

The words "I", "me", "my", "myself" mean each person signing the application for a Money Market Savings Account. I authorize Pentagon Federal Credit Union (PenFed) to establish a Money Market Savings Account (hereinafter referred to as "account") in my name, to pay checks signed by me, and to charge all such payments against the shares in my account. I agree to be bound by the terms and conditions herein, now in effect, and as may be amended by PenFed. I also agree:

1. PenFed is authorized to charge at any time against this account indebtedness owing it to by any of the joint owners.
2. Only check blanks and other methods authorized by PenFed now and in the future may be used to withdraw funds from the account. If so authorized by PenFed, the use by me of a personal identification number (PIN) for such purpose shall constitute my signature. If I voluntarily give information about my account (such as the PenFed routing number or my account number) to a person who is seeking to sell me goods or services, and I do not physically deliver a check or other authorized negotiable instrument drawn on my account to that person, debits to my account initiated by the person to whom I gave the information are deemed to have been authorized by me.
3. I expressly authorize PenFed to procure upon its request from a person, partnership, credit reporting agency, association, firm, or corporation a credit report and for such person to furnish PenFed with said credit report concerning financial services I may request or obtain from PenFed as well as subsequent re-evaluation of such financial services.
4. I understand PenFed may pay checks, drafts, other negotiable instruments, or other debit transactions drawn against my account in the order it chooses. I also understand PenFed does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight review, or provide for sight review for items above a certain amount or on a sample basis, in its sole discretion. PenFed reserves the right not to sight review drawer signatures because it pays items on an automated basis to reduce costs for all members. PenFed is not obligated to pay a check exceeding the amount of the collected balance in this account. If the available funds in my account are not sufficient to cover the checks and other debit items posted to my account, those checks and items will be handled in accordance with PenFed's normal overdraft policies and procedures. Each check or debit item will, in PenFed's sole discretion, be either paid, and thereby become an overdraft, or be returned unpaid. My account will be subject to the normal overdraft and returned-item charges then in effect. In the event this account is jointly held, each owner is liable to and will indemnify PenFed for each such check or debit item. In the event of a negative balance, PenFed, in its sole discretion, may transfer funds from any other share account I hold to pay the negative amount of funds.
5. PenFed has the right to charge against the balance in this account indebtedness owed by persons whose signatures appear on the attached application.
6. Paid checks become PenFed's property and will not be returned to me. Copies may be provided, if requested, for a nominal fee for each item.
7. Should PenFed decline to pay a check, or if I instruct PenFed not to pay a check, PenFed shall not be liable, except for gross negligence, for actions it takes regarding payment or non-payment of a check. I will not date a check later than the date I write it. If I do and the check is presented for payment before the date, PenFed, in its sole discretion, may return it unpaid, or pay it. If PenFed pays it, PenFed will charge my account. PenFed may, in its sole discretion, pay a check that has a date more than six (6) months old.
8. Funds, checks, drafts, negotiable instruments or other items received in or credited to this account will be subject to collection through normal banking channels and PenFed's hold policy. PenFed may debit my account for items returned by electronic or other means, regardless of whether it is returned timely. If PenFed debits my account to cover such a returned item, I understand an overdraft may occur, in which case, overdraft fees may be charged to my account and PenFed may transfer funds from another account I hold to pay the overdraft. PenFed may disregard all information on an item other than the identity of the drawee financial institution, the amount of the item, and other information encoded onto the item in magnetic ink according to general banking standards, whether or not the information is consistent with other information on the item.
9. Periodic statements will be sent by PenFed to me at the last address or in accordance with the last instructions I have given in writing. I agree to keep PenFed informed of my current address. I will carefully review the statement. Objections I have regarding an item or an unauthorized debit or transaction shown on a periodic statement of this account shall be waived unless it is made orally or in writing to PenFed before the expiration of 60 days after receipt of the statement being mailed or transmitted. If the objection is made orally, PenFed may also require me to provide it in writing within ten (10) business days.
10. This account shall be subject to PenFed's Membership Disclosures and other terms, conditions, charges, and assessments as applicable and as PenFed may establish and amend. Terms, conditions, assessments, or charges referred to in this Agreement may be changed upon seven (7) days' written notice mailed or transmitted to my mailing or other address of record PenFed has the right to terminate this agreement without notice and without my consent if an unreasonable number of checks are returned because of insufficient or uncollected funds, or if an account at PenFed is maintained

by me in a manner PenFed, in its sole discretion, deems contrary to sound financial practices. Fees or charges mentioned herein may be determined by referring to PenFed's fee schedule. Copies are available by mail, at any branch office, or at PenFed.org.

