

The Andover Bank Discretionary Overdraft Privilege Disclosure

It is the policy of The Andover Bank to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

The Signature Card and New Account Disclosures provided at the time you opened your account states the duties, obligations and rights of the Depositor, the Authorized Signatories and The Andover Bank with regard to your checking account. The Signature Card and New Account Disclosures (and all amendments thereto) and its terms shall control any possible conflict, if any, between any provision of this Discretionary Overdraft Privilege Disclosure and the Signature Card and New Account Disclosure. A copy of the Signature Card and New Account Disclosure is available to you on request from any Andover Bank Location.

The Overdraft Privilege is not a line of credit. However, if you inadvertently overdraw your checking account, we will have the discretion to pay the overdraft, subject to the limit of your then-existing Overdraft Privilege limit and the amount of the overdraft fee. The Andover Bank is not obligated to pay any item presented for payment if your checking account does not contain sufficient available funds. Any discretionary payment of an overdraft check or item, such as an ATM withdrawal by The Andover Bank does not obligate The Andover Bank to pay any other overdraft check (or item), or to provide prior notice of its decision to refuse to pay such check (or item).

The Andover Bank ordinarily will not pay an item above the Overdraft Privilege limit and may return items if you do not maintain your account in good standing. You are considered not in good standing if you do not establish a positive balance within a thirty-five (35) day period for a minimum of one business day or if you default on any loan or other obligation to The Andover Bank or if your checking account is subject to any legal or administrative order or levy.

The Andover Bank will have the discretion to pay overdrafts within the Overdraft Privilege limits, but payment by The Andover Bank is a discretionary courtesy and not a right of the customer or an obligation of The Andover Bank. An Overdraft Privilege limit of \$100 will be given at account opening to eligible consumers. This privilege for consumer and commercial checking accounts will generally be limited to a maximum of \$700 or \$1000 overdraft (negative) balance after a 30 day period. All fees and charges, including without limitation, the non-sufficient funds/overdraft fees (as set forth in our fee schedules and deposit account agreement and disclosure), will be included as part of this maximum amount. It may be possible that your checking account will become overdrawn in excess of the Overdraft Privilege amount as a result of the assessment of a fee.

The total of the discretionary Overdraft Privilege (negative) balance, which includes any and all fees and charges, including all non-sufficient funds/overdraft fees are due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts, as described in the Signature Card and New Account Disclosures. Our standard Overdraft fee of \$30 will be imposed for overdrafts created by checks, pre-authorized payments, in-person withdrawals, or by other electronic means. If your account is overdrawn for 11 or more consecutive business days, we will charge an additional \$2.00 per day. There is a limit of \$210.00 per day on the overdraft fees we can charge you for overdrawing your checking account. We will not charge a fee if your consumer account is overdrawn less than \$5.00 on any given day.

While The Andover Bank will have the discretion to pay overdrafts on checking accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the customer or an obligation of The Andover Bank. The Andover Bank in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause. If you do not maintain your account in good standing, the Overdraft Privilege limit will be reduced to \$100 or removed.

For our customers, The Andover Bank will not pay overdrafts for ATM or everyday debit card transactions unless The Andover Bank has provided you with the notice required by §1005.17(b) of Regulation E and you have Opted In to the payment of these overdrafts. In order to avoid overdrafts due to ATM and everyday debit card transactions, The Andover Bank will place a hold on your checking account for any ATM or everyday debit card transaction authorized until the transaction settles. ATM and everyday debit card transactions usually clear within two business days after the transaction is authorized. The amount of the hold will be for the amount authorized, or as permitted under applicable payment network rules. Holds on authorized ATM and everyday debit card transactions will be removed prior to clearing where required by applicable payment network rules.

Both consumer and commercial customers may request a termination of their Overdraft Privilege coverage for future transactions at any time by contacting any Andover Bank Location.