

1. Rate Information - The Interest/ Dividend Rate and Annual Percentage Yield on your deposit accounts are stated on the Business Deposit Rate Sheet and may change at any time as determined by us. For all **Certificates of Deposit**, the Interest Rate and APY are fixed and will be in effect for the term of the Account. The APY is a percentage rate that reflects the total amount of interest /dividends to be paid on an account based on the interest/dividend rate and frequency of compounding for an annual period. The APY is based on the assumption that interest will remain on deposit until maturity. A withdrawal of interest will reduce earnings. The **Business Checking Plus** and **Money Market** accounts are tiered. Each Interest Rate and APY are stated on the Rate Sheet and, once you meet the applicable balance requirement, will apply to all funds in the account.

2. Nature of Dividends - Dividends on Business Savings are based upon the Credit Union's current income and available earnings after transfers for required reserves at the end of a dividend period. The Dividend Rate and APY stated on the Rate Sheet reflect the earnings the Credit Union anticipates having available for distribution.

3. Compounding and Crediting - The Rate Sheet describes the time frames for compounding and crediting interest/dividends.

4. Balance Information - The minimum balance required to open each account and earn the APY is stated on the Rate Sheet. For all accounts, interest/dividends are calculated by the daily balance method, which applies a daily periodic rate to the full amount of principal in the account each day.

5. Accrual of Interest/Dividends - Interest/ Dividends will begin to accrue on cash deposits and on non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

6. Transaction Limitations - For Certificates of Deposit, if the account falls below the minimum balance, it may be closed, and the remaining funds will be transferred to your Business Savings account.

7. Maturity - Your account will mature on the maturity date stated on your Certificate of Deposit Receipt.

8. We may impose an **Early Withdrawal Penalty** for Certificates of Deposit if you withdraw any principal before the maturity date.

Penalty Amount is based on the schedule below:

| Certificate Term | Penalty on Withdrawn Amount |
|-------------------|-----------------------------|
| 12 months or less | 90 days interest |
| Over 12 months | 180 days interest |

How the Penalty Works - The penalty is a forfeiture of the interest that *has been* or *would be* earned at the account Interest Rate. It applies *whether or not the interest has been earned*. If the account has not yet earned enough interest or if the interest has already been paid, the penalty will be deducted from the principal.

Exceptions to Early Withdrawal Penalties - We may choose to pay the account before maturity with no early withdrawal penalty when an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.

9. Renewal Policy - Unless otherwise disclosed on your Certificate of Deposit Receipt, all Certificate of Deposit accounts automatically renew to interest rates in effect at the time of maturity for the applicable term. **Renewable accounts have a grace period of five (5) business days after maturity** to withdraw funds with no early withdrawal penalty.

10. All accounts are **Nontransferable and Nonnegotiable**. The funds in your account may not be pledged to secure any obligation of an owner, except with the Credit Union.

