

The Southern Bank Company

Disclosure Statement and Terms and Conditions for Electronic Fund Transfer Transactions

Federal Law requires that consumers who make use of the Bank's electronic funds transfer services receive the disclosures contained in this statement before using the service. An electronic fund transfer (EFT) is a transfer of funds initiated through an electronic terminal, telephone, magnetic tape or computer to instruct/authorize a bank to debit or credit an account.

Liability for Unauthorized Transfers

Tell us AT ONCE if you believe your card and/or PIN code has been lost or stolen. Telephoning is the best way of keeping your possible losses down. If you believe the Card or PIN has been lost or stolen, and you tell us within **2 business days** after you learn of the loss or theft, you can lose no more than \$50 if someone used the Card or PIN without your permission. If you do not tell us within **2 business days** after you learn of the loss or theft of the Card or PIN and we can prove we could have stopped someone from using the Card or PIN without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within **60 calendar days** after the statement was mailed to you, you may not get back any money you lost after the **60 calendar days** if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason, such as a long trip or an extended hospital stay, kept you from telling us, we will extend the time periods.

Address and Telephone Number

If you believe your Card and/or PIN has been lost or stolen or that someone has transferred or may transfer money from our account without permission, call or write us at:

The Southern Bank Company
EFT Services
P. O. Box 1130, Gadsden, AL 35902
Telephone: (256) 543-3860

Business Days

The business days of the Bank are Monday through Friday, excluding Federal holidays.

Types of Available Transfers and Limits on Transfers

The Electronic Funds Transfers we are capable of handling are indicated below, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for these transactions.

Check Card Transfers- If the Card is a MasterMoney® Check Card issued by The Southern Bank Company, which is encoded with your checking account, you may perform the following:

1. Get cash withdrawals at the ATM's of the ATM Shared Network;
2. Use the Card to make payments from your checking account for purchases at places that have agreed to accept the Card for POS transactions.

Direct Deposits- You may make arrangements for certain direct deposits (such as U. S. Treasury) to be accepted into your Checking or Statement Savings Accounts. We do not charge for direct deposits to any type of account.

Pre-Authorized Withdrawals- You may make arrangements to pay certain recurring bills from your Checking, Statement Savings, or Money Market Deposit Accounts. We do not charge for preauthorized withdrawals from any type of account.

Telephone Transfer Charges- There is a charge of \$1.00 per transfer. Please also see Limitations on Frequency of Transfers section regarding limitations that apply to telephone transfers.

Internet Banking Account Access- Your user ID and online Password can be used to transfer money to and from your accounts with us. You may:

1. Transfer funds from any deposit account that is a checking, savings or money market deposit account to any other deposit account that is a checking, savings or money market deposit account.
2. Make balance inquiries to your checking or savings account.
3. Upon acceptance to Bill Payment Service, pay bills electronically from a checking account with unlimited check writing privileges.
4. Communicate directly with the Bank via E-mail.

Limitations on Frequency and Dollar Amounts of Transfers

In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

Transfers from a Checking Account by Check Card - For ATM Shared Network transactions the maximum aggregate amount of cash withdrawals that may be made from your checking account is \$300 per day. For POS transactions the maximum aggregate amount of transfers from your checking account is \$500 per day. You must maintain a minimum account balance of \$ 5.00 in your Checking Account as a condition of using an access device (Card and/or Pin) to accomplish a transfer.

Transfers from a Statement Savings Account to another account or to third parties by preauthorized, automatic or telephone transfer are limited to six per month with no transfers by check to third parties.

Transfers from a Money Market Deposit Account to another account are limited to six per statement cycle with no more than three by check to third parties.

Charges and Fees

Check Card Charges- No monthly service charge. ATM Service Charge- five free ATM withdrawals per month, \$1.00 per ATM Transaction over five.

Internet Banking Charges- Bill Payment Service- \$0.55 per bill payment in excess of fifteen per month.

We reserve the right to change the charges, fees and other terms described in our Internet Banking Agreement.

Right to Documentation

Direct Deposits. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at one of the telephone numbers listed below to find out whether or not the deposit has been made.

256/543-3860	Gadsden Office
256/878-0314	Albertville Office
256/582-3197	Guntersville Office
256/927-5588	Centre Office

Terminal Transfers. You may choose to receive a receipt at the time you make a transfer from your account using any electronic terminal of the ATM Shared Network, or any POS electronic terminal.

Periodic Statements- You will get a monthly account statement from us unless there are no transactions in a particular month, otherwise you will get the statement quarterly.

Stop Payment Procedures and Notice of Varying Amounts

Right to Stop Payment and Procedure for Doing So. If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

- 1) Call or write us at the telephone number or address listed in this brochure in time for us to receive your request **3 business days** or more before the transfer is scheduled to be made.
- 2) If you call, we may also require you to put your request in writing and get it to us within **14 calendar days** after you call.

We will charge you the fee set forth in the current Schedule of Charges for each stop payment order you give.

Notice of Varying Amounts. If these regular payments may vary in amount, the person you are going to pay will tell you, **10 calendar days** before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

Liability for Failure to Stop Payment of Preauthorized Transfer. If you order us to stop one of these payments **3 business days** or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Our Liability

Liability for Failure to Make Transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will NOT be liable for instance:

- 1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- 2) If the transfer would go over the credit limit on your overdraft line.
- 3) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- 4) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions we have taken.
- 5) If your funds are being held or frozen or are subject to legal proceedings.
- 6) If the funds in your account are not available.
- 7) If the Card or PIN has been reported lost or stolen.
- 8) If you or any joint holder of or co-signer on your account has requested that we stop payment of the transfers.
- 9) If your account has been closed.
- 10) If any data or instructions transmitted via Online Banking are inaccurate or incomplete.
- 11) If you have exceeded the limitations of the number of withdrawals or transfers allowed during the statement period for the type of deposit account you have with us.
- 12) If, in the case of a preauthorized credit or debit to your account, a third party does not send your money to us on time or does not send the correct amount, or we do not have the required authorization to perform the transaction.

There may be other exceptions in our agreement with you.

Disclosure of Account Information to Third Parties

We will disclose information to third parties about your account or the transfers you make:

- 1) Where it is necessary for completing transfers; or

- 2) In order to verify the existence and condition of your account for a third party, such as credit bureau or merchant;
- 3) In order to comply with government agency or court orders; or
- 4) If you give us written permission.

Error Resolution

In case of errors or questions about your electronic transfers, call or write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than **60 calendar days** after we sent the FIRST statement on which the problem or error appeared.

- 1) Tell us your name and account number.
- 2) Describe the error on the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- 3) Tell us the dollar amount of the suspected error.
- 4) Tell us the date of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within **10 business days**.

We will tell you the results of our investigation within **10 business days (20 business days if the transfer involved a point-of-sale transaction or a foreign initiated transfer)** after we hear from you and will correct any error promptly. If we need more time, however, we may take up to **45 calendar days (90 calendar days if the transfer involved a point-of-sale transaction or a foreign initiated transfer)** to investigate your complaint or question. If we decide to do this we will recredit your account within **10 business days (20 business days if the transaction involved a point-of-sale transaction or a foreign initiated transfer)** for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or questions in writing and we do not receive it within 10 business days, we may not recredit your account.

If we decide that there was no error, we will send you a written explanation within three business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

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