



## OVERDRAFT PROTECTION SERVICE FEATURES AND TERMS (Linked Savings, Money Market, Line of Credit, or Credit Card)

1. **Definitions.** In this document, the following terms have the indicated meanings, and capitalized terms not defined in this document are defined in the agreements and disclosures for your Protected Account, Funding Account, and services related to those accounts:
  - a. The words “we,” “us,” “our,” “ours,” “M&T” and “M&T Bank” mean Manufacturers and Traders Trust Company.
  - b. The words “you” and “your” refer to a customer or Client of ours who has enrolled for the Service provided by us in the manner and on the terms described herein.
  - c. The word “Service” refers to the Overdraft Arrangement described herein that you have requested us to provide.
  - d. The term “Protected Account” means your eligible checking account with us that you have designated to have overdraft protection through use of the Service. Please note that some types of checking accounts are not eligible to be designated as a Protected Account (e.g., an IOLTA or IOLA account maintained by an attorney). Please contact your M&T representative for further information.
  - e. The term “Funding Account” means an eligible savings account, money market account, line of credit, credit card or any other account that M&T may allow, that you maintain with us and have designated to cover overdrafts in your Protected Account through the Service. Please note that some types of savings and money market accounts are not eligible to be designated as a Funding Account (e.g., no deposit account that is part of an Individual Retirement Account (IRA) can be designated as a Funding Account). Please contact your M&T representative for further information.
  - f. For purposes of this agreement, the term “Debit” means a withdrawal made from your Protected Account by you (or by someone else who is authorized to initiate Debits from your Protected Account), and, except as provided below, includes most types of withdrawals, transfers and payments (including checks, electronic funds transfers, payments made through M&T Online and Mobile Bill Pay, wire transfers, and electronic banking card transactions made at either an ATM or a merchant). Debits may be one-time or recurring transactions. The term “Debit” does not include: (i) internal transfers initiated through the transfer service in M&T Online Banking and M&T Mobile Banking from your Protected Account to another account at M&T (including deposit accounts and credit accounts), (ii) transfers from your M&T deposit accounts to accounts at other institutions using our Bank to Bank Transfer service, and (iii) any fees or service charges that we may assess to your Protected Account.
  - g. The term “Business Day” means Monday through Friday, excluding federal holidays.
2. **In General.** The Service can be added to any eligible checking account (i.e., Protected Account) that you maintain with us. With the Service, available funds will automatically be transferred from your Funding Account to cover overdrafts in your Protected Account under the terms and conditions described herein. By requesting the Service, whether you do so orally, in writing, or through any electronic channel or banking service we offer, you agree to be bound by these terms and conditions.
3. **How the Service Impacts Authorization of Certain Transactions.** You agree that we may consider available funds in your Funding Account when we determine whether to approve certain types of transactions in your Protected Account. For example, if you try to make a debit card transaction or a bill payment through M&T Online and Mobile Bill Pay, we will consider the available funds in your Protected Account plus the available funds or available credit in your Funding Account when we determine whether to authorize your transaction. In most cases, this authorization process does not mean that those funds are transferred from your Funding Account to your Protected Account at that time, and whether funds will be transferred under the Service will be determined in accordance with these terms and conditions on the Business Day that those transactions settle and post as final transactions to your account. However, if your Funding Account is a credit card and the transaction is a bill payment through M&T Online and Mobile Bill Pay, this authorization means that funds are transferred immediately from your Funding Account to your Protected Account and will post on the day of the transaction. For all types of Funding Accounts, note that the funds transferred from your Funding Account are not held to pay the specific transaction that was authorized; the funds may pay any transaction that is presented for settlement. You also agree that we will not (and have no obligation to) consider available funds in your Funding Account when determining whether to authorize certain other types of transactions from your Protected Account, such as transfers from your M&T deposit accounts to accounts at other institutions using our Bank to Bank Transfer service and internal transfers initiated through M&T Online Banking and M&T Mobile Banking from your Protected Account to another account at M&T (including deposit accounts and credit card and loan accounts). These types of transactions will be authorized only if you have sufficient available funds in your Protected Account. If you have any questions about the authorization process for any type of transaction, please contact your M&T representative.

