

## Thread Bank Sweep Disclosure

This Disclosure contains the Terms and Conditions of your Thread Bank (“Thread Bank,” “we,” “our,” or “us”) online bank account[s]. Please carefully review this Document. As described below in more detail, your checking or savings account with us (your “Thread Bank Account”) has the following features:

- By opening your Thread Bank Account you are authorizing us to withdraw funds from your account and, as your agent and custodian, place them in deposit accounts at other FDIC-insured banks that we will establish for your benefit.
- The list of banks at which your funds may be deposited is available at <https://go.thread.bank/programbanks>.
- Your funds will be insured by the FDIC up to \$250,000 at each bank as if you had established the deposit accounts with the banks yourself.
- You can access your funds at the other banks only by directing us. You will not be able to access them directly from those banks. However, all withdrawal requests will be satisfied promptly.
- You can tell us at any time if there are banks you do not want your funds deposited at and we will comply with that instruction.
- Each deposit account at another bank is an obligation of that bank, not Thread Bank. In the unlikely event that one of the banks fail, we will collect your insurance and credit the payment to your Thread Bank Account with us.
- By opening your Thread Bank Account you are also opening a custodial account with us in which the deposit accounts at other banks will be held.

## INTRODUCTION

By opening your Thread Bank Account you are authorizing us to withdraw all funds from your account and place them into deposit accounts (the “Deposit Accounts”) at other U.S. chartered banks insured by the Federal Deposit Insurance Corporation (“FDIC”) (each a “Bank”) as set forth in the “Priority List” assigned to you.

Thread Bank will act as your agent and custodian in establishing and maintaining the Deposit Accounts at each Bank. Although the Deposit Accounts are obligations of the Banks and not Thread Bank, you will not have a direct relationship with the Banks. However, your funds will be insured by the FDIC up to \$250,000 per Bank as if you had established the Deposit Accounts with the Bank yourself.

All deposits and withdrawals will be made promptly by Thread Bank on your behalf. Information about your Deposit Accounts may be obtained from Thread Bank, not the Banks. You will continue to have instant access to your funds through your Thread Bank Visa® debit card and your online banking application

By opening your Thread Bank Account you are also agreeing to open a custody account with us which will record your Deposit Accounts at the Banks. You will receive a periodic statement from us showing the balances in your Thread Bank Account and the balances of the Deposit Accounts at the Banks that we hold as your custodian.

#### FDIC Deposit Insurance Available on Deposit Accounts

The deposit insurance limit for deposits held in each insurable capacity (e.g., individual, joint, etc.) is \$250,000, including principal and accrued interest, when aggregated with all other deposits held in the same insurable capacity at a Bank. For example, funds in the Deposit Accounts at a Bank held by an individual are insured up to \$250,000, and funds in the Deposit Accounts at a Bank held jointly by two or more individuals are insured up to \$250,000 per joint owner.

Thread Bank will place less than \$250,000 per individual account (\$500,000 for Joint Accounts of two or more individuals) (the "Deposit Limit") of your funds in each Bank on the Priority List. One or more Banks on the Priority List may become unavailable to accept your funds for a period of time. In such cases your funds may not be placed up to the Deposit Limit in each Bank before placed in the next Bank on the Priority List.

Any deposits (including certificates of deposit) that you maintain in the same insurable capacity directly with a Bank or through an intermediary (such as Thread Bank or through a broker-dealer) will be aggregated with funds in your Deposit Accounts at the Bank for purposes of the FDIC insurance limit. You are responsible for monitoring the total amount of deposits that you have with each Bank in order to determine the extent of FDIC insurance coverage available to you.

You should review carefully the section titled "Information About FDIC Insurance."

