv) Trust Account: The Employer Identification Number (“EIN”) of the trust, or, if none, the Social Security Number or other Taxpayer Identification Number of the grantor.

(v) Estate Account: The EIN of the decedent’s estate.

(vi) Guardianship Account: The Social Security Number or other Taxpayer Identification Number of the Ward.

### **(b) Backup Withholding**

We may be required by the Internal Revenue Service (“IRS”) to withhold interest or other reportable income on your Account(s) if you do not furnish us with your correct TIN and do not properly certify that you are not subject to backup withholding (e.g., complete the W-9) or if otherwise instructed by the IRS.

### **(c) State Tax Withholding**

#### **(i) Checking, Money Market, Savings, and Non-IRA CD Accounts**

Your state of residence, as determined by your address of record with us, will determine if you are subject to state income tax withholding. Some states have no income tax. For additional information and details that are specific to you on state tax withholding requirements, you should consult a tax advisor or your state’s tax authority.

#### **(ii) IRA CD Accounts**

State tax withholding laws on IRA distributions vary by state. Therefore, when requesting an IRA distribution, any state tax withholding will be based on your state of residence, as determined by your address of record with us. For Traditional IRAs, your state’s tax regulations may require that we withhold a portion of the gross IRA distribution. For Roth IRAs, state tax is typically not withheld unless requested by you. Even if you elect in writing not to have federal and/or state income tax withheld, you are liable for payment of federal and state income taxes, if applicable, on the taxable portion of your distribution. You may also be subject to tax penalties under the estimated tax payment rules if your withholding and payment of estimated tax, if any, are not adequate. A change of address may cause a delay in processing an IRA distribution, if state withholding requirements are impacted. For more information, consult your tax advisor.

## **(9) CHECKS**

### **(a) Checks**

- We reserve the right not to accept checks or deposit or withdrawal forms not provided by us.
- We reserve the right to refuse to honor any checks drawn against your Account on which there is either no signature or a signature of questionable validity if we suspect the check was not authorized by you.

- We reserve the right to pay any check before the date you have written on it (i.e., a postdated check) or if it is more than six (6) months old (i.e., a stale check).
- Our check payment process is highly automated and we receive checks in great volume. Although we inspect some checks and other items from time to time, reasonable commercial standards do not require us to do so. If we return a check because we believe it was not authorized by you, we are not liable to you even if the check was actually authorized. We have no duty to prevent a check from being presented more than once.

If a check drawn on your Account is presented for payment over the counter at our Branch, by a person who is not a Discover deposit Account holder (a “non-Discover customer”), you agree that we may require the non-Discover customer to provide identification as a condition for cashing a check drawn on your Account. You also agree that we may refuse to pay any such check if the non-Discover customer refuses to furnish such identification. Such refusal shall not be considered wrongful dishonor of the check by us. You also agree that we may refuse to cash or otherwise honor any check exceeding \$5,000 which is presented to us over the counter by any person, even if the check is properly payable and that person can verify his/her identity as the holder of such check. Such refusal shall not be considered wrongful dishonor of the check by us. In such cases, the holder of the check is expected to deposit the check with his/her financial institution and have the check presented to us through regular banking channels.

### **(b) Preauthorized Checks**

You may allow a third party to create a check drawn against your Checking Account or Money Market Account by communicating your Account number to that third party. However, if you choose to permit such a check, you agree: 1) to accept sole responsibility for ensuring that the amount of the check is both authorized and accurate and 2) that we are not liable if we either pay or refuse to pay any check that you have authorized a third party to create if that check does not bear your signature.

### **(c) Check Conversion**

You may authorize a merchant or other payee to use your Checking Account or Money Market Account check as a source of Account information to initiate an electronic withdrawal from your Account. The merchant/payee uses the check information, along with the transaction amount, to initiate an Automated Clearing House (“ACH”) debit transaction. Please note that this type of transaction generally results in funds being withdrawn from your Account faster than a normal check transaction. This type of transaction from a consumer Account is governed by the Electronic Fund Transfer Act, and is subject to the Electronic Fund Transfer disclosures found in Sections 27 and 28 of this Agreement.

## **(10) DEPOSITS**

### **(a) General**

(i) Deposits may be made by:

- Mailing us a check
- Mobile check deposit (subject to the Mobile Check Deposit Service User Agreement Addendum)
- ACH transfers
- Internal transfers
- Wire transfers

Deposits that can only be made at the Branch include:

- Travelers checks
- Cash

(ii) We will not accept mailed cash deposits.

(iii) For posting times regarding check and cash deposits, see the chart in Section 10(e) below.

(iv) We reserve the right to refuse, limit or return any deposit. Any non-cash items deposited to your Account (including items drawn “on us”) will be given provisional credit until final payment of the item.

(v) Travelers Checks: Travelers checks received by us for deposit by mail or through the Branch ATM will be returned to you.

(vi) Returned Deposited Items: You will be assessed a Deposited Item Returned Fee if a deposited item is returned unpaid. We will also reverse any interest, accrued or paid, on the returned item. You agree to indemnify and hold us harmless against:

- any losses resulting from nonpayment of any item cashed against or deposited into your Account and
- all losses due to any preauthorized credit to your Account that we do not receive.

These losses include, but are not limited to, all related costs, expenses and reasonable attorney fees (including the cost of any attorney employed by us).

(vii) You may use the Branch night depository for Money Market and Savings Account deposits only. All deposits must be in a sealed envelope or bag. Night deposits are processed during Business Days Monday through Friday. Deposits made between 9am ET and midnight will be processed the next Business Day. Deposits made midnight through 8am ET will be processed the same business day. Credit card payments and loan payments are NOT accepted through the night depository. Any credit card payments or loan payments received in the night depository will not be processed and will be returned to you.

### **(b) Checks**

#### **(i) Domestic Checks**

- To avoid returned checks, please make sure checks

submitted for deposit are payable to you and properly endorsed by all parties.

- We reserve the right to reject all third party checks.
- You may be eligible to deposit checks using your mobile phone. Mobile check deposits are subject to the Discover Bank Mobile Check Deposit Service User Agreement provided during first use of the service.
- If you deposit a check that is returned to us unpaid, we will deduct the amount of the returned check from your Account balance.
- If you deposit a check that is returned for insufficient or uncollected funds, we may re-present the check for payment a second time without notice to you. At our discretion, the check may be re-presented electronically by us.

#### (ii) Foreign Checks

- We reserve the right to refuse items payable in foreign currency or drawn on a foreign bank located outside the United States (“Foreign Item”).
- If we accept a Foreign Item, we may accept it for collection only and you bear all risks associated with the collection of the item, including any fees associated with collection and any exchange rate risk.
- We may not credit funds from a Foreign Item to your Account until the first Business Day after we receive final payment for such funds from the paying bank.
- In addition, if we decide to provisionally credit your Account before receiving final payment, we may reverse such provisional credit at any time until we receive final payment for such item from the paying bank. If we reverse a provisional credit, you will be responsible for the amount of such reversal and any fees due and owing arising out of or resulting from such reversal.
- The Funds Availability policy set forth in Section 15 does not apply to Foreign Items. The paying institution determines if and when it will pay a Foreign Item that we accepted for collection.

