

1. Definitions

Annual Percentage Yield (APY) The Annual Percentage Yield is a percentage rate reflecting the total amount of dividends paid on an account, based on the dividend rate and the frequency of compounding for a 365 day period.

Dividend Rate The dividend rate is the declared or prospective annual dividend rate paid on an account, which does not reflect compounding.

2. Rate Information

Share (Savings), Money Market Security, Share Draft (Checking), Health Savings Accounts (HSA), and Individual Retirement Account (IRA) Share Accounts. The dividend rate and APY may change each dividend period as determined by the credit union's Board of Directors. The dividend rate and APY disclosed above reflect the prospective dividend that the credit union anticipates will be paid for the current dividend period.

Christmas Club Accounts. The dividend rate and APY are fixed and remain in effect until the October 31 maturity date.

Term Share Certificate and IRA Term Share Certificate Accounts The dividend rate and APY are fixed and remain in effect until the first maturity date on the certificate. The rates and yields disclosed on our rate sheet reflect the dividend rates and APYs that were offered within the most recent seven calendar days and are accurate as of the date indicated.

3. Compounding and Crediting

(a) Share (Savings) Accounts. Dividends will be calculated daily and credited quarterly. The dividend period is the calendar quarter. The dividend period begins on the first calendar day of the period and ends on the last calendar day of the period. No dividends shall be paid on balances less than \$5.00. For this account type, the dividend period is quarterly, for example, the beginning date of the first dividend period of the calendar year is January 01 and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for this example is April 01.

(b) Share Draft (Checking) Accounts. Dividends will be calculated daily and credited monthly. The dividend period is the calendar month. The dividend period begins on the first calendar day of the period and ends on the last calendar day of the period. For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 01 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for this example is February 01.

(c) Health Savings Accounts. Dividends will be calculated daily and credited monthly. The dividend period is the calendar month. The dividend period begins on the first calendar day of the period and ends on the last calendar day of the period. For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 01 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for this example is February 01.

(d) **Business Checking Accounts.** Dividends will be calculated daily and credited monthly. The dividend period is the calendar month. The dividend period begins on the first calendar day of the period and ends on the last calendar day of the period. For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 01 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for this example is February 01.

(e) **Money Market Draft and Christmas Club Accounts.** Dividends will be calculated daily and credited monthly. The dividend period is the calendar month. The dividend period begins on the first calendar day of the period and ends on the last calendar day of the period. For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 01 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for this example is February 01.

(f) **IRA Share, Term Share Certificate, and IRA Term Share Certificate Accounts (excluding 3 Month Term).** Dividends will be compounded daily and credited quarterly. The dividend period is the calendar quarter. The dividend period begins on the first calendar day of the period and ends on the last calendar day of the period. For this account type, the dividend period is quarterly, for example, the beginning date of the first dividend period of the calendar year is January 01 and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for this example is April 01.

(g) **3 Month Term Share Certificate Account.** Dividends will not be compounded and will be credited at maturity. The dividend period is the term of the certificate.

4. Balance Computation Method. Dividends are calculated by the daily balance method, which applies a daily periodic rate to the balance in the account each day.

5. Fees and Charges. The fees and charges that may be assessed against your accounts are disclosed on the Fee Schedule. You authorize us to charge any account of yours for any such fees or charges assessed without notice to you.

6. Accrual of Dividends. Dividends will begin to accrue on the business day you deposit cash and non-cash items, such as checks, to your account.

7. Transaction Limitations. For all accounts except Share Draft (Checking) accounts, the credit union reserves the right to require a member intending to make a withdrawal to give written notice of such intent not less than seven days and up to 60 days before such withdrawal. A membership share may not be withdrawn unless membership in the credit union is terminated.

(a) Share (Savings), Money Market Security, Accounts. During any calendar month you may not make more than six transfers and withdrawals from each of your accounts, or a combination of such transfers and withdrawals from each account, to another.

(b) Christmas Club Accounts. If you wish to withdraw from the account before maturity, an early withdrawal fee will be assessed (Fee disclosed on Fee Schedule). The account can remain open as long as the minimum amount is maintained.

