



Dear Valued Customer:

Salem Five is dedicated to meeting your financial needs. In doing so, please review the following important account information as it relates to your soon-to-mature Certificate of Deposit (CD):

On the date of your CD maturity, we will automatically renew your accumulated principal plus interest at the interest rate in effect at that time. This new rate and annual percentage yield have not yet been determined, but will be available on the maturity date of your CD. Please note that "Special" CDs will renew into "Regular" CDs and standard terms as noted in the renewal schedule on the back of this letter. For example, a 13-month Special CD will renew into a Regular 12-month CD.

If you wish to make a change to your maturing CD, you have 10 days after the CD maturity date to do so, and you must complete the attached form. If you wish to change the term, or not renew your Certificate, you must complete the attached form. Please note that a penalty may be assessed if you withdraw your principal after the ten-day grace period.

Should you have any questions regarding your maturing CD, rate information, or if you would like to discuss any other banking needs or concerns, please do not hesitate to contact our Customer Service Center at 1-800-850-5000.

Thank you for banking with Salem Five.

Sincerely,

Joseph Riley
Executive Vice President, Retail Banking

Please complete and return this form ONLY if you wish to make a change to your maturing CD.

Account Number: _____

Change the term of my CD to _____. I understand that the interest rate will be the rate available for this term as of the maturity date of my renewing Certificate.

Other: _____

Signature of account holder: _____

Print name of account holder: _____

Address: _____

City: _____ State: _____ Zip: _____

Daytime telephone number: _____ email address: _____

Return this form to Salem Five, 210 Essex Street, Salem, MA 01970 Attn: Customer Service

SALEM FIVE BANK
TERM DEPOSIT (CD) ACCOUNT DISCLOSURE INFORMATION

This disclosure describes the terms and features of the Term Deposit Account you have selected. Please refer to our Consumer Banking Services Agreement, our current Fee Schedule, and if applicable your I.R.A. Plan Agreement for additional information of importance to you.

In this disclosure, the words, "you" and "your" refer to the consumer who maintains a deposit account with the Bank. The words "we" and "us" refer to Salem Five Cents Savings Bank.

If you have any questions about information provided here, please allow a bank representative to answer them for you.

Renewal Policy for All Term Deposit Accounts: Your account will automatically renew at maturity unless we are otherwise instructed by you or unless you are otherwise notified by us.

For Term Deposit Accounts with terms greater than 31 days, notification will be sent to you in writing prior to the maturity date of your account. You will have a grace period of 10 calendar days after maturity to renew the account, withdraw the funds, or transfer the funds to another account without penalty. Interest will not be paid on the account during the grace period unless it is renewed as of the maturity date.

If you do not instruct us in writing as to how to handle your account on or prior to the maturity date, we will renew the account based on the renewal schedule noted below. Please note that "Special" CDs will renew into "Regular" CDs at standard terms. The interest rate will be the interest rate offered on the maturity date.

Existing Term	Term Upon Renewal
3 - 5 month (91-181 day) CD (including "Special" CDs)	3-month (91 day) CD
6 - 11 month (182-364 day) CD (including "Special" CDs)	6-month (182 day) CD
12-17 month CD (including "Special" CDs)	12-month CD
18-23 month CD (including "Special" CDs)	18-month CD
24-29 month CD (including "Special" CDs)	24-month CD
30-35 month CD (including "Special" CDs)	30-month CD
36-41 month CD (including "Special" CDs)	36-month CD
42-59 month CD (including "Special" CDs)	42-month CD
60 month CD (including "Special" CDs)	60-month CD

Interest Rate Information: The interest rate for your account is _____% with an annual percentage yield of _____%. You will be paid this rate until the maturity date of the account. The annual percentage yield assumes interest remains on deposit until maturity. A withdrawal of interest will reduce earnings.

Your account will mature on _____. If your account matures on a Sunday or a bank holiday, funds will be available on the next business day.

Balance Computation Method: 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. We calculate interest from the day of your deposit until, but not including, the day of your withdrawal.

Accrual of Interest on Deposits: Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example, checks).

TERM OF LESS THAN ONE YEAR	TERM OF ONE YEAR OR GREATER
Compounding and Crediting: Interest on your account is not compounded (simple interest) and will be credited to your account monthly.	Compounding and Crediting: Interest will be compounded monthly and will be credited to your account monthly. If you close your account before interest is credited, you will not receive the accrued interest.
Minimum Balance Requirements: You must deposit at least \$2,500 to open and maintain this account. You must maintain a minimum balance of \$2,500 (\$500 for IRA CDs) in your account each day to obtain the disclosed annual percentage yield.	Minimum Balance Requirements: You must deposit at least \$500 to open and maintain this account. You must maintain a minimum balance of \$500 in your account each day to obtain the disclosed annual percentage yield.
Transaction Limitations: After your account is opened, you may not make deposits into or withdrawals of principal from the account until the maturity date (except for IRA CD withdrawals in the case of your death, disability or attainment of age 59 1/2).	Transaction Limitations: After your account is opened, you may not make deposits into or withdrawals of principal from the account until the maturity date (except for IRA CD withdrawals in the case of your death, disability or attainment of age 59 1/2).
Early Withdrawal Penalty: When you open a Term Deposit Account, you agree to keep your funds on deposit until the maturity date. You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. If you withdraw principal before the maturity date, a penalty equal to 2% of the principal balance withdrawn will be charged to your account. If the amount of the penalty exceeds the amount of earned interest that has not already been paid to you, we may have to deduct some of the penalty from your principal.	Early Withdrawal Penalty: When you open a Term Deposit Account, you agree to keep your funds on deposit until the maturity date. You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. If you withdraw principal before the maturity date, a penalty equal to 4% of the principal balance withdrawn will be charged to your account. If the amount of the penalty exceeds the amount of earned interest that has not already been paid to you, we may have to deduct some of the penalty from your principal.