

# Principal Bank

## Terms and Conditions & Required Disclosures

General Mailing Address – 711 High Street, Des Moines, IA 50392-0040

Website – [www.principalbank.com](http://www.principalbank.com)

Email – [principalbank@principal.com](mailto:principalbank@principal.com)

Phone – 1.800.672.3343, 7 a.m. – 9 p.m. (Central Time), Monday through Friday

Phone (HSA) – 1.800.826.2364, 7 a.m. – 7 p.m. (Central Time), Monday through Friday

Business Days – Monday through Friday excluding Federal holidays

(phone hours also exclude Federal holidays)

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# General Provisions

## Agreement

This agreement, along with any other documents we give or make available to you pertaining to your account, is a contract that establishes rules that control your account with us. Please read this carefully and retain a copy for your records. In consideration of the mutual promises set forth below, you and Principal Bank agree to these terms and conditions, as amended from time to time pursuant the terms of this agreement. By signing an account application, signature card or other form to open or request an account, or by otherwise opening or using an account with us or a product or service from us, you agree that you (and your heirs, successors, representatives, and beneficiaries, if any) and Principal Bank will be bound by this agreement, as amended from time to time. Information about qualifying balances is included in the *Truth in Savings* disclosure provided later in this agreement. The following documents and/or information are provided separately at account opening. The most current versions of each, as well as the most current version of this agreement, are maintained on our website ([www.principalbank.com](http://www.principalbank.com)):

- Schedule of Fees
- Deposit Rates

The most current versions of these documents and/or information at any particular time are automatically incorporated by reference into this agreement. If you have any questions, please contact us using any of the methods noted on the cover page of this agreement.

The signature card is one of the methods we use to confirm your authorization for an account and the transactions conducted on your account. We require that you sign the signature card. In the event you fail to return your signature card, we may not be able to open your account and will not be responsible or liable for any losses you may suffer.

If we choose to open your account before receiving your signature card, you may not be able to complete some transactions where a signature is required during the time that we do not have your signature card. These transaction restrictions include, but are not limited to, restrictions on wire transfers, official check requests, non-proprietary ATM deposits, and other debit activity. We also reserve the right to close or re-title your account if a signature card is not signed by all account owners in a timely manner. In any event, we will not be responsible or liable for any losses you or your account may suffer.

If you have a Safe Harbor IRA or Plan Term IRA, refer to the IRA information in the *Truth in Savings* section for more information about Safe Harbor IRA/Plan Term IRA signature cards.

This agreement is subject to and governed by applicable federal laws and the laws of the State of Iowa (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

- 1) Summarize some laws that apply to common transactions;
- 2) Establish rules to cover transactions or events that the law does not regulate;
- 3) Establish rules for certain transactions or events that the law regulates but permits variation by agreement; and
- 4) Give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

In the event that any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing for it to be valid and enforceable.

As used in this agreement, the words, “we,” “our,” “us,” and the “Bank” mean Principal Bank, and the words “you” and “your” mean the account owner or owners, and any other Designated Party with the authority to deposit, withdraw, or exercise control over the funds in your account on your behalf. “Designated Parties” include, but are not limited to, Authorized Signers, Attorneys-in-Fact, Conservators, Guardians, Executors, Personal Representatives, Trustees, and Custodians. Designated Parties shall be bound by this agreement, and you agree to ensure that any such person is aware of this and will comply with this agreement. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular.

This communication is provided with the understanding that neither Principal Bank, its parent companies, nor any affiliated parties are rendering legal, accounting, or tax advice. It is not a marketed opinion and may

not be used to avoid penalties under the Internal Revenue Code. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax, or accounting obligations and requirements.

### **Customer Identification Program Notice**

**Important information about procedures for opening a new account** – To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open an account, we will ask for your name, address, and other information that will allow us to identify you. We may also request other identifying documents.

### **Unclaimed Property Notice**

You understand that your property may be transferred to the appropriate state if no activity occurs in the account within the time period specified by state law.

### **Compensation Disclosure**

We, or other companies with which we are affiliated, may pay compensation, directly or indirectly, to intermediaries or marketing personnel, including brokers, agents, advisors, or other financial professionals, for the sale or referral of our products and services.

### **Credit Reports**

You authorize us to make any inquiries that we consider appropriate to determine if we should open, maintain, or close your account or offer or continue to offer you a particular service. This may include ordering credit reports or other reports on you and/or any Designated Parties on your account.

### **Incomplete Account Applications**

If you submit an incomplete account application, we cannot process the application until we have received all necessary information from you. Any deposits received before your application has been approved will be held (without processing) until the application is approved. If the application is not approved, the deposit will be returned to you without interest.

### **Liability**

By using or maintaining your account, you agree, for yourself and on behalf of any Designated Party on your account, to the terms and conditions applicable to your account set forth in this agreement. You authorize us to deduct all applicable fees and charges directly from the account balance as accrued. You will pay any additional charges for services you request that are not expressly covered by this agreement.

Each of you also agrees to be jointly and individually liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to your account. (In Louisiana, this liability is referred to as "in solido.") This liability is due immediately, and can be deducted directly from your account balance whenever sufficient funds are available. See the section below titled *Right of Offset*. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item, requested the debit or withdrawal or benefited from the charge, overdraft, or service. This includes liability for our costs to collect the account deficit including, to the extent permitted by law, our reasonable attorneys' fees. Your liability to us shall survive the closing of your account and the termination of this agreement.

If you add another name to your checks without otherwise following the procedures outlined elsewhere in this agreement (see the *Account Ownership Categories, Withdrawal Rights, and Beneficiary Designations* section below), we will have no liability whatsoever for honoring and paying checks that appear to be signed by such other person.

***The amount of any claim you have against us in connection with any account or banking transaction with us, whether brought as a warranty, negligence, wrongful dishonor or other action, is subject to reduction on the basis of failure on your part (or on the part of your agents) to use reasonable care. OUR LIABILITY (IF ANY) WITH RESPECT TO SUCH CLAIM WILL BE LIMITED TO THE FACE VALUE OF AN ITEM IMPROPERLY DISHONORED OR THE ACTUAL VALUE OF ANY DEPOSITS NOT PROPERLY CREDITED, AND EXCEPT AS OTHERWISE PROVIDED BY LAW, IN NO EVENT SHALL WE, OR ANY OF OUR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR AFFILIATES, BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE ESTABLISHMENT, USE, MAINTENANCE, OR SERVICING OF YOUR ACCOUNT, THE USE OF ANY SERVICE, OR OUR GOOD FAITH ATTEMPT TO PROTECT YOUR PRIVACY OR VERIFY YOUR***

**IDENTITY.** Any loss you suffer shall be deemed to be reduced by your recovery of funds or services from any other source.

## **Deposits**

**Generally** – We will only give provisional credit until collection is final for any non-cash items we accept for deposit (including items drawn “on us”). Before settlement of any item becomes final, we act only as your agent, regardless of the form of endorsement or lack of endorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. We do not accept third-party checks for deposit.

We do not give provisional credit for deposits of, or payable in, foreign currency. We send these items to a correspondent bank, and actual credit to you will be provided after credit has been provided to us by the correspondent bank. Actual credit will be in U.S. dollars at the exchange rate in effect on final collection.

We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our “daily cutoff time” on a business day we are open or on a day we are not open for business, as if initiated on the next business day we are open. See the *Funds Availability Policy* disclosure provided later in this agreement for more information on cutoff times. At our option, we may take an item for collection rather than for deposit.

If you do not purchase your deposit tickets from us, we may refuse any deposit that you attempt on such deposit tickets, or deposits by any method we do not specifically permit.

If you have a Safe Harbor IRA or Plan Term IRA with us and we later receive forced-out funds from another employer benefit plan, we may deposit these funds into your existing Safe Harbor IRA or Plan Term IRA.

Credit cards, credit card checks, and debit cards are not allowed for initial deposits on new accounts.

**Deposit Verification** – All deposits we receive are subject to subsequent verification and correction by us. If we determine that a deposit does not contain all items claimed to be deposited, we may correct the error and adjust the balance, even if you have already withdrawn all or part of your deposit. You will have the burden of proving that our records are erroneous with respect to any disputed items.

**Account Adjustments** – We may make adjustments to your account from time to time to reflect corrections or changes to your balance. In the event of an error that has caused an overstated balance, you shall reimburse us immediately for the overstated amount.

**Returned Deposit Items** – If a deposited item is returned to us by the bank on which it is drawn, we may accept that return and charge the item back against your account without regard to whether the other bank returned the item before its midnight deadline. At our option and without notice to you that the item has been returned, we may resubmit any returned item for payment. You waive notice of dishonor and protest, and we will have no obligation to notify you of any deposited item that is returned to us. We also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you that was initially paid by the payor bank and that is later returned to us due to an allegedly forged, unauthorized or missing endorsement or drawer’s signature, claim of alteration, encoding error or other problem that in our judgment justifies reversal of credit. We may process a copy or other evidence of a returned item in lieu of the original.

**Endorsements** – We may accept for deposit any item payable to you or your order, even if the item is not endorsed by you. We may endorse and/or collect items deposited to your account without your endorsement, or we may supply the endorsement, but we may, at our option, require you to personally endorse the item prior to accepting it for deposit. For joint accounts, we may cash or deposit items payable to any or all of you whether endorsed by any of you, and any one of you may endorse for the others. You warrant that all endorsements on items deposited by you are genuine and authorized.

We may accept or pay items bearing restrictive endorsements or other notations, whether on the front or the back of the item. Examples of restrictive notations are “must be presented within 90 days” or “not valid for more than \$1,000.” You agree that such restrictive endorsements and other notations shall have no effect on us. You agree to indemnify and hold us harmless from any and all costs, actions, damages, losses, claims, and demands related to or arising out of our acceptance or payment of such items.

We reserve the right to refuse to cash or accept for deposit items that bear more than one endorsement or the endorsements of payees who are not known to us. If you wish to deposit or cash an item that has been

endorsed by a payee who is not known to us, we reserve the right to require that all endorsements be guaranteed by a financial institution.

## **Withdrawals**

**Generally** – Unless clearly indicated otherwise on our account records, any of you who sign in the space designated for signatures on the signature card, and/or any Designated Parties where applicable, may, acting alone, withdraw or transfer all or any part of your account balance at any time.

**Postdated Checks** – A postdated check is one that bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check.

**Checks and Withdrawal Rules** – If you do not purchase your checks from us, you must be certain that we approve the checks you purchase. We may refuse any withdrawal or transfer request that you attempt on checks not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request that is greater in number than the frequency permitted, or that is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is recorded by us (as opposed to the date you initiate it) to apply the frequency limitations. See the *Electronic Funds Transfer* disclosure provided later in this agreement for more information about limitations on the size of withdrawals. See the *Truth in Savings* disclosure provided later in this agreement for more information about the number of withdrawals. See the *Funds Availability Policy* disclosure provided later in this agreement for information about when you can withdraw funds you deposit.

**Waivers** – Even if we honor a nonconforming request for withdrawal in a particular instance, we are not required to honor any future nonconforming requests. We may treat continued abuse of the stated limitations (if any) as your act of closing your account, or we may at our option reclassify your account as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification. The fact that we may, in a particular instance, honor withdrawal requests that overdraw the account balance does not obligate us to honor any such withdrawal requests in the future.

**Notice of Withdrawal** – We reserve the right to require written notice seven days prior to any withdrawal or transfer from an interest-bearing account. Withdrawals from a certificate of deposit prior to maturity are restricted and may be subject to penalty. See the early withdrawal penalty information for your account in the *Truth in Savings* disclosure provided later in this agreement.

**Clearing Policy** - Each business day your account has transaction activity presented to the Bank, we record account credits (deposits) in your account before consideration of debits (withdrawals). Next, we record certain debit transactions such as transactions made with your debit or Automated Teller Machine (ATM) card (at an ATM or through point-of-sale at a merchant), as well as returned deposits. Finally, we record automated payments, such as ACH debits and BillPay debits, and then we record presented checks in check number order, smallest check number to largest check number. If your account does not have sufficient funds for all of the checks presented, we may return checks to the check payee, following the aforementioned policy of paying checks in check number order. The Bank retains absolute discretion in the payment and/or payment order of check and other items, and Bank policies may change without notice to you unless required by law. Fees for the payment of items causing an overdraft or for the return of items that would otherwise cause an overdraft will be charged per our Schedule of Fees where allowed by law.

**Closing Accounts** – If you choose to close an account with a balance, you will be subject to any fees associated with cashier's checks, wires, ACH, or any other disbursement methods for the account balance payout as indicated on our Schedule of Fees. Also, please see the *Notice of Withdrawal* section above.

**Good Faith Disbursement** – We may disburse funds from your account in good faith reliance on documentation (including, in some cases, a faxed disbursement request) presented to us that purports to authorize a disbursement and/or give any individual or entity the right to receive such disbursement, and we shall not be liable to you for any such good faith disbursement.

## **Inactive Accounts**

We will disable your [www.principalbank.com](http://www.principalbank.com) Internet access if your Internet access has not been used for a period of six months. Once this Internet account has been deactivated for 30 or more days, the transactions for the account are deleted and cannot be retrieved. Transactions for reactivated accounts can be seen from the time of reactivation going forward. If this Internet access has been disabled and you wish to reinstate this service, you may do so by self-enrolling again at [www.principalbank.com](http://www.principalbank.com), mailing a written request to us or contacting

us directly at 1.800.672.3343. This paragraph does not apply to your www.principal.com Internet access that you set up separately.