(c) Traditional IRA, Roth IRA, SEP and Education IRA Share Accounts. In general, combined contributions to Traditional IRA and Roth IRA accounts, including amounts directed to IRA certificate accounts, are subject to limitations imposed by the Internal Revenue Code. Contributions to Education IRA Share accounts are also subject to Internal Revenue Code limitations. Withdrawals are subject to Internal Revenue Service Rules.

Individuals under the age of 59 ½ may be subject to a 10% penalty when withdrawing shares from a Traditional IRA or Roth IRA account. In certain circumstances, such as the death or incompetence of an owner, the law permits or in some cases requires the waiver of an early withdrawal penalty. Please refer to your IRA Disclosure Statement or consult a competent tax advisor for more information. An early withdrawal fee may be assessed (Fee disclosed on Fee Schedule) for those requesting an early withdrawal if under 59 ½ or outside of IRA account terms.

(d) Term Share Certificate and IRA Term Share Certificate Accounts. After your account is opened, you may not make additions to the account until the maturity date. You may make withdrawals of principal from your account before maturity. Principal withdrawn before maturity is subject to an early withdrawal penalty as set forth below in Section 8(b). You may withdraw dividends credited to your account without credit union penalty if you withdraw the dividends in the current term before maturity of your certificate. In general, combined contributions to Traditional IRA and Roth IRA accounts, including amounts directed to IRA certificate accounts, are subject to limitations imposed by the Internal Revenue Code. For IRA Term Share Certificate Accounts, individuals under the age of 59 ½ may be subject to a 10% penalty when withdrawing principal or dividends. In certain circumstances, such as the death or incompetence of an owner, the law permits or in some cases requires the waiver of an early withdrawal penalty. Please refer to your IRA Disclosure Statement or consult a competent tax advisor for more information.

8. Term Share Certificate and IRA Term Share Certificate Accounts – Additional Disclosures

(a) Maturity Date. Your account will mature on the maturity date set forth on the certificate.

(b) Early Withdrawal Penalties. We may impose a penalty if you withdraw any of the funds in your account before maturity. For all term share certificates, the amount of the penalty will equal the dividends earned on the amount withdrawn subject to penalty for one-half of the account's term. For example, the penalty imposed on a three-month certificate will equal 45 days dividends on the amount withdrawn. For 6-month certificates, the amount of the penalty will equal 91 days dividends. An early withdrawal fee may be assessed (Fee disclosed on Fee Schedule) for those requesting an early withdrawal from an IRA certificate if under 59 ½ or outside of IRA account terms. If you have questions concerning the amount of the early withdrawal penalty for your certificate account, please contact a credit union representative. In certain circumstances, such as the death or incompetence of an owner, the law permits or in some cases requires the waiver of an early withdrawal penalty. Please refer to your IRA Disclosure Statement or consult a competent tax advisor for more information.

(c) Withdrawal of Dividends Prior to Maturity. The APY is based on an assumption that dividends will remain in the account until maturity. Any withdrawal(s) will reduce earnings.

(d) Renewal Policies. Your account will automatically renew at maturity. You will have a grace period of 10 calendar days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty. The account will not automatically renew if (i) you withdraw the funds in the account at maturity or within the grace period, (ii) we receive written notice from you within the grace period, or (iii) we mail notice to you at least 30 calendar days before maturity. If your account is not renewed, the account funds will be placed in a dividend-bearing account. If your account is renewed, the renewal term will be the same as the original term, beginning on the maturity date unless otherwise noted in relation to promotional account terms. The dividend rate will be equal to the dividend rate for new term share certificate accounts on the maturity date which have the same term, minimum balance, and other features as your original term share certificate account.

9. Nature of Dividends. Except for Term Share Accounts (including Term Share Certificates), dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

10.Par Value of Shares. The par value of a regular share in this credit union for members 21 years of age or younger is \$1.00. The par value of a regular share in this credit union for members over 21 years of age is \$5.00.

11.National Credit Union Share Insurance Fund. Member accounts at Greater Texas Federal Credit Union are federally insured by the National Credit Union Share Insurance Fund.