#### (c) Endorsements

If any check deposited to your Account does not have your endorsement, we may endorse it for you or treat the check as if you had endorsed it. We are not bound by any conditional or restrictive endorsement on a check you cash or deposit, or any endorsement made “without recourse.”

#### (d) CDs

After a CD is opened and funded, additional deposits are not allowed until the maturity date and, for renewing CDs, only during the Grace Period (as defined in Section 19, below).

#### (e) Cutoff times

The following chart describes the cutoff times for posting deposit transactions to your Account:

Check Deposits sent via Mail	By 12pm ET on a Business Day	After 12pm ET on a Business Day or Non Business Day
	<i>Will Post: Day of Receipt</i>	<i>Will Post: Next Business Day</i>
Check/Cash Deposits made at Branch ATM	By 2pm ET on a Business Day	After 2pm ET on a Business Day or Non Business Day
	<i>Will Post: Day of Receipt</i>	<i>Will Post: Next Business Day</i>
Check/Cash Deposits made in Person to one of our employees at the Branch	By 6pm ET on a Business Day	
	<i>Will Post: Day of Receipt</i>	
Check/Cash Deposits made through the Branch night depository box	Between midnight and 8am ET on a Business Day	Between 9am ET and midnight on a Business Day
	<i>Will Post: Day of Receipt</i>	<i>Will Post: Next Business Day</i>

## (11) WITHDRAWALS

### (a) Product Restrictions

#### (i) CD Withdrawals

##### (a) Interest

See Section 3 and Section 5(a).

##### (b) Principal

If you withdraw all or part of the amount of your initial deposit or the amount of your renewed deposit in the case of a renewed CD (“Issue Amount”) from your CD except at maturity or during the Grace Period (as defined in Section 19) and except as provided in Sections 3(iii) and 24(c), we may assess an Early Withdrawal Penalty.

##### (c) Initial Funding Withdrawal

You may withdraw funds from a non-IRA CD only after seven (7) days from the date of initial funding.

If you request to withdraw funds sent to us via ACH or wire transfer within sixty (60) days of the initial funding, the funds will be returned to the same account from which the funds were sent to us to be deposited into the new CD.

##### (d) Early Withdrawal Penalty

An Early Withdrawal Penalty, as outlined in Section 36 will be assessed should you decide to withdraw any amount of funds from your CD before the Maturity Date.

##### (e) IRA CDs

**(i) RMD:** To request a required minimum distribution a correctly completed distribution form (“Distribution Form”) must be received by us on or before December 15th. If your correctly completed Distribution Form designating a required minimum distribution is received after December 15th, we make no guarantee that the required minimum distribution will occur before December 31st.

**(ii) Transfer:** To request a bank-to-bank transfer during the IRA CD Grace Period, a correctly completed transfer form (“Transfer Form”) from the receiving institution must be received by us before the end of your IRA CD Grace Period. Transfer Forms that are not complete, signed

and dated by the receiving institution will not be honored. If the Transfer Form is received by us after the end of the Grace Period, your transfer distribution may be subject to an Early Withdrawal Penalty.

**(iii) Rollover:** To request a rollover distribution or any other type of distribution from your IRA CD during the IRA CD Grace Period, a Distribution or Transfer Form must be completed and received by us before the end of your IRA CD Grace Period. Distribution and Transfer Forms that are not correctly completed, signed and dated will not be honored. If your Distribution or Transfer Form is received after the end of the Grace Period, your distribution may be subject to an Early Withdrawal Penalty.

(iv) Please see Section 36 for more information on Early Withdrawal Penalties.

**(ii) Money Market Account and Savings Account Withdrawals**

Federal law limits the number of certain types of withdrawals and transfers from your Money Market Account or Savings Account to a combined total of six (6) per calendar month per Account. The chart below describes the transactions that are limited and those that are not.

Withdrawals and Transfers Transactions	
<p><b>Limited to a combined total of six (6) per calendar month per Account:</b></p> <ul style="list-style-type: none"> <li>• Checks</li> <li>• Point-of-sale (“POS”)- Debit Card</li> <li>• Transactions (applicable to Money Market Accounts only)</li> <li>• ACH transfers</li> <li>• Wire transfers</li> <li>• Telephone transfers</li> <li>• Online transfers</li> <li>• Transfers to repay a loan at Discover Bank</li> </ul>	<p><b>Unlimited number of withdrawals and transfers:</b></p> <ul style="list-style-type: none"> <li>• Made in person</li> <li>• At an ATM (applicable to Money Market Accounts)</li> <li>• By messenger</li> <li>• By mailing a request or speaking to a telephone representative to have an official bank check mailed to you</li> </ul>

If during any calendar month you exceed these transaction limitations, we may assess an Excessive Withdrawal Fee for or refuse to pay each transaction in excess of the limitations. Transactions are counted based on the posting date. If you exceed these transaction limitations on more than an occasional basis, we reserve the right to close your Money Market or Savings Account or change the Account to a Checking Account. We retain the right to require at least seven (7) days’ prior written notice for any withdrawal.

**(iii) Checking Account Withdrawals**

You may make unlimited withdrawals or transfers of any type from your Checking Account up to your available balance and in accordance with the transaction limitations

stated in this Agreement, regardless of the withdrawal method.

**(b) Posting Order for Checking, Money Market, and Savings Accounts**

The following chart describes the order in which items will be posted to your Account:

Posting Order for Checking Accounts, Money Market Accounts, and Savings Accounts	
Beginning of each Business Day	<ul style="list-style-type: none"> <li>• ACH Deposits</li> </ul>
Throughout the Business Day as we receive the transactions	<ul style="list-style-type: none"> <li>• ATM withdrawals</li> <li>• POS debit card purchases (including temporary holds and settlements)</li> <li>• Overdraft Protection Service holds</li> <li>• Cash and official bank check withdrawals</li> <li>• Cash deposits</li> <li>• Internal transfers</li> <li>• Incoming and outgoing wire transfers</li> <li>• ACH withdrawals you initiate from your Account to an external account,</li> <li>• Checks that you deposited to your Account that have been returned unpaid</li> <li>• Any related fees</li> </ul>
End of each Business Day	<ul style="list-style-type: none"> <li>• Check deposits</li> <li>• Other Debits (checks, bill payments initiated by you through the Account Center, and ACH withdrawals initiated externally)</li> <li>• Other fees</li> <li>• Interest</li> </ul>

To provide prompt credit when a check drawn on Discover Bank is deposited to another Discover Bank account, we debit the account on which the check is drawn at the same time that we credit the account to which the check is deposited. In this circumstance, the debit may be processed prior to other credits to the same account.

Generally, items posted to your Account are paid in the order they are received by type of transaction. However, for transactions processed at the end of the Business Day, if there are insufficient funds in your Account to pay all debits presented, we will post and pay checks, bill payments initiated by you through the Account Center, and ACH withdrawals initiated externally in order from lowest to highest dollar amount. If an item presented to us for payment is being returned unpaid, the return transaction and related fees will post to your Account on the following Business Day.