We may close your account if the account has an average balance of less than \$5 for at least six consecutive months and there has been no activity in the account during that period. The balance in the account will not be returned to you.

All Checking accounts will be considered inactive after 12 months have passed without any customer-initiated debit or credit activity. At that time, we may begin assessing a monthly inactivity fee for each month the account remains inactive (if such fees are disclosed on the Schedule of Fees).

Savings accounts will be considered inactive after 24 months have passed without any customer-initiated debit or credit activity. Money Market accounts will be considered inactive after 12 months have passed without any customer-initiated debit or credit activity. Savings and Money Market accounts must be "active" to be used as overdraft protection for your checking accounts.

We must be able to verify your identity by reviewing your signature on a transaction or written request before we will reactivate an inactive account. This is also required if you intend to close the account. Note that our procedures surrounding inactive accounts exist for your protection.

### **Assignment**

You may not assign this agreement to any other party. We may assign this agreement to any future, directly or indirectly, affiliated company. We may also assign this agreement to third parties or delegate certain of our rights and responsibilities under this agreement to independent contractors or other third parties.

### **No Waiver**

We shall not be deemed to have waived any of our rights or remedies hereunder unless such waiver is in writing and signed by us. On some occasions, determined solely by us, we may choose to waive any of our rights and remedies without providing such waiver in writing. No delay or omission on the part of the Bank in exercising any rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.

### **Business Accounts**

Most business accounts are governed by our Business Account Agreement. If you have business accounts with us, please refer to that agreement for more information.

**Remotely Created Checks** – This type of check is also known as a telecheck, demand draft or preauthorized draft. A remotely created check is not manually drawn up by the account owner like a typical check or draft; rather, it is created by the payee or other third party under the purported authorization of the account owner. If you have a business account with us and are creating checks for your customers remotely, the information in this paragraph could apply to you. Since your customer has the right to claim in writing under penalty of perjury that he or she did not authorize the remotely created check, we will give only provisional credit to you until collection is final. If we receive such a claim, we will charge the remotely created check back to your account where you initially deposited the item. You will then be responsible for collection of this item directly from your customer, outside of banking channels. We reserve the right to take further action, up to and including closing your account, if we receive an unreasonable number of such claims on items you have deposited with us.

### **Stop Payments**

Unless otherwise provided, the rules in this section cover stopping payment of items such as checks, drafts, and electronic bill payments. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, are described in our *Electronic Funds Transfers* disclosure below.

We may accept an order to stop payment on any item from you or any Designated Party on your account. You must make any stop payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop payment cutoff time of 9:00 p.m. Central Time on any business day. Because these orders are handled electronically, your stop payment order must precisely identify the number, date, amount of the item, and the payee. We will rely on the information provided by you to describe the item(s) with certainty. We assume no liability if the item is not stopped due to an inaccurate or incomplete description of the item.

You may stop payment on any item drawn on your account whether you signed the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. Generally, your stop payment order is effective for six months. Your order will lapse after that time if you do not renew it before the end of the six-month period. We are not obligated to notify you when a stop payment order expires. A release of the stop payment can be done by phone or online.

If we determine that a stop payment would not be permitted under applicable law, we will not process the request. If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop payment order.

### **Amendments and Termination**

We may change any term of this agreement at our discretion. Rules governing changes in interest rates are provided in the *Truth in Savings* disclosures provided later in this agreement. For other changes, we will give you reasonable notice of amendments in writing or by any other method, when required by law to do so.

We may also close your account (other than certificates of deposit), or suspend or terminate your ability to use any Services provided for herein or cease providing any Services provided for herein, for any reason at any time upon reasonable notice to you and, except as described below, tender the account balance personally or by mail. If we close your account, any applicable fees as noted on the Schedule of Fees may apply. Items presented for payment after your account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in your account to cover any outstanding items to be paid from the account. You will also be responsible for any applicable fees as noted on the Schedule of Fees, such as a cashier's check fee. Reasonable notice depends on the circumstances, and in some cases it might be reasonable for us to give you notice after the change or account closure becomes effective or after the Service has been suspended or terminated. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account, or suspend or terminate Services, and then give you notice. Notice from us to any account owner is notice to all account owners, except when we are required by law to send notice to each account owner. Your account will remain in full force and effect until we receive written notice of change or cancellation from you. However, we may close your account if the average account balance has been less than \$5 for at least six consecutive months and there has been no activity in the account during that period. The balance in the account will not be returned to you. Your liability to us under this agreement shall survive the closing of your account and the termination of this agreement.

### **Statements**

You agree to examine your periodic statements with "reasonable promptness." This applies to both statements received in the mail and those received electronically if you have elected online statements. If you discover (or reasonably should have discovered) any unauthorized transactions, you must notify us of the unauthorized transaction with reasonable promptness. "Reasonable promptness" will depend on the circumstances, but in any event you must notify us within 60 days of the date of the statement or the date it was first made available to you, or you will conclusively be deemed not to have acted with reasonable promptness. The effect of such failure will be that you will have to share any loss with us, or bear the loss entirely yourself (depending on whether we failed to use ordinary care and such failure substantially contributed to the loss). You further agree that if you fail to report any transactions or any other errors in your account pursuant to this paragraph, or under the section on *Electronic Funds Transfers*, within 60 days of the date of your statement or the date it was first made available to you, you cannot assert a claim against us on any items or transaction in that statement, and as between you and us, the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care.

See the *Electronic Funds Transfers* disclosure provided later in this agreement for additional information on periodic statements.

### **Account Assignment**

No account may be assigned or transferred to a different account owner without our prior written consent.

### **Direct Deposits**

The federal government or other persons may from time to time send a direct deposit to your account. If we receive notice to our satisfaction that such a deposit was made to the wrong account or the deposit otherwise, for any reason, should be returned to the sender, you authorize us to deduct the amount of the deposit from your account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

## **Right of Offset**

If you ever owe us money in any capacity and it becomes due, we have the right of offset under law and this agreement to use money from any of your accounts with us to pay the debt. We may, without prior notice and when permitted by law, offset the funds in your account against any due and payable debt you owe us now or in the future.

We may use the money from your accounts to pay the debt even if our withdrawal of the money from your accounts results in a loss of interest, an interest penalty or dishonor of checks. We may use the money in any of your accounts with us to reimburse us for amounts owed to us by you, whether the amount is owed with respect to your deposit transactions with us, your loan transactions with us or otherwise. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we offset, including any balance the due date for which we properly accelerate under the note.

In the case of a joint account, each joint owner of the account agrees that we may use the money in the joint account to satisfy any one of their individual obligations to us. Similarly, each joint owner agrees that we may use the money in his or her individual accounts to satisfy obligations in the joint account.

This right of offset does not apply to your account if: (a) it is an IRA or other tax-deferred retirement account; (b) a Health Savings Account; (c) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest); (c) the debtor's right of withdrawal only arises in a representative capacity; or (d) if any of you are domiciled in a state that prohibits us from exercising any right of offset against an account into which Social Security or Supplemental Security Income payments are deposited directly (electronically), and such funds are deposited directly into your account. We will not be liable for the dishonor of any check when the dishonor occurs because we offset a debt against your account. You agree to indemnify and hold us harmless from any costs, actions, damages, losses, claims, and demands arising as a result of our exercise of our right of offset.

You hereby grant to us a security interest in each account you establish with us to secure your obligation to us.

In addition, after your account is closed you agree that we may apply any funds that were intended to be deposited into the account that we receive against any debt you owe us.

## **Legal Actions Affecting Your Account**

If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (each a "legal action"), we will comply with that legal action and all applicable law. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including without limitation attorneys' fees and our internal expenses) may be charged against your account. The Schedule of Fees may specify additional fees that we may charge for certain legal actions.

## **Mechanized and Facsimile Check Signatures**

If you use a procedure or mechanism that causes checks to be drawn on your account with a typed signature, facsimile signature, notation, mark, or other form of mechanical symbol (collectively, a "Mark") that is not a signature that is on the signature card that you signed when you opened your account, you are adopting the Mark as your signature and authorizing us to pay checks on which the Mark appears or purports to appear. You should understand, however, that it is easier for someone to imitate, duplicate, or counterfeit a form of mechanical signature than it is for someone to imitate, duplicate, or counterfeit a unique and distinctive signature. For this reason, by adopting a form of Mark, you are assuming all risk of loss resulting from the unauthorized use and/or forgery of the Mark, and are explicitly authorizing us to pay any and all checks presented against your account that contain any mechanical signature that reasonably resembles the form you have adopted regardless of:

- Whether the Mark is actually that which you have adopted
- How or by whom the Mark was affixed, and
- Whether the check that bears or purports to bear the Mark was, in fact, authorized by you.

You agree to indemnify and hold us and our correspondent banks harmless against any and all losses, damages, claims, liability, costs, and expenses that we or they may suffer arising directly or indirectly out of the misuse, unlawful, or unauthorized use of a facsimile signature by any person, including but not limited to the payment of all checks, drafts, or other orders bearing, or purporting to bear, your authorized facsimile

signature, even if the facsimile signature was affixed by copying or otherwise counterfeiting the facsimile signature.

Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other items.

### **ACH and Wire Transfers**

This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the State of Iowa. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by National Automated Clearing House Association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry and the party making payment to you via such entry shall not be deemed to have paid you in the amount of such entry. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit, and we will not do so. However, we will continue to notify you of the receipt of payments on your periodic statement.

### **Account Reclassification**

We may from time to time choose to reclassify your account for internal banking purposes. This change would be strictly for internal bank purposes and would not affect the operation of your account in any way. Your periodic statement will not be affected. This change would allow us to modify our reserve requirements under Regulation D through the use of sub-accounts and internal transfers between these accounts. The maintenance of the sub-accounts is for the purpose of improving our efficiency and will have no effect on your account and your ability to use it. We will maintain separate information on each sub-account for regulatory reporting purposes, but all information reported to you will be consolidated. The reclassification of your account would be at our sole discretion.

If we determine that you are using an account for a purpose not permitted for that account type, such as using a personal checking account for a business purpose, we may convert your account to the appropriate account type with notice to you. There may be different account features and fees associated with the new account type.

We may also from time to time choose to reclassify your account where permitted by law. See the *Truth in Savings* disclosure provided later in this agreement for the Principal Bank Money Market Account.

### **Our Relationship**

Unless we otherwise agree in writing, our relationship with you shall be one of debtor and creditor; no fiduciary, quasi-fiduciary or other special relationship exists between us.

### **Address or Name Change**

You shall promptly notify us of any change in your physical address, mailing address, email address or your name. Informing us of your address change or name change on a check reorder form is not sufficient. If you fail to notify us of a change of address or for any other reason a statement is returned to us, we may destroy the statement and any accompanying items that are returned to us.

### **Death or Incompetence**

You shall notify us promptly if any person with a right to withdraw funds from your account dies or becomes legally incompetent. We may continue to honor checks, items, and instructions for the account until we: (i) know of a death or incompetence affecting the account and (ii) have had a reasonable opportunity to act on that knowledge. Certain transactions conducted on the account on or before the date of death or legal incompetence, such as checks already written or ACH payments or deposits in process, may be honored for up to ten days after the death or legal incompetence unless ordered to stop payment by someone with an interest in the account.

### **Conflicting Demands and Disputes**

In case of conflicting certifications or demands, or a dispute about ownership of the account, ownership of any funds in the account or any account owner's authority or capacity to act with respect to the account, we may refuse, without liability, to honor any request or instruction concerning your account or any check drawn on your account until such time as any of the following occurs: (i) all depositors, beneficiaries, payees and/or other

persons claiming an interest in the account have consented in writing to the requested action; (ii) the action is authorized or directed by a court of competent jurisdiction; (iii) the party with a conflicting claim has withdrawn his or her claim in writing; or (iv) we have proof satisfactory to us in our sole discretion that the dispute has been resolved.

We reserve the right to interplead or deposit with the courts any disputed funds.

### **Resolving Disputes**

Any controversy or claim (a “controversy”) concerning your deposit account relationship with us, including any claim based on or arising from an alleged tort, shall be determined by arbitration as provided below. If there is a conflict between what one of our employees says and the terms of this agreement, the terms of this agreement shall control.

Since this agreement touches and concerns interstate commerce, any arbitration under this agreement shall be conducted in accordance with the Federal Arbitration Act and Title 9 of the United States Code, notwithstanding any choice of law provision in this agreement. Arbitration, including the selection of an arbitrator, shall be conducted in accordance with the expedited procedures of the Commercial Finance Disputes Arbitration Rules of the American Arbitration Association and Title 9 of the United States Code. The arbitrator(s) will follow the law and this agreement and will give effect to statutes of limitation or statutory or contractual conditions precedent in determining any claim. The award of the arbitrator will be in writing and include a statement of reasons for the award. The award will be final. Judgment upon the award may be entered into any court having jurisdiction, and no challenge to entry of judgment upon the award will be entertained except as provided by Section 10 of the Federal Arbitration Act or upon a finding of manifest injustice.

Either you or we may exercise self-help remedies such as offset before, after or during the pendency of any arbitration.

Any arbitration shall be conducted exclusively in Des Moines, Iowa, unless we agree to a different location.

In any proceeding to enforce or that otherwise concerns this agreement or your account, the prevailing party shall recover reasonable attorneys’ fees from the losing party. Arbitrators shall have the authority to award attorneys’ fees as provided herein.

