

Terms and Conditions of Your Account Addendum

Understanding and Avoiding Overdraft and Returned Item Fees

This Addendum is part of the Terms and Conditions of Your Account. The information in this Addendum is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdraft transactions and nonsufficient funds (NSF) transactions is important and can help you avoid being assessed fees or charges. This Addendum also provides contractual terms relating to overdraft transactions and nonsufficient funds (NSF) transactions.

An overdrawn account will typically result in you being charged an overdraft fee or a returned item fee. Generally, an overdraft transaction occurs when there is not enough money in your account to pay for a payment transaction, but we pay (cover) the payment transaction anyway. In an NSF transaction, we do not pay (cover) the transaction, but, instead, we reject the payment transaction and return it to the person or entity that presented it to us for payment. We can charge you a fee for an overdraft transaction or an NSF transaction.

Definitions. As used in this Addendum, the following terms mean:

A “payment transaction” is any form of withdrawal transaction authorized by you that requests that we pay money from your account to another person or entity, including, but not limited to, paper checks and drafts, electronic checks and drafts, automated clearinghouse (ACH) transactions, debit card transactions, ATM withdrawals, over-the-counter withdrawals, electronic fund transfers, internet banking transfers, wire transfers, telephone transfers, and bill pay transfers.

A “deposit transaction” is any form of transaction that increases the amount of money in your account, including deposits or other credits to your account.

An “overdraft transaction” occurs whenever there is not enough money in your account, as determined by your actual (ledger) balance, to pay a payment transaction that is presented to us for payment, and we decide to pay (cover) the payment transaction.

A “Nonsufficient Funds transaction” or “NSF transaction” occurs whenever there is not enough money in your account, as determined by your actual (ledger) balance, to pay a payment transaction that is presented to us for payment and we decide not to pay (cover) the payment transaction, but, instead, return the payment transaction to the person or entity that presented the payment transaction to us for payment. A separate returned item fee may occur each time that such a payment transaction is presented to us for payment, regardless of the number of times that the payment transaction is presented to us for payment.

Determining Your Account Balance. We use the actual balance (also known as the ledger balance) of your account to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay payment transactions that are presented to us for payment. Your actual (ledger) balance includes payment transactions and deposit transactions that have settled up to that point in time, that is, such transactions that have posted to your account and are no longer pending. Your actual (ledger) balance does not include outstanding checks, drafts, ACH transactions, and other transfers that have not yet cleared or ATM withdrawals and debit card transactions that have been authorized by us but are still pending and have not yet been posted to your account.

Your “available balance” consists of your actual (ledger) balance plus the amount of any pending deposit transactions (excluding any “hold” placed on a deposit) and less the amount of any pending payment transactions that are known to us, including ATM withdrawals and one-time debit card transactions that have been authorized by us and checks, drafts, ACH transactions, and other transfers that have been presented to us for payment. Your “available balance” does not

include pending payment transactions that are unknown to us, such as outstanding checks, drafts, ACH transactions, and transfers that have not yet been presented to us for payment. Your “available balance” may not be the same as your actual (ledger) balance.

We use your “available balance” only to determine whether to authorize an ATM withdrawal, a one-time debit card transaction, or an over-the-counter withdrawal. For that purpose, your “available balance” may include any available funds under our Courtesy Pay overdraft services for over-the-counter withdrawals and any available funds under our Courtesy Pay overdraft services for ATM withdrawals and one-time debit card transactions if you have opted into such services for ATM withdrawals and one-time debit card transactions.

We do not use your “available balance” to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay payment transactions that are presented to us for payment. Instead, as discussed above, we use your actual (ledger) balance for that purpose.

A Temporary Debit Authorization Hold Affects Your Available Balance. On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system may not be able to determine that the amount of the hold exceeds the actual amount of your purchase or that the temporary hold and the completed transaction are one in the same. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be up to three business days before the adjustment is made, especially if the merchant does not complete or batch the transaction(s) at the time of the purchase, but rather waits until the merchant’s close of business or the following business day to present the transaction(s) for payment. Until the adjustment is made, the “available balance” in your account—but not the actual (ledger) balance—will be reduced by the amount of the temporary hold.

