

Understanding Overdraft Services and Fees

At First National Bank, we want to make it easy for you to understand the Bank’s checking account services and the fees that may apply to your account. Please review this disclosure carefully to learn more about our overdraft services for personal checking accounts and to help you avoid Overdraft Item Paid and Returned Fees.

What is an overdraft?

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We use your Current Balance to determine whether you have enough money in your account to pay an item when it is presented for payment. If your Current Balance is insufficient to pay an item when it is processed and posted in the order set forth below, we may, in our sole discretion, pay the item (creating an overdraft) or return the item unpaid. We can cover your overdrafts for personal checking accounts in three different ways:

Pay Privilege	Transfer between Accounts	Overdraft Line of Credit
Overdrafts to your personal checking account are paid on a discretionary basis as long as your account remains in good standing.	Overdrafts to your personal checking account are covered by transfer of available funds from your linked deposit account.	Overdrafts to your personal checking account are covered by transfer of available funds from your linked line of credit.

Information about each of these services is provided below.

Pay Privilege—Discretionary Overdraft Service for Personal Checking Accounts

If your account is eligible for Pay Privilege, we will consider paying debit (withdrawal) transactions that exceed your account’s Current Balance, instead of automatically declining those transactions or returning them unpaid. Pay Privilege is a discretionary service; the Bank is not obligated to pay any item that exceeds your Current Balance and may cease paying overdrafts at any time without prior notice of reason or cause.

Standard Pay Privilege coverage allows us to authorize and pay overdrafts for checks, other debit transactions made using your checking account number (e.g., ACH debit transactions), and automatic bill payments. We do not authorize and pay overdrafts for ATM or everyday debit card transactions for your personal checking account unless you have expressly requested (opted into) payment of these overdrafts. If you do not opt in, we will decline any ATM or everyday debit card transaction that exceeds your Available Balance. If you want us to authorize and pay overdrafts for ATM and everyday debit card transactions, please make the applicable election on the consent form provided with your new account package. You may also call us at 1-800-564-3195, visit www.thefirst.com or write us at First National Bank, P.O. Box. 940, Damariscotta, ME 04543.

Accounts are eligible for standard Pay Privilege coverage after 30 days of being opened. Pay Privilege is typically extended only to accounts in good standing, which requires, but is not limited to: (a) sufficient deposits to bring your account to a positive-end-of-day balance at least once every 30 days (including payment of all bank fees and charges); (b) avoidance of excessive overdrafts; and (c) your account is not subject to any legal or administrative order, levy or lien. We typically do not authorize or pay items that will overdraw your Current Balance by more than the predetermined amount assigned to your account type, although we may elect to exceed that limit.

You may opt out of (or cancel) standard Pay Privilege coverage at any time. You may also revoke your consent to Pay Privilege for ATM and everyday debit card transactions without removing overdraft services for other transaction types. Visit one or our branches, call 1-800-564-3195, or visit www.thefirst.com for more information.

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When are fees charged?

We may charge you an Overdraft Item Paid Fee of **\$30.00** if we pay an item that exceeds your Current Balance. We may charge you an Overdraft Returned Fee of **\$30.00** if we return an item unpaid due to an insufficient Current Balance. You will receive a notice by mail for every Overdraft Item Paid or Returned Fee charged to your account; however, we have no obligation to notify you before we pay or return any item.

We will not charge you a fee on represented items when they are returned unpaid. We may charge you an Overdraft Item Paid Fee of **\$30.00** if we pay an item that was previously returned unpaid and exceeds your Current Balance.

If you overdraw your account, you must immediately pay all fees, overdrafts and other amounts you owe us. If your account is a joint account, each owner shall be jointly and severally liable for these repayment obligations. These amounts may be paid out of any subsequent deposit to your account (including deposits of payroll and government benefits).