4. **How the Service Works to Cover Overdrafts**

- a. If there are sufficient available funds in your Protected Account to pay all of the Debits to that account at settlement, those funds are utilized to pay the Debits and no overdraft transfer will be made; provided, however, that if your Funding Account is a credit card and the transaction is a bill payment through M&T Online and Mobile Bill Pay, any transfer made from your Funding Account to cover an authorization as described above will remain in your Protected Account and be treated for purpose of this section as part of your available funds, even if you would have had sufficient available funds in your Protected Account to pay all Debits presented for settlement on that day without considering the amounts transferred from your Funding Account during the day. If there are not sufficient available funds\* in your Protected Account to pay one or more of the Debits to that account at settlement, available funds in your Funding Account will be transferred to your Protected Account to cover the shortfall to the extent and in the manner described below:
  - (i) If you have sufficient available funds in your Funding Account to cover the entire shortfall in your Protected Account, we will transfer funds from your Funding Account to your Protected Account in the amount of the shortfall.
  - (ii) If the available funds in your Funding Account are less than the total amount of the shortfall in your Protected Account, but are sufficient to fully cover the overdraft(s) created by one or more of the Debits as they are posted to the account,\*\* we will transfer funds from your Funding Account to your Protected Account to cover such Debits.
  - (iii) If there are insufficient funds in your Funding Account to pay the full amount of an overdraft created by a particular Debit to your Protected Account, no transfer will be made with respect to that Debit, and your Protected Account may be assessed an overdraft fee in accordance with our policies, the terms and conditions governing the Protected Account, and your overdraft service elections.\*\* We reserve the right to pay such Debits, or to return any of them unpaid.
  - (iv) In the case of savings, money market, or line of credit accounts serving as the Funding Account, only one overdraft transfer will be generated from your Funding Account at the end of any Business Day to cover the amount by which Debits overdraw your Protected Account on such Business Day, regardless of the number or amounts of individual Debits resulting in such overdraft transfer. In the case of a credit card account serving as the Funding Account, if the transaction is a bill payment through M&T Online and Mobile Bill Pay, multiple transfers may occur in a single day if multiple transactions are conducted while the Protected Account does not have sufficient funds.
- b. No available funds in your Funding Account will be transferred to your Protected Account to pay any fee we may charge to your Protected Account, even if the imposition of such fee results in your Protected Account having a negative balance (i.e., a balance less than zero). There will also be no transfer of available funds from your Funding Account to your Protected Account to cover a previously existing negative balance in your Protected Account (e.g., a negative balance in your Protected Account caused by transactions that were not covered through the Service on the Business Day that they were posted to your Protected Account). Therefore, you must immediately make a deposit to your Protected Account to cover these types of negative balances in your Protected Account. Finally, please reference your account agreements for your Funding Account and Protected Account to determine if you are permitted to use the Funding Account to make a payment on a debt owed to M&T Bank; you may be prohibited in certain circumstances from using an overdraft transfer from a Funding Account that is a credit card or line of credit to pay another debt owed to M&T Bank.