**(c) Insufficient Funds**

Generally, we will not pay or honor any withdrawal or transfer against your Account if there are insufficient available funds to satisfy the full amount. In this case, we will assess an Insufficient Funds Fee and the transactions will be returned unpaid. A maximum of one (1) Insufficient Funds Fee per day will be assessed. We may charge applicable fees to your Account, even if there are insufficient available funds to pay the fees, and you agree

to deposit funds to pay any resulting overdraft.

For Insufficient Funds information regarding the Discover Student Deposits Program, see Section 7.

#### **(d) Unusual Withdrawals and Competing Claims**

- We reserve the right to delay or decline any transaction on your Account if we suspect fraud, possible illegal activity, an account take over or any other unusual activity that may affect your Account, or receive competing claims regarding your Account.
- Further, we reserve the right to suspend or freeze the funds in your Account or any other Accounts you maintain with us, if we believe your Account may be subject to unauthorized, irregular, illegal or fraudulent activity. If we freeze or suspend any of your transactions on your Account, we may provide you notice as soon as is reasonably possible. However, we reserve the right to not provide such notice if we believe that such notice could result in a security risk to the owner of the funds, the Account or to us.

### **(12) CHECKING REWARDS AND INCENTIVES**

**(a) Earn Rewards:** You may earn Checking Cashback Bonus rewards based on qualifying activity in your Cashback Checking Account. Eligible customers will earn Checking Cashback Bonus rewards of \$0.10 for:

- (i) each debit card purchase transaction,
- (ii) each check written that clears the Checking Account, or
- (iii) each Online Bill Pay transaction that is initiated in the Discover Bank Account Center and is successfully completed.

Customers can earn Checking Cashback Bonus rewards on up to 100 transactions per calendar month, in any combination of the above.

Customers are limited to being an owner, whether individual or joint, to a maximum of five (5) Cashback Checking Accounts.

ACH transactions, including when a physical check is converted to an ACH debit transaction, are not eligible for Cashback Bonus rewards.

Checking Cashback Bonus rewards will be earned monthly and posted to your Checking Cashback Bonus account on the Business Day following your statement end date. Your Checking Account must be open when Bonus rewards are posted.

**(b) Redeem Rewards:** You may redeem your Checking Cashback Bonus on DiscoverBank.com. You may redeem your Checking Cashback Bonus in any amount for:

- A credit to your Cashback Checking Account from which the Bonus rewards were earned.
- A transfer to a Discover Credit Card Cashback Bonus account. Once rewards have been transferred to a Discover Credit Card Cashback Bonus account, they will be governed

by the Discover Card Cashback Bonus Terms and Conditions and the rewards cannot be transferred back to the Checking Cashback Bonus account; and/or

- Other redemption options advertised on DiscoverBank.com from time to time.

You may redeem your Checking Cashback Bonus if your Checking Account is open and has a \$0 or positive balance. For full details about redemption methods and amounts, visit DiscoverBank.com.

**(c) Expiration of Rewards:** Checking Cashback Bonus rewards do not expire, but if your Checking Account is closed for any reason, Checking Cashback Bonus rewards may be forfeited. If your debit card or account number is lost or stolen, or we issue you a new account number for any other reason, we will transfer your Checking Cashback Bonus to your new Checking Cashback Bonus account.

We may adjust the amount of the Checking Cashback Bonus reward due to irregular, unauthorized or fraudulent activity in the Checking Account. We may offer additional incentives for establishing a Checking Account and/or maintaining one with certain types of activity.

### **(13) DEBIT CARDS**

#### **(a) Debit Card Transactions**

You may use your Discover Checking Debit Card or Discover Money Market Debit Card (each a “Debit Card”), anywhere in the United States, Canada, Mexico, and the Caribbean where the PULSE®, Discover®, or Diners Club International® symbols are displayed, subject to transaction limitations set forth in Section 11 (applicable to Money Market Accounts only) and Section 13(d) and by the ATM owner or merchant, to initiate the following transactions:

- (i) Withdraw cash from your Checking Account or Money Market Account at an ATM.
- (ii) Obtain your Checking Account or Money Market Account balance, or transfer funds between your Checking Account or Money Market Account at our Branch.
- (iii) Pay for purchases in person, online, or by phone.
- (iv) Obtain cash-over from participating merchants.

#### **(b) Foreign Transactions**

If you make a purchase or withdraw cash using your Debit Card in a foreign currency, we will convert it to U.S. dollars using conversion rates sourced from one of the following methods: a government-mandated rate, a government-published rate or an interbank or wholesale exchange rate, depending on the country and currency in which the transaction is made.

We use the rate in effect on the conversion date for the transaction. This rate may be different than the rate in effect on the transaction date. “Interbank or wholesale exchange rate” means the foreign exchange rate that banks charge each other when buying and selling currencies.

### **(c) ATM Fees**

We will not charge a fee for using an out of network ATM. However, when you initiate a transaction with your Debit Card at an ATM not owned by us, you may be charged a fee by the ATM operator or any network used for your transaction, including balance inquiries.

### **(d) Debit Card Limits**

- The daily combined POS purchase limit using your Debit Card is the lesser of \$5,000 or your available balance.
- The daily ATM withdrawal limit for each Account is the lesser of \$510 or your available balance. When you use an ATM not owned by us, you may be subject to other daily limits set by the ATM operator.
- These Debit Card transaction limits are in addition to the limits set forth in Section 11 of this Agreement. For security reasons, there may be limits on the number of ATM withdrawals using your Debit Card.
- In addition, we reserve the right to decline any Debit Card transaction if we suspect fraud or possible illegal activity affecting your Account.

### **(e) Personal Identification Number (PIN)**

You may activate your Debit Card and create or change your PIN online or by calling our automated system. You should protect your PIN as you would your Debit Card.

## **(14) FUND TRANSFERS**

### **(a) Internal Transfers Between Discover Accounts**

Accountholders can transfer funds between their deposit Accounts (excluding CDs), or transfer funds from such Accounts to fund a new Account. We may require a written request for an internal transfer to close one Account and open another with new Accountholders or if at any time the validity of a transaction is in question. Internal transfers are processed immediately.

### **(b) Wire Transfers**

#### **(i) Incoming Wire Transfers**

Please contact us at 1-800-347-7000 for wire transfer instructions as certain incoming wire transfers are processed through a correspondent bank. Wire transfers received before 4pm Eastern Time are posted to your Account on the Business Day we receive them. Wire transfers received after 4pm Eastern Time are posted to your Account on the next Business Day, with an effective date of the Business Day the funds were received. In some circumstances, a wire transfer may require additional processing time and will be posted to your Account upon completion of processing, with an effective date of the Business Day the funds were received. A wire transfer that does not comply with applicable law will not be processed and will be returned. Funds from incoming wire transfers are made available as set forth in Section 15(b)(i).

#### **(ii) Outgoing Wire Transfers**

Outgoing wire transfers from your Account to another

financial institution may be made upon written request by completing the Discover Wire Transfer Form. All requests must include the receiving Accountholder and receiving bank information, as required on our form. You will be assessed an Outgoing Wire Fee for each outgoing wire you initiate.

