

Overdraft Privilege Disclosure

Overdraft Privilege is our discretionary overdraft service. Using Overdraft Privilege is expensive and may not be the best option for you. You do not have to be enrolled in Overdraft Privilege – you can opt out of this service at any time by calling 1-800-922-8742 or by visiting one of our branches

Alternative products may be less expensive for you.

We recommend that you do not overdraw your account in the first place. However, to protect against an occasional, inadvertent overdraft, we offer services as alternatives to Overdraft Privilege. These alternatives may better serve your particular needs and could save you money:

- **Linked Deposit Account.** Link your main checking account to another Tri Counties Bank account you own, such as your savings account. If your checking account becomes overdrawn as a result of a check or Automated Clearing House (ACH) transaction, available funds will be transferred automatically once at the end of the day from your linked account to your checking account, if sufficient to cover the amount of the overdraft and the Overdraft Transfer Fee. We will charge your checking account a \$10 Overdraft Transfer Fee per transfer. However, if the checking account is overdrawn \$10 or less, we will not assess the \$10 Overdraft Transfer Fee. Other restrictions apply. Call **1-800-922-8742** for more information.
- **Automatic Cash Reserve (ACR).** This is a line of credit for which you must apply and is subject to credit approval. In the event your checking account becomes overdrawn as a result of an ATM transaction, everyday debit card transaction, check, Automated Clearing House (ACH) transaction, recurring debit card transaction or other transactions made using your checking account number, available funds will be automatically transferred once per day in multiples of \$50 (or for the unused portion of your credit limit if it is less than \$50) from your Automatic Cash Reserve line of credit to your checking account, if sufficient to cover the amount of the overdraft and the Advance from Automatic Cash Reserve Fee. The Annual Percentage Rate (APR) is 18%. Interest is charged from the date funds are advanced until repaid. Payments to reduce the balance on the ACR can be made at any time. A \$5 Advance from Automatic Cash Reserve Fee is charged to the line of credit for each transfer, limited to one automatic transfer per day. This is not a commitment to lend. Other restrictions apply. Call **1-800-922-8742** for more information and to obtain an application.

Overdraft Privilege

Your account may be eligible for this discretionary service. If you are, an Overdraft Privilege limit will be assigned to your account. The amount of the Overdraft Privilege limit assigned to your account can change (go up or down) at any time. The amount is based on several factors including your account history, deposit activity and patterns. To determine the Overdraft Privilege limit assigned to your account, please call **1-800-922-8742** or visit one of our branches. As long as you maintain your account in “good standing” (as explained below), we may choose (but are not obligated) to honor overdrafts up to the assigned limit. In addition, we normally will not approve an overdraft for you in excess of the limit assigned to your account.

Associated Fees

The fee is **\$34.00** for each transaction that overdraws your account, up to \$136 per day (which equals four overdraft fees). We do not charge the \$34.00 fee if, after all transactions presented to your account in any given day are paid, your account balance is overdrawn \$5 or less.

The \$34.00 fee is listed in our Consumer Fee Schedule as “Overdraft items paid or returned”. It will appear in the body of your account statements as “NSF”, “OD”, or “UCF” Fee Item Paid or Fee Item Ret. in the “Overdraft and Returned Item Fees” portion of your account statements, the fees will be included in the “Total Overdraft Fees” or “Total Returned Item Fees”. You may be charged up to a maximum of \$136 in these fees per day (which equals four overdraft fees).

OVERDRAFT PRIVILEGE OPTIONS

No Overdraft Privilege Coverage

You can **decline or opt out** of Overdraft Privilege entirely. If you have No Overdraft Privilege coverage, typically your transactions will be returned, rejected or declined rather than paid. Subject to the “Force Pay Transactions” described below, if you have No Overdraft Privilege coverage, typically the following will happen:

- Your everyday debit card transactions or ATM transactions will be declined rather than paid. We do not charge a fee for declining your debit card or ATM transactions. Typically, merchants also do not charge a fee for declined ATM or everyday debit card transactions. You will simply need to arrange for an alternative form of payment.
- Your checks, ACH transactions, recurring debit card transactions and other transactions made using your checking account number will be returned or rejected

rather than paid. We charge a \$34.00 fee for each check or ACH transaction returned. Some merchants may also assess a returned check fee, over which we have no control, but you should see a warning from the merchants on their returned check policy.

