

Overdraft Coverage Options

Salisbury Bank and Trust Company offers several options for handling overdrafts on your accounts. An overdraft can occur when an item (such as a check or ACH transaction) presented for payment exceeds the balance of available funds in your account. Our current overdraft payment options are:

Coverage Option	Description	Cost
Automatic Transfer Overdraft Protection Arrangement	If you have other accounts with us, you can set up an Automatic Transfer Overdraft Protection Arrangement so that funds from a statement savings, money market or separate checking account will be transferred to cover items that would overdraw your checking account.	\$8.00 fee per transfer
Overdraft Line of Credit	You can open an Overdraft Line of Credit so that funds will automatically be advanced to your checking account to cover items that would overdraw your checking account. Overdraft Lines of Credit are subject to credit approval.	The advance is subject to interest.
Overdraft Privilege Program	As a service, the Bank may pay items that would overdraw your account. The Overdraft Privilege Program is described in more detail below.	\$35 Overdraft Fee per item

Overdraft Privilege Program

There are two levels of the Overdraft Privilege Program: Standard Coverage and Extended Coverage. Consumer accounts automatically receive Standard Coverage at account opening, but may “opt in” to Extended Coverage. Business accounts automatically receive Extended Coverage at account opening. Extended Coverage includes overdraft protection for all of the same items as Standard Coverage *plus* protection for ATM transactions and one-time Point of Sale (POS) debit card transactions. This chart shows items protected under the two levels of the Overdraft Privilege Program:

Items Covered with the Overdraft Privilege Program	Standard Coverage (No Action Required)	Extended Coverage (Opt-in Required on consumer accounts)
Checks	X	X
ACH - automatic debits	X	X
Recurring debit card POS transactions	X	X
Online bill pay items	X	X
In-branch transactions	X	X
ATM transactions		X
One-time POS debit card transactions		X

To opt in to Extended Coverage for future transactions on consumer accounts:

- Visit salisburybank.com/overdraft-program
- Call Customer Support at 860.596.2444; or
- Visit any branch

Note: You can discontinue the Overdraft Privilege Program in its entirety by visiting salisburybank.com/overdraft-program, calling Customer Support at 860.596.2444 or by visiting any branch.

Other Information You Should Know

- Good account management is the best way to avoid overdrafts. Use Salisbury Bank’s e-Banking (online banking), mobile app, and telephone banking services to keep track of your balance.
- For all overdraft options, the “balance of available funds” used to determine whether payment of an item will overdraw the account is the ledger balance (including all deposits, withdrawals, fees, and other amounts that have been posted to the account) minus any “holds” for (i) deposits that have not yet cleared (as described in our Funds Availability Policy), (ii) transactions the Bank has authorized but are still pending, and (iii) any legal process or other claims, such as a levy, garnishment, or setoff.
- If you have other accounts with the Bank, an Automatic Transfer Overdraft Protection Arrangement may be a less expensive option than using the Overdraft Privilege Program. Under an Automatic Transfer Overdraft Protection Arrangement, the Bank makes one transfer at the end of each Business Day to cover all overdrafts that have occurred since the end of the previous Business Day and you are charged one transfer fee for that transfer. Under the

Overdraft Privilege Program, an Overdraft Item Fee (Paid) is charged for each item we pay that overdraws your account.

- The Overdraft Privilege Program is a *discretionary* service, which means we do not guarantee that we will always authorize and pay any type of transaction, even if you have asked us to do so and even if we have done so in the past. We may also change or withdraw the service at any time and without notice.
- Overdraft Privilege Program limits are set based on the length of time your account has been opened, your level of deposit activity, and how quickly you bring your account to a positive balance after an overdraft has occurred. Your limit may be reduced or withdrawn if your account becomes inactive, you default on any loan or other obligation to us, your account becomes subject to any legal or administrative order or levy, or you fail to maintain your account in good standing. Overdraft items will not be paid under the Overdraft Privilege Program if payment would cause your account to be overdrawn by more than the amount of the limit in effect for your account.
- The Overdraft Item Fee that is charged under the Overdraft Privilege Program if you overdraw your account is \$35. If we pay multiple items that overdraw your account on the same day, each item will be assessed an Overdraft Item Fee of \$35, but we will not charge you more than six (6) Overdraft Item Fees per day and we will not charge you an Overdraft Item Fee for any transaction that would overdraw your account by \$5 or less.
- Opting in to Extended Coverage on a consumer account (which gives us your consent to pay everyday debit card and ATM overdrafts) may result in your incurring Overdraft Item Fees for transactions that we would otherwise be required to pay under payment system rules without assessing an Overdraft Item Fee. However, opting in to Extended Coverage allows us to authorize transactions (even when we are not required to do so) up to the amount of your Overdraft Privilege limit. If you opt in to Extended Coverage on your consumer account, it will remain in effect until it is terminated or withdrawn as described in this document.
- If there are not sufficient available funds in your account or available under an Automatic Transfer Overdraft Protection Program or Overdraft Line of Credit to pay an item and the Bank elects not to pay the item under the Overdraft Privilege Program, the item will be returned for insufficient funds and you will be charged an Overdraft Item Fee (Returned) of \$35. If funds become available in the account before the applicable processing deadline, the item will be paid and the fee charged to your account will be changed from an Overdraft Item Fee (Returned) to an Overdraft Item Fee (Paid).
- If a returned item is presented for payment again, Salisbury Bank will make a new determination whether there are sufficient funds to pay the item (either in the account or available under an Automatic Transfer Overdraft Protection Program or Overdraft Line of Credit) or if the Bank will pay the item under the Overdraft Privilege Program or return the item again. If a represented item would have overdrawn your account, you will be charged the applicable Transfer Fee, Overdraft Item Fee (Paid), or Overdraft Item Fee (Returned), depending on how the Bank handles the item.
- We will not charge you more than a total of six (6) Overdraft Item Fees per day, including Overdraft Item Fees for both paid and returned items.
- The order in which the Bank posts items to your account is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items that would overdraw your account and the amount of the fees you may have to pay. In general, we post deposits and withdrawals (including checks and ACH, ATM, and POS transactions) in the order in which they are presented to us, which may be different from the order in which you initiated them. Some transactions are posted in “real time,” when they occur, and others are posted in batches throughout each business day. Most checks are posted in a single batch at the end of each business day. If we process multiple electronic transactions (such as ACH and POS transactions) or checks at the same time, we post electronic payment orders in dollar amount order starting with the smallest amount and we post checks in numerical check number order starting with the lowest check number. Even though the preceding sentences describe 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.
- Your available balance may be affected by a debit card hold. We place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends, any portion of the funds that was not used to settle the transaction will be added to the available balance in your account.