- (a) We reserve the right to verify or authenticate any request for a wire transfer or any information you provided to us on the Discover Wire Transfer Form and to refuse to honor any request if we, in good faith, are unable to verify that the individual requesting such transfer has the authority to do so or we detect any other unusual activity of the Account or person. There may be more than one level of verification required. We reserve the right to conduct additional verification of any wire transfer you request.
- (b) Requests received and fully verified at or before 3pm Eastern Time on a Business Day will be processed as of that Business Day. Wire transfer requests received and fully verified after 3pm Eastern Time on a Business Day, or at any time on a day that is not a Business Day, will not be processed until the next Business Day.

### **(c) ACH Transfers Between Discover and Non-Discover Accounts**

- You can transfer funds via ACH between any of your eligible Discover Bank Accounts and eligible accounts you own at other U.S. financial institutions, subject to the restrictions identified in Section 11.
  - In order to initiate an ACH transfer, you must be an owner of, or signer on, the bank account from which funds are being debited. You are required to provide the routing number, account number, and bank name for the account from which the funds will be debited.
  - ACH requests made by phone or in person before 5pm Eastern Time on a Business Day will be initiated by us on the same day.
  - ACH requests made by phone or in person after 5pm Eastern Time on a Business Day or at any time on a non-Business Day will be initiated by us on the next Business Day.
  - Funds deposited via ACH will be available as set forth in Section 15 (Funds Availability).
  - ACH transfers initiated in person at the Branch or by phone are permitted for initial Account funding only.
  - For security reasons, there may be limits on the dollar amount and the number of external transfers from your Account. We reserve the right to terminate, change, discontinue or add funds transfer functionality at any time, within our sole discretion.
- (d) ACH transfers initiated via the Account Center are subject to the Account Center (Banking) Agreement, which will be disclosed to you at the time of Account Center registration.

## (15) FUNDS AVAILABILITY (HOLDS)

Our policy is to make funds from your cash, check, and other deposits to your Account available to you as set forth in this Section 15. Once funds are available, the funds can be used to cover debit transactions on the Account (e.g., cash withdrawals at the Branch, ACH transfers, ATM, and checks written).

### (a) Check Deposits

(i) Funds from checks, drafts or money orders drawn on any financial institution located in the United States (including a U.S. branch or agency of a foreign bank) will be available for withdrawal as follows:

Type of Deposit	Funds Availability		
Cash Deposits Made in Person at the Branch	No later than the Day of your deposit		
Cash Deposits NOT Made in Person at the Branch	No later than the first Business Day after date of your deposit		
U.S. Treasury Checks; and Checks drawn on Discover Bank	No later than the first Business Day after date of your deposit		
Special Check Types (U.S. postal money orders, and Federal Reserve Bank, Federal Home Loan Bank, cashier's, official, certified, teller, state and local government and travelers checks), and other checks; <b>not made in person</b> to one of our employees at the Branch	<i>First \$200 of the deposit</i>	<i>First \$4,800 of the deposit</i>	<i>Remainder of the deposit</i>
	Available no later than the first Business Day after the date of your deposit	No later than the second Business Day after the date of your deposit	No later than the seventh Business Day after the date of your deposit
Special Check Types and Other Checks <b>made in person</b> at the branch	<i>First \$200 of the deposit</i>	<i>Remainder of the deposit</i>	
	Available no later than the first Business Day after the date of your deposit	No later than the second Business Day after the date of your deposit	

### (ii) Delayed Availability

The availability of funds from checks deposited may be delayed for a longer period of time to ensure that the funds have cleared the institution on which they were drawn and under circumstances including, but not limited to, the following:

- We have reason to believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one Business Day.
- A check you redeposited was previously returned unpaid.

- You have overdrawn your Discover Account repeatedly in the last six (6) months.
- You have multiple deposits returned in your Account over the immediately preceding 90-day period.
- We have been notified that the deposited check has been lost or damaged in collection.
- We suspect fraudulent or other unusual activity on your Account.
- The deposited check is post-dated or has an expired date.
- The routing number on the deposited check is not a current routing number.
- There are erasures or other apparent alterations on the deposited check.
- An emergency, such as failure of computer or communication equipment, has occurred.

We will notify you if we delay your ability to withdraw funds for any of the reasons set forth in this Section 15(a)(ii), and we will tell you when the funds will be available. The funds will generally be available no later than the seventh (7th) Business Day after the date of your deposit.

### (b) Electronic Deposits

- (i) Funds from ACH credit transfers and wire transfers initiated at an external bank to your Discover Bank Account (i.e., funds being sent to Discover) will be available for withdrawal on the Business Day we receive the deposit.
- (ii) Funds from ACH transfers initiated at Discover Bank from your external bank account to your Discover Bank Account (i.e., funds being requested from Discover from another financial institution) are generally available within four (4) Business Days after the date your request is initiated.

The availability of funds from ACH transfers initiated through the Discover Bank Account Center from your external bank account to be sent to your Account at Discover Bank, may be delayed for a longer period of time to ensure that the funds have cleared the external bank from which the funds were obtained and under circumstances including, but not limited to, the following:

- You are a new customer.
- We suspect fraudulent or other unusual activity on your Account.
- You have overdrawn your Account repeatedly in the last six (6) months.
- You have multiple deposits returned in your Account over the immediately preceding 90-day period.

### (c) Cash Deposits

Do not deposit cash through the mail. For cash deposits that

are not made in person to one of our employees at the Branch, your funds will be available no later than the first Business Day after the date of your deposit. If you make a cash deposit in person to one of our employees at our Branch, your funds will be available no later than the day we receive the deposit.

**(d) New Customers**

For purposes of this Section 15(d), a “new customer” means an Accountholder who has not had another Checking Account, Money Market Account, or Savings Account open for at least 30 days prior to the opening of the new Account. The following chart describes the longer holds that may apply to the Accounts of new customers during the first 30 days after your Account is opened:

Type of Deposit	Funds Availability		
Special Check Types (U.S. postal money orders, and Federal Reserve Bank, Federal Home Loan Bank, cashier's, official, certified, teller, state and local government and travelers checks), and other checks; <b>made in person</b> to one of our employees at the Branch	<b>First \$5,000 of the deposit</b>	<b>Remainder of the deposit</b>	
	Available no later than the first Business Day after date of your deposit	No later than the second Business Day after the date of your deposit	
Special Check Types (U.S. postal money orders, and Federal Reserve Bank, Federal Home Loan Bank, cashier's, official, certified, teller, state and local government and travelers checks), and other checks; <b>not made in person</b> to one of our employees at the Branch	<b>First \$200 of the deposit</b>	<b>Next \$4,800 of the deposit</b>	<b>Remainder of the deposit</b>
	Available no later than the first Business Day after date of your deposit	No later than the second Business Day after the date of your deposit	No later than the seventh Business Day after date of your deposit
<b>Other Check Deposits</b>	<b>First \$200 of the deposit</b>	<b>Remainder of the deposit</b>	
	Available no later than first Business Day after date of your deposit	No later than the seventh Business Day after date of your deposit	

**U.S. Treasury Checks, Discover Bank Checks, and Electronic and Cash Deposits:** The availability of funds from U.S. Treasury checks, checks drawn on Discover Bank, cash and electronic deposits does not change for new customers and is set forth in Sections 15(a), 15(b) and 15(c) above.