## **Account Ownership Categories, Withdrawal Rights, and Beneficiary Designations**

The rules that apply to your account depend on the form of ownership and the beneficiary designation specified on our account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they may determine to whom we pay account funds. Some forms of account ownership may not be available for all types of accounts. By “ownership” we generally mean who owns the funds in your account. When there is more than one owner of the account, these ownership rights are between the parties, and do not affect our rights and responsibilities. If you open an account, you retain the right to change or close your account to the extent of the withdrawal rights you retain. By “withdrawal rights” we mean who has access to the funds in your account. Such access includes but is not limited to transfers to and from your account, transfers to and from third persons (not party to the account), deposit rights, and against whom we have the right of offset. These withdrawal rights do not control who actually owns the funds, as between multiple parties to your account. You agree that we are absolved and released from any liability so long as we act in accordance with instructions of any person who our records indicate has been designated to have withdrawal rights on your account, regardless of who actually owns the funds. To determine whether you are permitted to give withdrawal rights to another person, see the sections below titled *Establishing Withdrawal Rights* and *Attorneys-in-Fact*.

We reserve the right to require you to close your account and open a new account if you choose to change the ownership rights on your account. You must have ownership rights on your account to make any such changes. We recommend that you consult with your own financial advisor and/or attorney as to whether and how to effect any change in actual ownership of funds in the account, including but not limited to whether you give us notice of such changes in actual ownership. Any notice of a claim or change of actual ownership will not automatically affect the withdrawal rights to an account.

For accounts for which beneficiaries are allowed, we require a completed beneficiary designation, either on the application or by a separate form provided by us, signed by all account owners. The beneficiary designations must

equal 100%. Any changes to your beneficiary designation must be made by completing and submitting to us a new beneficiary designation form, which will supersede any previous designations on our records. When you designate beneficiaries, you understand there may be some restrictions on our ability to pay out to a beneficiary who is a minor.

For certain types of accounts, such as Health Savings Accounts and, in some states, IRAs, if you are married and designate someone other than your spouse as your primary beneficiary, you will be required to obtain your spouse's consent in writing on the Signature Card. You will also need a witness to your spouse's signature, along with the witness's signature. You and your spouse may need to consult with legal counsel. Neither the custodian of your HSA nor any affiliate, including but not limited to the Bank, nor any representative of any of them shall be liable for any consequences resulting from your failure to provide proper spousal consent.

For assistance in determining FDIC coverage for your accounts, consult with your financial advisor or review information on [www.fdic.gov](http://www.fdic.gov). We are not responsible for ensuring your accounts are set up to maximize your coverage.

We will allow Principal Bank Checking and Principal Money Market Checking accounts for minors if they are at least 14 years old, but we require a joint owner who is at least 18 years old. We will allow Principal Bank Savings, Principal Bank Advantage Savings, and Principal CDs for minors of any age, but we require a joint owner who is at least 18 years old. We will only allow a Principal HSA for a minor if they meet the eligibility requirements for an HSA. We will allow a minor to open IRA CDs or Money Market IRAs at any age if they meet the eligibility requirements for an IRA.

### **Individual Account Ownership**

An account designated as an individual account is in the name of one person. Such an account is also referred to as a "single ownership" account. For accounts set up with this form of ownership, the owner's Social Security Number/Tax Identification Number is used for the IRS backup withholding certification.

For special rules and information regarding Individual Retirement Accounts (IRAs), including information about withdrawal rights and beneficiaries, refer to the IRA information in the *Truth in Savings* section of this agreement.

**Account Ownership** – The owner of such an account is presumed to own the funds in the account. Holding such an account, by itself, creates no additional ownership rights or survivorship rights (nor does such form of ownership create or extinguish any community property rights).

**Withdrawal Rights** – The owner of such an account is the only person who has the right to withdraw funds from the account, unless we permit the owner to designate an authorized signer or we accept a power of attorney. See the sections below titled *Establishing Withdrawal Rights* and *Attorneys-in-Fact* for more information.

**Beneficiary Designations** – If you choose, you may set up beneficiaries on an account with this form of ownership.

### **Joint Account Ownership**

An account designated as a joint account is in the name of two or more persons who intend and agree to the terms set forth in this section. This type of account is sometimes referred to as a "multiple party account with survivorship" or as "tenants with rights of survivorship." We do not allow "tenants in common" or "tenancy by the entirety." For accounts set up with this form of ownership, each owner's Social Security Number/Tax Identification Number is used for the IRS backup withholding certification.

**Account Ownership** – Each joint owner is presumed to own the funds in the account. Each joint owner intends upon his or her death that the funds owned by such person will be owned by the surviving joint owner.

**Withdrawal Rights** – Each joint owner has complete and separate access to the funds and withdrawal rights, and each authorizes the other to endorse for deposit any item payable to the joint owner. Upon the death of any joint owner, any surviving joint owner will have complete ownership of the entire balance of the account. If there is more than one surviving joint owner, such survivors remain as joint owners with right of survivorship (and not as tenants in common or tenancy by the entirety) with the same withdrawal rights described in this section. We may not accept instructions or directions of attorneys-in-fact with respect to funds contained in a joint account. See the section below titled *Attorneys-in-Fact* for more information.

**Beneficiary Designations** – If you choose, the joint owners may set up beneficiaries on an account with this form of ownership. The rights of such beneficiaries will not commence until the death of all joint owners.

## **UTMA/UGMA**

Under the Uniform Transfers to Minors Act (UTMA), the funds in the account are owned by the child, who has unconditional use of the account when he or she reaches the age of majority. Before that time, the account may be accessed only by the custodian, and the funds must be used for the benefit of the child. We, however, have no duty or agreement whatsoever to monitor or ensure that the acts of the custodian are for the child's benefit. For accounts set up with this form of ownership, the child's Social Security Number/Tax Identification Number is used for the IRS backup withholding certification.

Two states have not adopted the Uniform Transfers to Minors Act. These states have, for our purposes, an equivalent statute known as the Uniform Gifts to Minors Act (UGMA), which has the same incidents as those described in the first paragraph of this section.

**Account Ownership** – The child, during minority and after reaching the age of majority, is at all times the owner of the funds in such an account.

**Withdrawal Rights** – As provided above, the custodian has exclusive withdrawal rights until the minor reaches the age of majority, or some other age as indicated in the UTMA documents. At that time, the child (now adult) has exclusive withdrawal rights. We shall have no duty or responsibility to anyone, including the child/adult, for monitoring when the child/adult acquires withdrawal rights, nor shall we have any duty or responsibility, absent receipt of express directions from the custodian and/or the child (now adult) and documentation satisfactory to us, to anyone, including the child (now adult), to automatically transfer the account into the name of the child (now adult). We shall not be responsible for any loss or damage the child (now adult) may incur as a result of the failure to transfer the account into the name of the child (now adult) at the appropriate time.

**Beneficiary Designations** – The custodian may not name beneficiaries on accounts set up with this form of ownership.

## **Conservatorships/Guardianships**

When a court of law has determined the need for the appointment of a legal representative for an incapacitated person or minor, a duly court appointed and qualified conservator or guardian of the estate may open an account. We will require court documents showing the appointment and qualification of the conservator or guardian of the estate. By requesting such documentation, we undertake no obligation to monitor or enforce the terms of the instrument and shall bear no liability to the ward or any third party should the conservator/guardian act outside his or her authority. We will not act as trustee or fiduciary in connection with the account. For accounts set up with this form of ownership, the ward's Social Security Number/Tax Identification Number is used for the IRS backup withholding certification.

**Account Ownership** – The ward is at all times the owner of the funds in such an account.

**Withdrawal Rights** – The duly appointed and qualified conservator or guardian of the estate shall have exclusive withdrawal rights unless and until we receive a court order stating otherwise.

**Beneficiary Designations** – The conservator/guardian may not name beneficiaries on accounts set up with this form of ownership.

## **Representative Payees**

The Social Security Administration's Representative Payment Program provides financial management for the Social Security and disability payments to recipients who are incapable of managing their Social Security or disability payments. At your instruction, we will set up the account with the term "Representative Payee" in the account title. We require documents from the Social Security Administration showing designation of the Representative Payee. By requesting such documentation, we undertake no obligation to monitor or enforce the terms of the instrument and shall bear no liability to the recipient or any third party should the Representative Payee act outside his or her authority. We will not act as trustee or fiduciary in connection with the account. For accounts set up with this form of ownership, the recipient's Social Security Number/Tax Identification Number is used for the IRS backup withholding certification.

**Account Ownership** – The recipient of the Social Security or disability payment is at all times the owner of the funds in such an account.

**Withdrawal Rights** – The owner will never have direct access to this account. The Representative Payee will have exclusive withdrawal rights.

**Beneficiary Designations** – The Representative Payee may not set up beneficiaries on accounts set up with this form of ownership.

### **Informal Revocable Trusts (POD Accounts)**

An informal revocable trust is often referred to as a “pay on death” (POD) account, but could also be referred to as an “in trust for” (ITF) account, “transfer on death” (TOD) account, or a “Totten trust”. These accounts are created when an application is submitted to us stating that the funds in the account are payable to one or more beneficiaries upon the death of the owner or owners. Formal trust agreements are not in place for these accounts. At your instruction, we will set up the account with the mandatory “POD” or some other identifier in the title, and will record the beneficiaries on our system of record. For accounts set up with this form of ownership, each owner’s Social Security Number/Tax Identification Number is used for the IRS backup withholding certification.

**Account Ownership** – The person who opens this type of account is presumed to own the funds during his or her lifetime. If there is more than one account owner, the ownership between the parties is the same as that between joint owners. See the section above title *Joint Account Ownership*. Ownership of the funds passes to the named beneficiaries upon the death of the last owner. A new account will need to be opened for each beneficiary if the funds are to remain with us.

**Withdrawal Rights** – The person who opens this type of account retains complete withdrawal rights in the account during his or her lifetime. The named beneficiaries have no withdrawal rights to the account during the lifetime of the account owner. On the death of the account owner, funds in the account will be paid out to the beneficiary or beneficiaries (on proof of death of the account owner and proof of the identity of the named beneficiary or beneficiaries) in accordance with the instructions regarding distribution provided by the account owner. If there is more than one beneficiary, each beneficiary will receive an equal share unless otherwise designated by the account owner. For accounts opened with multiple owners, no pay out will be made to any beneficiaries until all of the account owners are deceased. Any and all of the account owners retain the right to change or close the account during their lifetime, including changing the beneficiaries, but we must be given notice of such changes in writing.

**Beneficiary Designations** – Beneficiary designations are required for accounts set up with this form of ownership.

### **Formal Revocable Trust**

A formal revocable trust is a trust created in writing for estate planning purposes. These are typically referred to as “trusts,” “living trusts,” or “revocable trusts.” At your instruction, we will set up the account with one of these names in the account title. We require that either (i) a complete copy of the trust agreement or (ii) a Trustee Certification and Indemnification, in the form we provide, be submitted with the application at account opening; *provided, however*, that we reserve the right to require a complete copy of the trust agreement in the event we find the Trustee Certification and Indemnification to be insufficient for any reason. By requesting such documentation, we undertake no obligation to monitor or enforce the terms of the instrument and shall bear no liability to the trust or any third party should a trustee act outside his or her authority. We will not act as trustee or fiduciary in connection with the account. For accounts set up with this form of ownership, the trust’s Tax Identification Number (TIN/EIN) is used for the IRS backup withholding certification.

**Account Ownership** – The owner at all times is the trust and the account shall be managed by the named trustee, co-trustees or any designated successor trustees as established in the trust document.

**Withdrawal Rights** – The trustee, co-trustees or any designated successor trustees have exclusive withdrawal rights to the extent set forth in the trust document.

**Beneficiary Designations** – The trustees may not name beneficiaries on accounts set up with this form of ownership.

### **Irrevocable Trust**

An irrevocable trust is a trust created in writing that cannot be terminated or revoked by the grantors. At your instruction, we will set up the account with the word “irrevocable” in the account title. We require that either (i) a complete copy of the trust agreement or (ii) a Trustee Certification and Indemnification, in the form we provide, be submitted with the application at account opening; *provided, however*, that we reserve the right to require a complete copy of the trust agreement in the event we find the Trustee Certification and Indemnification to be insufficient for any reason.

If you are not able to provide the complete copy of the trust agreement, we will accept a Trustee Certification and Indemnification. By requesting such documentation, we undertake no obligation to monitor or enforce the

terms of the instrument and shall bear no liability to the trust or any third party should a trustee act outside his or her authority. We will not act as trustee or fiduciary in connection with the account. For accounts set up with this form of ownership, the trust's Tax Identification Number (TIN/EIN) is used for the IRS backup withholding certification.

**Account Ownership** – The owner at all times is the trust and the account shall be managed by the named trustee, co-trustees or any designated successor trustees as established in the trust document.

**Withdrawal Rights** – The trustee, co-trustees or any designated successor trustees have exclusive withdrawal rights to the extent set forth in the trust document.

**Beneficiary Designations** – The trustees may not name beneficiaries on accounts set up with this form of ownership.

### **Estates**

An account opened on behalf of an estate is typically created for estate distribution purposes. At your instruction, we will set up the account with the word "estate" in the account title. We require that a complete copy of the estate documentation be submitted with the application at account opening. By requesting such documentation, we undertake no obligation to monitor or enforce the terms of the instrument. We will not act as trustee or fiduciary in connection with the account. For accounts set up with this form of ownership, the estate's Tax Identification Number (TIN/EIN) is used for the IRS backup withholding certification.

