

# Disclosure & Fee Schedule

## CDs & IRAs



### CERTIFICATE OF DEPOSIT ACCOUNTS (CDs)

Thank you for choosing Fidelity Bank to serve your CD needs. This disclosure highlights some of the important features of the CDs we offer. For more detailed information concerning your account, please refer to the Deposit Account Agreement.

### GENERAL INFORMATION CONCERNING ALL CDs

The interest rate and annual percentage yield for your CD will be determined by the type of CD you select and your opening deposit or renewal balance. The annual percentage yield assumes interest remains on deposit until maturity. A withdrawal will reduce earnings. To obtain current rate and yield information please visit your local Fidelity Bank branch.

Interest begins to accrue on the business day you deposit cash or non-cash items (for example, checks). We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. Interest is compounded daily and will be credited to your account either monthly, quarterly, semi-annually, annually or at maturity (in terms under one year), as you may elect. Interest on a 7-31 Day CD or a Non-Renewing CD is credited only at maturity. All "Jumbo" CDs (CDs of \$100,000 or more in public funds or deposited by commercial customers) earn simple interest which is credited to the account at maturity.

To open a CD, you must deposit at least \$5,000 for a Key CD or \$1,000 for any other type of CD. Only Premier Key customers may open a Key CD. After you open your account, you may not make additional deposits into or withdrawals from your account until the maturity date.

Unless yours is a Non-Renewing CD, your CD will automatically renew at maturity. You will have a grace period after the maturity date of three calendar days (for CDs with terms of 31 days or less) or ten calendar days (for CDs with terms greater than 31 days) to withdraw funds without penalty.

You may not withdraw principal from your CD prior to the maturity date without our consent and without incurring a penalty. Regardless of the length of time the funds withdrawn have remained on deposit, the penalty imposed will be equal to the interest on the principal amount withdrawn for:

CD Term	Interest Penalty
7 Days thru 90 Days	The full CD term
91 Days thru 1 Year	3 Months
Over 1 Year	6 Months

*Exception: A penalty will not be assessed if the withdrawal occurs when any owner of the account has died or been declared mentally incompetent.*

### INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)

Thank you for choosing Fidelity Bank to serve your IRA needs. This disclosure highlights some of the important features of our IRA products. For more detailed information concerning your account, please refer to the IRA Rules and Regulations on pages 3-4. To contact us in writing, please direct your comments or questions to:

IRA Department  
Fidelity Bank  
PO Box 996  
Fuquay-Varina, NC 27526

### GENERAL INFORMATION CONCERNING ALL IRAs

The interest rates and annual percentage yields disclosed in this brochure are accurate as of the date of this disclosure (rates are subject to change daily). You can obtain current rate and yield information by visiting your local Fidelity Bank branch.

Interest begins to accrue on the business day you deposit cash or non-cash items (for example, checks). We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. Interest is compounded daily and will be credited to your account on a monthly basis.

All Fidelity Bank IRAs require a \$100 opening deposit. You may make additional deposits to your IRA, but the amount you may deposit each year is limited by federal law. Each additional deposit must be at least \$25 to 18 Month Variable Rate and Tiered Fixed Rate IRAs. There is no minimum requirement for additional deposits to Money Market IRAs. Withdrawals from IRAs may have substantial adverse tax consequences. Please consult your tax advisor concerning the complex rules governing deposits to and withdrawals from IRAs.

If your IRA is transferred to another financial institution or trustee other than Fidelity Bank, you will be charged a fee of \$25 per account.

You may not withdraw principal from your IRA prior to the maturity date without incurring a bank penalty. The penalty imposed will equal three months' simple interest at the contract rate in effect at the time of withdrawal on the amount withdrawn, regardless of the length of time the funds withdrawn have remained on deposit. An IRS penalty may also apply. An IRS penalty will not be assessed if the disbursement occurs after you are disabled, declared mentally incompetent, after your death or for IRA disbursements made after you are 59 1/2 years of age. Any transfers between accounts will require the 90 day bank penalty.

### INVESTMENT OPTIONS FOR ROTH AND TRADITIONAL IRAs

#### MONEY MARKET IRAs

The interest rate and annual percentage yield on your Money Market IRA may change. At our discretion, we may change the interest rate on your account at any time.