**(e) Determining When Your Deposit is Received**

**(i) Checks and Cash**

The following chart describes when items are determined to have been received by Discover:

Times for When Check & Cash Deposits Will Be Considered Received		
Mailed to our deposit processing center (checks only)	By 12pm ET on a Business Day	After 12pm on a Business Day or Non Business Day
	<b>Day of Receipt</b>	<b>Next Business Day</b>
At Branch ATM	By 2pm ET on a Business Day	After 2pm ET on a Business Day or Non Business Day
	<b>Day of Receipt</b>	<b>Next Business Day</b>
In Person made to one of our employees at Branch	By 6pm ET	
	<b>Business Day of Receipt</b>	
Via Mail to Branch (checks only)	<b>Business Day of Receipt</b>	
Made through the Branch night depository box	Between midnight and 8am ET on a Business Day	Between 9am ET and midnight on a Business Day
	<b>Day of Receipt</b>	<b>Next Business Day</b>

**(ii) Wire Transfers**

Wire transfers received before 4pm Eastern Time on a Business Day are considered received on the Business Day we receive them. Wire transfers received after 4pm Eastern Time on a Business Day are considered received on the next Business Day. See Section 14(b)(i) for additional information.

**(16) STOP PAYMENT ON CHECKS**

You may stop payment on a check drawn on your Checking Account or Money Market Account in person at our Branch, by calling us or by sending a written request to us. A stop payment order may apply to either a continuous range of checks or a single check. A stop payment order will be effective if we receive the stop payment order at such time and in such manner that we have a reasonable opportunity to act upon the request. The stop payment order is effective for six (6) months from the date you ordered the stop payment. To make a stop payment order, you must provide us with your Discover account number, the check amount, and/or the number and, if available, the payee name. Our acceptance of a stop payment order will not constitute a representation that the check has not already been paid or that we have a reasonable opportunity to act upon the order. Further, you may not stop payment on a check after we have paid the check. We will assess a Stop Payment Fee for each stop payment order received.

IF WE FAIL TO STOP PAYMENT ON A CHECK FOR WHICH A TIMELY REQUEST IS MADE, OUR LIABILITY IS LIMITED TO THE FACE AMOUNT OF THE CHECK. If you would like to re-new the stop payment after the effective period of six (6) months, you must call us, come into the Branch or send us a written request.



See Section 27 for information on stop payment orders for preauthorized transfers.

### **(17) ACCOUNT TRANSFER OR ASSIGNMENT**

Except as set forth in Section 20, you may not transfer, assign, or grant a security interest in your Account or any portion of the funds in your Account, without our prior written consent. No such transfer, assignment or security interest grant will be binding on us, unless and until we consent in writing to it. We reserve the right to refuse to allow you to change, add or delete your name or the names of other Accountholders.

### **(18) STATEMENTS AND ERROR RESOLUTION**

#### **(a) Statement Frequency**

We will make available a statement of your Account as indicated below.

##### **(i) CDs**

###### **(a) Non-IRA CDs**

We will make available quarterly statements unless there is an EFT transaction(s) within the month, in which case we will make available a monthly statement.

###### **(b) IRA CDs**

We will make available a statement annually on or before January 31st reflecting the previous year's activity.

##### **(ii) Savings Accounts**

We will make available quarterly statements unless there is an EFT transaction(s) within the month, in which case we will make available a monthly statement.

##### **(iii) Money Market Accounts**

We will make available monthly statements. Checks will not be returned to you with your monthly statements; however, you may view check images online. Check copies are available by request.

##### **(iv) Checking Accounts**

We will make available monthly statements electronically via the Account Center. Checks will not be returned to you; however, you may view check images online. Check copies are available by request.

#### **(b) Statement Error Resolution**

You must review and call us or write us promptly after we mail or otherwise make a statement available if:

- An item (other than an EFT) that you did not authorize or that contains an unauthorized alteration is listed on the statement,
- Your statement contains any errors (other than EFT related errors), or
- You did not receive your scheduled statement.

If you do not notify us of unauthorized or altered items, or other errors (other than EFTs), or of a missing statement within 60 days after a statement is mailed or otherwise made available, then you waive all claims you may have against us regarding these items.

If you do not call or write us regarding an item that you did not authorize or that contains an unauthorized alteration within 30 days after a statement is mailed or otherwise made available, we are not liable to you for subsequent unauthorized transactions on your Account that we could have prevented if you had timely told us of the unauthorized alteration.

You must call us or write us within six (6) months after a statement is mailed or made available to you to report an unauthorized or missing endorsement on an item you issued.

You must provide us with all information we need to investigate the alleged error or item and file any police reports and provide supporting affidavits and testimony we reasonably request. If you do not comply with the requirements, we are not required to reimburse you for any claimed loss and you cannot bring any legal claim against us in any way related to the item or errors.

#### **(c) Undeliverable Statements**

If a statement that we send is returned as undeliverable, we may discontinue sending statements until we are provided a current address. You are responsible for maintaining a current address with us. Your statements will be considered available as of the statement date. Your non-IRA CD, Money Market Account, Savings Account, and Checking Account statements are available in the Account Center.

**(d)** Section 18(b) on statement error resolution does not apply to errors regarding EFTs. For resolution of errors regarding EFTs, see Section 28.

### **(19) CD RENEWAL OPTIONS**

- We will send you a notification 30 days before your CD matures.
- When your CD matures, you may make a deposit or withdrawal (in whole or in part), or change the length of the term of the renewed CD during the Grace Period. The "Grace Period" consists of the nine (9) days immediately following the maturity date.
- Any term change, or deposit or withdrawal of principal, during the Grace Period, will end the Grace Period. Withdrawal of interest will not end the Grace Period.
- Your CD will automatically renew if no action is taken during the Grace Period.
- If you elect not to renew your CD, you will not be paid interest after the maturity date. Interest will be paid on partial withdrawals during the Grace Period as specified in Section 5(a).
- For IRA CDs:
  - If you are withdrawing funds, we must receive a correctly completed IRA Distribution or Transfer Form before the end of your Grace Period in order for us to process any distribution(s) from your IRA CD before the end of the Grace Period.
  - If you would like to make a contribution to your IRA CD at maturity or during your Grace Period, we must receive a

correctly completed Contribution Form and the additional funds prior to the end of the Grace Period. If we do not receive the Contribution Form and funds prior to the end of the Grace Period, we will either return the funds to you in the same way we received the funds or you may apply for and establish a new IRA CD.