**Account Ownership** – The owner at all times is the estate and the account shall be managed by the named executor or administrator or personal representative as established in the estate documentation.

**Withdrawal Rights** – The executor or administrator or personal representative has exclusive withdrawal rights to the extent set forth in the estate documentation.

**Beneficiary Designations** – The executor/administrator/personal representative may not name beneficiaries on accounts set up with this form of ownership.

### **Establishing Withdrawal Rights**

If you are the account owner of a Principal HSA, Principal HSA – Select, or a Principal HSA CD, your custodial account agreement allows you to designate one or more agent(s) (each an "Authorized Signer") who can transact business in your HSA. The designation of an Authorized Signer applies only to the funds held with us as part of your Principal HSA. Your Authorized Signer may write checks, use a debit card, make deposits, and access information on your HSA, where applicable. If you designate an Authorized Signer, you agree:

- That your Authorized Signer may access all records relating to your HSA, and may give electronic, telephonic, or written instructions to us regarding this account and account activity.
- To hold harmless and indemnify us against any costs, actions, damages, losses, claims, and demands we may suffer arising out of our reliance on this appointment and release us from the liability resulting from or arising from such reliance.
- To have your Authorized Signer sign the Signature Card provided during the application process and/or sign any appropriate forms provided by us after your account is established.

Authorized Signers shall be bound by the terms and conditions of this agreement. Any designation of an Authorized Signer shall be relied upon by us until such time, if any, that we receive a written revocation of this authorization. You are responsible for ensuring that any changes to your Authorized Signer designation are reflected on your checks. We will not be responsible for any continued use of checks by a former Authorized Signer if you have not updated your checks to reflect the change. Additionally, the designation of the Authorized Signer ends upon the death of the account owner, as the Authorized Signer has no ownership or survivorship rights on the account.

### **Attorneys-in-Fact**

You may wish to appoint another person to conduct transactions (withdrawals and deposits) on your account on your behalf. By appointing an attorney-in-fact, you do not thereby create any ownership or survivorship rights in your account or the funds contained in your account for the benefit of the person designated. You shall be responsible for the actions of your attorney-in-fact, and your attorney-in-fact shall be bound by the terms and conditions of this agreement. We have no duty whatsoever to monitor or ensure that the acts of your attorney-in-fact are for your benefit.

We will not accept the directions of an attorney-in-fact on an account where there is more than one account owner, unless the attorney-in-fact has been appointed to act for all of the owners of the account.

We require a valid Affidavit Regarding Power of Attorney be signed and notarized, along with a valid power of attorney document that is enforceable under the laws of the state of the individual granting the powers under the power of attorney. For your protection, we may refuse to honor any power of attorney document that we believe for any reason is not valid or enforceable or does not clearly and fully set forth the grantor's intentions. We will honor the appointment until we receive a written revocation from the account owner, or until we receive written notice of the death of the account owner.

We shall not be responsible for any loss or damage you may incur as a result of our following instructions given by an agent acting under what we believe to be a valid power of attorney or our refusal to honor a power of attorney.

In order for an appointment to continue after the account owner is declared totally or partially incompetent by a court, the appointment must have been executed through a "durable" power of attorney document that clearly states it is not affected by the subsequent incapacity of the account owner.

If you have named more than one person as attorney-in-fact, either in the same power of attorney or in separate powers of attorney, we will honor the instructions of each attorney-in-fact independently, unless you instruct us to do otherwise in writing.

## **Payment and Transfer Services**

### **General Information**

For certain accounts, we may provide the ability to use various payment and transfer services, including:

- Principal Bank BillPay – To make payments to third parties.
- Principal Bank Money Movement – To transfer funds between your accounts with us and your accounts at a different financial institution, or to transfer funds from your account with us to another individual's account at a different financial institution.
- Principal Bank Transfer Accounts – To transfer funds from your account with us to another individual's account with us.

Each of these services is discussed in more detail in following sections, but they are collectively referred to as the "Services," unless they are individually identified. Each may also be referred to a "Service." Transactions using Principal Bank BillPay may be referred to as "bill payments," transactions using Principal Bank Money Movement may be referred to as "external transfers" and transactions using Principal Bank Transfer Accounts may be referred to as "deposit only transfers." Any of these transactions may also be referred to simply as "transactions."

We will use our best efforts to process all your transactions properly and timely. However, notwithstanding anything contained in this agreement to the contrary, we shall incur no liability if we are unable to complete any transactions you initiate through us because of the existence of one or more of the following circumstances:

- 1) If, through no fault of ours, your account does not contain sufficient funds to complete the transaction plus any applicable fees. For bill payments and deposit only transfers, any of your accounts designated by you to cover checking account overdrafts are considered when determining whether the account balance is sufficient.
- 2) You request a bill payment in an amount over the maximum allowed (\$99,999.99) or the processing of your external transfer would result in you exceeding one or more of the specific dollar limits displayed on your Money Movement transaction screen or otherwise disclosed in writing to you.
- 3) The applicable Service is not working properly and you know or have been advised by us about the malfunction before you execute the transaction.
- 4) You have not provided us with your correct account information or any of the required information for any party to whom you wish to direct a bill payment, external transfer, or deposit only transfer or from whom you wish to receive electronic bills. Such required information could include name, address, phone number, account number, or other account information. Correct and complete information is necessary in order for us to properly process your transaction in accordance with our established procedures and/or system requirements.
- 5) Circumstances beyond our control, such as, but not limited to, fire, flood, or interference from an outside source, prevent the proper execution of the transaction and we have taken reasonable precautions to avoid these circumstances.
- 6) The processing of your external transfer was not completed due to the act or omission of the other financial institution involved with the external transfer, including any funds transfer limits set by the

- other financial institution or any restrictions on whether a particular account is eligible for funds transfer transactions.
- 7) The recipient's account number for a deposit only transfer has not been Internet-enabled by the account owner.
  - 8) The recipient's account number for an external transfer has already been identified by another Principal Bank account owner as a registered account on their Money Movement screen.

As noted earlier in the Inactive Accounts section of this agreement, we will disable Internet access to your account if your Internet access has not been used for a period of six months. This will also disable your access to the Services. Internet transactions are further defined in the *Electronic Funds Transfers* disclosure provided later in this agreement.

If we cause an incorrect amount of money to be removed from your account during a transaction, or cause money from your account to be directed to a person or entity that does not comply with your payment instructions or external transfer request, and none of the above exceptions apply, we shall be responsible for returning the improperly transferred funds to your account. This liability is subject to your duty to notify us within 60 days from when your periodic statement is made available to you, as provided in the *Electronic Funds Transfers* disclosure later in this agreement.

***The foregoing shall constitute our entire liability and your exclusive remedy with respect to the services. Except as described in this agreement, in no event shall we, or any of our officers, directors, employees, agents, or affiliates, be liable for any direct, indirect, special, incidental, consequential, punitive, or exemplary damages, including lost profits (even if advised of the possibility thereof) arising in any way out of the installation, use or maintenance of the equipment, software, and/or the use of or inability to use the services; any inaccuracy of information or amounts retrieved by us from the accounts; any breach of security caused by a third party; our debit and/or credit or inability to debit and/or credit the accounts in accordance with your transaction requests; any charges imposed by any other financial institution or limits imposed by any other financial institution; any loss of, unauthorized access to, or alteration of your transmissions or data; or for the cost of procurement of substituted goods or services.***

You agree that you will not use the Services in any manner that is not permitted by the terms of this agreement or by any applicable law or regulation. You further agree that you will not use the Services in any manner that could damage, disable, burden or impair the Services or interfere with any other party's use and enjoyment of the Services.

You understand and expressly agree that use of the Services is at your sole risk, that any material and/or data downloaded or otherwise obtained through use of the Services is done at your own discretion and risk that you will be solely responsible for any damages, including, without limitation, damage to your computer system or loss of data that results from the download or the obtaining of such material and/or data.

Except as expressly set forth in this agreement, we disclaim all warranties of any kind, express or implied, including, without limitation, any warranty of merchantability, fitness for a particular purpose or non-infringement of intellectual property or third party rights. We make no warranty or representation regarding the results that may be obtained from the use of the Services, the accuracy or reliability of any information obtained through the Services, the accuracy of any information retrieved by us from the accounts or that the Services will meet your requirements, be uninterrupted, timely, secure, or error free.

**Indemnification** – You agree to indemnify and hold Principal Bank, our officers, directors, employees, agents, and affiliates harmless from any and all third party claims, liability, damages, and/or costs (including but not limited to attorney fees) arising from your use of the Services, our reliance on the information, request, and/or authorization provided by you under or pursuant to this agreement, your violation of the terms hereof or your infringement, or the infringement by any other user of your accounts, of any intellectual property, or other rights of any person or entity.

**Charges and Fees** – Please refer to the Schedule of Fees provided separately. Additionally, specific fees for Principal Bank Money Movement will be reflected on your Money Movement transaction screen, and such information is automatically incorporated by reference into this agreement.

**Insufficient Funds** – An overdraft fee may be assessed on your account if an overdraft is created by a bill payment, external transfer, or deposit only transfer. Alternately, if we choose to return a transaction that created an overdraft, you may instead be charged a non-sufficient funds (NSF) fee. Both of these fees are disclosed on the Schedule of Fees.

**Taxes or Court-Ordered Payments** – Payment of taxes or any court-ordered payment through Principal Bank BillPay are permitted. However, such payments are discouraged and if you schedule them you do so at your own risk. In no event shall we be liable for any claims or damages resulting from your scheduling these types of payments. We may not be able to assist you in researching or resolving any claim resulting from this type of payment. Neither the payment of taxes nor the making of court-ordered payments through Principal Bank Money Movement or Principal Bank Transfer Accounts is permitted.

**Merchant or Payee Limitation** – We reserve the right to refuse to pay any person or entity to which you may direct a payment, external transfer or deposit only transfer if we are prohibited from doing so by law or if we believe that the transaction is fraudulent. Where permitted by law, we are obligated to notify you promptly if we decide to refuse to pay a person or entity designated by you.

**Alterations and Amendments** – We may change the features and any applicable fees and service charges of the Services from time to time. To the extent required by law, we will send a written notice of changes. Any use of a Service after a change takes effect will constitute your agreement to the change. Changes with no adverse customer impact may be implemented without notice to you. We may also suspend or terminate your ability to use one or more of the Services in accordance with other provisions of this agreement.

**User Confidentiality** – We identify users by their unique User ID and Password. Each person authorized to withdraw from your account will be issued a separate User ID and Password when such person enrolls in our Internet banking service. We will attribute to you, and you agree that we have right to attribute to you, all bill payments, external transfers or deposit only transfers initiated with your User ID and Password or the User IDs and Passwords of others authorized to withdraw from your account. You agree not to give or make available our User ID or Password to any other individual. If you believe your User ID or Password has been compromised, you must immediately change your Password and notify us that your Password was compromised. Contact us immediately at 1.800.672.3343.

**Information Authorization** – You agree that we have the right to obtain your financial information from a merchant or financial institution, as well as share your financial information with a merchant or financial institution in order to attempt to resolve any issues or questions concerning your transaction requests.

**Disputes and Conflicts** – When you enroll in Principal Bank BillPay and/or first use Principal Bank Money Movement, you will be asked to accept a set of terms and conditions that govern those Services. Nothing in either of those terms and conditions will alter the respective rights, remedies, or obligations of you or us as they are set forth in this agreement. You agree that this agreement is the complete and exclusive agreement between you and the Bank, which supersedes any proposal or prior agreement, oral or written, or any other communications between you and the Bank relating to the subject matter of this agreement. If there is a dispute regarding Principal Bank BillPay or Principal Bank Money Movement, you agree to resolve the dispute by looking to this agreement. If there is a conflict between what one of our employees says and the terms of this agreement, the terms of this agreement shall control.

### **Principal Bank BillPay**

You may use Principal Bank BillPay for your Principal Bank Checking, Money Market, Principal HSA, or Principal HSA – Select account. The Service is not available for other types of accounts. By providing us with the names and account information of those persons and entities to which you wish to direct payment, you authorize us to follow the payment instructions that are entered through the Service. When we act on a payment instruction, you authorize us to charge your account and remit funds on your behalf so that the funds arrive as close as reasonably possible to the scheduled payment date designated by you. While we anticipate that we will complete most transactions on the day you designate, it is possible that, due to circumstances beyond our control (particularly delays in handling and posting payments at the merchant or financial institution), some transactions may take longer.

Other matters not discussed in the *Payments and Transfers* section above relating to Principal Bank BillPay are discussed in the *Electronic Funds Transfers* disclosure provided later in this agreement.

### **Principal Bank Money Movement**

You may be eligible to use Principal Bank Money Movement for your Checking, Regular Savings, Advantage Savings, or Money Market account. The Service is not available for other types of accounts. The Service will allow you to (1) transfer funds from your accounts at other financial institutions to your accounts with us and (2) transfer funds from your accounts with us to accounts at other financial institutions (either your own accounts or another individual's accounts), assuming in the case of both (1) and (2) the transfer is allowed by the other financial institution and by law. Not all accounts with other financial institutions permit funds transfers.