- Force Pay Transactions: There may be instances where we will pay a transaction even if you do not have sufficient funds in your account to cover the transaction and are not enrolled in Overdraft Privilege. These transactions can occur, for example, when an ATM transaction, everyday debit card transaction or recurring debit card transaction is approved but later other transactions reduce the balance in your account before your ATM transaction or everyday debit card transaction is posted to your account. Under these circumstances, we will still pay (or “force pay”) the transaction and you will not be charged a fee. Although this represents the Bank’s policy with respect to Force Pay Transactions, it is more likely than not that if you have No Overdraft Privilege coverage, your transactions will be returned, rejected or declined as described above rather than force paid.

Limited Overdraft Privilege

Includes discretionary overdraft coverage of these transactions:

- Checks and other transactions made using your checking account number.
- Automated Clearing House (ACH) transactions, including automatic bill payments.
- Recurring debit card transactions.

For each transaction listed above that we pay, you will be charged \$34.00 if the transaction overdraws your account (except there is no fee for recurring debit card transactions), up to \$136 per day (which equals four overdraft fees). We do not charge the \$34.00 fee if, after all transactions presented to your account on any given day are paid, your account balance is overdrawn \$5 or less. If you select Limited Overdraft Privilege you can opt out of this service at any time and have No Overdraft Privilege coverage. Force Pay transactions are included, as explained above.

Full Overdraft Privilege

Includes discretionary overdraft coverage of the transactions covered by Limited Overdraft Privilege described above, plus:

- Everyday debit card transactions, also known as “one-time” debit card or point-of-sale (POS) transactions, such as a purchase you make at a merchant.
- ATM transactions.

To obtain Full Overdraft Privilege, you must give us your consent (opt in). You will be charged \$34.00 for each transaction listed above that we pay which overdraws your account, up to \$136 per day (which equals four overdraft fees), including for recurring debit card transactions. We do not charge the \$34.00 fee if, after all transactions presented to your account on any given day are paid, your account balance is overdrawn \$5 or less. If you select Full Overdraft Privilege you can opt out of this

service at any time. Opting out of Full Overdraft Privilege will also mean you are opting out of Limited Overdraft Privilege, unless you tell us that you want to keep Limited Overdraft Privilege. Before you opt-in to Full Overdraft Privilege, you should first read “What You Need to Know about Overdrafts and Overdraft Fees.” You should keep a copy of this form for your records. To opt-in to Full Overdraft Privilege, you will need to complete a copy of this form and submit it to us.

How Your Account Can Become Overdrawn

Your account can become overdrawn in several different ways, such as:

1. Payment of checks, electronic fund transfers or other withdrawal requests (such as a cash withdrawal from a teller);
2. Payments authorized by you;
3. Return of unpaid items deposited to your account;
4. Bank service charges and other fees; or
5. Deposit of items which, according to our Funds Availability Policy, are treated as not yet available or finally paid.

We are not obligated to pay any item or transaction presented for payment if your account does not contain sufficient funds even if your account is enrolled in Overdraft Privilege. In other words, we may refuse to pay an overdraft transaction at any time even though we may have previously paid overdrafts on your account. For example, we typically do not pay overdraft transactions if your account is not in good standing, as explained below, or if, based upon our review of how you manage your account, we determine that you are using Overdraft Privilege excessively or appear to be using Overdraft Privilege as a regular line of credit.

Account Must Be in Good Standing

Your account is considered to be in good standing for purposes of Overdraft Privilege if you:

1. Make sufficient deposits to bring your account to a positive end-of-day balance within 30 calendar days after the date the account was initially overdrawn (including the payment of all bank fees and charges);
2. Avoid excessive overdrafts suggesting the use of Overdraft Privilege as a continuing line of credit; and
3. Have no legal orders, levies, or liens against your account.

You should make every attempt to bring your account to a positive balance as quickly as possible. If you are not able to do so, you will receive a letter from us informing you of the situation and your options. If you do not bring your account to a positive balance, we reserve the right to close your account and may take other steps to recover the unpaid balance.

Deposit Account Agreement

Our “Consumer Deposit Account Agreement and Disclosures” and “Consumer Fee Schedule,” (collectively referred to as “Deposit Agreement and Fee Schedule”), which were provided to you at the time you opened your Tri Counties Bank account, generally control the duties, obligations, and rights you and any authorized signers on the account have, as well as our duties, obligations and rights with regard to your checking account. However, this Overdraft Privilege Disclosure (and all amendments thereto) shall control if a conflict arises between any provision of this Overdraft Privilege Disclosure and the Deposit Agreement and Fee Schedule. We will provide you additional copies of these documents upon your request.