#### Managing Your Deposits

If you have more than one bank account in the same capacity (e.g., more than one bank account in your own name, more than one bank deposit account held jointly with the same person, etc.) Thread Bank can offer you an option for managing funds in your bank account for FDIC insurance purposes. All of

your accounts, within one FinTech (“Product Code”), will be held in the same insurable capacity with Thread Bank (“Combined Insurable Accounts”). Thread Bank will deposit the available cash from the Combined Insurable Accounts into Deposit Accounts so that the aggregate amount of funds in the Combined Insurable Accounts that are deposited into Deposit Accounts in each Bank on the Priority List do not exceed the Applicable Deposit Limit. The Priority List is available [here](#) and is subject to change consistent with the Thread Bank Sweep Disclosure. You are still responsible for monitoring the total amount of deposits that you have with Thread Bank and with each Bank on the Priority List, in order to determine the extent of FDIC deposit insurance coverage available to you.

### Fees and Conflicts of Interest

All Banks will pay Thread Bank a fee equal to a percentage of the average daily deposit balance in your Deposit Accounts at the Bank. Thread Bank reserves the right to increase, decrease, or waive all or part of these fees at any time.

Banking with Thread Bank provides benefits to Thread Bank. You should review the sections titled “Information About Your Relationship With Thread Bank and the Banks – Fees.”

## OPERATION OF THREAD BANK ACCOUNT

### Priority List

The Priority List of available Banks into which your funds may be deposited is included with this Disclosure Document and is available at all times at: <https://go.thread.bank/programbanks>. Other clients may be assigned different Priority Lists. The Banks appear on the Priority List in the order in which the Deposit Accounts will be opened for you and your funds will be deposited. You should review the Priority List carefully.

Banks on the Priority List may be temporarily unavailable to accept your funds. In such cases your funds may not be placed up to the Deposit Limit in each Bank before placed in the next Bank on the Priority List.

You may not change the order of the Banks on the Priority List. However, you may, at any time, designate a Bank as ineligible to receive your funds. This will result in your funds being deposited into Deposit Accounts at the next Bank on the Priority List. In addition, you may at any time instruct us to remove your funds from a Bank, close your Deposit Accounts with the Bank and designate the Bank as

ineligible to receive future deposits. Unless you withdraw your funds from your Thread Bank Account, your funds from a closed Deposit Account will be deposited in Deposit Accounts at the first available Bank set forth on the Priority List, as amended by you.

If you wish to designate a Bank as ineligible to receive your funds, please contact us at [customerservice@thread.bank](mailto:customerservice@thread.bank).

The Priority List may change. Please review the section “Changes to the Priority List.”

### Establishment of, and Deposits into, the Deposit Accounts

Thread Bank makes available to you a money market deposit account (“MMDA”) – a type of savings deposit – and a linked transaction account (“TA”) at one or more of the Banks. The MMDAs and TAs are non-transferable.

When you deposit funds in your Thread Bank Account, Thread Bank, as your agent, will open a MMDA and a linked TA on your behalf at one or more of the Banks on the then-current Priority List in the order set forth on the Priority List. At the end of each business day, Thread Bank will withdraw the funds from your Thread Bank Account and place them in the MMDAs at the Banks. Once your funds in the Deposit Accounts at a Bank reach the Deposit Limit, Thread Bank, as your agent, will open a MMDA and TA for you at the next Bank on the Priority List and place your additional funds in that Bank. Funds that you deposit in your Thread Bank Account after 5:00 p.m. on any day will be placed into the MMDAs at the Banks at the end of the next business day.

### Withdrawal Procedures

You can withdraw funds from your Thread Bank Account through your Thread Bank debit card or by writing a check on your Thread Bank Account. This creates a debit in your Thread Bank Account. When you make a withdrawal from your Thread Bank Account, Thread Bank, as your agent, will withdraw funds from your TAs at the Banks on the Priority List beginning with the lowest priority Bank on the Priority List at which your funds have been deposited in order to satisfy the debit. If there are insufficient funds at that Bank, funds will be withdrawn from each Bank in the sequence (lowest priority to highest priority) until the debit is satisfied. If funds in the TA at a Bank from which funds are being withdrawn are insufficient to satisfy a debit, funds in the related MMDA at that Bank will be transferred to the TA to satisfy the debit, plus funds to maintain any TA minimum, or “threshold,” amount, as determined by the Bank and Thread Bank in their discretion to satisfy debits in your Thread Bank Account. You will always have access to your funds even though they have been deposited at the Banks.