Balance Information. Keeping track of your balance is important. You can review your account balance a number of ways, including reviewing your periodic account statements, reviewing your balance online, using the Unico Bank mobile banking app, calling the 24-Hour Anytime Access telephone banking line, accessing your account information by phoning or coming into one of our branches, or by setting up custom alert notifications online or in the Unico Bank mobile banking app.

When using online banking, mobile banking, or telephone banking, only your available balance is displayed, and this balance does not include any available funds under our Courtesy Pay overdraft service. Your periodic account statements reflect the actual (ledger) balance of your account.

Posting Order of Payment Transactions. After the close of each business day, we post to your account all payment transactions that are presented to us for payment on that business day. The order in which payment transactions are posted to your account is important if there is not enough money in your account, as determined by the actual (ledger) balance, to pay all such payment transactions. The posting order can affect: (a) the number of payment transactions for which there is not enough money in your account to pay; and (b) in turn, the number and amount of overdraft fees or returned item fees that you may have to pay. To assist you in managing your account, we are providing you with the following information about how we post payment transactions to your account. We encourage you to make careful records and practice good account management. This will help you to avoid creating payment transactions without enough money in your account to pay for them and potentially incurring the resulting overdraft fees or returned item fees.

First, we post deposits and other credits to your account.

Second, we post over-the-counter withdrawals, telephone transfers, internet banking transfers, ATM withdrawals, debit card transactions, and wire transfer debits and fees to your account according to dollar amount with the smallest such payment transactions being processed first.

Third, we post paper checks and drafts, electronic checks and drafts, ACH transactions, bill pay transfers, and any other payment transactions to your account according to dollar amount with the smallest such payment transactions being processed first.

Last, we post all service charges to your account, including any overdraft fees and/or returned item fees that we charge for payment transactions that posted to your account on the previous business day.

Payment Types. Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. All of these payment types can use different processing systems, and some may take more or less time to post to your account. This information is important for a number of reasons. For example, keeping track of the checks you write, the timing of the preauthorized payments you set up, and monthly service charges will help you know what other transactions might still post against your account.

Overdraft Transactions and Overdraft Fees. You understand that we may, at our discretion, pay (cover) payment transactions that overdraw (or further overdraw) your account, as determined by your actual (ledger) balance (an overdraft transaction). However, the fact that we may pay overdraft transactions does not obligate us to do so later. So, you CANNOT rely on us to pay overdraft transactions on your account regardless of how frequently or under what circumstances we have paid overdraft transactions on your account in the past. We can change our practice of paying, or not paying, discretionary overdraft transactions on your account without notice to you. You can ask us if we have other account services that might be available to you that may prevent an overdraft transaction, such as a link to another account you have with us to automatically transfer available funds. You agree that we may charge a fee for each overdraft transaction paid by us. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdraft transactions and overdraft fees.

For consumer accounts, we will not charge a fee for overdraft transactions caused by ATM withdrawals or one-time debit card transactions if you have not opted to allow Courtesy Pay funds to be made available for ATM withdrawals or one-time debit card transactions.

The amount of the overdraft fee(s) is the following amount, depending on the actual (ledger) balance after all overdraft transactions are posted to your account:

If the actual (ledger) balance is negative \$0.01 to \$5.00	\$0.00 per overdraft transaction
If the actual (ledger) balance is negative \$5.01 to \$15.00	\$5.00 per overdraft transaction
If the actual (ledger) balance is negative \$15.01 to \$30.00	\$15.00 per overdraft transaction
If the actual (ledger) balance is negative \$30.01 or more	\$30.00 per overdraft transaction
Daily limit on overdraft fees	\$300.00 per business day

An overdraft fee for an overdraft transaction is posted to your account on the business day after the business day on which the overdraft transaction is posted to your account.

