



NON-SUFFICIENT FUNDS AND OVERDRAFT SERVICES TERMS & CONDITIONS

This disclosure supplements the "Terms and Conditions of Your Account" previously provided to you for your deposit account (your "Account Agreement"). You should read this disclosure carefully to understand how items are posted to your account and what happens when your account does not have sufficient funds to cover an item. If there is a conflict between these Terms and Conditions and your Account Agreement, your Account Agreement will control.

Cape & Coast Bank ("Bank", "us" or "we") encourages all customers to monitor their account balances and avoid overdrawing their accounts. We understand, however, that overdrafts can happen from time to time. We offer several types of overdraft services to deal with overdrafts when they occur. These services each work differently, so customers should read this information carefully. If you have questions about these services, please call us at (508) 568-3400.

The overdraft services we provide are:

Name of Overdraft Service	Fees	Important Information
Courtesy Overdraft Sweep	None	- We automatically transfer funds from the selected account to the checking account (up to the balance of available funds in the selected account) to cover an overdraft. - Customer must sign up for Courtesy Overdraft Sweep in advance.
Basic Courtesy Overdraft	Overdraft Fee applies per item paid (see current Consumer or Business Fee Schedule for current fee). No fee for items that are \$5 or less. If the end-of-day overdrawn balance is \$10 or less, there will be no overdraft fees assessed to the account for that business day.	- We may decide to pay an item when there are not sufficient available funds in the account (or available through Courtesy Overdraft Sweep or a Ready Reserve Line of Credit) to cover the item. - This is a discretionary service provided by us for eligible consumer and business checking accounts. - Not available for fiduciary accounts. - Does not cover ATM withdrawals, one-time debit card transactions, or telebanking transactions.
Courtesy Overdraft Plus	Overdraft Fee applies per item paid (see current Consumer or Business Fee Schedule for current fee). No fee for items that are \$5 or less. If the end-of-day overdrawn balance is \$10 or less, there will be no overdraft fees assessed to the account for that business day.	- Same as Basic Courtesy Overdraft, but also covers ATM withdrawals and one-time debit card transactions. - This is a discretionary service provided by us for eligible business checking accounts and for eligible consumer checking accounts if the consumer has opted in for this service. - Not available for fiduciary accounts.
Name of Overdraft Service	Fees	Important Information

Ready Reserve Line of Credit (No longer available for new customers)	No advance fees	• New Ready Reserve Lines of Credit are no longer being opened. • We automatically make an advance in \$50 increments to cover overdraft items (up to the customer's established credit limit) for customers who established and continue to maintain a Ready Reserve Line of Credit. • While there is no fee for advancing the Ready Reserve Line of Credit to pay an item, interest is charged on the outstanding balance of advances and past due fees apply if this line of credit is not timely repaid.
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Opting in to Courtesy Overdraft Plus. If you have a consumer checking account, you may opt-in to Courtesy Overdraft Plus by calling our Customer Assistance Center at 508.568.3400, visiting your nearest branch, or sending a letter requesting Courtesy Overdraft Plus to: Cape & Coast Bank, Attn: Courtesy Overdraft, 25 Benjamin Franklin Way, Hyannis, MA 02601. If an account has multiple owners, only one account owner per account is necessary to opt-in. Your opt-in will become effective within two (2) business days after we receive your request.

Opting out of all Courtesy Overdraft. If you do not want us to pay overdrafts on your account, you can opt out by calling our Customer Assistance Center at 508.568.3400, visiting your nearest branch, or sending a letter informing us of your decision to opt out to: Cape & Coast Bank, Attn: Courtesy Overdraft, 25 Benjamin Franklin Way, Hyannis, MA 02601.

Limits on Fees. The maximum number of Courtesy Overdraft Fees we will charge to a consumer account is limited to four (4) per business day. Business accounts do not have this maximum limit.

How we determine the available balance and if an item will overdraw your account. If an item is presented against your account for payment and your account does not have sufficient available funds to cover the item, and your account is not participating in any of our overdraft services, we will return the item for Non-Sufficient Funds (NSF). We do not charge a fee for an NSF return.

We may determine the balance of available funds at any time after we receive an item for payment and before the time we are required to pay or return the item. We are only required to make the determination once, but if we choose to make a subsequent determination, we will use the balance of available funds at the time of the subsequent determination.

The balance of available funds used to determine whether payment of an item will overdraw your account is the "ledger balance." The ledger balance includes all deposits, withdrawals, fees, and other amounts that have posted and cleared the account, minus any "holds," which could be deposits that have not yet cleared the account, as described in our Funds Availability Policy; transactions authorized by us that have not cleared the account, such as one-time debit card purchases that we authorized at the time you used your card but the merchant has not yet presented for payment; and any legal process or other claim, such as a levy, garnishment, or setoff.

