

Notice Regarding Insufficient Funds, Overdrafts and Order of Payment of Debit Items

Consumer Savings and Checking Accounts

This notice provides information concerning:

1. What may occur and what fees may be charged when you withdraw, or try to withdraw, more money from your checking or savings* account than you have available for withdrawal from that account;
2. The order in which we pay Debit Items from your account.

More information on these and other important topics may be found in the General Deposit Account Agreement, fee schedule, Electronic Banking Card and Telephone Transaction Disclosure and Agreement, Availability Disclosure for Consumer Deposit Accounts and other account documentation.

*In this document, the term "savings account" includes all savings and money market accounts.

Meaning of Some Terms We Use in this Notice:

A **Debit Item** means any withdrawal, transfer or other transaction made or attempted to be made including, but not limited to, transactions made or attempted by check, in person, at an ATM, with a debit card or by any other electronic means.

An **Overdraft Arrangement** could be a line of credit, savings, credit card or other account you have with us or one of our affiliates that is linked to your account for the purpose of covering overdrafts.

Posting refers to the process each business day by which we (1) credit your account with deposits and any other funds to be added to your balance and (2) deduct from your balance any Debit Items presented for payment and any other deductions from your account, including fees. During the posting process, we record transactions against your account and review your account balance to determine whether you have sufficient available funds to pay each Debit Item. This is different from temporary holds that may be placed on your account for certain pending transactions that have not yet been submitted for actual payment. For example, when we are made aware that a transaction may be made to your account, we may place a hold on your account or place a temporary credit on your account in the case of a deposit. As a result, you may see a temporary hold or credit on your account that has not yet been posted. These pending debits and credits may be actually posted to your account on that business day or on a future date, depending on the nature of the transaction.

General Information about Insufficient Funds and Overdrafts.

When we receive a Debit Item for payment from your account and your account does not contain sufficient available funds to pay that Debit Item, we may decide to pay the Debit Item or not to pay it.** We make this decision in our sole discretion and our decision to pay a particular Debit Item does not obligate us to pay other Debit Items when your account does not contain sufficient available funds to cover them. If your account becomes overdrawn (that is, has a negative balance), you must immediately pay to us the total amount of the overdraft.

****NOTE:** If you have an Overdraft Arrangement with us that fully covers the amount of any Debit Item posted against insufficient available funds, the Debit Item will be paid, the account will not be treated as overdrawn and overdraft fees will not be assessed. However, you will remain responsible for any charges for using that Overdraft Arrangement.

Overdraft Fee for transactions we pay even though you do not have enough funds to pay them.

If the amount of a Debit Item exceeds the available balance in your checking or savings account at the time we are asked to pay that Debit Item, and we pay the Debit Item anyway, we will charge you a **\$15.00** overdraft fee for that Debit Item unless one of the following exceptions applies:

- a. The money is paid under an Overdraft Arrangement, in which case, we will not charge an overdraft fee if a Debit Item is covered fully; however, you are responsible for any charges for using that Overdraft Arrangement;
- b. Your account has already been charged a total of 1 overdraft fee for items processed for payment on that business day;
- c. The amount of the Debit Item is less than \$5;
- d. The overdraft results from an ATM or one-time debit card transaction from your checking account and you have not elected to permit us to authorize and pay these transactions when you do not have enough money*** to pay them;
- e. The overdraft results from an ATM or one-time debit card transaction from your savings account; or
- f. Your account is a MyWay Banking account.

Changes to Overdraft Fees:

If we change the amount or manner of assessing our overdraft fees or implement any new fees in connection with insufficient funds or overdrafts, we will send a notice explaining this change to you.

Posting Order for Consumer Checking and Savings Accounts

The order in which transactions are posted and paid from your account is important if there is not enough money in your account to pay all of the transactions that are received for payment. The order can affect the number of transactions that overdraw your account or that are returned unpaid and the amount of fees you may have to pay. To help you manage your account, we are providing you with information describing how we process transactions in your account.

Transactions can be posted to your account in two different ways - in "real time" or in "batch" at the end of the day. Transactions such as transfers between accounts at M&T and payments to M&T loans made through M&T Online Banking or, through one of our Telephone Banking Service Representatives, and certain reversal transactions (e.g., certain reversals of a prior credit or debit posted to your account) are posted to your account in real time during the business day as they are made. Other transactions are posted to your account in a batch process ("batch") at the end of each business day. The order we use for posting these transactions in batch each night is described in the following section.

Posting in Batch at the End of the Business Day

We begin the batch posting of transactions to your account by posting credits to your account (other than interest, which is credited at the end of batch) and reversals and adjustments for transactions from prior business days that have not already posted in real time. Next, we post Debit Items received for payment from your account on a given business day. We post these Debit Items in a particular order within groups based on the type of Debit Item. Within each group, we apply a unique methodology based on the type of Debit Item. For instance, debit card transactions will post based on when our records indicate the transaction was made, but checks (other than those cashed at an M&T branch) will post by dollar amount in an ascending order (that is, lowest dollar amount items first) within the group noted for that type of Debit Item. The following chart details the types of transactions in each group and the order used for the Debit Items within each group.

Group Order:	Type of Debit Item in each group:	How order is determined:
1	ATM and Debit Card transactions, including purchases	Chronologically based on the date and time that our records indicate the transaction was initiated or authorized. <i>If two transactions have the same date and time, we will post the smaller dollar amount transaction first. If we do not have a date/time for transactions, we will post these transactions in ascending dollar amount (smallest to largest) after we post transactions with date/time information.</i>
	Branch Transactions performed over the counter at an M&T Branch, including withdrawals	
	Checks Cashed at an M&T branch	
	Transfers - Includes transfers between M&T deposit accounts and payments to M&T loans, including Bank to Bank Transfers initiated through M&T Online Banking <u>Note:</u> Excludes transfers that are posted to your deposit account in real time, such as account transfers and M&T loan payments initiated through M&T Online Banking.	
	Wire Transfers	
2	M&T Online Bill Pay transactions	Ascending by Dollar Amount (smallest to largest)
3	ACH Debits and other miscellaneous debits <u>Note:</u> Does not include checks you wrote that are converted into ACH transactions (see group 4 for these transactions)	Ascending by Dollar Amount (smallest to largest)
4	All checks (other than those cashed at M&T branches) <u>Note:</u> Includes checks that are electronically processed as images or through the ACH network. Checks cashed at an M&T branch are included in group 1 above.	Ascending by Dollar Amount (smallest to largest)

Fees and Service Charges: Fees can post to your account in several ways. Most fees post at the end of batch processing, but some post immediately after the transaction to which they relate (e.g., fees for wire transfers post immediately after the transaction to which the fee relates). Most fees post on the same day they are incurred, however, certain fees including Overdraft fees are posted on the business day after an overdraft occurs on an account.

***The determination of "enough" money to cover a transaction is based on the available balance in your account(s). Refer to the Governing Documents for your account(s) for additional information on the available balance in your account(s) and how M&T determines whether you have "enough" money in your account to cover a transaction.

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