Overdraft Fees on Authorized ATM Withdrawals and One-Time Debit Card Transactions. We will not charge an overdraft fee for ATM withdrawals and/or one-time debit card transactions if you have NOT opted in to make Courtesy Pay funds available for use on your debit card. This also includes if we authorized an ATM withdrawal or one-time debit card transaction when your account had a positive “available balance” and the transaction later settled and there was no longer funds available to cover the transaction. While a pending, authorized ATM withdrawal or one-time debit card transaction reduces your “available balance,” it does not reduce your actual (ledger) balance until and unless it is settled

and posted to your account. If an ATM withdrawal or one-time debit card transaction is authorized and not settled and posted to your account on the same business day, another intervening payment transaction may post to your account and reduce your actual (ledger) balance such that there is no longer enough money in your account to pay for the pending, authorized ATM withdrawal or one-time debit card transaction when it is eventually settled and posted to your account. By authorizing an ATM withdrawal or one-time debit card transaction we do not warrant there will be enough money in your account to pay for the pending, authorized ATM withdrawal or one-time debit card transaction, and you are liable to us to pay for the amount of any overdraft to your account if there is not enough money in your account to pay the ATM withdrawal or one-time debit card transaction when it is eventually settled.

If you have opted into our Courtesy Pay overdraft services and have opted in to make the Courtesy Pay funds available for use to cover ATM withdrawals and/or “one-time” debit card transactions, we will charge an overdraft fee for each ATM withdrawal or one-time debit card transaction if: (a) we authorize the ATM withdrawal or one-time debit card transaction when your account has negative “available balance”, excluding any available Courtesy Pay funds; (b) we apply Courtesy Pay funds to pay for all or any part of the ATM withdrawal or one-time debit card transaction; and (c) your account has a negative actual (ledger) balance when the ATM withdrawal or one-time debit card transaction is eventually settled and posted to your account.

We may charge an overdraft fee(s) for “recurring” debit card transactions that are posted to your account when funds are not available to cover the transaction regardless of whether you have opted in to Courtesy Pay and regardless of whether you have opted in to make the Courtesy Pay funds available to cover ATM withdrawals and/or one-time transactions using your debit card.

Nonsufficient Funds (NSF) Transactions and Returned Item Fees. If, as determined by your actual (ledger) balance, there is not enough money in your account to pay a payment transaction that is presented to us for payment and we decide not to pay (cover) the payment transaction, you agree that we can charge you a returned item fee for returning the payment transaction to the person or entity that presented the payment transaction to us for payment (an NSF transaction). Be aware that such a payment transaction may be presented to us for payment multiple times and that we do not monitor or control the number of times that a payment transaction is presented to us for payment. You agree that if the amount of money available in your account is not sufficient to cover a payment transaction, we may charge you a returned item fee each time the payment transaction is presented to us for payment, regardless of the number of times the payment transaction is presented as each such instance constitutes a separate NSF transaction.

The amount of the returned item fee(s) is the following amount, depending on the actual (ledger) balance after all NSF transactions are posted to your account:

If the actual (ledger) balance is negative \$0.01 to \$5.00	\$0.00 per NSF transaction
If the actual (ledger) balance is negative \$5.01 to \$15.00	\$5.00 per NSF transaction
If the actual (ledger) balance is negative \$15.01 to \$30.00	\$15.00 per NSF transaction
If the actual (ledger) balance is negative \$30.01 or more	\$30.00 per NSF transaction
Daily limit on returned item fees for nonsufficient funds (NSF) transactions	\$300.00 per business day

A returned item fee for an NSF transaction is posted to your account on the business day after the business day on which the NSF transaction is posted to your account.

Notification of Overdraft and NSF Transactions. We will send you a notice each time that an overdraft or NSF transaction occurs with your account. We decide whether to treat a payment transaction for which there is not enough money in your account, as determined by your actual (ledger) balance, as an overdraft transaction or an NSF transaction on the business day following the business day on which the payment transaction is presented to us for payment. As a result, if your periodic account statement is printed on the day that such a payment transaction is presented to us for payment, any overdraft fee or returned item fee charged for the payment transaction will appear on the subsequent periodic account statement. Moreover, if such a payment transaction is an NSF transaction, the payment transaction

may appear on the periodic account statement to have been paid (covered) (like an overdraft transaction) but will appear as an NSF transaction on the subsequent periodic account statement.

Funds Availability. Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our funds availability disclosure for information on when different types of deposits will be made available for withdrawal. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the times we receive the item and when we return the item or send notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.