#### VARIABLE RATE & TIERED FIXED RATE IRAs

To open an 18-Month Variable Rate or Tiered Fixed Rate IRA, you must deposit at least \$100. 18-Month Variable Rate and Tiered Fixed Rate IRAs automatically renew at maturity. You will have a grace period of ten calendar days after the maturity date to withdraw funds without penalty.

The interest rate and annual percentage yield for your Tiered Fixed Rate IRA will be determined by the type of IRA you select and your opening deposit or renewal balance. The annual percentage yield assumes interest remains on deposit until maturity. A withdrawal reduces earnings and a penalty may be incurred.



## PROJECTED GROWTH FOR AN INDIVIDUAL RETIREMENT ACCOUNT

Table 1 is intended only as a projection of the possible growth of your IRA account. The actual amount you accumulate in your IRA depends on how much you deposit each year and the time of your deposits. None of the amounts in the table are guaranteed.

The projections in Table I are based on:

1. A contribution of \$1,000
2. Made on the first day of each year
3. To a 2.00% annual percentage yield (APY) time deposit Individual Retirement Account.

*(For the rate currently in effect, visit any Fidelity Bank branch.)*

The projections also include an early withdrawal penalty of the loss of three months' simple interest. The penalty would only apply if deposits are withdrawn prior to maturity dates.

In order to determine the projected value of your account at the end of each of the first 5 years in which you contribute as well as at ages 60, 65, and 70, select the appropriate number of years in your IRA program and read across the table to find the amount.

For example, suppose that you are 25 years old when you start making contributions to an IRA at Fidelity Bank. At age 60 you will have been in the plan for 35 years. Using the assumptions stated above and reading across the table from the number 35, you will find that you had saved \$50,939 at age 60. At age 65, after 40 years in the plan, you would have accumulated a savings balance of \$61,581.

Table II is intended only as a projection of the possible growth of your IRA rollover account (i.e., an IRA into which you deposited funds received in the distribution from an employer's qualified retirement plan, tax-sheltered annuity or another IRA).

The projections in Table II are based on a single rollover deposit of \$1,000 made on the first day of the year to a 2.00% APY time deposit individual retirement account with no further deposits or contributions being made. The projections also include an early withdrawal penalty of the loss of three months' simple interest, which would apply only if deposits are withdrawn prior to maturity dates.

You can determine the projected value of your rollover account at the end of each of the first 5 years as well as at ages 60, 65 and 70 by selecting the appropriate number of years in your IRA program and reading across the table to find the amount.

For example, suppose you are 35 years old and you make a \$1,000 rollover contribution to a 2.00% APY time deposit individual retirement account on the first day of the year. At age 60, you would have accrued interest for 25 years. By reading across the table, you find that the amount accumulated is \$1,640.

TABLE I:  
PROJECTED GROWTH INDIVIDUAL RETIREMENT ACCOUNT

Number of Years in Accumulated IRA Program Balances	Accumulated Balances	Number of Years in Accumulated IRA Program Balances	Accumulated Balances
1	\$1,015	26	\$34,271
2	2,050	27	35,978
3	3,107	28	37,720
4	4,185	29	39,497
5	5,284	30	41,310
6	6,406	31	43,160
7	7,551	32	45,046
8	8,718	33	46,972
9	9,909	34	48,936
10	11,125	35	50,939
11	12,365	36	52,983
12	13,629	37	55,069
13	14,920	38	57,196
14	16,236	39	59,367
15	17,580	40	61,581
16	18,950	41	63,840
17	20,348	42	66,145
18	21,774	43	68,496
19	23,229	44	70,895
20	24,713	45	73,342
21	26,227	46	75,839
22	27,772	47	78,386
23	29,349	48	80,985
24	30,956	49	83,636
25	32,597	50	86,340