11. In the event this account is closed during a dividend period, PenFed shall pay to me the dividends earned as of the day of closing the account.
12. If this is a jointly owned account (indicated by the signatures of two or more persons on the Signature Card), PenFed is authorized to recognize each of these signatures for the payment of funds or the making of transactions. I also agree each joint owner of the account may withdraw all funds from the account, close the account, enter into special agreements with PenFed regarding the account, and stop payment on checks drawn on the account, including a check drawn by another joint owner. Each joint owner guarantees the signatures of the other joint owners and authorizes the others to endorse checks for deposit if they are payable to the joint owners. Each joint owner also authorizes PenFed to exercise its statutory lien and enforce its security interest in the entire joint account, even though only one of the joint owners is the debtor. These rights apply irrespective of who contributed funds to the joint account. PenFed may enforce overdraft liability in the joint account against a joint owner individually. I also agree if I so elect, all sums deposited and all accumulations in this account shall be held as a joint account and shall be subject to the withdrawal or receipt of all owners, and PenFed shall not be liable for payment made to an owner.
13. I understand an Overdraft Line of Credit (OLOC) or Thrifty Credit Service (TCS) overdraft protection is not available on this account.
14. PenFed reserves the right to require at least seven (7) days notice prior to withdrawal or transfer of funds from this account. There is no limit to the number of PenFed or foreign ATM withdrawals I make from my MMSA. However, federal regulation limits the following to no more than a total of six (6) per monthly dividend cycle: transfers or withdrawals made to another PenFed account (other than for the purpose of repaying a PenFed loan and associated expenses) if made by preauthorized or automatic transfer, by telephone or fax, or PenFed Online (PFOL); transfers or withdrawal to a third party made by preauthorized or automatic transfers, by telephone or fax, or in PFOL; or transfers to a third party if made by check, draft, debit card or similar order made by me and payable to a third party. Checks are counted by the date they are paid from my account, as shown on my statement, not by the date I write them. I agree if I violate this rule, PenFed, in its sole discretion, shall have the right to refuse to honor a transaction and/or terminate this agreement without notice and/or to impose penalty fees.
15. If I am the sole owner of this account, I agree the entire balance upon my death will be distributed to my designated beneficiaries (not applicable to accounts titled as a revocable living trust). Upon the death of a joint owner with the right of survivorship, the funds in the account belong to the surviving owner(s). Upon the death of a joint owner without survivorship, PenFed may, upon request, pay funds in the account to surviving joint owners, or to the representative or heirs of the deceased owner. Ownership of the funds will be determined between these parties.
16. This account shall be governed by the laws of the Commonwealth of Virginia and the Uniform Commercial Code, federal laws, rules and regulations and the bylaws of PenFed and any amendments thereto.

DIVIDENDS

PenFed pays dividends on the full balance in the account at the dividend rate that corresponds to the applicable share balance tier. Therefore, during my dividend period based on fluctuating account balance, I may be paid dividends at varying dividend rates. These tiers are subject to change.

- A. **COMPOUNDING AND CREDITING.** Dividends are paid and compounded monthly. The dividend period is monthly, and the dividend payment date is determined by my member number.
- B. **BALANCE COMPUTATION METHOD.** Dividends are calculated by the daily balance method, which applies a daily periodic rate to the principal in my account each day.
- C. **ACCRUAL OF DIVIDENDS.** Dividends will begin to accrue on the business day funds are deposited to my account.

JOINT SHARE ACCOUNT AGREEMENT

If my accounts, either now or in the future, are established as a joint account, PenFed is authorized to recognize all joint owner signatures for the payment of funds or for transactions for this account. The joint owners of this account agree with each other and with PenFed all funds deposited into the account shall be owned jointly by all joint owners. The funds on deposit will be subject to the withdrawal or receipt of any joint owner. In the event of death of an owner and according to the type of joint share account selected, withdrawal or payment may also be made to the survivor(s) or the estate(s) of the deceased owner(s). Each joint owner will discharge PenFed from liability for the payment or withdrawal.

A joint owner who is a PenFed member may pledge all or part of the shares in this account as collateral security for a loan or loans, and PenFed is authorized to charge at any time against this account indebtedness owing to it by any of the joint owners.

Please note: joint ownership does not constitute membership.

PenFed is federally insured by the National Credit Union Administration (NCUA). The information in this form is current as of March 2020 and is subject to change. To determine if changes have occurred since printing, call 800-247-5626. Our address, in accordance with NY Law, is 7940 Jones Branch Drive, Tysons, VA 22102.