Please be aware that merchants and other third parties sometimes re-submit items that we return unpaid. Each re-submission constitutes a separate item. You agree that if any transaction is submitted for payment again after having previously been returned unpaid by us, an Overdraft Item Paid Fee or Returned Fee may be assessed each time the transaction is submitted for payment and your Current Balance is insufficient to pay the item.

If your account is a personal account, we will not charge more than five (5) Overdraft Item Paid Fees and/or Overdraft Returned Fees, totaling \$150.00, on any one business day. In addition, we will not charge an Overdraft Item Paid or Returned Fee if your end-of-day Current Balance is overdrawn by \$10.00 or less. You will not be charged an Overdraft Item Paid Fee for ATM withdrawals or everyday debit card transactions unless you have opted into Pay Privilege for ATM and debit card transactions.

Alternative Overdraft Protection Services

In addition to Pay Privilege, we offer two alternative forms of overdraft protection that you may request. These alternative overdraft protection plans may be less expensive than our Pay Privilege services.

Transfer between Accounts: You may request to link your checking account to another of your First National Bank deposit accounts to automatically transfer the amount needed to cover checks or other withdrawals that would overdraw your checking account. One transfer is made per day to cover the amount of all transactions that exceed your checking account's Current Balance. A \$5.00 fee per transfer will be charged.

Overdraft Line of Credit: You may also apply for a line of credit that will automatically lend you the amount you need to cover checks or other withdrawals that would overdraw your checking account, up to the amount of your approved credit limit. Funds borrowed from the line are subject to interest charges.

Please note that you may still incur Overdraft Item Paid or Returned Fees if you exceed your checking account's Current Balance and lack sufficient funds in your linked account or on the line of credit to cover the item(s).

Understanding Your Account Balance

Your checking account has two kinds of balances: Current Balance and Available Balance.

Your Current Balance reflects all credits and debits that have posted to your account and is not reduced by holds for pending debit transactions. We use your Current Balance to determine whether there is enough money in your account to pay an item when it is presented for payment and to assess Overdraft Item Paid and Returned Fees.

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Your Available Balance is our most recent record of the amount of money available in your account for your use or withdrawal. Your Available Balance is your Current Balance minus any holds for pending debit transactions. Among other things, we use your Available Balance (plus any available Pay Privilege coverage or linked account or line of credit funds) to determine whether to authorize or decline your debit card and other electronic transactions.

Posting Order of Items

At the end of each business day, we process and post items to your account. When we “post” transactions, “credits” (deposits or any other credit to your account) are added to your Current Balance and “debits” (withdrawals and fees) are subtracted from your Current Balance. “Posting” a debit means the same as the Bank “paying” the debit.

We currently process and post items to your account at the end of each business day, as follows:

- First, we add to your Current Balance deposits and other credits that have become available to you pursuant to our Funds Availability Policy.
- We then subtract from your Current Balance items presented to the Bank for payment against your account in categories by type of transaction in the following order:
 - Real-Time Payments
 - Domestic wire transfers in low to high order by dollar amount
 - Domestic wire transfer fee
 - ATM withdrawals in low to high order by dollar amount
 - Debit card transactions in low to high order by dollar amount
 - Foreign wire transfers in low to high order by dollar amount
 - Foreign wire transfer fee
 - ACH transactions in low to high order by dollar amount
 - Bill Pay debits
 - Transfers to other First National Bank accounts, including deposit accounts, IRAs, Holiday Clubs, Safe Deposit Boxes and First National Bank loans first grouped by type and then posted in low to high order by dollar amount
 - In-person withdrawal transactions in low to high order by dollar amount
 - Checks paid in serial number order from lowest to highest
 - Non-transactional fees.
 - *Fees that are caused by a transaction, such as an Overdraft Item Paid or Returned Fee are processed and posted immediately after the transaction that caused the fee.

The order in which items are received, processed, and posted affects your Current Balance and may affect the total amount of Overdraft Item Paid or Returned Fees you incur. Your monthly account statement does not necessarily report debit and credit transactions in the order that they were processed or posted to your account. We may change our posting order at any time. We will provide you with notice of such changes as required by applicable law.