Your eligibility for Principal Bank Money Movement will be determined solely by us, and will depend, in part, upon whether your accounts with us are in good standing. Your eligibility for this Service may change over time due to factors such as your use or misuse of the Service and/or your account, and notice of such a change will be provided on your Money Movement transaction screen.

By providing us with the names and/or account information we require related to any account for which you use the Service, you authorize us to validate (1) your ownership of the account and (2) that the account contains sufficient funds for the transfer you request. We may, but are not obligated to, validate any account you submit by performing a test transfer where one or more low dollar payments will be both credited to and debited from the account. The test credit will always occur before the test debit and the test credit will always be equal to or greater than the test debit so that the balance in the account will never be less than the actual balance as a result of the test transfer.

When you submit an external transfer request, you authorize us to access the websites and databases of other financial institutions where you hold an account to retrieve information and complete your request. By submitting an external transfer request, you represent and warrant to us that (1) you have the right to permit us to access the outside account to complete the external transfer request or for any other reason authorized by this agreement, (2) your disclosure of the information and our use of this information to complete an external transfer request will not violate the rights of any third parties, (3) the information provided in your external transfer request is true, correct, and complete, and (4) your external transfer request is permitted by any agreement you have with the other financial institution. You further agree that if an external transfer request identifies a bank or account owner by name and account number, the relevant financial institution (which may be us) may execute the request by relying on and using the account number only, even if the account number does not correspond to the name provided in your request, and neither we nor any other financial institution shall incur any liability for doing so.

You authorize us to select any means we deem suitable to execute your external transfer request. You agree to be bound by the rules and regulations that govern the applicable funds transfer systems, such as automated clearinghouse (ACH) as published by the National Automated Clearinghouse Association (NACHA). Using ACH, we debit one of your accounts and credit another of your accounts or the account of your designated third party recipient. After we are reasonably certain that the debit will not be returned (typically 3-4 business days), the transfer will be finalized with a credit to your account or the account of your designated third party recipient.

In the event that the debit side of a transfer, or any portion of such debit, has failed and the credit side of the transfer has been released, you authorize us to collect from the account to which the credit side of the external transfer was sent. We reserve the right to resubmit a debit, or a portion of a debit, in the event of an insufficient or uncollected funds return where we cannot collect the amount credited. To effect this collection, you authorize us to debit the credited account or the debited account in either the same dollar amount as the original external transfer request or a portion thereof. You understand that there may be additional fees associated with our having to resubmit a debit, imposed by either us or the other financial institution. To effect this collection, you also authorize us to offset any of your other accounts in accordance with the *Right of Offset* paragraph provided earlier in this agreement.

**Limitations on Number of Transfers** – We do not automatically limit the number of external transfers you make with Principal Bank Money Movement. However, depending upon the Principal Bank account you are debiting, there may be specific transaction limitations as noted in the *Truth in Savings* disclosure provided later in this agreement.

**Limitations on Amount of Transfers** – We do limit the dollar amount of external transfers you may initiate through Principal Bank Money Movement. Your specific limits will be displayed on your Money Movement transaction screen. We reserve the right to change from time to time the dollar amount of external transfers you are permitted to make using the Service, and you will be notified of any such change on your Money Movement transaction screen.

Other matters not discussed in the *Payments and Transfers* section above relating to Principal Bank Money Movement are discussed in the *Electronic Funds Transfers* disclosure provided later in this agreement.

### **Principal Bank Transfer Accounts**

You may request deposit only transfers from your Principal Bank Checking, Regular Savings, Advantage Savings, Money Market, Principal HSA, or Principal HSA – Select accounts to Principal Bank accounts owned

by other persons or entities and set up by you as "Transfer Accounts." In order for another person or entity's Principal Bank account to be eligible to be set up as one of your Transfer Accounts, the account:

- 1) Must be Internet-enabled by the account owner, and
- 2) Must be a transaction account but not a Principal Bank HSA or Principal HSA – Select account.

You understand that you must know the account number to set up the Transfer Account, and we will not provide this information to you under any circumstance. You further understand that when you complete a deposit only transfer to a Transfer Account, the recipient's bank statement may include your account number in the transaction detail to help describe the transaction to the recipient.

Any questions or problems with these types of transfers will be handled in accordance with our *Electronic Funds Transfers* disclosure provided next.

## **Electronic Funds Transfers Your Rights and Responsibilities**

### **General Information**

The information and following tables outline the types of Electronic Funds Transfers we permit for the various deposit account types, along with how to access information electronically (on both [www.principalbank.com](http://www.principalbank.com) and [www.principal.com](http://www.principal.com)) for the various deposit account types. Please read this disclosure carefully because it outlines your rights and obligations for the transactions listed. You should keep this disclosure for future reference.

### **Electronic Funds Transfer Types**

**Preauthorized Credits** – You may make arrangements for certain direct deposits to be accepted into your accounts, as outlined in the following table.

**Preauthorized Payments** – You may make arrangements to pay certain recurring bills from your accounts, as outlined in the following table.

**Principal Bank Telephone Transfers** – You may access your accounts by telephone 24 hours a day by dialing 1.800.672.3343 and using your personal identification number, a touch tone phone, and your account number to transfer funds between your accounts, as outlined in the following table.

**ATM Transactions** – You may access your accounts by ATM using your Principal Bank VISA® debit card or ATM card and personal identification number, as outlined in the following table. Note that ATM withdrawals may not exceed more than \$500 per day, and that some customers may have lower "per day" limits which will be disclosed separately. Additionally, some of the ATM services may not be available at all terminals. We reserve the right to place restrictions on your ATM or debit card as necessary and without notice.

**VISA® Debit Card Point-of-Sale Transactions** – You may access your accounts to purchase goods (in person or by phone), pay for services (in person or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, as outlined in the following table. Your VISA debit card can also be used at most participating VISA merchants similar to the way you use a credit card. You may not exceed \$1,000 in transactions per day. Some customers will have lower "per day" limits which will be disclosed separately. We reserve the right to place restrictions on your ATM or debit card as necessary and without notice.

**Non-Visa® Debit Card Point-of-Sale Transactions** – You can also use your Visa® Debit Card at certain merchants that use the STAR network and that may impact you. While in the past transactions have been processed as Visa® Debit Card transactions unless you entered a PIN, in the future if you do not enter a PIN, transactions may be processed as either a Visa® Debit Card transaction or a transaction on the STAR network. Merchants must provide you with a clear way of choosing to make a Visa® Debit Card transaction if they support this option. Please be advised that should you choose to use the STAR network when making a transaction without a PIN, different terms may apply. Certain protections and rights applicable only to Visa® Debit Card transactions as described in your cardholder agreement will not apply to transactions processed on the STAR network. Other than that, the Visa® Debit Card will function just as described above.

**Receivers of International ACH Transactions (IAT)** – Receivers should be aware that their Receiving Depository Financial Institution (RDFI) may, from time to time, need to temporarily suspend processing of a

transaction for greater scrutiny or verification against the Specially Designated Nationals (SDN) list, and that this action may affect settlement and/or availability.

**Principal Bank Internet Site Online Transactions/Information** – You may access your accounts by computer at [www.principalbank.com](http://www.principalbank.com) to transfer funds, as outlined in the following table. You may also transfer funds from any of your deposit accounts outlined in following table to another Principal Bank account not owned by you that you have set up as a “Transfer Account” (also known as a “deposit only transfer”). You can view transaction activity, balances, and other information as outlined below.

**Principal Financial Group Internet Site Online Transactions/Information** – You may access certain accounts by computer at [www.principal.com](http://www.principal.com). If you elect to receive statements electronically, you can view online statements at this site. You can view transaction activity, balances, and other information as outlined below.

**Principal Bank BillPay** – You may use Principal Bank BillPay to make payments from your accounts, as outlined in the following table. Additional information related to this Service is noted in a previous section of this agreement.

**Principal Bank Money Movement** – You may use Principal Bank Money Movement to transfer funds to and from your accounts, as outline in the following table. Additional information related to this Service is noted in a previous section of this agreement.

**Transfer via ACH** – ACH transactions may be allowed for your accounts, as outlined in the following table.

**Electronic Check Conversion** – You may authorize a merchant or other payee to make a one-time electronic payment from your accounts, as outlined in the following table. The merchant will use information from your check to pay for purchases or pay bills. Transactions could include situations where a consumer has provided a check to enable the merchant or other payee to capture the routing, account, and serial number to initiate the transfer, regardless of whether (1) the check is blank, partially completed, or fully completed and signed; (2) the check is presented at point of sale or is mailed to a merchant or other payee or lockbox and later converted to an EFT; or (3) the check is retained by the consumer, the merchant, or other payee, or the other payee's financial institution.

**Allowable Electronic Funds Transfers by Account Type**

	Checking	Money Market	Savings	Advantage Savings	Principal HSA and Principal HSA – Select	Home Equity Loans and HELOCs
Preauthorized credits	X	X	X	X	X	
Preauthorized payments	X	X	X	X	X	
Telephone transfers	X	X	X	X		
ATM deposits	X	X	X			
ATM withdrawals	X	X	X		X	
ATM transfers	X	X	X			
VISA® Debit Card point of sale transactions	X				X	
Non- VISA® Debit Card point of sale transactions	X				X	
Online transfers to your account	X	X	X	X		X
Online transfers from your account	X	X	X	X	X	X-helocs only
BillPay	X				X	
Money Movement – incoming	X	X	X	X		X
Money Movement – outgoing	X	X	X	X		
ACH transfers	X	X	X	X	X	
Electronic check conversions	X	X			X	X

**How to Obtain Account Information Electronically** – The following table indicates what types of information you can access online for the different account types. If applicable, pbank.com means www.principalbank.com and p.com means www.principal.com, and both indicate the information you can obtain by logging onto your accounts at those websites.

**How to Obtain Account Information Electronically**

	Checking and Money Market	Savings	Advantage Savings	CD	Principal HSA and Principal HSA – Select	HSA CD	IRA CDs and IRA Savings	Home Equity Loans and HELOCs
Telephone – balances	X	X	X	X	X	X	X	X
Telephone – at least the last 10 checks cleared by check number since your last statement	X				X			
Telephone – at least the last 10 non-check withdrawals since your last statement	X	X	X		X			
Telephone – up to the last five deposits since your last statement	X	X	X		X			
ATM – balances	X	X			X			
Online – balances – pbank.com	X	X	X	X	X	X	X	X
Online – the last 16 months of transaction history – pbank.com	X	X	X	X	X	X	X	X
Online – balances – p.com	X	X	X	X	X	X	X	X
Online – the last 13 months of transaction history – p.com	X	X	X	X	X	X	X	X
Online statements (if elected) – p.com	X	X	X		X		X	

If you have a CD and have been notified that you can now access CD information on www.principal.com, you will **only** be able to access information through that website.

If you have elected online statements at www.principal.com, Online Statement Disclosures are available for review on your statement pages.

**Currency Conversion**

If your VISA<sup>®</sup> Debit Card is used to purchase goods or services in another country, VISA will convert the amount of the charge in foreign currency to a U.S. dollar amount. In making this conversion, VISA will use the procedures set forth in its Operating Regulations. Currently, those regulations provide that the exchange rate between the transaction currency and the billing currency used for processing international transactions is either (1) a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives, or (2) the

government-mandated rate in effect for the applicable central processing date, in each instance plus or minus any adjustment determined by the Issuer. You may also be charged for VISA's International Service Assessment (ISA) as part of any international transaction, regardless of whether a currency conversion occurs (see Schedule of Fees). An international transaction is defined as a transaction where the merchant country differs from the country of the card issuer. This fee may be assessed on all international purchases, credit vouchers, and cash disbursements. Transactions completed in Puerto Rico and the U.S. Virgin Islands are excluded.

## **Fees**

When you use an ATM not owned by us, the ATM operator or any ATM network may charge you a fee. You may also be charged a fee by the ATM operator or ATM network for a balance inquiry even if a deposit or withdrawal is not completed.

## **Documentation**

**Terminal Transfers** – You will receive a receipt at the time you make any transfer to or from your account using a Principal Bank ATM. In some states, the machine receipt provided to you by the terminal is admissible as evidence in any legal action and shall constitute prima facie proof of the transaction evidenced by the receipt.

**Preauthorized Credits** – If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 1.800.672.3343 to find out whether or not the deposit has been made. You can also use our Internet banking site to verify such a deposit.

**Periodic Statements** – You will receive monthly account statements from us for Checking, Money Market, Principal HSA, and Principal HSA – Select accounts. You will receive a quarterly account statement from us for any Savings account. However, if there are any electronic funds transfers in a particular month, you will receive an additional statement for the particular month in which the electronic funds transfer occurs. If you have a Checking account as well as any Money Market, Savings, or Advantage Savings accounts with us, you will receive a monthly combined statement for all of these accounts with the exact same account ownership. You may be able to combine statements for additional Principal Bank deposit accounts you own by visiting the Customer Service section of our website. Health Savings Accounts are not available for combined statements. If you elect to receive statements electronically at [www.principal.com](http://www.principal.com), statements will be posted based on the same frequencies as noted above, and you will receive an email notifying you when they are available.

## **Preauthorized Payments**

**Rights and Procedures to Stop Payments** – If you arranged for us to make regular payments out of your account (preauthorized withdrawals), you can stop any of these payments. Call us at the telephone number or write us at the address listed at the beginning of this agreement in time for us to receive your request three business days or more before the payment is scheduled. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. If your intent is to stop all future payments, we may also require you to confirm in writing that you have revoked the authorization with the Originator. If we do not receive your written confirmation within 14 days, we may honor subsequent debits to your account.

