

HSA - Investments Terms and Conditions

These Investments Terms and Conditions (the Terms and Conditions) are incorporated into and made a part of the Custodial Agreement between you and Avidia Bank. The Terms and Conditions describe the rights and obligations of you, Avidia Bank, and other third parties regarding the investment options offered through Avidia Bank. If there is a conflict between the Terms and Conditions and the Custodial Agreement regarding the subject matter discussed herein, the Terms and Conditions will control.

As used herein, “you” and “your” refer to the account owner. “We”, “us” and “our” refer to, as appropriate in the context, and any and all of Avidia Bank, Devenir Group, LLC, and their affiliates.

Introduction

Once funds in your Health Savings Account (“HSA”) reach the threshold established by Avidia Bank (currently \$1,000), you are eligible to enroll for the investment feature and invest a portion of the funds in your HSA as defined in the Custodial Agreement,(Article XI), in certain mutual funds (“Investment Account”). Avidia Bank will provide a menu of fund options which are available as investment options and may change from time to time.

Devenir Group will provide recordkeeping and transfer agency services through its outsourcing partners, (the Record Keeper) and Matrix Settlement and Clearance (the Clearing Firm). All trades related to your Investment Account will be executed by Devenir, LLC, Devenir Group’s registered broker-dealer subsidiary, through the Clearing Firm at your direction, subject to the terms of the Custodial Agreement, these Terms and Conditions and the applicable prospectus. Devenir Group and each of its affiliates and subsidiaries, including Devenir Investment Advisors, LLC, are referred to herein collectively herein as “Devenir”.

Avidia Bank is the custodian of your HSA.

1. No Investment Advice

The Investment Account is comprised of investments providing a variety of investment objectives and asset classes for you to choose among if you elect to participate. You agree and acknowledge that the Investment Account associated with your HSA is a “self-directed” product, i.e., the decision to enroll for this feature as well your decision to invest a portion of your HSA into the Investment Account, if at all, and which investment options chosen are solely within your discretion and at your direction. Neither Avidia Bank, nor Devenir provide any investment advice to you nor do they have any duty to review or monitor the investments in an individual’s Investment Account. Consequently, you are solely responsible for determining the suitability for you of investing in an Investment Account and you may wish to consult with your financial adviser before doing so. Avidia Bank and Devenir shall have no liability or responsibility for your investment decisions.

2. Investments May Lose Value

Investments in mutual funds are not FDIC-insured, not Bank issued or guaranteed, and are subject to investment risks, including fluctuations in value and the possible loss of the principal amount invested. Any decision to invest in the Investment Account is at your sole discretion and at your sole risk.

3. Prospectus and Annual Report

Before you make any investment decisions, you should carefully review the mutual fund's prospectus and consider its objectives, associated risk and any fees or expenses that may apply. Investing entails the risk of loss of principal. You understand and acknowledge that prospectuses are available to you either electronically or through each mutual fund's website or toll free phone number prior to and following your decision to invest a portion of your HSA in the mutual funds provided within the Investment Account, and that you should carefully read each applicable prospectus before investing. Each mutual fund's most recent annual report as well as their prospectus are available electronically once you have enrolled in the Investment Account feature.

4. Fee Disclosure

- a. **Payments to Service Providers.** Avidia Bank will pay Devenir for its services as the record keeper in connection with the Investment Account feature.
- b. **Monthly Maintenance Fee.** If enrolled in the Investment Account feature, there is a \$2.50 monthly Investment Fee, which is waived if your HSA account balance has a monthly average balance equal to or greater than \$3,000. The aforementioned fee is charged by Avidia Bank against your HSA account.
- c. **Investment Fees and Expenses.** The mutual funds in which you invest within your Investment Account may charge fees and expenses separate from and in addition to the monthly maintenance fee described in section 4.b above. These fees are provided within the applicable mutual fund's prospectus. If applicable, any 12b-1 fees may be paid directly to Avidia Bank while Sub-T/A fees will be paid directly to the Recordkeeper for services rendered. Additionally some mutual funds may impose exchange fees and/or redemption fees. Information related to Investment Fees are included within the mutual fund's prospectus, and should be considered prior to making investment decisions.
- d. **Voluntary Liquidation Fees.** As set forth in more detail below, there may be several situations in which you wish to liquidate one or more of the mutual funds within your Investment Account. Subsequently you may be charged a redemption fee based upon the individual mutual fund as disclosed within their prospectus.

