

NOTICE OF PENALTY FOR EARLY WITHDRAWAL FROM TIME DEPOSIT NUMBER:

Dear Depositor:Your Time Deposit account has a maturity date (or requires a minimum notice before any withdrawal). Except as mentioned below, you cannot withdraw any principal from this account before the maturity date (or on less than the minimum notice) without our consent, and we will charge a penalty for early withdrawal. We can only consent to an early withdrawal at the time you request it. The penalty will be an amount equal to:

- (a) For time deposits with an original scheduled maturity of no less than seven days but not more than 31 days, the greatest of: (1) all of the interest earned on the amount withdrawn from the most recent of the date of deposit, date of maturity, or date on which notice was given; or (2) all interest that could have been earned on the amount withdrawn during a period equal to one-half the maturity period or required notice period; or (3) seven days' interest on the amount withdrawn.
- (b) For time deposits with an original scheduled maturity of more than 31 days but no longer than one year, the penalty is three months' interest on the amount withdrawn.
- (c) For time deposits with an original scheduled maturity of more than one year, the penalty is six months' interest on the amount withdrawn.

EXCEPTIONS:The law permits, or in some cases requires, the waiver of the early withdrawal penalty. For example, if: (1) the account owner dies or is declared incompetent, (2) this is a qualifying Individual Retirement Account (IRA), Keogh plan, or 401(k) plan and you are at least 59½ years of age or disabled at the time of the withdrawal request, or (3) this is a qualifying IRA, Keogh plan, or 401(k) plan and the request for withdrawal is made within seven days of establishing the account. (The penalty in such case will be all interest earned on the amount withdrawn.)

Depositor's Acknowledgment of Receipt _____ Date _____

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We will charge the penalty first against the interest remaining in the account at the time of the withdrawal, and any excess will be deducted from the amount you withdraw.

CALCULATION: Fixed Rate Time Deposits: For a time deposit which earns a fixed rate during the entire term, we will use the nominal (simple interest) rate in effect to calculate the amount of the applicable penalty.

Variable Rate Time Deposits: For a time deposit which earns a rate that may vary from time to time during the term, we will calculate the amount of the applicable penalty by using:

- the average of the simple interest rates paid on the account from the date of deposit (or last renewal) to the date of withdrawal (weighted for time).
- the simple interest rate in effect at the time the account was opened (or last renewed).
- the simple interest rate in effect at the time the withdrawal is permitted.

Minimum Balance Accounts: For any time deposit account (fixed or variable rate) which requires a minimum initial deposit or a minimum balance, we reserve the right to treat any withdrawal which would reduce the balance remaining in the account below such minimum as a withdrawal of the entire account balance, and calculate the amount of the penalty accordingly. This right is in addition to any other conditions stated in the deposit agreement.

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