***Except as provided in this section, you (the consumer) may not stop payment of electronic fund transfers; therefore you should not employ electronic access for purchases or services unless you are satisfied that you will not need to stop payment.***

**Notice of varying amounts** – If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

## **Our Liability**

**Liability for Failure to Stop Payment of Preauthorized Transfer** – If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

**Liability for Failure to Make Transfers** – If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance, if:

- 1) Through no fault of ours, you do not have enough money in your account to make the transfer;
- 2) You have an overdraft line of credit and the transfer would go over the credit limit;
- 3) The ATM where you are making the transfer does not have enough cash;

- 4) The terminal or system was not working properly and you knew about the breakdown when you started the transfer;
- 5) Circumstances beyond our control (such as natural disasters) prevent the transfer, despite reasonable precautions that we have taken.

There may be other exceptions as stated elsewhere in this agreement.

### **Confidentiality**

At Principal Bank, we recognize the importance of safeguarding the customer information we collect. We have established privacy policies that are described in a separate notice provided to each of our customers. This notice is also published on our website. This privacy policy may change from time to time, and we will communicate any changes in this policy to you. We will disclose information to third parties and/or affiliates about your account or the transfers you make:

- 1) Where it is necessary for completing transfers, or
- 2) In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, or
- 3) In order to comply with government agency or court orders, or
- 4) Where defined in our privacy notice.

### **ATM and Debit Card Fraud Protection Plan**

To ensure that we are able to reach you if our fraud protection plan detects potential fraud on your ATM or debit card, keep your telephone number updated on our records. You can do so by calling our Bank Customer Center or at our website if you have online access to your accounts. You should also call our Bank Customer Center if you plan to travel outside of the U.S. to ensure your card will continue to work without any problems. Restrictions may be placed on your card until we can verify that your card and/or card information has not been compromised.

### **Your Liability for Unauthorized Transfers**

**Generally** – Tell us AT ONCE if you believe your card, personal identification number (PIN) or Internet password has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning us immediately is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within two business days after you learn of a loss or theft of your card, PIN, or password, you can lose no more than \$50 if someone uses your card, PIN, or password without your permission.

If you do NOT tell us within two business days after you learn of the loss or theft of your card, PIN, or password, and we can prove we could have stopped someone from using your card, PIN, or password without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows transfers that you did not make, including those made by card, code, or other means, tell us AT ONCE. If you do not tell us within 60 days after the statement was sent or made available to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we may extend the time periods.

**Additional Limit on Liability for Principal VISA® Debit Card** – Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Principal Bank VISA debit card. This additional limit on liability does not apply to ATM transactions, to transactions using your PIN that are not processed by VISA, to Non-Visa Debit Card Point of Sale transactions that did not require you to use your PIN, or to commercial cards.

**Contact in Event of Unauthorized Transfer** – If you believe your card, PIN, or password has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, or if you believe a transfer has been made using the information from your check without your permission, call us at the number or write us at the address listed at the beginning of this agreement.

### **Error Resolution Notice**

In case of errors or questions about your electronic transfers, call us at the number or write us at the address listed at the beginning of this agreement, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent or made available to you the FIRST statement on which the problem or error appeared. Include the following:

- 1) Your name and account number;
- 2) Description of the error or the transfer you are unsure about, explained as clearly as you can why you believe it is an error or why you need more information.
- 3) The dollar amount of the suspected error. If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days. We will determine whether an error occurred within 10 business days (five business days for VISA<sup>®</sup> debit card point-of-sale transactions and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (five business day for VISA point-of-sale transactions and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account, or, if we have credited it, we may recharge your account. An account is considered a new account for 30 days after the first deposit is made, if you are a new customer. We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation. Where allowed by law, we reserve the right to charge a research fee, as outlined in our Schedule of Fees. This fee is non-refundable.

### **Termination**

We may terminate this electronic funds transfer agreement at any time by closing your account with us. You may terminate this electronic funds transfer agreement at any time by closing your account with us. We do not require you to maintain a minimum balance in your account in order to use a debit card or Internet access device.

## **Funds Availability Policy Your Ability to Withdraw Funds**

### **General Information**

This policy statement applies to all consumer deposit transaction accounts.

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit. If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that is already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

### **Cutoff Times**

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 4:00 p.m. Central Time on a business day, we will consider that day to be the day of your deposit. If you make a deposit after 4:00 p.m. Central Time or on a non-business day, we will consider the deposit made on the next business day.

If you make a non-ATM deposit in person before 4:00 p.m. Central Time at Principal Bank (where available), we will consider that day to be the day of your deposit.

If you make a deposit at an ATM before 6:00 p.m. Central Time on a business day, we will consider that day to be the day of your deposit. If you make a deposit at an ATM after 6:00 p.m. Central Time or on a non-business day, we will consider the deposit made on the next business day.

### **Longer Delays May Apply**

**Case-By-Case Delays** – In some cases, we will not make all of the funds you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check you deposit, funds may not be available until the second business day after the day of your deposit. The first \$200 of your deposits, however, may be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

**Safeguard Exceptions** – In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid;
- You deposit checks totaling more than \$5,000 on any one day;
- You redeposit a check that has been returned unpaid;
- You have overdrawn your account repeatedly in the last six months;
- There is an emergency, such as failure of computer or communication equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

### **Special Rules for New Accounts**

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

External funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. The checks must be payable to you. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the 10th business day after the day of your deposit.

### **Deposits at Automated Teller Machines**

The first \$200 deposited at any ATM owned by Principal Bank will be made available immediately, however the remaining funds (any combination of cash and checks) may not be available until the second business day after the day of the deposit.

## **Truth in Savings Disclosures**

### **Principal Bank Checking Account**

**Rate Information** – This is a tiered rate account, which means the rate to be applied on a given day will depend on your balance in the account for that day. We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – You must deposit at least \$100 to open this account.

**Minimum balance to avoid imposition of fees** – A maintenance fee will be imposed every calendar month when a monthly average balance of \$500 is not maintained.

**Daily minimum balance to obtain the annual percentage yield disclosed** – For any particular day, you must maintain a minimum balance of \$2,500 in the account to obtain the disclosed annual percentage yield for that day.

**Daily 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 if your balance is above the required minimum for that day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Overdraft (OD) items paid by bank** – As noted on the Schedule of Fees, an overdraft fee may be assessed on your account when an overdraft is created by check, in-person withdrawal, or some other electronic means, such as ACH or recurring debit card transaction. An overdraft fee is charged when an overdraft is created and the bank chooses to pay your item. If an overdraft is created by an ATM withdrawal or one-time debit card transaction, such as a point-of-sale transaction, and the Bank chooses to pay the item or is not able to return the item, you will not be charged an overdraft fee. As noted above in the Clearing policy under the *Withdrawals* section, we retain absolute discretion in the payment and/or payment order of checks, and Bank policies may change without notice to you unless required by law.

**Items returned for non-sufficient funds (NSF)** – As noted on the Schedule of Fees, an NSF fee may be assessed on your account when a check, in-person withdrawal, ATM withdrawal, or other electronic debit would have overdrawn your account and the bank chooses to return the item. As noted above in the Clearing policy under the *Withdrawals* section, we retain absolute discretion in the payment and/or payment order of checks, and Bank policies may change without notice to you.

**Account closing fee** – If your account has been open less than six months and you close your account, the Bank may assess an account closing fee.

### **Principal Bank Employee Checking Account**

**Rate Information** – This is a tiered rate account, which means the rate to be applied on a given day will depend on your balance in the account for that day. We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Daily minimum balance to obtain the annual percentage yield disclosed** – For any particular day, you must maintain a minimum balance of \$2,500 in the account to obtain the disclosed annual percentage yield for that day.

**Daily 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 if your balance is above the required minimum for that day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Overdraft (OD) items paid by bank** – As noted on the Schedule of Fees, an overdraft fee may be assessed on your account when an overdraft is created by check, in-person withdrawal, or some other electronic means, such as ACH or recurring debit card transaction. An overdraft fee is charged when an overdraft is created and the bank chooses to pay your item. If an overdraft is created by an ATM withdrawal or one-time debit card transaction, such as a point-of-sale transaction, and the Bank chooses to pay the item or is not able to return the item, you will not be charged an overdraft fee. As noted above in the Clearing policy under the *Withdrawals* section, we retain absolute discretion in the payment and/or payment order of checks, and Bank policies may change without notice to you unless required by law.

**Items returned for non-sufficient funds (NSF)** – As noted on the Schedule of Fees, an NSF fee may be assessed on your account when a check, in-person withdrawal, ATM withdrawal, or other electronic debit would have overdrawn your account and the bank chooses to return the item. As noted above in the Clearing policy under the *Withdrawals* section, we retain absolute discretion in the payment and/or payment order of checks, and Bank policies may change without notice to you.

**Account closing fee** – If your account has been open less than six months and you close your account, the Bank may assess an account closing fee.

### **Principal Bank Regular Savings Account**

**Rate Information** – We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every quarter. Interest will be credited to your account every quarter.

**Minimum balance to open the account** – You must deposit at least \$100 to open this account. Note: Accounts opened for minors (under age 18) can be opened with \$25.

**Minimum balance to avoid imposition of fees** – A maintenance fee will be imposed every calendar month when a monthly average balance of \$400 is not maintained. Note: This fee will not apply to accounts owned by minors (under age 18).

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – Transfers from this account to third parties or to one of your other accounts with us by preauthorized, automatic (including overdraft protection), telephone, Money Movement, ACH or Internet initiated transfer are limited to six per calendar month. For each transaction exceeding the limitations above, we may assess an excess transaction fee. If you repeatedly exceed the transaction limitations outlined above, you may not continue to be eligible for this type of account.

**Account Closing Fee** – If your account has been open less than six months and you close your account, the Bank may assess an account closing fee.

### **Principal Bank Employee Savings Account**

**Rate Information** – We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every quarter. Interest will be credited to your account every quarter.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – Transfers from this account to third parties or to one of your other accounts with us by preauthorized, automatic (including overdraft protection), telephone, Money Movement, ACH or Internet initiated transfer are limited to six per calendar month. For each transaction exceeding the limitations above, we may assess an excess transaction fee. If you repeatedly exceed the transaction limitations outlined above, you may not continue to be eligible for this type of account.

**Account Closing Fee** – If your account has been open less than six months and you close your account, the Bank may assess an account closing fee.

### **Principal Bank Advantage Savings Account**

**Rate Information** – This is a tiered rate account, which means the rate to be applied on a given day will depend on your balance in the account for that day. We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every quarter. Interest will be credited to your account every quarter.

**Minimum balance to open the account** – You must deposit at least \$25,000 to open this account.

**Minimum balance to avoid imposition of fees** – A maintenance fee will be imposed every calendar month when a monthly average balance of \$25,000 is not maintained.

**Daily minimum balance to obtain the annual percentage yield disclosed** – For any particular day, you must maintain a minimum balance of \$25,000 in the account to obtain the disclosed annual percentage yield for that day.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – Transfers from this account to third parties or to one of your other accounts with us by preauthorized, automatic (including overdraft protection), telephone, ACH, or Internet initiated transfer (including Money Movement) are limited to three per calendar month. For each transaction exceeding the limitations above, we may assess an excess transaction fee.

**Account Closing Fee** – If your account has been open less than six months and you close your account, the Bank may assess an account closing fee.

### **Principal Bank Money Market Account**

**Rate Information** – This is a tiered rate account, which means the rate to be applied on a given day will depend on your balance in the account for that day. We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to open the account** – You must deposit at least \$2,500 to open this account.

**Minimum balance to avoid imposition of fees** – A maintenance fee will be imposed every calendar month when a monthly average balance of \$5,000 is not maintained.

**Daily minimum balance to obtain the annual percentage yield disclosed** – For any particular day, you must maintain a minimum balance of \$2,500 in the account to obtain the disclosed annual percentage yield for that day.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Overdraft (OD) items paid by bank** – As noted on the Schedule of Fees, an overdraft fee may be assessed on your account when an overdraft is created by check, in-person withdrawal, or some other electronic means, such as ACH. An overdraft fee is charged when an overdraft is created and the bank chooses to pay your item. If an overdraft is created by an ATM withdrawal and the Bank chooses to pay the item or is not able to return the item, you will not be charged an overdraft fee. As noted above in the Clearing policy under the *Withdrawals* section, we retain absolute discretion in the payment and/or payment order of checks, and Bank policies may change without notice to you unless required by law.

**Items returned for non-sufficient funds (NSF)** – As noted on the Schedule of Fees, an NSF fee may be assessed on your account when a check, in-person withdrawal, ATM withdrawal, or other electronic debit would have overdrawn your account and the bank chooses to return the item. As noted above in the Clearing policy under the *Withdrawals* section, we retain absolute discretion in the payment and/or payment order of checks, and Bank policies may change without notice to you.

**Transaction limitations** – Transfers from this account to third parties or to one of your other accounts with us by preauthorized, automatic, telephone, Money Movement, ACH, Internet initiated, or check (draft or similar order) are limited to six per statement cycle, which is approximately 30 days but may not be an exact calendar month (see your statement date). For each transaction exceeding the limitations above, we may assess an excess transaction fee. If you repeatedly exceed the transaction limitations outlined above, we may convert your account to a transaction (checking) account.

**Account Closing Fee** – If your account has been open less than six months and you close your account, the Bank may assess an account closing fee.

