



Overdraft Privilege Service Policy

National Exchange Bank & Trust ("we, us or our") offers Occasional Overdraft Privilege Service (ODP). If your account qualifies for ODP, we will consider, without obligation on our part, paying items for which your account has insufficient or unavailable funds, instead of automatically returning those items unpaid. This document explains how ODP operates.

Transactions that May Qualify for ODP

An overdraft occurs when you do not have enough money in your account to cover a transaction. Although there are many reasons why your account may become overdrawn, most overdrafts result from the following:

1. You write a check, use your CheckCard or ATM Card or initiate an electronic funds transfer in an amount that exceeds the amount of funds available in your account;
2. You deposit a check or other item into your account and the item is returned unpaid, which causes a negative balance in your account once your balance is reduced by the amount of the returned check;
3. You have inadequate funds in your account when we assess a fee or service charge; or
4. You initiate a transaction before funds deposited into your account are "available" or "finally paid" according to our Funds Availability Policy. For example, if you deposit a check into your account, the proceeds of that check may not be available to you for up to seven days after you deposit the check. If you do not have sufficient funds in your account – independent of the check – to cover the transaction, you will incur an overdraft.

The ODP Service applies to a variety of transactions, including checks and other transactions made using your checking account number, automatic bill payments, ATM transactions and everyday CheckCard transactions; however, we will not include ATM and everyday CheckCard transactions within our consumer ODP Service without first receiving your affirmative consent to do so. Absent your affirmative consent, ATM and everyday CheckCard transactions generally will not be authorized under ODP for consumer accounts.

Participation in ODP is not mandatory. You may opt-out of the service any time by notifying one of our Customer Service Representatives. Furthermore, you may revoke affirmative consent to have ATM and everyday CheckCard transactions considered for payment under ODP without removing other items from the service. Simply inform us of your preference.

As noted above, we retain full discretion to decline to pay any item under the ODP Program. This means we can refuse to pay any overdraft for any reason. Even if we decide to pay an overdraft item, absent an agreement to the contrary, such payment does not create any duty to pay future overdrafts. If we do not authorize and pay an overdraft, your transaction will be declined, and we may assess Overdraft/NSF fees on your account in accordance with your account agreement and the fee schedule in effect at the time of the overdraft.

Fees

For each overdraft item, we will charge the standard per item Overdraft/NSF fee set forth in our Account Services pricing schedule. In addition, under our standard overdraft practices:

- There is a business day combined maximum of five (5) Overdraft/NSF fees that we can assess your account.
- The Bank does not charge a checking account participating in the Overdraft Protection Program an Overdraft/NSF fee for transactions that overdraw an account by an aggregate amount of \$10.00 or less.
- We will charge your **business** account a Continuous Overdraft/NSF Fee. Typically, we will start charging the Continuous Overdraft/NSF Fee on the fifth business day your account is overdrawn and will continue to charge the Continuous Overdraft/NSF Fee for each subsequent consecutive business day your account remains overdrawn; there is otherwise no limit on the total amount of Continuous Overdraft/NSF Fees for each subsequent consecutive business days your account remains overdrawn.

We will notify you by mail if we pay or return any insufficient or unavailable funds items on your account; however, we have no obligation to notify you before we pay or return any item. The amount of any overdrafts, including our fees, are due and payable immediately or on demand. Also, please note that if we return an NSF item it will likely be automatically re-presented to us by the financial institution where the item was presented for payment and potentially could result in an additional per item Overdraft/NSF fee when re-presented if the amount of the item still exceeds the amount of available funds in your account.

Accounts Eligible for ODP

ODP is a discretionary service and is generally limited to an \$800 overdraft (negative) balance for eligible personal checking accounts; or a \$1,500 overdraft (negative) balance for eligible business checking accounts. Please note that both per item and continuous overdraft fees count toward your ODP Limit. We may in our sole discretion limit the number of accounts eligible for ODP to one account per household or per taxpayer identification number. Further, ODP usually is extended only to accounts in good standing.

An account in good standing exhibits, but is not limited to, the following characteristics:

1. The account has been open for at least thirty (30) days;
2. The account has deposits totaling at least \$400 or more within each thirty (30) day period;
3. The account demonstrates consistent deposit activity;
4. The account owner is current on all loan obligations with us; and
5. The account is not subject to any legal or administrative order or levy, such as bankruptcy or tax lien.

We offer other overdraft protection services in addition to ODP. These include a Personal Line of Credit and overdraft protection linked to another account of yours with us, such as a savings account. If you apply and are approved for these optional services, you may save money on the total fees you pay us for overdraft protection services.

Overdrafts should not be used to pay ordinary or routine expenses and you should not rely on overdrafts as a means to cover these expenses. If at any time you feel you need help with your financial obligations, please contact one of our Customer Service Representatives at your local office or 877-578-1670.