

Information About Your Ulster Savings Bank NOW Account

Balance to Open

Your NOW Account must be opened with a minimum deposit of \$100.00

Balance to Earn Interest

The account has no requirement that you maintain a minimum balance to earn interest at the Annual Percentage Yield then in effect.

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 noncash 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).

Payment of Interest

Accrued interest earned during the statement cycle will be credited to the account on the last day of the statement cycle period, provided the account remains open on that day. No interest will be credited to accounts closed before the last day of the statement cycle period.

Balance to Avoid Fees

Unless you are a participating Freedom Select member, your daily balance for every day of the statement cycle must be at least \$1,250.00 to avoid the imposition of a maintenance fee for that period.

Maintenance Fees and Service Charges

A fee of \$10.00 will be imposed at interest crediting if one or more daily balances in the statement cycle fall below \$1,250.00. This fee will be waived for Freedom Select members as long as they continue to participate in the program. (See program requirements provided to eligible individuals under separate cover.)

You may make unlimited withdrawals from your account each statement cycle period. If these withdrawals are made by check (see below) or, if you use a VISA Classic Check Card, at either an Ulster Savings Bank Automated Teller Machine (ATM) or at a Point-of-sale terminal not requiring a PIN, there will be no transaction charges. You are allowed two (2) free withdrawals per statement cycle period at other ATM facilities and at Point-of-sale terminals requiring a PIN. Additional withdrawals at other ATM facilities or at Point-of-sale terminals requiring a PIN will be processed at a fee of \$1.50 per transaction, in addition to any fees the facility owner may assess.

You may make an unlimited number of deposits at no charge.

If you have insufficient or unavailable funds in your account, at our discretion we may return a presented item unpaid or we may pay the item and permit you to overdraw your account. Refer to our latest version of our fee schedule on returned item, insufficient funds and overdraft fees.

Withdrawals and Payments

To withdraw money from your NOW account you can write a Negotiable Order of Withdrawal payable to yourself or a third party and sign it. Negotiable Orders of Withdrawal are similar to checks and for purposes of your account will be called checks. These checks must be on a form acceptable to the Bank.

The Bank may refuse to honor any check presented more than six (6) months after the date on the check, but shall have no liability if it decides to honor such a check.

If you have an Ulster Savings Bank Card or a VISA Classic Check Card, you can also make withdrawals at an Automated Teller Machine (ATM) or other facility of NYCE/PLUS.

The Bank will not be responsible if it refuses to accept (pay) a check you have written because there are not enough funds in the account after we have deducted a maintenance fee or service charge.

Monthly Statements

You will receive a monthly statement showing all account activity during the previous month. This statement will include a summary of paid checks and any maintenance and service fees. The monthly statement cycle period is determined by the account number and is normally 28 to 31 days — but may occasionally be as long as 35 days.

You must examine the statement (and checks) and notify the Bank within 14 days, in writing, of any discrepancies. If the discrepancy concerns an ATM or other electronic funds transfer transaction (Federal recurring payments, payroll deduction etc.) this notification period is extended to 60 days. If we do not hear from you within these time frames, we will assume the statement is correct.

Other Maintenance Fees and Service Charges

A listing of other maintenance fees and service charges applicable to your account are provided under separate cover.

Additional disclosures apply and will be provided separately.