

How soon can I use my Bounce Protection?

If you are a new account holder, you may be able to use the overdraft privilege service 30 days after the account is opened, assuming your account is in “good standing” as defined in this brochure.

What are some other ways I can cover overdrafts at Independent Bank?

The best way to avoid overdrafts and fees is to keep track of your account balance by entering all items in your check register, reconcile your checkbook regularly and manage your finances responsibly. However, if a mistake occurs, Independent Bank offers additional ways to cover overdrafts in addition to Bounce Protection.

| WAYS TO COVER OVERDRAFTS AT INDEPENDENT BANK | EXAMPLES OF ASSOCIATED FEES* |
|-------------------------------------------------------------------------------------------------|--------------------------------------------|
| Good account management | \$0 |
| Telephone transfer from another Independent Bank account | \$2 transfer fee |
| Automatic transfer from Independent Bank savings account to Independent Bank checking account** | \$0 transfer fee |
| Bounce Protection | Bounce paid item fee of \$27 for each item |

* These costs are provided only as examples. Please ask us about our specific products and fees.

** Subject to transaction limitations.

What if I do not want to have Bounce Protection on my checking account?

If you would like to have this service removed from your account, please stop by your nearest Independent Bank location to complete the Bounce Protection waiver form and opt out in writing.

Bounce ProtectionSM Customer Overdraft Policy

An insufficient balance can result from several events, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (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. We are not obligated to pay any item presented for payment if your account does not contain sufficient funds.

As long as you maintain your account in “good standing,” we may approve your overdraft items within your current available Bounce Protection limit as a non-contractual courtesy. For overdraft privilege consideration, your account is in “good standing” if you (1) make sufficient deposits 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 Bounce Protection 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 beginning with the highest dollar amount, 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 of item payment may create multiple overdraft items during a single banking day for which you will be charged our Bounce paid item fee of \$27 for each overdraft item paid.

You may opt out of the privilege 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 Bounce paid item fee of \$27 per item will be deducted from the overdraft limit.

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 have too many overdrafts or are using Bounce Protection as a regular line of credit. You will be charged our NSF returned item fee of \$27 for each item returned.

You will be notified by mail 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 including our Bounce paid item fee of \$27 and/or our NSF returned item fee of \$27 that you owe us shall be due and payable upon demand, but if no demand is made, 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, shall be jointly and severally liable for all overdrafts inclusive of fees.

Bounce Protection 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 check book regularly, and manage your finances responsibly. If you would like to have this service removed from your account, please stop by your nearest Independent Bank location to complete the Bounce Protection waiver form and opt out in writing.

LIMITATIONS: Bounce Protection is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or household use. Independent Bank reserves the right to limit participation to one account per household and to suspend, revoke, or discontinue this service without prior notice.

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10/09

BOUNCE
PROTECTION

OVERDRAFT PRIVILEGE
For Your Checking Account



At times, unanticipated expenses or unforeseen problems can leave you with too little cash in your checking account. Having a check returned due to insufficient funds can be a costly, inconvenient and potentially embarrassing experience.

At Independent Bank, we do not encourage overdrafts. As always, we encourage you to manage your finances responsibly. However, we want to save you from the additional merchant fees and possible damage to your credit history that might result if a check is returned.

That's why we provide "Bounce ProtectionSM," a special overdraft privilege service for Independent Bank's checking customers.



What is Bounce ProtectionSM?

Bounce ProtectionSM is an overdraft privilege service requiring no action on your part. You don't have to sign anything. Your Bounce Protection limit amount will be automatically assigned.

How does Bounce Protection work?*

We are not obligated to pay any item presented for payment if your account does not contain sufficient funds; however, as long as you maintain your account in "good standing," we may approve your overdraft items within your current available Bounce Protection limit as a non-contractual courtesy.

For overdraft privilege consideration, your account is in "good standing" if you (1) make sufficient deposits 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 Bounce Protection as a continuing line of credit; and (3) there are no legal orders, levies or liens against your account.

Please note that the amount of the overdraft plus our Bounce paid item fee of \$27 for each item will be deducted from your overdraft limit. If the item is returned, the Non-Sufficient Funds (NSF) returned item fee of \$27 will be deducted from your account. No interest will be charged on the overdraft balance.



*Please refer to the customer overdraft policy for additional details.

How do I know when I use the overdraft limit?

You will receive an overdraft notice in the mail each time items are paid. The notice will show the check number, amount and the Bounce paid item fee. You will need to subtract the total fees when balancing your checkbook.

What is my Bounce Protection limit? If I have two checking accounts, can I get Bounce Protection on both?

Locate your account type below and make note of the corresponding limit. If you have multiple accounts for your household, you may have a limit on all eligible accounts.

| | |
|------------------------------|----------|
| Free* Checking | \$ 300 |
| Free* Rewards Checking | \$ 300 |
| Personal Checking | \$ 400 |
| Platinum Club Checking | \$ 700 |
| NOW | \$ 700 |
| Money Market Accounts | \$ 1,500 |
| Index Fund Accounts | \$ 1,500 |

Bounce/NSF paid item and NSF returned item fees apply to these "free" accounts.

What if I go beyond my Bounce Protection limit?

Overdrafts above and beyond your established Bounce Protection limit may result in checks or other items being returned to the payee. The NSF returned item fee of \$27 will be charged per item and assessed to your account. An NSF notice will be sent to notify you of items paid and/or returned.

How quickly must I repay my Bounce Protection?

You should make every attempt to bring your account to a positive end-of-day balance as soon as possible, and must do so within 30 calendar days. If you are not able to do so, you will receive a letter from Independent Bank informing you that your Bounce Protection limit has been suspended and additional items will be returned.

What does my Bounce Protection privilege cost?

There is no additional cost associated with this privilege unless you use it. You will be charged our Bounce paid item fee of \$27 for each overdrawn item created by check, in-person withdrawals or other electronic means paid under the limit. For example, three paid items in one day will result in \$81 in Bounce paid item fees. To help you manage your account, the total fees you have paid for items (both paid and returned) during the current month and for the year-to-date will be reflected on your monthly checking statement.

What are some of the ways I can access my Bounce Protection limit? Will my limit be reflected in the balance I receive?

The chart below shows the different ways you can access your Bounce Protection limit and indicates whether or not this limit will be reflected in the balance provided.

| IMPORTANT! | | |
|--------------------|---------------------------------------------|-----------------------------------------------------------------|
| ACCESS POINTS | IS MY OVERDRAFT PRIVILEGE LIMIT ACCESSIBLE? | DOES THE BALANCE PROVIDED REFLECT MY OVERDRAFT PRIVILEGE LIMIT? |
| Teller | Yes | No |
| Writing A Check | Yes | -NA- |
| VISA® Debit Card | No | -NA- |
| ATM Withdrawal | No | No |
| ACH-Auto Debit | Yes | -NA- |
| Independent Teller | No | No |
| Independent Online | No | No |

Effective November 1, 2009, Bounce/NSF paid item and NSF returned item fees are \$27.