Transactions that we have authorized but are still pending may include debit card purchases where the merchant did not know the exact amount of the purchase at the time of requesting the authorization (such as at gas stations or restaurants). In those cases, the hold initiated by the merchant may be for more than the actual amount of the transaction, but the system cannot adjust the authorized amount until the merchant presents the transaction for payment. You could incur a Courtesy Overdraft Fee even if your account would have had sufficient available funds if the debit authorization had been for the actual amount of the purchase.

How does transaction posting order impact my available balance? The order in which we post deposits or credits (which increase your account balance) and withdrawals or debits (which decrease your account balance) is known as the "posting order." Transactions may not be posted in the exact order in which they occur, and the order in which transactions are received by us and processed can affect the account's available balance and therefore when you incur overdraft fees on your account.

Transactions post at the end of the day, starting with credits to the account. We post debits and credits received prior to the daily cut off time on a business day at the end of that day. After credits are processed, debits - including withdrawals, debit card purchases, transfers, checks, Bank fees, etc. - are processed in a manner intended to minimize overdraft fees. Credits and debits received after the daily cut-off time or on a day that is not a business day are posted to your account after the end of the next business day. The daily cut-off time is different for different types of transactions (such as transactions made at an ATM, through online banking, or in a branch), so ask us if you need to know the cut-off time for the particular type of transaction you are making.

In general, we post credits and debits that are presented on the same business day in the following order (which may not be the order in which the transactions occurred). Within each of these categories, items are paid in dollar amount order, with the smallest items being processed first.

1. Online and Telephone Banking Transfers
2. Checks drawn on our Bank and negotiated at one of our branches
3. ATM Withdrawals
4. Point of sale debit card transactions
5. Automated clearing house (ACH) transactions
6. Checks drawn on our bank and negotiated by other financial institutions
7. Bank fees (excluding Overdraft Fees)

While most fees are posted on the same day they are incurred, Overdraft Fees are posted on the next business day after an item is paid and overdraws the account.

Even though the explanation above describes our usual practices, we may accept, pay, or charge items to your account in any order we choose even if (a) paying a particular item results in an insufficient balance in your account to pay one or more other items that otherwise could have been paid out of your account; or (b) using a particular order results in the payment of fewer items or the imposition of additional fees. We reserve the right to change or vary from our usual practices at any time without notice to you.

We encourage you to make careful records and practice good account management. This will help you avoid overdrawing your account and incurring the resulting fees.

How we process overdraft items. If an item is presented for payment from your checking account at a time when there are not sufficient available funds in the account to cover the payment, we will process the transaction in this order:

- First, we will make a Courtesy Overdraft Sweep advance if (i) the customer has set up Courtesy Overdraft Sweep and (ii) there are sufficient available funds in the designated account to cover some or all of the overdraft amount.
- Second, if Courtesy Overdraft Sweep is not available or not sufficient to cover the entire payment, we will make a Ready Reserve Line of Credit advance if (i) the customer has a legacy Ready Reserve Line of Credit and (ii) there is sufficient credit available to cover some or all of the overdraft amount.
- Third, if neither Courtesy Overdraft Sweep nor Ready Reserve Line of Credit advances are available or sufficient to cover the overdraft amount *and the customer has not opted out of Basic Courtesy Overdraft*, we will make a decision whether to pay the item under the Basic Courtesy Overdraft service, or under the Courtesy Overdraft Plus service if the customer has opted into that service. Courtesy Overdraft is a **discretionary** service, so we are never required to pay an item under a Courtesy Overdraft service, even if we have paid your overdrafts in the past.

If funds to cover the overdraft item are not available under any of our overdraft services and we elect not to pay the item under its Courtesy Overdraft service, we will return the item for Non-Sufficient Funds (NSF). There is no fee for an NSF return, but please note the merchant or other payee may resubmit the item for payment multiple times. Each time the payee submits the item, we process it as described above. An item that was previously returned for Non-Sufficient Funds may be paid at the time of a resubmission either because additional funds have become available in your account or because we elect to pay the item under a Courtesy Overdraft service. If we elect to pay the resubmitted item under the Courtesy Overdraft service, an Overdraft Fee will be charged.

We encourage you to make careful records and practice good account management. This will help you avoid having items returned or having items overdraw your account and incurring Overdraft Fees. Even though the explanation above describes our usual practices, we reserve the right to change or vary from our usual practices at any time without notice to you.

FREQUENTLY ASKED QUESTIONS ABOUT OUR COURTESY OVERDRAFT PROGRAM

Under Basic Courtesy Overdraft and Courtesy Overdraft Plus, will my transactions always be authorized regardless of available funds? No, we have the discretion to approve or decline a transaction that causes the account to become overdrawn.