5. Voluntary Liquidation of Investments

There may be situations in which you wish to liquidate one or more of your mutual funds within your Investment Account. For example, if you know you need a distribution from your HSA account (e.g. to pay a medical expense or to rollover funds from this HSA to another HSA) that exceeds the balance of your HSA account, you may choose to liquidate one or more of the mutual funds within your Investment Account prior to making your distribution requests so that you have sufficient funds in your HSA account to cover the requested distribution. As set forth in the Custodial Agreement, distributions from your HSA account are only made from the transactional component of your HSA. If you request a distribution that exceeds the balance in your HSA account, the transaction may be denied or, in some cases, you may have insufficient funds, even if you have a balance within your Investment Account. It is your responsibility to liquidate mutual funds within your Investment Account and move those funds to your HSA account to cover any distribution requests. You should allow at least five business days for the proceeds of any liquidation from your Investment Account to be available within your HSA account.

6. Transaction Acknowledgement

You agree to receive electronic acknowledgement of your trade requests. Each time you place a trade (buy, sell, realignment), you have the ability to electronically print a Transaction Acknowledgement confirmation at the time you conduct a buy, sell or realignment transaction. You can view the details of your trade transactions online by signing into your Investment Account. You must be an owner/signer on all accounts you wish to access electronically.

a. E-Statement Requirements.

- i. Adobe Acrobat 8.0 or higher
- ii. Personal Computer with Internet Explorer 7.0 or higher

b. E-Statement Customer Agreement.

In consideration of the e-Statement services as described from time to time in information distributed by Avidia Bank, you agree to the following

- i. The account holder authorizes regular periodic statements related to their Investment Account, **IN LIEU OF PAPER STATEMENT(S)**, to be provided in electronic format and viewed through the Devenir application. By utilizing the e-statement services, you agree to be bound by the Terms and Conditions of this agreement.
- ii. The account holder agrees to receive Avidia Bank's Privacy Notice, and Mutual Fund Disclosures and related Notices in an electronic format. Avidia Bank will provide this information via e-mail links or other electronic transmissions. A copy of the Bank's Privacy Notice can be found at www.avidiahealth.com. The consent granted by this section applies to the accounts covered by this agreement. Avidia Bank will notify the account holder of any material change in hardware or software required for retrieving or viewing this information
- iii. The account holder understands their right to revoke their consent for e-Statement services. In order to withdraw consent and terminate consent for the e-Statement service, the accountholder shall provide written notification to Avidia Bank, 30 days in advance, at the following address: Avidia Bank, PO Box 370, Hudson MA 01749. The accountholder may also withdraw consent and terminate the e-Statement service by call 855-472-9399.
- iv. The accountholder understands their right to obtain a paper copy of any of the above described disclosures or e-Statements. To obtain a paper copy, the customer must make a specific request to the Bank at the above address or phone number.
- v. The accountholder agrees to notify Avidia Bank immediately if you are unable to access any of the information that has been delivered by the Bank in an electronic format.
- vi. The accountholder agrees to notify Avidia Bank if your e-mail address changes. The accountholder may change their e-mail address by notifying the Bank at the above address or phone number.

c. Avidia Bank shall not be responsible or liable for:

- i. Consequential or incidental damages for negligent performance by Avidia Bank of its e-Statement services

- ii. Damages arising from unauthorized access to e-Statements
- iii. Any costs associated with updating or modifying the accountholder's hardware and software

d. Additional Terms

- i. The accountholder represents and warrants to Avidia Bank that each individual authorized to access the accountholder's accounts and information through the e-Statement is hereby authorized to access this account information. The account holder will designate a password as required to access their Investment Account and related e-Statements. Generally, passwords shall consist of at least 8 characters that include three of the four options; upper-case letters, lower-case letters, numbers and special characters. Once selected by the accountholder, a password is to be used only by the accountholder and protected from use by others. The accountholder agrees that Avidia bank's security procedures are commercially reasonable.
- ii. Unless otherwise noted, the meaning of terms used in this agreement and in information incorporated herein shall be defined and governed by the applicable provisions and laws of the Commonwealth of Massachusetts.