## **Principal Bank Certificate of Deposit**

**Rate Information** – The interest rate and annual percentage yield will be disclosed to you on a separate document. You will be paid the disclosed rate until the first maturity date. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Term and Maturity Rate** – The actual term you choose, and the corresponding maturity date, will be disclosed on a separate document.

**Compounding frequency** – Interest will be compounded every month.

**Crediting frequency** – As interest is credited to your account each month, it becomes part of your principal balance. You may choose to have interest paid to a Principal Bank Checking, Savings, or Money Market account or transferred electronically to your account at another financial institution every month rather than credited to this account.

**Minimum balance to open the account** – You must deposit at least \$5,000 to open this account.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – You may not make any deposits (after the opening deposit) into your account before maturity. You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty. Other than payment of interest as described in the crediting frequency paragraph, you cannot withdraw interest from your account before maturity.

**Early withdrawal penalty** – A penalty may be imposed for withdrawals before maturity. For Certificates of Deposit with terms of three months, we may impose a penalty equal to three months interest on the amount withdrawn. For Certificates of Deposit with terms greater than three months but 12 months or less, we may impose a penalty equal to six months interest on the amount withdrawn. For Certificates of Deposit with terms greater than 12 months, we may impose a penalty equal to 12 months interest on the amount withdrawn. In certain circumstances such as the death or incompetence of an owner of this account, the law permits, and in some cases requires, the waiver of the early withdrawal penalty.

**Automatically renewable time account** – This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned

below) or we receive written notice from you within that grace period. We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, interest will not accrue after final maturity. If the maturity date falls on a non-business day as defined in this brochure, the CD may be withdrawn beginning on the next business day following the maturity. Standard term certificates will renew at their same term. Standard CD terms are: 3, 6, 12, 18, 24, 30, 36, 48, 60, and 72 months. Non-standard term CDs will renew at the closest Standard term that is less than the existing term. For example: If the initial CD term is 17 months, it will renew at the Standard 12-month term. The new interest rate will be determined using Principal Bank's rates for the corresponding term as listed on Principal Bank's Internet web site, based on the renewal term and (if applicable) current balance. You will have 10 calendar days after maturity to withdraw the funds without a penalty. (This 10 day period is the grace period.) If the 10th day of the grace period falls on a non-business day as defined in this brochure, the last day of the grace period then reverts to the previous business day. Interest will not be paid on funds withdrawn from the Certificate for the period from the final maturity date to the withdrawal date.

**Change-A-Rate Certificates of Deposit - Specific Disclosures** – Change-A-Rate certificates of deposit are sometimes offered for specific term CDs, as outlined in advertisements and/or on our website. All CDs do not automatically have a change-a-rate feature. For the specified change-a-rate CDs, you may exercise the one-time option to change the rate for the remainder of the original term to the current rate of the closest standard term CD that is less than the original Change-A-Rate CD term offered at the time of the requested increase. If you do not exercise this option during the term of the CD, the original rate will be in effect until maturity. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings. You must deposit \$5,000 to open this account. This CD will automatically renew to the closest standard term that is less than the existing term. Unless differences have been specifically mentioned in this paragraph, all other Truth in Savings disclosures for Certificates of Deposit in this section apply.

### **Principal Bank Easy Ladder CD**

**Rate Information** – The interest rate and annual percentage yield will be disclosed to you on a separate document. You will be paid the disclosed rate until the first maturity date for each CD in the ladder. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Term and Maturity Rate** – The actual terms you choose, and the corresponding maturity dates, will be disclosed on a separate document.

**Compounding frequency** – Interest will be compounded every month.

**Crediting frequency** – As interest is credited to your accounts each month, it becomes part of your principal balance. You may choose to have interest paid to a Principal Bank Checking, Savings, or Money Market account or transferred electronically to your account at another financial institution every month rather than credited to these accounts. If you choose to transfer your interest to another account, all CDs in the ladder will have the interest transferred.

**Minimum balance to open the account** – You must deposit at least \$25,000 to open this account. The deposit will be split evenly among the CDs in your ladder. Alternatively, you may choose your own allocation of the opening deposit as long as each CD has at least \$5,000 deposited.

**Daily 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 each account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – You may not make any deposits (after the opening deposit) into your account before maturity. You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty. Other than payment of interest as described in the crediting frequency paragraph, you cannot withdraw interest from your account before maturity.

**Early withdrawal penalty** – A penalty may be imposed for withdrawals before maturity. For Certificates of Deposit with terms of 6 or 12 months, we may impose a penalty equal to six months interest on the amount withdrawn. For Certificates of Deposit with terms greater than 12 months, we may impose a penalty equal to 12 months interest on the amount withdrawn. **Note: Once a CD in the ladder has automatically renewed into a longer term CD per the ladder product, the penalties noted above for that new term will apply.** In certain circumstances such as the death or incompetence of an owner of this account, the law permits, and in some cases requires, the waiver of the early withdrawal penalty.

**Automatically renewable time account** – Each of the accounts in the ladder will automatically renew at maturity, and will renew into the longest term CD in your ladder. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below) or we receive written notice from you within that grace period. We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, interest will not accrue after final maturity. If the maturity date falls on a non-business day as defined in this brochure, the CD may be withdrawn beginning on the next business day following the maturity. The new interest rate will be determined using Principal Bank's rates for the corresponding term as listed on Principal Bank's Internet web site, based on the renewal term and (if

applicable) current balance. You will have 10 calendar days after maturity to withdraw the funds without a penalty. (This 10 day period is the grace period.) If the 10th day of the grace period falls on a non-business day as defined in this brochure, the last day of the grace period then reverts to the previous business day. Interest will not be paid on funds withdrawn from the Certificate for the period from the final maturity date to the withdrawal date.

## **Principal HSA**

**Rate Information** – This is a tiered rate account, which means the rate to be applied on a given day will depend on your balance in the account for the day. We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to avoid imposition of fees** – A maintenance fee will be imposed every calendar month when a monthly average balance of \$3,000 is not maintained.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Overdraft (OD) items paid by bank** – As noted on the Schedule of Fees, an overdraft fee may be assessed on your account when an overdraft is created by check, in-person withdrawal, or some other electronic means, such as ACH or recurring debit card transaction. An overdraft fee is charged when an overdraft is created and the bank chooses to pay your item. If an overdraft is created by an ATM withdrawal or one-time debit card transaction, such as a point-of-sale transaction, and the Bank chooses to pay the item or is not able to return the item, you will not be charged an overdraft fee. As noted above in the Clearing policy under the *Withdrawals* section, we retain absolute discretion in the payment and/or payment order of checks, and Bank policies may change without notice to you unless required by law.

**Items returned for non-sufficient funds (NSF)** – As noted on the Schedule of Fees, an NSF fee may be assessed on your account when a check, in-person withdrawal, ATM withdrawal, or other electronic debit would have overdrawn your account and the bank chooses to return the item. As noted above in the Clearing policy under the *Withdrawals* section, we retain absolute discretion in the payment and/or payment order of checks, and Bank policies may change without notice to you.

**Fees** – The fees related to this account are described in the standard fee schedule and are subject to change with notice.

**Transaction limitations** – Withdrawals from this account by preauthorized, automatic, Internet initiated, check (draft or similar order), debit card, or telephone transfer are limited to twelve per statement cycle, which is approximately 30 days but may not be an exact calendar month (see your statement date). For each withdrawal exceeding the limitations above, the Bank may assess an excess transaction fee.

## **Principal HSA – Select**

**Rate Information** – This is a tiered rate account, which means the rate to be applied on a given day will depend on your balance in the account for the day. We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every month. Interest will be credited to your account every month.

**Minimum balance to avoid imposition of fees** – A maintenance fee will be imposed every calendar month when a monthly average balance of \$3,000 is not maintained.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Overdraft (OD) items paid by bank** – As noted on the Schedule of Fees, an overdraft fee may be assessed on your account when an overdraft is created by check, in-person withdrawal, or some other electronic means, such as ACH or recurring debit card transaction. An overdraft fee is charged when an overdraft is created and the bank chooses to pay your item. If an overdraft is created by an ATM withdrawal or one-time debit card transaction, such as a point-of-sale transaction, and the Bank chooses to pay the item or is not able to return the item, you will not be charged an overdraft fee. As noted above in the Clearing policy under the *Withdrawals* section, we retain absolute discretion in the payment and/or payment order of checks, and Bank policies may change without notice to you unless required by law.

**Items returned for non-sufficient funds (NSF)** – As noted on the Schedule of Fees, an NSF fee may be assessed on your account when a check, in-person withdrawal, ATM withdrawal, or other electronic debit would have overdrawn your account and the bank chooses to return the item. As noted above in the Clearing policy

under the *Withdrawals* section, we retain absolute discretion in the payment and/or payment order of checks, and Bank policies may change without notice to you.

**Fees** – The fees related to this account are described in the standard fee schedule and are subject to change with notice.

**Transaction limitations** – Withdrawals from this account by preauthorized, automatic, Internet initiated, check (draft or similar order), debit card, or telephone transfer are limited to twelve per statement cycle, which is approximately 30 days but may not be an exact calendar month (see your statement date). For each withdrawal exceeding the limitations above, the Bank may assess an excess transaction fee.

## **Principal Health Savings Account Certificate of Deposit (CD)**

**Rate Information** – The interest rate and annual percentage yield will be disclosed to you on a separate document. The rates we offer may vary based on the amount of the initial deposit. You will be paid the disclosed rate until the first maturity date. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Term and Maturity Rate** – The actual term you choose, and the corresponding maturity date, will be disclosed on a separate document.

**Compounding frequency** – Interest will be compounded every month.

**Crediting frequency** – As interest is credited to your account each month, it becomes part of your principal balance.

**Minimum balance to open the account** – You must deposit at least \$1,000 to open this account.

**Minimum balance to maintain the account** – You must maintain a minimum of \$1,000 in this account. If you make withdrawals causing the balance to fall below \$1,000, the account will be closed and a check will be sent to you. This may be a taxable distribution for you (consult your tax advisor). If you have an HSA checking account at Principal Bank, the balance will instead be transferred to that account.

**Daily minimum balance to obtain the annual percentage yield disclosed** – For any particular day, you must maintain a minimum balance of \$1,000 in the account to obtain the disclosed annual percentage yield for that day.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – Once every calendar year during the term of your Certificate of Deposit, you may make either a transfer from any HSA account to your CD or make a new HSA contribution to your CD. These additional deposits will accrue interest at the same rate as the initial rate until maturity, and are subject to the following limits:

- **Transfers to your HSA CD from any HSA account** – You may transfer any amount up to \$5,000 during each calendar year during the term of the Certificate of Deposit. Transfers between HSA accounts are not normally considered an HSA contribution (consult your tax advisor).
- **New HSA Contributions** – You may make a new HSA contribution of up to \$5,000 during each calendar year during the term of the Certificate of Deposit, subject to your total annual HSA contribution limits. All recordkeeping of your total annual HSA contribution limit is your responsibility.
- **Withdrawals of Principal** – You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty. These withdrawals may be taxable distributions for you (consult your tax advisor).
- **Withdrawals of Interest** – Other than payment of interest as described in the crediting frequency paragraph, you cannot withdraw interest from your account before maturity.

**Early withdrawal penalty** – We may impose a penalty for withdrawals before maturity. For Certificates of Deposit with terms equal to or greater than 12 months, we may impose a penalty equal to six months interest on the amount withdrawn. In certain circumstances such as the death or incompetence of an owner of this account, the law permits, and in some cases requires, the waiver of the early withdrawal penalty.

**Automatically renewable time account** – This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below) or we receive written notice from you within that grace period. We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, interest will not accrue after final maturity. If the maturity date falls on a non-business day as defined in this brochure, the CD may be withdrawn beginning on the next business day following the maturity. Your Certificate of Deposit will renew with its same term. The new interest rate will be determined using our rates for the corresponding term as listed on our Internet web site, based on the renewal term and (if applicable) current balance. You will have 10 calendar days after maturity to withdraw the funds without a penalty. (This 10 day period is the grace period.) If the 10th day of the grace period falls on a non-business day as defined in this brochure, the last day of the grace period then reverts to the previous business day. Interest will not be paid on funds withdrawn from the Certificate of Deposit for the period from the final maturity date to the withdrawal date.

## Individual Retirement Accounts

### General Information

The following Principal Bank products are qualified retirement accounts. They are subject to US laws and regulations. Consult your tax advisor for IRS penalties for premature distributions. A summary of those requirements is contained in our Custodial Booklets for either a Traditional IRA or a Roth IRA.

There are limitations on withdrawals from IRAs as defined by both Principal Bank and the Internal Revenue Code, as amended (IRC). These vary based on the age of the account owner. Principal Bank will waive its early withdrawal penalty under the following conditions:

Under age 59 ½:

- “Substantially equal periodic payments,” as defined by IRC Section 72(t)(2)(A)(iv), credited to another account;
- Scheduled “fixed” payments when disabled as defined by IRC Section 72(m)(7);
- Death or incompetence of the IRA owner.