Authorization Holds

When you use your debit card to make a transaction you authorize the merchant to ask us to approve the transaction. When we approve the transaction, we must promise the merchant to pay for the purchase upon the merchant’s request. We call this “authorizing” the transaction. Our decision to authorize or decline the transaction is based on your account’s Available Balance at the time of the request, plus, at our sole discretion, any available Pay Privilege or overdraft protection plan coverage (transfer between accounts or line of credit). A “pending” debit transaction is a transaction that the Bank has authorized but has not yet posted to your account.

There is often a delay between the date we authorize a debit card transaction and the date the merchant submits it to us for payment (settlement). We place a hold on your account for any authorized debit card transaction at the time we authorize it. If

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an authorized debit card transaction is not submitted to us for payment within three (3) business days after we first apply the hold, we will release the hold from your account. The authorization hold reduces your Available Balance used to authorize additional items but does not affect the Current Balance used for paying items and determining overdrafts and fees. The amount of the hold will be the amount we have authorized, based on the request we receive from the merchant, or as permitted under applicable payment network rules. The authorization request and hold may not equal the amount the merchant ultimately presents for payment. The amount held based on an authorization request is not applied to any specific debit card transaction.

We determine whether a debit card transaction overdraws your account at the time the merchant submits the transaction for payment (settlement), not at the time of authorization. A debit card transaction that was authorized at a time when your account's Available Balance was positive may overdraw your account if other account activity caused your Current Balance to drop below zero before the transaction is paid. Here is an example of how that may happen: On Monday, we authorize a debit card transaction because you have a sufficient Available Balance at the time. An authorization hold is then placed on your account until the merchant submits the transaction for payment. On Tuesday, we process and post another transaction (such as a check you wrote) that reduces your Current Balance below zero. If the merchant presented the original debit card transaction for payment on Wednesday, and your Current Balance remains below zero, the debit card transaction will overdraw your account. You may incur an Overdraft Item Paid Fee when this happens.

Deposit Holds

Deposit holds are different from authorization holds. Please read our Funds Availability Policy for a detailed discussion of how and when we make deposited funds available to you. If you withdraw funds before they become available, you may incur an Overdraft Item Paid or Returned Fee.

Avoiding Overdrafts and Fees

Pay Privilege should not be used to pay ordinary or routine expenses and you should not rely on overdrafts as a means to cover these expenses. You can avoid fees for overdrafts by making sure you always maintain enough money in your account to cover all of your transactions. We encourage you to keep track of all your transactions, not just posted transactions, in order to avoid spending more money than you have in your account. The Available Balance we display to you in online banking, mobile banking, on teller receipts, and at the ATM, reflects posted transactions and debit transactions that the Bank has authorized but has not yet posted to your account (e.g., debit card purchases that you have made but the merchant has not submitted for payment). Your Available Balance is our most recent record of the amount of money available in your account for your use or withdrawal. You can actively monitor your account, check your Available Balance, and track your spending with these tools:

<ul style="list-style-type: none"> • Sign up for low balance alerts • Call us at 1-800-564-3195 	<ul style="list-style-type: none"> • Use our mobile app or log into www.thefirst.com • Use any First National Bank ATM
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The Current Balance and Available Balance we disclose to you may not include all your transactions, such as checks you have written that have not yet been presented for payment or upcoming automatic payments. It is your responsibility to keep track of your transactions in order to avoid overdrafts and fees. Your monthly account statement does not report the deposit or debit holds affecting your account on any given day; as a result, the daily balances reported in your statement may not reflect your Current or Available Balance(s) occurring on that day. If you have questions about your statement or overdrafts you have incurred, visit one of our branches or call 1-800-564-3195.

Pay Privilege is not offered for business checking accounts. The decision to pay or return items that exceed a business account's Current Balance are made by branch personnel based on account history.