## **(20) RIGHT OF SET-OFF**

If you owe us or our affiliate(s) money under any agreement, now or in the future (“Debt”), you grant us (and our affiliate(s), as applicable) a security interest in all of your Accounts in which you have an interest, to secure the Debt, plus reasonable attorney fees and costs incurred by us (and our affiliate(s), as applicable) in connection with the Debt. If the Debt is due, we may exercise our right of set-off and our rights in the security interest and satisfy the Debt, without giving you prior notice, by withdrawing funds from such Account(s) and applying them to the Debt, fees, and costs. We may exercise these rights even if the withdrawal leaves insufficient funds in your Account(s) to pay outstanding checks or other items, or results in an Early Withdrawal Penalty being assessed against your Account(s). We may withdraw funds from a Joint Account to pay a Debt of any Joint Account holder. We will not exercise these rights to pay a credit card Debt, by using funds in an IRA, or where otherwise prohibited by law.

## **(21) OVERDRAFT PROTECTION SERVICE**

We offer an optional Overdraft Protection Service. You may only enroll in our Overdraft Protection Service, for your Money Market Account, Savings Account, or Checking Account in person at the Branch or by visiting the Account Center. The Overdraft Protection Service allows you to link an eligible Account to another eligible Account to avoid overdrawing your Account. Until you have enrolled your eligible Accounts in our Overdraft Protection Service on the Account Center you will not have the benefit of overdraft protection.

## **(22) POWER OF ATTORNEY**

If you wish to designate another person (your “Attorney-in-Fact”), other than another owner of your Account, to transact on your Account on your behalf, you must deliver a Power of Attorney (“POA”) that complies with applicable law. Subject to applicable law, we may decline to honor a POA for any reason, at any time, and we may refuse to recognize a successor Attorney-in-Fact, even if we recognized the first Attorney-in-Fact named in your POA.

We may require the Attorney-in-Fact to execute an affidavit form which we will provide. The Attorney-in-Fact must notify us immediately upon learning of the principal’s death. We may rely on your POA until we have received notice (i) from you that it has been revoked, or (ii) that it has otherwise been terminated. An Attorney-in-Fact is not an owner of the Account and does not have an FDIC-insurable interest in the Account.

## **(23) PRIVACY AND DISCLOSURE OF ACCOUNT INFORMATION**

We will disclose information to third parties about your Account or the transfers you make: (i) where it is necessary for completing

transfers, or (ii) in order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant, or (iii) in order to comply with government agency or court orders, or (iv) if you give us written permission, or (v) as explained in our Privacy Policy.

## **(24) ACCOUNT CLOSURE**

### **(a) Closure by Us**

We can close your Account at any time for any reason, including if the balance in your Account is zero. If we close your Account, funds on deposit will be disbursed to the Account holder(s).

### **(b) Closure by You**

You can close your Account at any time by notifying us in writing or calling us. For phone requests, we may require you to submit an Account closure request in writing.

### **(c) All Closures**

- (i) Checking, Money Market and Savings Accounts: No interest will be paid on deposits received after your Account has been closed. If an Account is closed before interest is credited, you will receive the accrued interest. If any transactions are received after your Checking, Money Market, or Savings Account is closed, the transactions will generally be rejected, and debit transactions will be returned unpaid.
- (ii) Non-IRA CDs: Closure of your Non-IRA CD is subject to the restrictions stated in Section 11(a)(i) and Section 36 of this Agreement. If your Non-IRA CD is closed prior to maturity, we will assess an Early Withdrawal Penalty. However, we do not assess an Early Withdrawal Penalty for withdrawals following the death of an owner or when an owner is determined to be legally incompetent by a court or other appropriate administrative body, in each case subject to the provision of supporting documentation satisfactory to us.
- (iii) IRA CDs: Closure of your IRA CD is subject to the restrictions stated in Section 11(a)(i) and Section 36 of this Agreement and the provisions set forth in Section 3(iii) governing revocation of an IRA Plan. If your IRA CD is closed prior to maturity, we will assess an Early Withdrawal Penalty. However, we do not assess an Early Withdrawal Penalty for withdrawals following the death of an owner or when an owner is determined to be legally incompetent by a court or other appropriate administrative body, or for withdrawals that constitute required minimum distributions from your IRA CD, in each case subject to the provision of supporting documentation satisfactory to us. Upon the death of an IRA CD Account holder, if a surviving spouse is the sole beneficiary, then the surviving spouse must close the IRA CD and either (a) open a new IRA CD in the surviving spouse’s name with the IRA CD term ending on the same date and with the same interest rate and APY as the original IRA CD, or (b) receive the funds as a distribution or a rollover.

- (iv) General: Closed Accounts remain subject to the other provisions of this Agreement. We may advise consumer reporting agencies and other third parties of an Account that is closed for misuse, as permitted by law.

## **(25) RESERVED**

### **(26) AMENDMENTS, ACCOUNT CHANGES AND NOTICES**

We may amend this Agreement at any time. We will send you a notification 30 days prior to the effective date of any amendment that is adverse to you. If you are unwilling to agree to such amendments, you have the right to close your Account prior to the changes taking effect, subject to any Early Withdrawal Penalties. Your continued use of the Account after the effective date of the change constitutes your agreement to any amendment. Notices will be sent to the most recent address shown on our records for your Account. Any notice to one Accountholder constitutes notice to all Accountholders. It is your responsibility to notify us of any changes in your address or name, or if an Accountholder dies. If we are notified by the U.S. Postal Service that your address has changed, we will change your address in our records and send notice to you of the change.

### **(27) ELECTRONIC FUND TRANSFER (EFT)**

“EFT” or “transfer”, as used in Sections 27 and 28, means any electronic fund transfer transaction that is initiated through an electronic terminal, telephone, facsimile machine, computer or magnetic tape for the purpose of ordering, instructing or authorizing us to debit or credit your Account. The following details your rights in regards to EFTs. You may call us if you have any questions about your rights. Refer to Section 28 for written notification requirements.

#### **(a) Stop Payment of Preauthorized Transfers**

If you have told us in advance to make regular payments out of your Account, or you have authorized a third party to debit your Account via EFT, you can stop any of these payments. Here's how: Call us at 1-800-347-7000, come into the Branch or write us at Discover Bank, PO Box 30416, Salt Lake City, UT 84130. For payments you have authorized us to make, (i) if you make a stop payment order by phone, we must receive it no later than 5PM Eastern Time on the date the payment is scheduled to be made, or (ii) if you send a stop payment order in writing, we must receive your order in such time and in such manner as to allow us a reasonable opportunity to act upon it, which will be no less than three (3) Business Days. For payments you have authorized a third party to make from your Account via EFT, (i) if you make a stop payment order by phone, we must receive the order before the debit has posted to your Account, or (ii) if you send a stop payment order in writing, we must receive your order in such time and in such manner as to allow us a reasonable opportunity to act upon it, which will be no less than three (3) Business Days. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. You must provide us with your Discover Account number, the name of the payee, the date and the payment amount. The stop payment order is

effective for six (6) months from the date you ordered the stop payment. If you would like to re-new the stop payment after the effective period of six (6) months, you must call us, come into the Branch or send us a written request. For payments initiated by a third party, (i) you should notify the third party that you have withdrawn your authorization for the payment, and (ii) a fee will apply to each stop payment order you give.