TABLE II:  
PROJECTED GROWTH INDIVIDUAL RETIREMENT ROLLOVER ACCOUNT

Number of Years in IRA Program	Accumulated Balances	Number of Years in IRA Program	Accumulated Balances
1	\$ 1,015	26	\$1,673
2	1,035	27	1,707
3	1,056	28	1,741
4	1,077	29	1,777
5	1,099	30	1,812
6	1,121	31	1,849
7	1,144	32	1,886
8	1,167	33	1,925
9	1,191	34	1,963
10	1,215	35	2,003
11	1,239	36	2,044
12	1,264	37	2,085
13	1,290	38	2,127
14	1,316	39	2,170
15	1,343	40	2,214
16	1,370	41	2,259
17	1,397	42	2,304
18	1,426	43	2,351
19	1,454	44	2,398
20	1,484	45	2,447
21	1,514	46	2,496
22	1,544	47	2,547
23	1,576	48	2,598
24	1,607	49	2,651
25	1,640	50	2,704

**RULES & REGULATIONS**

**A. INVESTMENT OPTIONS**

Fidelity Bank offers the following options for funds deposited into traditional and/or Roth Individual Retirement Accounts (IRAs):

- 6 Month Tiered Fixed Rate
- 12 Month Tiered Fixed Rate
- 24 Month Tiered Fixed Rate
- 36 Month Tiered Fixed Rate
- 48 Month Tiered Fixed Rate
- 60 Month Tiered Fixed Rate

The rate of interest available on these deposits will be determined by the Bank according to current money market conditions and the corresponding "tier" of the initial deposit amount (\$1.00–\$9,999.99, \$10,000.00–\$49,999.99 and \$50,000.00 and over). Regardless of any deposits made during the term of the IRA, the account can change tier levels only at maturity. Though the rate offered is subject to change at any time, the rate in effect at the time of the initial deposit is guaranteed until maturity. All deposits into this fixed account will earn the same interest rate and will have the same maturity date. Upon maturity, the account will automatically renew at the interest rate in effect for the corresponding "tier" of the total account balance. The account will renew under the terms and conditions in effect at maturity. Interest on these deposits is compounded daily and credited monthly.

18-Month Variable Rate Tiered IRA. The rate of interest paid on these deposits is subject to adjustment during the term of the deposit and will be such rate as the Bank establishes from time to time, in its discretion, for deposits of this type. The Bank may change the rate at any time during the term of the deposit, in its discretion, and all funds on deposit will earn at the rate established by the Bank. All deposits into this 18-month variable rate account will have the same maturity date and will mature 18 months from the date of the original deposit. At the present time, interest on these deposits is compounded daily and credited monthly. The Bank retains the right to change its method of compounding and crediting interest on these deposits.

Money Market IRA. These deposits have no maturity date. Subsequent deposits may be added at any time. The interest rate available on these deposits is based on money market conditions and may be changed from time to time at the Bank's discretion. The interest rate normally will change each week and will be applied to the entire balance then on deposit. Interest on this account will be compounded daily and credited monthly.

The Bank also reserves the right to require seven (7) days prior notice in writing of any intended transfer or withdrawal of funds from your Money Market IRA but may at any time, at its option, permit withdrawals or transfers without such notice and without thereby waiving its right to require such notice as to any other withdrawal(s).

**B. DEPOSITS**

Deposits to Individual Retirement Accounts may be made in person at any branch of the Bank or by mail. Deposits to IRA time deposit accounts may be made only by executing and delivering to the Bank a separate Deposit Declaration for each deposit.

**C. AUTOMATIC RENEWAL**

Except as otherwise provided herein, each IRA time deposit will automatically renew at maturity at the interest rate and upon the terms and conditions then in effect for that type of deposit. In the event that, upon any maturity date, the type of time deposit in which funds are then invested is no longer made available by the Bank, the Bank, in the exercise of its discretion unless previously directed otherwise as provided herein, shall transfer the funds in that account to an IRA investment option then offered by it. The Bank shall have the right to refuse to renew any IRA time deposit upon maturity by providing written notice thereof to any Depositor at least 10 days prior to maturity. No interest shall be payable on any time deposit after the expiration of any period during which the Bank gives notice of non-renewal as provided herein.