5. **Fees**

- a. "Overdraft Transfer Fee" – When we transfer funds under the Service, we may charge an Overdraft Transfer Fee as described in this subsection. There is no Overdraft Transfer Fee for transfers from deposit accounts used as Funding Accounts. For consumer accounts, no Overdraft Transfer Fee will be charged on a day if the shortfall in your Protected Account results solely from ATM or one-time debit card transactions that were originally authorized while your available balance was sufficient to pay the transactions, based on the final amount of the transactions we receive from the merchants.\*\* Only one Overdraft Transfer Fee, if applicable, will be assessed to your Funding Account for any Business Day on which funds are transferred from your Funding Account to your Protected Account through use of the Service, regardless of the number or the amounts of Debits that generate the transfer or transfers. Any applicable Overdraft Transfer Fee is set forth in the current fee schedule applicable to your Funding Account. We may change this fee or establish a new fee for the Service at any time in our sole discretion. If we do so, we will send or deliver any notice of the change that applicable law requires us to send or deliver to you. We will not have to notify you if we decrease or eliminate the Overdraft Transfer Fee or any other fee we may hereafter establish with respect to the Service, except as otherwise provided by law. Note that we do not charge an overdraft fee (as described in subsection (b) below) for Debits that are fully covered by the available balances in your Protected Account and/or Funding Account under the Service.
- b. "Overdraft Fee" – If you do not have sufficient available funds in your Funding Account to cover the amount by which a particular Debit would overdraw your Protected Account, we will not cover the overdraft under the Service and we may charge an overdraft fee for that Debit in accordance with our policies, the current terms governing your Protected Account, and your overdraft service elections.\*\*

- c. **Fee Example** – Suppose three Debits post to your Protected Account on a day and each of them exceeds your available balance in that account. If the shortfall in your Protected Account caused by two of those Debits can be covered by available funds from your Funding Account, we will transfer those funds and you will be charged one Overdraft Transfer Fee, if applicable to your account type. If you do not have sufficient available funds in your Funding Account to fully cover the third Debit, (i) we will not transfer funds under the Service in connection with that Debit, (ii) we will determine whether to pay or return the Debit, and (iii) if we pay the Debit, we may charge an overdraft fee in accordance with our policies, the current terms governing your Protected Account, and your overdraft service elections.\*\*
6. **Joint Accounts.** For consumer accounts, if your Funding Account is a joint account and we receive a notice from any of the joint account owners instructing us not to permit withdrawals from the Funding Account unless authorized by all of the joint account owners, we can, but will not have to, refuse to permit further withdrawals from the Funding Account (including, but not limited to, any withdrawal to pay an overdraft in your Protected Account through use of the Service) until our receipt of a document signed by all of the joint account owners that authorizes us to resume permitting withdrawals from the Funding Account.
7. **Termination of the Service.** The Service shall automatically terminate upon the closing of your Funding Account or your Protected Account, unless only your Funding Account is closed, and, prior to closing such account you have made arrangements with us to substitute another account to serve as a new Funding Account. We reserve the right to terminate the Service or your use of the Service at any time. If we do so, however, we will provide you with notice to the extent and in the manner required by applicable law. If we are not required by law to provide you with a notice that we are terminating the Service or use of the Service, we will send or deliver a notice of the termination to you before the termination takes effect, unless, in our judgment, circumstances require us to terminate the Service or your use of the Service before giving you notice. You may terminate your use of the Service at any time by written notice to us, addressed to M&T Bank, P.O. Box 767, Buffalo, New York 14240-0767, Attention: M&T Telephone Banking Center, or by such other means as we may from time to time permit. Any such notice we receive from you will become effective on the date on which we received and had a reasonable time to act on it.
8. **Amendments.** We may make changes to the features of the Service as well as to the terms and conditions pertaining to its use at any time by written notice to you. Any such changes may be implemented effective immediately upon the giving of such notice if the changes are operational or technological in nature or are required by changes in law and are not adverse to you, and otherwise 30 days after notice is given.

\*If your Funding Account is a credit card and the transaction is a bill payment through M&T Online and Mobile Bill Pay, for purposes of section 4, the available balance in your Protected Account includes any amounts transferred during the day from your Funding Account in connection with transaction authorizations as described in section 3.

\*\*For information about the order in which items are posted to your accounts, overdrafts and related fees, please see the applicable fee schedule, disclosures, and deposit account agreement for your Protected Account, including, for consumer accounts, the Notice Regarding Insufficient Funds, Overdrafts and Order of Payment of Debit Items and What You Need to Know about Overdrafts and Overdraft Fees.