7. Utilizing the Investment Account in conjunction with your HSA account

You understand and agree with respect to your use of the Investment Account feature:

- a. That you grant to us, as custodian the authority to designate Devenir, your irrevocable proxy to vote any mutual fund proxies on your behalf in accordance with Devenir's proxy voting policy
- b. That you may only direct investments of your Investment Account balance to one or more of the mutual funds provided by Avidia Bank through the a designated third party web site approved by the Bank. The aforementioned web site is supported by the Recordkeeper, who will directly communicate all such directions to the Clearing Firm. The Clearing Firm is authorized and directed to follow all such directions received from the Recordkeeper through the web site approved by the Bank and is under no obligation to question or verify the validity or reasonableness of such instructions.
- c. If Avidia Bank removes a mutual fund from those available within the Investment Account, you will be given 30 day notice in which to sell and re-deploy any assets you have in such mutual fund. If you have not taken any action to re-deploy such assets within the specified time frame, your interests in the fund will be automatically liquidated and the proceeds transferred to your HSA account.
- d. The Recordkeeper will have total responsibility for maintaining all records regarding your Investment Account balances.
- e. That your Investment Account funds will be held in an omnibus account at the respective mutual fund company in the name of Avidia Bank nominee, for the benefit of all HSA accountholders

- f. That trade orders are only processed on active trading days and receive the price next determined after the trade has been executed, not next determined after the order has been placed. "Active Trading Day" is defined as a day that the New York Stock Exchange is open for trading.
 - i. Mutual fund buy requests submitted before 3 PM Central Time on active trading days will be processed on the next active trading day, while mutual fund buy requests submitted after 3 PM Central time on active trading days will be processed within the next two (2) active trading days
 - ii. Mutual Fund sell requests and portfolio re-alignment requests submitted before 3 PM Central time on an active trading day will be processed on the same day. Mutual fund sell requests or re-alignment requests submitted after 3 PM Central time on active trading days will be processed on the next trading day.
 - iii. Occasionally for reasons such as power interruption, phone line interference, satellite failure, force majeure, or user error, electronic trades do not transmit properly and will be transmitted as soon thereafter as possible unless you are otherwise informed. Occasionally, markets may close early, which may also affect the transmission of orders. Orders received after an early market close will be treated as if they were received after 3 PM Central time.

- g. Many mutual funds adhere to policies and procedures designed to restrict excessive short-term trading activity. Funds may impose a short term redemption fee on proceeds of fund shares that are redeemed within a defined time period of their purchase as defined within their prospectus. In addition, please be aware that two or more purchases and corresponding sales (including manual rebalancing of your entire Investment Account) of a mutual fund within a timeframe defined in the prospectus prior to engaging in any trading activity to avoid violation of such policies and possible trading restrictions and/or fees resulting therefrom.

8. Investment Account Closure

- a. **Voluntary.** If you wish to close your HSA account, you must first liquidate your Investment Account by visiting the designated web site. The proceeds of the mutual funds liquidated from the Investment Account are then reallocated to your HSA account. When the transactions have settled into your HSA account, you may submit a Transfer or Rollover form to Avidia Bank PO Box 370, Hudson MA 01749 to close your HSA account

- b. **Involuntary.** If an event causes your HSA relationship with Avidia Bank to terminate as set forth in the Custodial Agreement, we will direct the liquidation of your Investment Account, if any, and we will transfer the proceeds to your HSA account. Once the proceeds have settled to your HSA account, the HSA relationship will be terminated and the funds will be disbursed in accordance with the terms of the Custodial Agreement. Involuntary termination may occur pursuant to the termination provisions in the Custodial Agreement, upon your death, or upon the abandonment of your account as determined by the Commonwealth of Massachusetts unclaimed property law.

