

Variable Rate Individual Retirement Account Certificate of Deposit Basic Terms and Conditions

Minimum Deposit to Open Account	\$100
Traditional IRA Description	Traditional IRAs are individual (solely owned) tax-deferred savings plans for retirement, available to all persons earning compensation. Two advantages of a Traditional IRA are: you may be able to deduct some or all of your contributions, depending on your circumstances; and generally, amounts in your IRA, including earnings, are not taxed until they are withdrawn. Withdrawals may be subject to federal and state tax penalties; contact your tax advisor for info.
Roth IRA Description	A Roth Individual Retirement Account plan helps individuals save for retirement and other needs with the potential for tax-free earnings. Contributions can be made to a Roth IRA as long as you have earned income at least equal to your IRA contribution. Although contributions are not tax deductible, earnings are completely tax-free, provided that you follow the legal guidelines. Withdrawals may be subject to federal and state tax penalties; contact your tax advisor for info.
Term	18 Months. The Certificate of Deposit Receipt will show the maturity date.
Interest Compounding Method	Interest is compounded on a daily basis and begins to accrue on the business day that the funds are deposited.
Interest Rate	The interest rate and annual percentage yield can change. The rate will be set the first day of each calendar month and will remain in effect through month end. The rate is set at the discretion of the Bank.
Interest Payment Options	<p>You have the option to have interest credited to the CD in the following ways:</p> <ul style="list-style-type: none"> • Monthly • Quarterly • Semi-annually • Annually (if term is 12 months or greater) • At maturity (if term is 12 months or less) <p>If you do not select an option, interest will be credited to the IRA account semi-annually</p>
Transaction Limits & Withdrawals During Account Term	<p>Additional deposits of \$50 or more may be made to this account at any time, up to the current IRS annual contribution limits.</p> <p>Withdrawals (principal or interest) made from any IRA will reduce earnings and the annual percentage yield and may be subject to additional federal penalties.</p> <p>A reduction from principal will be made when necessary to fulfill the penalty for early withdrawal. (Please refer to the Early Withdrawal Penalty section below or the Personal Deposit Account Disclosure for complete details.)</p>
Early Withdrawal Penalty	<p>Accrued interest may be withdrawn from the account without penalty during the specified grace period.</p> <p>EARLY WITHDRAWAL PENALTY: Any funds you withdraw from your IRA before the end of the term will be subject to an early withdrawal penalty based on the length of the IRA term. An early withdrawal penalty will be calculated on the current balance of the IRA, and may include the available accrued interest.</p> <p>The IRA owner forfeits the amount withdrawn according to the following maturity terms:</p> <ul style="list-style-type: none"> • Between 32 days and 1 year: forfeit three months' interest • More than 1 year: forfeit six months' interest <p>EXCEPTIONS TO THE EARLY WITHDRAWAL PENALTY:</p> <ul style="list-style-type: none"> • Death of the IRA owner • Court determination that an IRA owner is incompetent or disabled • Normal distributions if the owner is 59 ½ or older <p>REGULATION D PENALTY: Regardless of the certificate term, the Bank is required to charge a minimum of seven (7) days' interest on amounts withdrawn within the first six (6) days after deposit.</p>

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Renewal Policy	<p>Your account will renew automatically to the original term, unless the Bank gives notice prior to any maturity date that it will not renew.</p> <p>There is a grace period of ten (10) calendar days after the maturity date during which funds may be withdrawn without penalty. If the account is allowed to renew automatically, all interest paid into the account becomes part of the principal on the renewal date and, unless designated otherwise, is not available for withdrawal during the new term without penalty.</p> <p>The rate of interest at renewal will be the rate applicable to the same type of Certificate of Deposit. Funds withdrawn during the grace period will not accrue interest.</p>
IRA Servicing Fee	<p>A \$30 Servicing/Closing fee will be assessed on IRA transfers, rollovers, or early closures. This fee will be assessed against the account during the entire term, including the maturity period. The \$30 servicing fee is not waived for negotiated rate or term changes on a WTB existing certificate outside of the grace period.</p>
Notices	<p>Any notice of payments of principal or interest will be mailed to the Registered Owner's last address shown on the records of the Bank. Any change of address or other correspondence concerning an IRA must be delivered personally to a branch or mailed to:</p> <p>Washington Trust Bank Attention: Deposit Services P.O. Box 2127 Spokane, WA 99210</p>

Please refer to the *Personal Products Deposit Account Disclosure* for full disclosure details.

Important Definitions	<p>ANNUAL PERCENTAGE YIELD (APY): The amount of interest paid to you by the bank on your account during the year.</p> <p>ANNUAL PERCENTAGE YIELD (APY) REQUIREMENT: Assumes principal and interest remain on deposit until maturity and the minimum balance requirement must be maintained.</p> <p>AUTOMATED CLEARING HOUSE (ACH): Electronic file transfer of funds from one financial institution to another.</p> <p>BUSINESS DAY: Means every day except Saturday, Sunday, and Federal holidays.</p> <p>CERTIFICATES OF DEPOSIT: Also known as Time Deposits, or CDs.</p> <p>CONTRIBUTIONS (Traditional IRA): The amount of money you put into your Individual Retirement Account for a tax year.</p> <p>CONTRIBUTIONS (Roth IRA): Money you contributed to or paid into your Individual Retirement Account. Contributions to the Roth IRA are made with after-tax dollars. This means that you do not get a tax deduction for the money you put in (i.e., you pay your taxes now, rather than later).</p> <p>CURRENT BALANCE: The amount of money in your account at the beginning of a business day.</p> <p>GRACE PERIOD: The specified period of time after the maturity date during which funds may be withdrawn without penalty. (Generally, 10 days, unless the CD term is 59 days or less.)</p> <p>INDIVIDUAL RETIREMENT ACCOUNT: An Individual Retirement Account Certificate of Deposit (also referred to as an "IRA Time Deposit," "IRA CD," or IRA certificate) is a savings instrument where customers agree to leave the funds (principal) on deposit with the Bank in exchange for a specified interest rate. IRAs have special regulations pertaining to eligibility, contributions, deductibility, tax-deferred earnings, withdrawals, and required distributions.</p> <p>INTEREST COMPOUNDING METHOD: Interest will be calculated using the daily balance method. This method applies a daily periodic rate to the balance in the account each day.</p> <p>INTEREST RATE: The percentage of interest paid on an interest-bearing account, such as savings, CDs and some checking accounts.</p> <p>MATURITY PERIOD OR TERM: The owner of a CD account agrees to leave the funds on deposit with the Bank for a specified period of time, called the maturity period or term.</p> <p>TAX-DEFERRED (Traditional IRA): Refers to investment earnings, such as interest, on which applicable taxes are paid at a future date. Taxes on IRAs are generally paid when the account owner withdraws the funds once they reach distribution age.</p> <p>TAX-FREE EARNINGS (Roth IRA): Roth earnings and withdrawals are generally tax-free provided that individuals follow the legal guidelines.</p>
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