#### D. TRANSFER OF FUNDS TO NEW INVESTMENT OPTIONS

The Depositor may transfer at any time all or any portion of the funds on deposit in any Individual Retirement Account investment option to any other investment option by executing such forms as the Bank shall require. However, if such transfer is from a time deposit and is not upon maturity of the existing investment or within 10 calendar days thereafter, such transfer may be subject to transfer fees as the Bank may establish from time to time and an early withdrawal penalty as described more fully below, in addition to the named transfer fee as established by the Bank for account transfers.

#### E. EARLY WITHDRAWAL

Each deposit to an Individual Retirement Account time deposit investment option constitutes a contract to keep the deposited funds on deposit until the stated maturity date. Funds deposited in an Individual Retirement Account time deposit may not be withdrawn, in whole or in part, prior to maturity without the Bank's consent (which may be given only at the time withdrawal is sought). Except as described below, any withdrawals from an Individual Retirement Account time deposit made prior to maturity shall be subject to the following Bank withdrawal penalty. Additional IRS penalties may apply.

1. The penalty for any tiered fixed rate IRA is the forfeiture of an amount equal to 3 months' simple interest at the contract rate in effect at the time of withdrawal on the amount withdrawn, regardless of the length of time the funds withdrawn have remained on deposit.
2. For the 18-month variable rate IRA, the penalty is the forfeiture of an amount equal to 3 months' simple interest at the contract rate in effect at the time of withdrawal on the amount withdrawn, regardless of the length of time the funds withdrawn have remained on deposit.
3. For the Money Market IRA there is no penalty for early withdrawal because there is no maturity period for this account.

For all time deposit accounts if the penalty exceeds accrued interest, whether paid or unpaid, the penalty will be withheld from the principal sum of the deposit

The Bank reserves the right to impose a penalty on any withdrawal of funds by a Depositor age 59 ½ or older or a Depositor who has become disabled, but at its option may permit withdrawals at any time without imposing a penalty and without thereby waiving its right to impose a penalty as to any other withdrawal prior to maturity under such circumstances. Withdrawals following the death or judicial declaration of mental incompetency or due to medical expenses or hardship of any Depositor shall be permitted without penalty.

Withdrawals made within 7 days after opening an Individual Retirement Account will be subject to an early withdrawal penalty equal to the amount of interest earned on the amount withdrawn at the rate being paid on the deposit.

#### F. TAX WITHHOLDING

The withdrawals you make from your Individual Retirement Account (IRA) are subject to Federal income tax withholding and to state income tax withholding if you are a North Carolina resident. State income tax withholding is mandatory unless you elect not to have withholding apply.

You may elect not to have withholding apply to your withdrawal by making the appropriate election in writing. You may revoke that election at any time, and you may re-elect not to have withholding apply after you have revoked that election. The last election that you make will remain effective until revoked. If you choose to have withholding apply to your withdrawal, the amount withheld for Federal tax will be computed by multiplying the amount of the withdrawal by 10%. Any amount withheld for state income tax purposes is dependent upon the state in which you reside. The amount withheld for State tax if you are a North Carolina resident will be 4%. Even if you elect not to have income tax withheld, you are liable for payment of income tax on the withdrawal regardless of the state in which you reside.

If you elect not to have withholding apply in your withdrawal, or if you do not have enough income tax withheld from your withdrawal, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

#### DEPOSIT ACCOUNT AGREEMENT

In addition to these rules and regulations, each Fidelity Bank IRA is subject to the terms and provisions of the IRA documents, the Bank's Deposit Account Agreement, and the information included in this brochure.

#### AMENDMENTS

These Rules and Regulations may be amended by the Bank from time to time. Notice of amendments to Depositors may be given by mail, posting in branch offices or through advertisements, at Bank's discretion. The matters set forth in this brochure are effective as of September 16, 2020.

#### CURRENT INTEREST RATE AND ANNUAL PERCENTAGE YIELD (APY)

The rate and Annual Percentage Yield (APY) provided on a separate page at account opening are subject to change per the terms of your account, the Deposit Account Agreement, and this Disclosure and Fee Schedule. Please refer to this Disclosure and Fee Schedule for service charges, minimum balances, and fees that may apply to your account. Contact your local branch if you need current interest rate and APY information or for a current Deposit Account Agreement or Disclosure and Fee Schedule.