9. Access, Passwords and Security

You will be responsible for the confidentiality and use of your online username and password as well as account numbers related to your HSA account. You agree to hold Avidia Bank harmless from any damages of any kind resulting from your decision to disclose your online access credentials and/or account numbers to any third party, including but not limited to persons who are or claim to be acting as your agent, proxy, or investment manager. You agree to immediately notify Avidia Bank if you become aware of:

- a. Any loss or theft of your access numbers, passwords and /or account numbers; or
- b. Any unauthorized use of your access numbers, passwords and/or account numbers

10. Hold Harmless and Indemnification

You agree to hold harmless and indemnify Avidia Bank, Devenir and their affiliates against any liability, loss, cost or expense that may arise in connection with your investments in the Investment Account, except liabilities, losses, costs or expense that arise from our gross negligence or a material breach of any duty under these Terms and Conditions or related agreements. Under no circumstance shall Avidia Bank, Devenir or any affiliates be liable for any special, incidental, consequential or punitive damages.

11. Amendments and Governing Law

We may amend these Terms and Conditions at any time. We may give you notice of this amendment by posting it within a designated website utilized to gain access to your Investment Account no less than 30 days prior to the effectiveness. These Terms and Conditions shall be construed and interpreted in accordance with the laws of the Commonwealth of Massachusetts and applicable federal law.

12. Prospectus and Annual Report E-Consent

You are responsible for reviewing important mutual fund information. All mutual funds are offered by prospectus only. Prospectuses contain more complete information on management fees, charges and other expenses, including any short-term redemption fees and should be read carefully before investing. We will include the most recent Annual reports as well as each mutual funds prospectuses which can be accessed in an electronic format through our designated web site.

- a. By accepting these Terms and Conditions, you consent to receiving any mutual fund's prospectus and annual reports electronically and to read and agree to the terms of the prospectus before investing.
- b. You agree that a mutual fund's prospectus shall not be construed as an offer to sell or a solicitation of an offer to buy shares in the funds, nor shall any such shares be offered or sold to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities law of such jurisdiction.
- c. Mutual fund prospectuses and annual reports are provided online in an Adobe Acrobat Portable Document Format (PDF). To access prospectuses in PDF, you must install the

Adobe Acrobat Reader on your computer, which may be obtained free of charge from the [Adobe web site](#)

- d. We provide electronic prospectus delivery free of charge, however, your online service provider may apply charges for online access. A free paper copy of the prospectus is available to you by contacting each respective mutual fund's Shareholder Services.

13. General Terms and Conditions

- a. Your HSA account funds are held at Avidia Bank in individual accounts owned by you and are insured by the FDIC Insured to the maximum provided by law.
- b. Your Investment Account comprised of mutual funds are held in an omnibus account at the respective mutual fund companies in the name of Avidia Bank nominee for the benefit of HSA account holders
- c. You are responsible for considering the investment objectives, risks, charges and expense for the mutual funds carefully before investing. For more complete information, please consult the prospectus of each mutual fund and these Terms and Conditions. Read these documents carefully before investing. You are not receiving any individual investment advice in connection with this program and should consult a financial advisor before investing.
- d. Many mutual funds adhere to policies and procedures designed to restrict excessive short-term trading activity. Funds may impose a short-term redemption fee on the proceeds of fund shares that are redeemed within a defined time period of their purchase as defined in the prospectus. In addition, please be aware that two or more purchases and corresponding sales (including manual rebalancing of your Investment Account) of a mutual funds within a timeframe defined within the prospectus may result in restrictions from future trading activity into the funds. Always consult a fund's prospectus prior to engaging in any trading activity to avoid violation of such policies and possible trading restrictions and or fees resulting therefrom.
- e. The mutual funds' performance data provided represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance displayed. Investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be more or less than their original cost. The performance displayed does not reflect the deduction of short-term redemption fees, which may be as high as 1% of the amount redeemed and if reflected these fees would reduce the performance
- f. Devenir, LLC a registered broker-dealer, member FINRA/SIPC is providing brokerage services to you directly or through third parties
- g. Devenir Investment Advisers, LLC, is a registered investment adviser and affiliated company of Devenir, LLC.

h. Avidia Bank and Devenir are not affiliated companies

INVESTMENTS IN MUTUAL FUNDS:

ARE NOT FDIC INSURED	ARE NOT BANK ISSUED OR GUARANTEED	MAY LOSE VALUE
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