At any point during a month in which transfers from an MMDA at a Bank have reached a total of six (6), all funds will be transferred from that MMDA to the linked TA at the Bank until the end of the month. Deposits for the remainder of the month into this Bank will be made to the TA. At the beginning of the next month, funds on deposit in the TA will be transferred to the MMDA, minus any threshold amount to be maintained in the TA. The limits on MMDA transfers will not limit the number of withdrawals you can make from funds on deposit at a Bank or the amount of FDIC insurance coverage for which you are eligible.

Pursuant to federal banking regulations, the Banks must reserve the right to require seven days' prior written notice before you withdraw or transfer funds from an MMDA. TAs are not subject to this restriction. The Banks have informed us that they do not currently intend to exercise this right against MMDAs.

#### Changes to the Priority List

One or more of the Banks included on the Priority List may be replaced with a Bank not previously included on the Priority List, a Bank may be deleted from the Priority List or the order of Banks on the Priority List may change. You will receive notification in advance of changes that result in the addition of a Bank to the Priority List and have an opportunity to designate a Bank as ineligible to receive your deposits before any funds are deposited into a new Bank. All notices will be provided in electronic form, via either the Thread Bank website, Thread Bank app, or through email.

In the event that the order of Banks on the Priority List has changed, we will reallocate your previously deposited funds based on the revised Priority List. Deposits and withdrawals of your funds made after a change to the Priority List will occur as described above under "Deposit Procedures" and "Withdrawal Procedures," respectively.

On any day, one or more Banks may be closed for business or otherwise temporarily unable to accept your funds. In such event, your funds will be placed at the next Bank on the Priority List that is available to accept your funds.

When one or more Banks that were unable to accept your funds are again able to accept your funds, funds in your Thread Bank Account will be placed in those Banks.

If a Bank at which you have Deposit Accounts no longer makes the Deposit Accounts available through Thread Bank, you will be notified by Thread Bank and given the opportunity to establish a direct depository relationship with the Bank, subject to its rules with respect to establishing and maintaining deposit accounts. If you choose not to establish a direct depository relationship with the Bank, your funds will be transferred to the next available Bank on the Priority List on the day that the Bank is no longer included on the Priority List. The consequences of maintaining a direct depository relationship with a Bank are discussed below under “Information About Your Relationship with Thread Bank and the Banks - Relationship with Thread Bank.”

#### Interest on Balances in the Deposit Accounts

Interest will accrue daily and be credited monthly. Deposit balances in each MMDA and TA at each Bank will earn the same interest rate and all Banks will pay the same interest rate. The interest rates on the Deposit Accounts will be determined by the amount the Banks are willing to pay on the Deposit Accounts minus the fees paid to Thread Bank and other parties as set forth below under “Fees.”

The interest rates paid with respect to the Deposit Accounts at a Bank may be higher or lower than the interest rates available to depositors making deposits directly with the Bank or other depository institutions in comparable accounts. You should compare the terms, interest rates, required minimum amounts, and other features of your Thread Bank Account with other accounts.

#### Notices

All notices described in this Disclosure Document will be provided in electronic form, via the Thread Bank website, through email, or through your account statement.

## INFORMATION ABOUT YOUR RELATIONSHIP WITH THREAD BANK

#### Relationship with Thread Bank

Thread Bank is acting as your agent in establishing the Deposit Accounts at each Bank, depositing funds into the Deposit Accounts, withdrawing funds from the Deposit Accounts and transferring funds among the Deposit Accounts. Deposit Account ownership will be evidenced by a book entry on the account records of each Bank and by records maintained by Thread Bank as your custodian. No evidence of ownership, such as a passbook or certificate will be issued to you. Your Thread Bank Account statements

will reflect the balances in your Deposit Accounts at the Banks. You should retain the Thread Bank Account statements for your records.

Unless you establish the Deposit Accounts directly with a Bank as described below, all transactions with respect to your Deposit Accounts must be directed by Thread Bank and all information concerning your Deposit Accounts can only be obtained from Thread Bank. The Banks have no obligation to accept instructions from you with respect to your Deposit Accounts or provide you with information concerning your Deposit Accounts.

