

Consumer Overdraft Disclosures

Tri Counties Bank offers a number of services that can, if you are enrolled, allow us to pay for a transaction you have initiated, even if there are insufficient funds in your checking account. Though we recommend that you do not overdraw your account, these services can protect against an occasional, inadvertent overdraft. These services include a Linked Deposit Account, an Automatic Cash Reserve (ACR) line of credit, and limited or full Overdraft Privilege.

You do not have to be enrolled in any of these overdraft services, and you can opt out or enroll at any time by calling 1-800-922-8742 or by contacting any branch.

Linked Deposit Account. Link your checking account to another Tri Counties Bank account (checking, savings, or money market) that you own. If your checking account becomes overdrawn as a result of a check or Automated Clearing House (ACH) transaction, available funds will be transferred automatically from the linked account to your checking account once at the end of the day, provided the balance in the linked account is sufficient to cover the amount of the overdraft. There is no fee for this service. The balance in the Linked Deposit Account is not recognized for purposes of authorization on ATM or recurring or everyday Debit Card transactions. If you would like the balance in the Linked Deposit account to allow ATM and Debit Card transactions to be authorized at the point of purchase, the account must be enrolled in Full Overdraft Privilege.

Automatic Cash Reserve (ACR) is a line of credit for which you must apply and is subject to credit approval. In the event your checking account becomes overdrawn, 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. There are no transfer fees for this service, but the ACR charges interest from the date funds are advanced until repaid at an Annual Percentage Rate (APR) of 18%. Payments to reduce the balance on the ACR can be made at any time. With an ACR, your ATM transactions and everyday or recurring debit card transactions will be authorized, and your checks and ACH transactions will be paid, even if you do not have sufficient funds in your checking account to cover the transaction(s), provided there is a sufficient balance available in the ACR to cover the transaction(s) being authorized. This is not a commitment to lend.

Overdraft Privilege

If your account is eligible and you enroll for this discretionary service, 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) daily based on several factors including your account history, deposit activity, and patterns. We will deduct the amount of each overdraft, as well as the Overdraft Fee, as described below, from the Overdraft Privilege limit assigned to your account. To ascertain the Overdraft Privilege limit assigned on that day to your account, call 1-800-922-8742 or contact any branch. 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.

Overdraft Fee

When you enroll in Limited or Full Overdraft Privilege, as described below, we charge an Overdraft Fee of **\$34.00** for each transaction that overdraws your account, up to \$136.00 per day (which equals four Overdraft Fees). We do not charge an Overdraft Fee if, after all transactions presented to your account in any given day are paid, your account balance is overdrawn by \$5 or less.

No matter what Overdraft Privilege option that you choose, we may return or reject, rather than pay a check, ACH transaction, recurring debit card transaction and other transactions made using your checking account or debit card if there are insufficient funds available in your account, or if the amount of an attempted transaction is larger than your available overdraft limit, as described below. We do not charge a fee when an item is returned to the depositor.

The Overdraft Fee is listed in our Consumer Fee Schedule as "Overdraft items paid". It will appear in the body of your account statements as "OD Fee Item Paid"; in the "Overdraft and Returned Item Fees" portion of your account statements, the Overdraft Fee will be included in "Total Overdraft Fees."

Overdraft Privilege Options

No Overdraft Privilege. You can **decline or opt out** of Overdraft Privilege entirely. If you are not enrolled in any Overdraft Privilege program, and there are insufficient funds available in your account, typically your transactions will be returned, rejected, or declined rather than paid (except as described in "Force Pay Transactions" below); everyday debit card transactions (also known as "one time" debit card transactions, such as purchases you make at a merchant) and ATM transactions will be declined rather than paid; and checks, ACH transactions, recurring debit card transactions, and other transactions made using your checking account number will be returned or rejected rather than paid.

Limited Overdraft Privilege is the default option on eligible checking accounts; it provides discretionary overdraft coverage of checks, ACH, and other transactions made using your checking account number, and recurring debit card transactions. Everyday debit card transactions and ATM transactions will be declined rather than paid (except as described in "Force Pay Transactions" below).

Full Overdraft Privilege includes discretionary overdraft coverage of the transactions covered by Limited Overdraft Privilege described above, plus everyday debit card transactions and ATM transactions. To obtain Full Overdraft Privilege, you must enroll (opt in) and you can opt out at any time. To opt-in to Full Overdraft Privilege, please read and complete the "What You Need to Know about Overdrafts and Overdraft Fees" form and submit it to us. Keep a copy for your records.

You can opt out of Limited or Full Overdraft Privilege at any time by calling 1-800-922-8742 or by contacting any branch.

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 an overdraft service.

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.

Your account can become overdrawn in several different ways, including payment of checks, electronic fund transfers, or other withdrawal requests (such as a cash withdrawal from a teller); payments authorized by you; return of unpaid items that were deposited to your account; bank service charges and other fees; or deposit of items which, according to our Funds Availability Policy, are treated as not yet available or collected.

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. We may refuse to pay an overdraft transaction at any time even if we 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 on our review of how you manage your account, we determine that you are using Overdraft Privilege excessively.

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 frequent overdrafts suggesting your 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, take other steps to recover the unpaid balance, and report account activity to credit reporting agencies.

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 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 (e.g. checks you have written that are cashed in person at a bank branch or a transfer made in a branch to another Tri Counties Bank account).
3. Debit card point-of-Sale (POS) and ATM withdrawals debited in the order we receive them.
4. Electronic debits through personal or business Online or Mobile Banking 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. 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. However, we have no obligation to notify you before we pay or return any transaction. The amount of any overdraft, including the Overdraft Fee, is due and payable upon demand but, if no demand is made, 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.

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. Except as otherwise required by law, 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 monetary 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