Between age 59 ½ and 70 ½:

- Monthly interest payments credited to another account as described in the applicable IRA disclosures below;
- Scheduled “fixed” monthly or quarterly periodic payments that are substantially equal credited to another Principal Bank account or sent via ACH to another bank account not to deplete the IRA balance prior to the investment’s maturity date. For example, if you have 2 years remaining on your CD with a balance of \$24,000, you can schedule monthly payments of \$1,000 or less without a penalty on those payments. If you have 5 years remaining on your CD with a balance of \$50,000, you can schedule annual payments of \$10,000 or less without a penalty on those payments. We will not establish annual distribution payments for new or existing CDs with less than 24 months remaining in the term. We will not waive the penalty for one-time payments from the CD. Note that semi-annual or annual scheduled payments can also be paid out by check;
- Death or incompetence of the IRA owner.

Over age 70 ½:

- All situations under the “Between 59 ½ and 70 ½” age group;
- Required Minimum Distributions from your Principal Bank IRA credited to another Principal Bank account or sent via ACH to another bank account. Alternatively, this can be paid by check or ACH for semi-annual or annual payments.
- If you have funds on deposit with CDARs through us, we will add that balance to the balance of any Principal Bank IRAs for your Required Minimum Distribution estimate, and you may take the entire RMD from your Principal Bank IRA without penalty.

**Fees** – The annual fee related to these accounts is described in the standard fee schedule and is subject to change with notice. This fee is assessed at the IRA plan level rather than for each deposit account within the plan.

**Statements** – You will receive a quarterly statement from us for your High Yield IRA. You will receive an annual account statement from us for all other IRAs, unless required more frequently by federal regulation.

**Payments** – If an interest payment or a periodic distribution is scheduled to be paid on a non-business day, the payment will actually occur on the preceding business day.

**CD Account Balances less than \$100** – If you request a distribution from your IRA CD which will leave an account balance of less than \$100, we will close your account and send the additional balance based on your distribution instructions.

**Distributions from Plans with Multiple Accounts** – We will schedule distributions from the account with the lowest interest rate first, unless you provide us with specific instructions.

**Beneficiary Designations** – You can name beneficiaries for each of your IRA plans. We require a completed Beneficiary Designation, with the beneficiary designations totaling 100% on the form. A new form must be completed for changes to your beneficiary designation, and will supersede any previous forms on file with us. All bank accounts within one IRA plan are subject to the same beneficiary designation. Note that in some states, you may be required to obtain spousal consent if you name a beneficiary other than your spouse.

**Safe Harbor IRA/Plan Term IRA Signature Cards** – When you open your first account with us, you will be required to sign a signature card. Your signature on that signature card authorizes us to open additional accounts for you in your name when we receive additional funds for your Safe Harbor IRA/Plan Term IRA.

**Money Market IRA Checks** – If you are 59 ½ or older, you may write checks on the Money Market IRA (not allowed for Roth IRAs). By opening and maintaining your Money Market IRA, you shall be deemed to have elected and declared to us that you do not want any federal or any state income tax withheld on distributions

made by checks written on your account. This election is irrevocable. Also note that stop pays are not allowed for these checks, and should only be used as a distribution option to the account owner. ACH deposits and withdrawals are not allowed on the Money Market IRA.

### **Principal Bank IRA Certificate of Deposit**

**Rate Information** – The interest rate and annual percentage yield will be disclosed to you on a separate document. You will be paid the disclosed rate until first maturity. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Term and Maturity Rate** – The actual term you choose, and the corresponding maturity date, will be disclosed on a separate document.

**Compounding frequency** – Interest will be compounded every month.

**Crediting frequency** – As interest is credited to your account each month, it becomes part of your principal balance. If you are age 59 ½ or older, you may choose to have interest paid to a Principal Bank Checking, Savings, or Money Market account or transferred electronically to your account at another financial institution every month rather than credited to these accounts.

**Minimum balance to open the account** – You must deposit at least \$2,500 to open this account.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – You may not make any deposits (after the opening deposit) into your account before maturity. You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty. Other than payment of interest as described in the crediting frequency paragraph, you cannot withdraw interest from your account before maturity.

**Early withdrawal penalty** – A penalty may be imposed for withdrawals before maturity. For Certificates of Deposit with terms of three months, we may impose a penalty equal to three months interest on the amount withdrawn. For Certificates of Deposit with terms greater than three months but 12 months or less, we may impose a penalty equal to six months interest on the amount withdrawn. For Certificates of Deposit with terms greater than 12 months, we may impose a penalty equal to 12 months interest on the amount withdrawn. In certain circumstances such as the death or incompetence of an owner of this account, the law permits, and in some cases requires, the waiver of the early withdrawal penalty.

**Automatically renewable time account** – This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below) or we receive written notice from you within that grace period. We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, interest will not accrue after final maturity. If the maturity date falls on a non-business day as defined in this brochure, the CD may be withdrawn beginning on the next business day following the maturity. Standard term Certificates will renew at their same term. Standard CD terms are: 3, 6, 12, 18, 24, 30, 36, 48, 60, and 72 months. Non-standard term CDs will renew at the closest Standard term that is less than the existing term. For example: if the initial CD term is 17 months, it will renew at the Standard 12-month term. The new interest rate will be determined using Principal Bank's rates for the corresponding term as listed on Principal Bank's Internet web site, based on the renewal term and (if applicable) current balance. You will have 10 calendar days after maturity to withdraw the funds without a penalty. (This 10 day period is the grace period.) If the 10th day of the grace period falls on a non-business day as defined in this brochure, the last day of the grace period then reverts to the previous business day. Interest will not be paid on funds withdrawn from the Certificate of Deposit for the period from the final maturity to the withdrawal.

**Change-A-Rate Certificates of Deposit - Specific Disclosures** – Change-A-Rate certificates of deposit are sometimes offered for specific term CDs, as outlined in advertisements and/or on our website. All CDs do not automatically have a change-a-rate feature. For the specified change-a-rate CDs, you may exercise the one-time option to change the rate for the remainder of the original term to the current rate of the closest standard term CD that is less than the original Change-A-Rate CD term offered at the time of the requested increase. If you do not exercise this option during the term of the CD, the original rate will be in effect until maturity. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earning. You must deposit \$2,500 to open this account. This CD will automatically renew to the closest standard term that is less than the existing term. Unless differences have been specifically mentioned in this paragraph, all other Truth in Savings disclosures for IRA Certificates of Deposit in this section apply.

### **Principal Bank Easy Ladder CD**

**Rate Information** – The interest rate and annual percentage yield will be disclosed to you on a separate document. You will be paid the disclosed rate until first maturity for each CD in the ladder. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Term and Maturity Rate** – The actual terms you choose, and the corresponding maturity dates, will be disclosed on a separate document.

**Compounding frequency** – Interest will be compounded every month.

**Crediting frequency** – As interest is credited to your accounts each month, it becomes part of your principal balance. If you are age 59 ½ or older, you may choose to have interest paid to a Principal Bank Checking, Savings, or Money Market account or transferred electronically to your account at another financial institution every month rather than credited to these accounts. If you choose to transfer your interest to another account, all CDs in the ladder will have the interest transferred.

**Minimum balance to open the account** – You must deposit at least \$25,000 to open this account. The deposit will be split evenly among the CDs in your ladder. Alternatively, you may choose your own allocation of the opening deposit as long as each CD has at least \$5,000 deposited.

**Daily 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 each account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – You may not make any deposits (after the opening deposit) into your account before maturity. You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty. Other than payment of interest as described in the crediting frequency paragraph, you cannot withdraw interest from your account before maturity.

**Early withdrawal penalty** – A penalty may be imposed for withdrawals before maturity. For Certificates of Deposit with terms of 6 or 12 months, we may impose a penalty equal to six months interest on the amount withdrawn. For Certificates of Deposit with terms greater than 12 months, we may impose a penalty equal to 12 months interest on the amount withdrawn. **Note: Once a CD in the ladder has automatically renewed into a longer term CD per the ladder product, the penalties noted above for that new term will apply.** In certain circumstances such as the death or incompetence of an owner of this account, the law permits, and in some cases requires, the waiver of the early withdrawal penalty.

**Automatically renewable time account** – Each of the accounts in the ladder will automatically renew at maturity, and will renew into the longest term CD in your ladder. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below) or we receive written notice from you within that grace period. We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, interest will not accrue after final maturity. If the maturity date falls on a non-business day as defined in this brochure, the CD may be withdrawn beginning on the next business day following the maturity. The new interest rate will be determined using Principal Bank's rates for the corresponding term as listed on Principal Bank's Internet web site, based on the renewal term and (if applicable) current balance. You will have 10 calendar days after maturity to withdraw the funds without a penalty. (This 10 day period is the grace period.) If the 10th day of the grace period falls on a non-business day as defined in this brochure, the last day of the grace period then reverts to the previous business day. Interest will not be paid on funds withdrawn from the Certificate of Deposit for the period from the final maturity to the withdrawal.

## Principal Bank Money Market IRA

A Money Market IRA is a savings account used to fund an Individual Retirement Account.

**Rate Information** – This is a tiered rate account, which means the rate to be applied on a given day will depend on your balance in the account for that day. We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every quarter. Interest will be credited to your account every quarter. If you are age 59 ½ or older, you may choose to have interest paid to a Principal Bank Checking, Savings, or Money Market account or transferred electronically to your account at another financial institution every month rather than credited to these accounts.

**Minimum balance to open the account** – You must deposit at least \$1,000 to open this account.

**Daily minimum balance to obtain the annual percentage yield disclosed** – For any particular day, you must maintain a minimum balance of \$250 in the account to obtain the disclosed annual percentage yield for that day.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – Transfers from this account to one of your other accounts with us or transfers by check are limited to six per calendar month. Checks are allowed if you are 59 ½ or older. No transfers by

debit card or other means to third parties are permitted from this type of account. If you repeatedly exceed the transaction limits outlined above, you may not continue to be eligible for this type of account.

**Early Withdrawal Transfer Fee** – If your Money Market IRA has been open for 90 days or less and you withdraw any portion of your balance or transfer any portion of your balance to an account not with Principal Bank, your account may be assessed an early withdrawal transfer fee each time you make one of these transactions.

### **Principal Bank Safe Harbor IRA**

Only available through employer groups. Includes both Traditional and Roth IRAs.

**Rate Information** – We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every quarter. Interest will be credited to your account every quarter. If you are age 59 ½ or older, you may choose to have interest paid to a Principal Bank Checking, Savings, or Money Market account or transferred electronically to your account at another financial institution every month rather than credited to these accounts.

**Minimum deposit to open the account** – You must deposit at least \$1,000 to open this account.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – Transfers from this account to one of your other accounts with us are limited to six per calendar month. No transfers by check, draft, debit card, or other means to third parties are permitted from this type of account.

### **Principal Bank Plan Term IRA**

Only available through employer groups. Includes both Traditional and Roth IRAs.

**Rate Information** – We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every quarter. Interest will be credited to your account every quarter. If you are age 59 ½ or older, you may choose to have interest paid to a Principal Bank Checking, Savings, or Money Market account or transferred electronically to your account at another financial institution every month rather than credited to these accounts.

**Minimum deposit to open the account** – You must deposit at least \$1,000 to open this account.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – Transfers from this account to one of your other accounts with us are limited to six per calendar month. No transfers by check, draft, debit card, or other means to third parties are permitted from this type of account.

### **Principal Bank High Yield IRA**

A High Yield IRA is a savings account used to fund an Individual Retirement Account.

**Product not available after November 13, 2009.**

**Rate Information** – This is a tiered rate account, which means the rate to be applied on a given day will depend on your balance in the account for that day. We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every quarter. Interest will be credited to your account every quarter. If you are age 59 ½ or older, you may choose to have interest paid to a Principal Bank Checking, Savings, or Money Market account or transferred electronically to your account at another financial institution every month rather than credited to these accounts.

**Minimum balance to open the account** – You must deposit at least \$25,000 to open this account.

**Minimum balance to avoid imposition of fees** – A maintenance fee will be imposed every calendar month when a monthly average balance of \$25,000 is not maintained.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – Transfers from this account to one of your other accounts with us are limited to six per calendar month. No transfers by check, draft, debit card, or other means to third parties are permitted from this type of account.

**Early Withdrawal Transfer Fee** – If your High Yield IRA has been open for 90 days or less and you withdraw any portion of your balance or transfer any portion of your balance to an account not with Principal Bank, your account may be assessed an early withdrawal transfer fee each time you make one of these transactions.

## **Principal Bank Assured Savings Account**

An Assured Savings Account is used to fund an Individual Retirement Account.

**Product not available after November 13, 2009.**

**Rate Information** – This is a tiered rate account, which means the rate to be applied on a given day will depend on your balance in the account for that day. We may change the interest rate and annual percentage yield on this account at any time without any limitations and without notice. The current rates are disclosed to you on a separate document.

**Compounding and crediting frequency** – Interest will be compounded every quarter. Interest will be credited to your account every quarter. If you are age 59 ½ or older, you may choose to have interest paid to a Principal Bank Checking, Savings, or Money Market account or transferred electronically to your account at another financial institution every month rather than credited to these accounts.

**Minimum balance to open the account** – You must deposit at least \$250 to open this account.

**Daily 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.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit noncash items (for example, checks).

**Transaction limitations** – Transfers from this account to one of your other accounts with us are limited to six per calendar month. No transfers by check, draft, debit card, or other means to third parties are permitted from this type of account.

**Early Withdrawal Transfer Fee** – If your Assured Savings Account has been open for 90 days or less and you withdraw any portion of your balance or transfer any portion of your balance to an account not with Principal Bank, your account may be assessed an early withdrawal transfer fee each time you make one of these transactions.



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