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# Business Certificate Accounts Disclosure

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Your Business Rates Schedule will inform you of the following information pertaining to your Certificate account:

- Time requirements
- Dividend rate
- Annual percentage yield (APY)
- Minimum balance requirements
- Compounding frequency
- Crediting frequency
- Dividend period

Dividends on Certificate account(s) are set by Hiway Federal Credit Union's (Hiway) Board of Directors.

**RATE INFORMATION.** The Annual Percentage Yield (APY) reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. The dividend rate and Annual Percentage Yield (APY) are fixed during the term of the Certificate at the rate in effect at the time the Certificate is opened. The rates for Renewals shall be those rates in effect at the time of renewal. The APY stated is based on the assumption that dividends will remain on deposit until maturity; a withdrawal of dividends will reduce earnings. Rates are effective as of the Effective Date listed on your Business Rates Schedule; the credit union reserves the rights to revise its rates as determined by the Board of Directors.

**COMPOUNDING AND CREDITING.** The frequency with which dividends will be compounded and credited are as follows: If your account has an original maturity of less than 12 months, your dividends are compounded and credited at maturity. If your account has an original maturity of 12 months or greater, your dividends are compounded and credited quarterly. The "Quarter" begins on the first calendar day of the quarter and ends on the last calendar day of the quarter. Some certificate terms offer the option of monthly dividends that would not remain in the certificate account.

**MINIMUM BALANCE REQUIREMENTS.** The minimum balance to open and obtain APY for each account are set forth on the Business Rates page on hiway.org. Minimum balance requirements may include a minimum opening deposit, the minimum balance that you must maintain in the account to avoid service fees, and the minimum balance that you must maintain each day to earn the stated Annual Percentage Yield for that account. The Par value of a share is disclosed on the Business Service Fee Schedule.

**ADDITIONAL DEPOSITS.** Additional deposits are not allowed.

**BALANCE COMPUTATION METHOD.** We use the Daily Balance Method to calculate dividends on your account. The Daily Balance Method applies a daily periodic rate to the balance in the account each day.

**ACCRUAL OF DIVIDENDS.** Dividends will begin to accrue on the business day your deposits are posted to your account.

**MATURITY.** Your account will mature according to the term indicated on your statement.

**EARLY WITHDRAWAL PENALTIES.** We may impose a penalty if you withdraw any of the funds in your account before the maturity date. The amount of the penalty is disclosed below. The penalty is calculated as a forfeiture of part of the dividends that have been or would have been earned on the account and applies whether or not the dividends have been earned. The penalty may be deducted from the principal amount of the deposit. The Annual Percentage Yield disclosed for your account is based on an assumption that dividends will remain in the account until maturity; a withdrawal will reduce earnings. Exceptions to Early Withdrawal Penalties: We may, at our option, pay the account before maturity without imposing an early withdrawal penalty under the following circumstances if an account owner dies or is determined to be legally incompetent by a court or other body of competent jurisdiction. You can only withdraw dividends credited in the term before maturity of that term without penalty. You can withdraw dividends anytime during the term of crediting after they are credited to your account.

- If your account has an original maturity of less than 12 months, the penalty we may impose will equal 30 days dividends
- If your account has an original maturity of 12 to 23 months, the penalty we may impose will equal 90 days dividends
- If your account has an original maturity of 24 to 47 months, the penalty we may impose will equal 180 days dividends
- If your account has an original maturity of greater than 47 months, the penalty we may impose will equal 365 days dividends

**RENEWAL POLICY.** Unless you otherwise instruct us, your certificate account will automatically renew at maturity. You will have a 14-calendar day grace period after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty. Each renewal term will be the same as the original term, beginning on the maturity date. The dividend rate will be the same we offer on new certificate accounts on the maturity date which have the same term, minimum balance (if any) and other features as the original certificate account.

**24 Month Step-Up Option Plan and Rate Information.** The rate will remain fixed at the rate in effect at the time you open your account for the term of the account, unless you choose to change it. You have the option during each term of your account, to exchange this dividend rate for a new dividend rate. The new dividend rate will be the dividend rate we are then offering to our membership on the 24-month term share account for the remainder of your account at the time of the exchange. This exchange will be at no cost to you. If you make an exchange, the maturity date of this your account will remain the same as originally disclosed. You may exercise this change option once during each term.