#### **(b) Notice of Varying Amounts**

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

#### **(c) Liability for Failure to Stop Payment**

If you order us to stop one of these payments within the time frames set forth in Section 27(a) above, and we do not do so, we will be liable for your losses or damages.

#### **(d) Documentation of Transfers**

Your EFTs will be documented as follows:

- **Terminal Transfers (i.e., ATMs):** You can get a receipt at the time you make any transfer/withdrawal from your Checking or Money Market Account using an ATM or POS terminal. Save this receipt in order to reconcile your Account and/or to report any discrepancies or malfunctions.
- **Preauthorized Credits:** If you have arranged to have direct deposits made to your Checking Account, Money Market Account or Savings Account at least once every 60 days from the same person or company, you can call us at 1-800-347-7000 or visit DiscoverBank.com to verify whether or not the deposit has been made. You will not receive a separate receipt for these transactions.
- **ACH Deposits Initiated Online or By Phone:** You will receive a written notice confirming the verbal authorization to process a deposit by phone.
- **Statements:** All transfers will be included on your statements.

#### **(e) Your Liability for Unauthorized Transfers**

Tell us AT ONCE if you believe your Debit Card or PIN 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, by calling us at 1-800-347-7000 or by writing us at Discover Bank, PO Box 30411, Salt Lake City, UT 84130-0411. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your Account. If you tell us within two (2) Business Days after you learn of the loss or theft of your Debit Card or PIN, you can lose no more than \$50 if someone used your Debit Card or PIN without your permission. If you do NOT tell us within two (2) Business Days after you learn of the loss or theft of your Debit Card or PIN, and we can prove we could have stopped someone from using your Debit Card or PIN without your permission if you had told us, you could lose as much as \$500. Also, if your statement

shows transfers that you did not make, including those made by card, code or other means, tell us AT ONCE. If you do not tell us within 60 days after the statement was made available to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

**(f) Our Liability for Failure to Make Electronic Transfers**

If we do not complete a transfer to or from your Account on time or in the correct amount according to your instructions and this Agreement, we will be liable for losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, there is insufficient money in your Account to make the transfer.
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transaction, despite reasonable precautions that we have taken.
- If the transaction would have violated the terms of any of our agreements with you or with governmental regulations.
- If the ATM where you are making the transfer does not have enough cash.

There may be other exceptions not stated in this Agreement.

**(28) ERROR RESOLUTION – ELECTRONIC FUND TRANSFERS**

In case of errors or questions about EFTs, call us or write us as soon as you can, if you think your statement is wrong or if you need more information about a transfer listed on the statement. We must hear from you no later than 60 days after we made the FIRST statement available on which the problem appeared. Call 1-800-347-7000 or send your inquiry to us at Discover Bank, PO Box 30411, Salt Lake City, UT 84130-0411.

In order to more effectively serve you:

- Tell us your name and Account number.
- Describe the error or the transfer you are unsure about and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) Business Days. We will determine whether an error occurred within ten (10) Business Days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your Account within ten (10) Business Days for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) Business Days, we may not credit

your Account. For errors involving new Accounts, POS, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new Accounts, we may take up to 20 Business Days to credit your Account for the amount you think is in error. 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.

**(29) WAIVERS**

No delay in our exercise of our rights, powers or remedies will affect your obligations under this Agreement. If we waive any of the provisions of this Agreement, such waiver will only apply on that occasion.

**(30) LEGAL PROCEEDINGS**

We may comply with any writ of attachment, adverse claim, garnishment, tax levy, restraining order, subpoena, warrant or other legal process which we believe (correctly or otherwise) to be valid and we may restrict use of your Account if it is subject to any legal proceedings. We shall be entitled to rely upon the representations, warranties and statements made in such legal processes. You agree to hold harmless and indemnify us for any losses, expenses and costs, including reasonable attorneys' fees, incurred by us as a result of complying with such legal proceedings. In the event of your death, we will not release funds on deposit until all legal documents we require are delivered to us. We may pay all or any part of the funds in a Joint Account to a court or governmental agency upon receipt of a garnishment, order, tax levy or similar legal process identifying any one or all of the owners of the Joint Account.

**(31) ABANDONED ACCOUNTS**

State laws governing abandoned accounts may vary from state to state. If we have not had contact from you, there is no activity on your Account and you have not otherwise indicated an interest in the Account for a period of time specified by state law, the laws in most states require us to treat the funds in such Account as abandoned property and deliver the abandoned funds to the applicable state. We are required to turn over all property presumed to be abandoned to the applicable state and you would have to follow the state's requirements and process to obtain return of the funds we turned over to the state.

**(32) SEVERABILITY**

Any term contained in this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable under applicable law or regulation, shall not affect the validity or enforceability of the remaining terms.

**(33) TELEPHONE COMMUNICATIONS**

**(a) Authorization to Record Calls**

You agree that Discover and its affiliates, agents, contractors and marketing partners, may listen to or record telephone calls between you and our representatives without additional notice to you.

### **(b) Authorization to Contact You by Phone**

You agree that we (and our affiliates, agents, and contractors) may monitor or record any calls between you and us. If we need to contact you to service your Account or to collect amounts you owe to us, you authorize us (and our affiliates, agents and contractors) to contact you at any number (i) you have provided to us, (ii) from which you called us, or (iii) which we obtained and believe we can reach you at. We may contact you in any way, such as calling, texting or e-mail. We may contact you using an automated dialer or using pre-recorded messages. We may contact you on a mobile, wireless, or similar device, even if you are charged for it by your provider.

### **(c) Authorization to Contact You by Other Means**

You also agree that Discover and its affiliates, agents and contractors may use other medium, as permitted by law and including, but not limited to, mail and e-mail, to contact you about your Account or to offer products or services that may be of value to you.

## **(34) LIMITATION OF LIABILITY**

YOU AGREE THAT WE SHALL NOT BE LIABLE FOR INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST PROFITS OR ATTORNEYS' FEES, REGARDLESS OF THE FORM OF ACTION AND EVEN IF WE HAD ADVANCE WARNING OF THE POSSIBILITY OF SUCH DAMAGES.

## **(35) ARBITRATION OF DISPUTES**

### **(a) Agreement to Arbitrate**

In the event of a dispute between you and us arising under or relating to this Account, either may choose to resolve the dispute by binding arbitration, as described below, instead of in court. Any claim (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) may be resolved by binding arbitration if either side requests it. THIS MEANS IF EITHER YOU OR WE CHOOSE ARBITRATION, NEITHER PARTY SHALL HAVE THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL. ALSO DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION.

### **(b) Class Action Waiver**

ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS NEITHER YOU NOR WE MAY JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION BY OR AGAINST OTHER ACCOUNTHOLDERS, OR LITIGATE IN COURT OR ARBITRATE ANY CLAIMS AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY. Only a court, and not an arbitrator, shall determine the validity and effect of the Class Action Waiver. Even if all parties have opted to litigate a claim in court, you or we may elect arbitration with respect to any claim made by a new party or any new claims later asserted in that lawsuit.