Thread Bank may, in its sole discretion, terminate your use of the Deposit Accounts. If Thread Bank terminates your use of the Deposit Accounts, you may establish a direct depository relationship with each Bank, subject to its rules with respect to maintaining deposit accounts.

Similarly, if you decide to close your Thread Bank Account, you may establish a direct relationship with each Bank by requesting to have your Deposit Accounts established in your name at each Bank, subject to each Bank's rules with respect to establishing and maintaining deposit accounts.

You Establishing your Deposit Accounts in your name at a Bank will separate the Deposit Accounts from your Thread Bank Account. Your Deposit Account balances will no longer be reflected in your Thread Bank Account statement and Thread Bank will have no further responsibility concerning your Deposit Accounts.

### Relationship with the Banks

As described above, you will not have a direct account relationship with the Banks. All transactions in your Deposit Accounts must be made through Thread Bank. However, each Deposit Account constitutes an obligation of a Bank and is not directly or indirectly an obligation of Thread Bank.

You can obtain publicly available financial information concerning each Bank at [www.ffiec.gov/nicpubweb/nicweb/nichome.aspx](http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx) or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Room E-1005, Arlington, Virginia 22226 or by phone at 703-562-2200. Thread Bank does not guarantee in any way the financial condition of the Banks or the accuracy of any publicly available financial information concerning such Banks.

## Fees

Each Bank will pay Thread Bank a fee equal to a percentage of the average daily deposit balance in your Deposit Accounts at the Bank.

Other than applicable fees imposed by Thread Bank on your Thread Bank Account, there will be no charges, fees or commissions imposed on your Thread Bank Account.

## INFORMATION ABOUT FDIC INSURANCE

*General Information.* The Deposit Accounts (including principal and accrued interest) are insured by the FDIC, an independent agency of the U.S. Government, up to \$250,000 for all deposits held in the same insurable capacity at any one Bank. Your funds become eligible for deposit insurance immediately upon placement into a Deposit Account at a Bank. Generally, any accounts or deposits that you may maintain directly with a particular Bank, or through any other intermediary, in the same insurable capacity in which the Deposit Accounts are maintained would be aggregated with the Deposit Accounts for purposes of the \$250,000 federal deposit insurance limit.

*You are responsible for monitoring the total amount of deposits that you hold with any one Bank, directly or through an intermediary, in order to determine the extent of deposit insurance coverage available to you on your deposits, including the Deposit Accounts. Thread Bank is not responsible for any insured or uninsured portion of the Deposit Accounts or any other deposits.*

In the event a Bank fails, the Deposit Accounts at that Bank are insured, up to \$250,000, for principal and interest accrued to the day the Bank is closed.

Under certain circumstances, if you become the owner of deposits at a Bank because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the \$250,000 federal deposit insurance limit with any other deposits that you own in the same insurable capacity at the Bank. Examples of deposit accounts that may be subject to this FDIC policy include joint accounts, "payable on death" accounts and certain trust accounts. The FDIC provides the six-month "grace period" to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.



In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period during which the FDIC must make insurance payments available, and Thread Bank is under no obligation to credit your account with funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to the FDIC [and Thread Bank] before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your Deposit Accounts or other deposits at the Bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be insured separately, up to the FDIC insurance coverage limits, from the deposits that you might have established with the acquiror until (i) the maturity date of any time deposits (including certificates of deposit) that were assumed, or (ii) with respect to deposits that are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquiror held in the same capacity for purposes of FDIC insurance coverage. Any deposit opened at the acquiror after the acquisition will be aggregated with deposits established with the acquiror for purposes of FDIC insurance coverage.

*Questions About FDIC Deposit Insurance Coverage.* If you have questions about basic FDIC insurance coverage, please contact your Financial Advisor. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Depositor and Consumer Protection, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), by visiting the FDIC website at [www.fdic.gov/deposit/index.html](http://www.fdic.gov/deposit/index.html), or by e-mail using the FDIC's On-line Customer Assistance Form available on its website.

To download the Thread Bank Sweep Disclosure, [click here](#).