When is my account considered "eligible" for Courtesy Overdraft advances? Fiduciary accounts, savings accounts or money market accounts are not eligible to participate in Basic Courtesy Overdraft or Courtesy Overdraft Plus. For checking accounts, our standard practice is to pay your overdrafts when your account meets certain performance criteria. The criteria may include, but are not limited to, any or all of the following and are subject to change without notice:

- The age of your account
- The deposit behavior in your account and any related accounts
- The overdraft behavior of your account and any related accounts
- The status of any loan or other obligation to us
- The status of any legal or administrative order or levy

When does the Bank decide whether to pay a one-time debit card transaction? When a merchant requests authorization for a one-time (non-recurring) debit card transaction, we determine whether you have sufficient available funds in the account (or available through a Courtesy Overdraft Sweep or Ready Reserve advance) to cover the transaction. If you do, we will approve the one-time debit card transaction and it will be paid without an Overdraft Fee when it is presented. If you do not have sufficient available funds when authorization is requested, we determine whether your account is eligible for Courtesy Overdraft services, and whether you have opted-in to Courtesy Overdraft Plus. If your account is eligible and you have opted-in to Courtesy Overdraft Plus, we may approve the transaction, at our discretion, and it will be paid when presented by the merchant and you will be charged an Overdraft Fee. If you have not opted-in to Courtesy Overdraft Plus, if you have opted out of all Courtesy Overdraft services, or if the account is not eligible under the Courtesy Overdraft service, the one-time debit card transaction will be declined.

Are Courtesy Overdraft and Courtesy Overdraft Plus a line of credit or loan? Basic Courtesy Overdraft and Courtesy Overdraft Plus are not a line of credit or a loan. As a non-contractual courtesy, we consider paying your overdrafts based on your account performance, which includes the factors described above. We are not required to pay an overdraft at any time and the service may be withdrawn at any time.

Less Costly Option: Courtesy Overdraft Sweep. If you anticipate more than occasional or inadvertent overdrafts, we believe you should consider our Courtesy Overdraft Sweep, which is a less costly alternative. With this service, you authorize us to make automatic transfers from a checking, money market, or savings account held in your name (up to the available balance of that account) to cover transactions that would otherwise overdraw your checking account. If both Courtesy Overdraft Sweep and Courtesy Overdraft or Courtesy Overdraft Plus are in effect for your account, overdraft transactions will be covered first by Courtesy Overdraft Sweep before being covered under Courtesy Overdraft or Courtesy Overdraft Plus.

How will I know my account is overdrawn? We will send you a notice each time there is a Non-Sufficient Funds item processed on your account. To help manage your account, you can choose to receive email or text message alerts when your account drops below a certain balance or when you have an overdraft. Log in to online banking at www.capeandcoastbank.com to set up your account alerts.

How quickly do I have to deposit funds to cover an overdraft? Your Account Agreement states that you are required to deposit funds immediately to cover any overdrafts. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover overdrafts and overdraft fees. If your account has a negative balance for more than 45 days and you do not contact us or deposit funds, your account will be closed and reported to a consumer reporting agency and/or collection agency. Each account holder is jointly and severally responsible under the Account Agreement for paying all overdraft amounts.

Can I opt-out of Courtesy Overdraft Plus at any time? Yes, if you do not wish to have your ATM and one-time debit card purchases included under this policy and would prefer to have these types of Non-Sufficient Funds items denied when you have insufficient funds in your account, please call (508) 568-3400.

How do I opt-out of all Courtesy Overdraft services for all transactions? If you do not wish to have your Non-Sufficient Funds items paid under this policy and would prefer to have your Non-Sufficient Funds items returned, please call us at (508) 568-3400.

If I've opted-out of the Courtesy Overdraft services or I am not eligible for the Courtesy Overdraft services, is it still possible for an item to be paid and overdraw my account? Yes, even if you have opted out of Courtesy Overdraft services for all transactions, there are circumstances in which an item may still be paid and overdraw your account. Your account could be overdrawn where payment of an item would cause your end-of-day balance to be overdrawn by \$10 or less, if the item presented for payment is \$5 or less, or if our systems are operating offline due to causes beyond our reasonable control. If any of these circumstances occurs, you will not be charged an Overdraft Fee, however you will still be obligated to cover the overdraft.

Even if you are not participating in a Courtesy Overdraft service, if an item being presented for payment is a recurring charge that you established using your debit card with a merchant (a recurring charge is a charge that occurs on a regular schedule that is initiated by a merchant, such as a gym membership or a subscription), we are unable to return a recurring charge for non-sufficient funds. This means that we must pay the recurring charge even if it overdraws your account and you will be charged an Overdraft Fee.

How can I monitor my account balance? When you check your account balance, there may be outstanding items that have not yet posted due to processing delays which occur in the ordinary course of business. If you do not reconcile your account balance on a periodic basis and have a good understanding of the approximate balance you should have, you may inadvertently overdraw your account if you rely solely on balance inquiries through an ATM, telephone banking, electronic banking or a teller. We encourage you to keep careful records and practice good account management.

You can sign up through our online banking service to receive email or text messages that alert you to withdrawals from your account or when your account reaches a threshold balance which you determine at the time you enroll in the service.

Financial Education. We encourage you to learn more about managing your personal finances. Federal and state government websites, such as www.consumerfinance.gov/consumer-tools/bank-accounts/ and www.mass.gov/advisory/consumer-alert-overdrawn-accounts offer helpful financial education information and be a good place to start.