

## Peoples Overdraft Privilege Customer Policy

There are several ways your account can become overdrawn, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you (i.e. signature-based point of sale transactions); (3) the return of unpaid items deposited by you; (4) bank service charges; or (5) the deposit of items which, according to the bank's Funds Availability Policy, are treated as not yet available or finally paid.

While we are not obligated to pay any item presented for payment if your account does not contain enough money, as long as you maintain your account in "good standing", we may approve your overdrafts within your current available Peoples Overdraft Privilege limit as a non-contractual courtesy.

For Peoples Overdraft Privilege consideration, your account is in "good standing" if you (1) deposit enough money to bring your account to a positive end-of day balance at least once every 30 calendar days (including the payment of all bank fees and charges); (2) avoid excessive overdrafts suggesting the use of Peoples Overdraft Privilege as a continuing line of credit, and (3) there are no legal orders, levies or liens against your account.

In the normal course of business, we generally pay electronic transactions first and then checks as received in serial number order, per the bank's policy. 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 we pay your items in may create multiple overdraft items in a single banking day and you will be charged our Overdraft Fee of \$32.

You may opt out of the program at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft plus the bank's Overdraft Fee of \$32.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above, or, if based upon our review of your account management, we determine that you are using Peoples Overdraft Privilege excessively or seem to be using Peoples Overdraft Privilege as a regular line of credit. You will be charged a Returned Item Fee of \$32 for each item returned.

We will notify you promptly of any non-sufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft plus our Overdraft Fee of \$32 and/or a Returned Item Fee of \$32 that you owe us is due and payable upon demand, even if we do not ask you for payment, you must repay us, no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner and agent, if applicable, is jointly and severally liable for all overdrafts including all fees charged.

Peoples Overdraft Privilege should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconcile your checkbook regularly, and manage your finances responsibly. If you would like to have this service removed from your account, please call 888-929-9902 or stop by any of our locations.

Please note that your Peoples Overdraft Privilege limit will be available for each item paid under limit created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, or automatic bill payment and recurring debit card payment. For business accounts the limit may be available for ATM and everyday debit card transactions. For all other personal accounts, at your request, we may authorize and pay ATM transfer or withdrawals and everyday debit card purchases using your limit. Your available balance may be affected by authorizations which could create additional overdrafts and associated fees. When you ask for your account balance, please remember the amount we show you does not include your overdraft limit.

**LIMITATIONS:** Peoples Overdraft Privilege is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or business use. Peoples State Bank reserves the right to limit participation to one account per household or business and to suspend, revoke, or discontinue this service without prior notice. If your limit is suspended, unless we notify you otherwise or you request this service be removed from your account, your limit will be made available to cover overdrafts again the first business day after you bring your account to a positive end-of-day balance.