If you receive electronic deposits to your checking account from the federal government or a state government of statutorily protected federal or state benefits and you do not want us to deduct from those funds the amount your account is overdrawn and any related Overdraft Fees, please call **1-800-922-8742**. If you wish to pay the amount your account is overdrawn and the related Overdraft Fees separately, you may do so at one of our branches.

Order of Payment

The order in which we pay your checks and other transactions is important if there is not enough money in your account to pay all the transactions presented on one day. In the normal course of business, we generally pay checks and other transactions presented for payment from your account on a single banking day in the following order:

1. All credits/deposits
2. Cash paid items (checks you have written that are cashed in person at a bank branch)
3. Debit card point-of-Sale (POS) and ATM withdrawals debited in the order we receive them.
4. Electronic debits through Online Banking, Mobile Banking, Cash Management, and 24-hour Telephone Banking.
5. Electronically converted checks and Automated Clearing House (ACH) transactions, including electronic BillPay payments.
6. Checks (including paper BillPay payments) will be charged to your account in numerical sequence. This means that the check with the LOWEST check number will be paid FIRST and then paid in sequence to the highest check number presented.

We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order in which we pay transactions may create multiple overdrafts during a single banking day.

There is no particular order of payment that is favorable to you in every instance. There are advantages and disadvantages for any order of payment. In some cases, your more important transactions (which may be those with higher dollar amounts)

may get paid later in this sequence or may not be paid at all depending upon your account balance and the available Overdraft Privilege limit assigned to your account. Using this sequencing method is our way of trying to be neutral.

Notices Sent When Overdrafts Occur

We will promptly send you a notice when we pay a transaction that overdraws your account. You should subtract the transaction amount and the total fees from your account balance in your check register. We will also notify you when we return a transaction unpaid. You should subtract the total fees from your account balance in your check register. However, we have no obligation to notify you before we pay or return any transaction. The amount of any overdraft, including the standard fee of \$34.00 per overdraft, is due and payable upon demand but, if no demand is made, it is due and payable no later than 30 calendar days after the date the account was initially overdrawn. If there is an overdraft on an account owned by two or more persons, each owner (and agent, if applicable) is jointly and severally liable for all overdrafts, including overdraft fees.

Maintain Good Account Records and Monitor Your Account Balance Frequently

Keep track of your account balance by entering all transactions in your check register, reconciling your checkbook regularly, and managing your finances responsibly. We will deduct the amount of each overdraft we pay plus our standard fee of \$34.00 per overdraft from the Overdraft Privilege limit assigned to your account. The Overdraft Privilege limit assigned to your account will not be included in the account balance we provide you when you ask for your account balance.

Limitations

Overdraft Privilege is not a line of credit. It is a courtesy. We reserve the right to limit participation to one account per household and to suspend, revoke, or discontinue this service at any time without prior notice. When you use Overdraft Privilege, you agree that we will not be liable to you for any loss or damage based on a claim that you relied on us to pay any and all transactions which would overdraw your account. You further agree to indemnify and hold us harmless from any such claims for loss or damage made by any other person.

Available Balance

Your Available Balance is the amount of funds available for withdrawal and authorizing transactions. Your Available Balance may be different than your personal register balance (sometimes called Ledger Balance). The Available Balance is reduced by 1) the amount of pending transactions, such as point-of-sale transactions; 2) funds on hold in accordance with our funds availability policy; 3) our receipt of notice that a transaction will be presented or returned; 4) our receipt of a legal process relating to your account; or 5) your use of your account as security for a loan.

Automatic Balance Alerts

You can also sign up for our automatic balance alerts, which may be available via email, text message, Tri Counties Bank Online or Mobile Banking applications, and other channels. If you sign up for automatic balance alerts, we will notify you if your account reaches a preset threshold you select. Alerts are generated from the current balance on your account and may not include transactions in a pending status. Alerts may help you avoid an overdraft but are not intended to serve as a substitute for carefully monitoring your account balance and your transactions. You should not rely solely on an automatic balance alert to avoid an overdraft. Email and text alerts may require enrollment in other Tri Counties Bank services, such as Online or Mobile Banking. Additional terms apply. Message and data rates may apply.

Additional Information

If you have additional questions or would like more information, call **1-800-922-8742** or visit your local branch.