

## Information About Your Ulster Savings Bank Certificate of Deposit Account

### APY Information

Any Annual Percentage Yield (APY) provided assumes interest will remain on deposit until maturity for accounts with terms. All certificate of deposit accounts are fixed rate accounts. Fixed rate accounts with specific maturities are in effect until maturity (ie. 7 day, 91 day, etc.). A penalty may be imposed for early withdrawal and may reduce earnings. Fees charged for maintenance or certain transactions on any account may also reduce earnings.

### Required Balances

The minimum balance required to open a Certificate of Deposit account and the minimum balance required to be maintained is the account each day to earn interest for that day are as follows:

<u>Term</u>	<u>Minimum Balance Required</u>
7 Day.....	\$2,500
91 Day .....	\$2,500
182 Day .....	\$2,500
9 Month.....	\$2,500
10 Month.....	\$2,500
12 Month.....	\$2,500
15 Month.....	\$500
18 Month.....	\$500
24 Month.....	\$500
30 Month.....	\$500
36 Month.....	\$500
48 Month.....	\$500
5 Year .....	\$500

### Interest Computation

We use the daily balance method to calculate interest on your account. This method applies a periodic rate to the balance in the account each day.

### Compounding Period

Interest compounds on your account daily, using a 365/360 interest factor.

### Interest Accrual

Interest begins to accrue on the business day you deposit non- cash items, such as checks. Although your account may earn interest each day, you may not withdraw the earnings until the end of the interest-crediting period (see Payment of Interest).

### Interest Crediting

Accrued interest will be credited to your account on its term as follows:

<u>Term</u>	<u>Crediting Period</u>
7 Day.....	Every 7 Days
91 Day .....	Every Month
182 Day .....	Every Month
9 Month.....	Every Month
10 Month.....	Every Month
12 Month.....	Every Quarter
15 Month.....	Every Quarter
18 Month.....	Every Quarter
24 Month.....	Every Quarter
30 Month.....	Every Quarter
36 Month.....	Every Quarter
48 Month.....	Every Quarter
5 year .....	Every Quarter

Of course, final crediting for all Certificate of Deposit accounts is at maturity.

**Payment of Interest**

Interest credited will be added to the account. If requested in writing, we will send you a check for the interest amount or transfer the amount to another Ulster Savings Bank account. (Restrictions may apply to withdrawals of transfers from IRA Accounts.) This payment method is not applicable to the 7-Day Certificate of Deposit account.

**Withdrawal of Interest Prior to Maturity**

The disclosed Annual Percentage Yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Special Features of Certificates of Deposit**

You may not make deposits to this account prior to maturity. Nor are you permitted to make withdrawals, except for withdrawal of interest, prior to maturity without our consent.

**Early Withdrawal Penalties**

If we consent to any of the principal in your account being withdrawn before maturity, we may impose a penalty on the principal withdrawn based on the term of the account, calculated as follows

<u>Term</u>	<u>Bank Penalty</u>
7 Day.....	7 Day's Simple Interest
91 Day .....	1 Month's Simple Interest
182 Day .....	1 Month's Simple Interest
9 Month.....	1 Month's Simple Interest
10 Month.....	1 Month's Simple Interest
12 Month.....	1 Month's Simple Interest
15 Month.....	3 Month's Simple Interest
18 Month.....	3 Month's Simple Interest
24 Month.....	3 Month's Simple Interest
30 Month.....	3 Month's Simple Interest
36 Month.....	3 Month's Simple Interest
48 Month.....	3 Month's Simple Interest
5 Year .....	3 Month's Simple Interest

Withdrawals that reduce the account balance below the minimum balance required for the account will result in the account being closed and/or the disclosed Annual Percentage Yield not being obtained.

These Bank penalties will not be charged if the owner of a Certificate of Deposit account dies or is declared legally incompetent. If a withdrawal is made for either of these reasons, we will credit any accrued interest to the account, up to the closing date.

These Bank penalties also will not be charged on traditional IRA and Keogh accounts if the owner has become permanently disabled or if the owner is 70 ½ years of age or older and the withdrawal is made to satisfy the minimum distribution requirements of the Internal Revenue Service ("IRS"). Unless any of the preceding conditions apply, Bank penalties may be imposed for withdrawals before maturity that are reported as distributions from traditional IRA's made after the account owner has reached age 59 ½.

Bank penalties will be imposed on withdrawals from Roth IRA's and Coverdell Education Savings Accounts made prior to maturity.

Roth and traditional IRA accounts which are closed within 7 days of account opening date will not incur a Bank penalty (if certain conditions are met), nor will any interest be credited. This exception does not apply to Coverdell Education Savings Accounts.

For traditional IRA accounts, the IRS may impose its own 10% premature distribution penalty for amounts withdrawn prior to age 59 ½. Other IRS penalties may apply to certain Roth IRA withdrawals. See your IRA Disclosure Statement for details.

**Automatic Renewals**

Certificate of Deposit accounts will automatically renew at maturity.

If your account has a term of more than 7 days, we will send you a Maturity Notice at least 20 calendar days prior to the maturity date of the account. Notices are not sent for accounts of lesser terms.

If we do not hear from you by the maturity date we will automatically renew the account for a term similar to the prior term at the maximum rate offered for that term on the renewal date. Upon account renewal, all credited interest remaining in the account will automatically become part of the principal for the new account term. If your account has a term of more than 7 days, upon automatic renewal you will have 10 calendar days after the maturity date to withdraw funds without our imposing Bank penalties.

Certificate of Deposit accounts that mature on Saturdays, Sundays or legal holidays (non-banking days) will be available to you for withdrawal on the next business day. The account will earn interest to that next business day.

**Additional disclosures apply and will be provided separately.**