### **(c) Your Right to Go To Small Claims Court**

We will not choose to arbitrate any claim you bring in small claims court. However, if such a claim is transferred, removed

or appealed to a different court, we may then choose to arbitrate.

### **(d) Governing Law and Rules**

This arbitration agreement is governed by the Federal Arbitration Act ("FAA"). Arbitration must proceed only with the American Arbitration Association ("AAA") or JAMS. The rules for the arbitration will be those in this arbitration agreement and the procedures of the chosen arbitration organization, but the rules in this arbitration agreement will be followed if there is disagreement between the agreement and the organization's procedures. If the organization's procedures change after the claim is filed, the procedures in effect when the claim was filed will apply. For a copy of each organization's procedures, to file a claim or for other information, please contact:

- AAA at 1101 Laurel Oak Rd., Voorhees, NJ 08043, [www.adr.org](http://www.adr.org) (phone 1-877-495-4185) or
- JAMS at 620 Eighth Ave., Floor 34, New York, NY 10018, [www.jamsadr.com](http://www.jamsadr.com) (phone 1-800-352-5267).

If both AAA and JAMS are completely unavailable, and if you and we cannot agree on a substitute, then either you or we may request that a court appoint a substitute.

### **(e) Fees and Costs**

If you wish to begin arbitration against us but you cannot afford to pay the organization's or arbitrator's costs, we will pay those costs if you ask us in writing. Any request like this should be sent to Discover Bank, PO Box 30416, Salt Lake City, UT 84130. If you lose the arbitration, the arbitrator will decide whether you must reimburse us for money we advanced for you for the arbitration. If you win the arbitration, we will not ask for reimbursement of money we advanced.

### **(f) Hearings and Decisions**

Arbitration hearings will take place in the federal judicial district where you live. A single arbitrator will be appointed.

The arbitrator must:

- Follow all applicable substantive law, except when contradicted by the FAA;
- Follow applicable statutes of limitations;
- Honor valid claims of privilege;
- Issue a written decision including the reasons for the award.
- The arbitrator's decision will be final and binding except for any review allowed by the FAA. However, if more than \$100,000 was genuinely in dispute, then either you or we may choose to appeal to a new panel of three arbitrators. The appellate panel is completely free to accept or reject the entire original award or any part of it. The appeal must be filed with the arbitration organization not later than 30 days after the original award issues. The appealing party pays all appellate costs unless the appellate panel determines otherwise as part of its award. Any arbitration award may be enforced (such as through a judgment) in any court with jurisdiction.

**(g) Other Beneficiaries of this Provision**

In addition to you and us, the rights and duties described in this arbitration agreement apply to: our affiliates and our and their officers, directors and employees; any third party co-defendant of a claim subject to this arbitration provision; and all joint Accountholders of your Account(s).

**(h) Survival of this Provision**

This arbitration provision shall survive:

- closing of your Account;
- any legal proceedings to collect money you owe;
- any bankruptcy by you; and
- any sale by us of your Account.

**(i) You Have the Right to Reject Arbitration for this Account.**

**You may reject the arbitration agreement but only if we receive from you a written notice of rejection within 30 days of your receipt of this Agreement. You must send the notice of rejection to: Discover Bank, PO Box 30411, Salt Lake City, UT 84130-0411.** Your rejection notice must include your name, address, phone number, Account number and personal signature. No one else may sign the rejection notice for you. Your rejection notice also must not be sent with any other correspondence. Rejection of arbitration will not affect your other rights or responsibilities under this Agreement. If you reject arbitration, neither you nor we will be subject to the arbitration provisions for this Account.

**(36) EARLY WITHDRAWAL PENALTIES; FEE SCHEDULE AND MINIMUM ACCOUNT REQUIREMENTS**

You agree to pay our standard fees and charges for your Account and related services. All Early Withdrawal Penalties and fees will be automatically deducted from your Account. The Early Withdrawal Penalties and fees are set forth in this Section 36. We reserve the right to change the Fee Schedule, subject to Section 26. Each IRA Plan (Traditional or Roth) you open is subject to revocation as defined in Section 3(iii)(a)(2). An Early Withdrawal Penalty will not apply if you revoke your IRA Plan under Section 3(iii)(a)(2).

**Early Withdrawal Penalties**

For New CDs: Beginning on the 8th day after your CD is opened and funded and for the next 22 calendar days, we will deduct each day’s simple interest on the issue amount withdrawn from the funding date to the date of withdrawal, thereafter the Early Withdrawal Penalty will be calculated as described in the chart below.

For Renewing CDs: Beginning on the day your CD’s Grace Period ends and for the next 20 calendar days, we will deduct each day’s simple interest on the issue amount withdrawn from the maturity date to the date of withdrawal, thereafter the Early Withdrawal Penalty will be calculated as described in the chart below

Early Withdrawal Penalty is calculated based on the Issue Amount Withdrawn					
CD's opened or renewed through 3/14/2013					
Term Penalty	Less than 1 Year	1-5 Years	Greater than 5 Years		
	3 months simple interest	6 months simple interest	9 months simple interest		
CD's opened or renewed 3/15/2013 through 2/16/2014					
Term Penalty	Less than 1 Year	1 Year to < 4 Years	4 Years to < 7 Years	7 Years or Greater	
	3 months simple interest	6 months simple interest	9 months simple interest	15 months simple interest	
CD's opened or renewed on or after 2/17/2014					
Term Penalty	Less than 1 Year	1 Year to < 4 Years	4 Years to < 5 Years	5 Years to < 7 Years	7 Years or Greater
	3 months simple interest	6 months simple interest	9 months simple interest	18 months simple interest	24 months simple interest

In some cases, the Early Withdrawal Penalty may reduce the principal in the CD. One month equals 30 days for simple interest fee calculation.

## Fee Schedule & Opening Account Requirements:

Fee Schedule & Opening Account Requirements			
<i>Product</i>	<i>Minimum Opening Balance</i>	<i>Monthly Maintenance Fee</i>	<i>Other Product Specific Requirements/ Fees</i>
<b>Cashback Checking</b>	\$0	\$0	Online Account only; Account Center Registration Required to Open
<b>Online Savings</b>	\$500	\$0	Excessive withdrawal fee per item = \$15 (See Section 10)
<b>Money Market</b>	\$2500	\$10 if balance falls below \$2500 after third statement cycle	Excessive withdrawal fee per item = \$15 (See Section 11)
<b>CDs/IRA CDs</b>	\$2500	\$0	See Section "36" for Early Withdrawal Penalties that may apply

### Additional Fees for Checking, Savings, and Money Market Accounts

<b>Deposit Item Returned (per item)</b>	<b>\$15</b>
<b>Stop Payment (per order)</b>	<b>\$15</b>
<b>Insufficient Funds (maximum 1 per day)</b>	<b>\$30</b>
<b>Insufficient Funds for Discover Student Deposits Program per Section 7</b>	<b>\$0*</b>
<b>Outgoing Wire Transfer</b>	<b>\$30 (applies to CDs too)</b>

\*Once you are no longer part of the Discover Student Deposits Program, you will be subject to the terms and conditions of the Cashback Checking Account, including the Insufficient Funds Fee.