

The Southern Bank Company

Electronic Fund Transfers Your Rights and Responsibilities

Federal Law requires that consumers who make use of the Banks 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 for the purpose of ordering, instructing or authorizing a financial institution to debit or credit a consumer's account.

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. You should keep this notice for future reference.

LIABILITY FOR UNAUTHORIZED TRANSFERS

Tell us **AT ONCE** if you believe your card and/or PIN code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You may contact us during banking hours at 256.543.3860 or you may call and cancel a card **AFTER** hours by calling 866.546.8273. 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, including those made by card, code or other means, 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.

MasterCard Debit Card Liability:

You will not be liable for any unauthorized POS transactions using your MasterCard debit card if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us. MasterCard is a registered trademark of MasterCard International Incorporated.

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 221 South 6th Street Gadsden, AL 35901 Telephone: (256) 543-3860
Business Days:** Monday through Friday, excluding Federal holidays.

You may report a stolen or lost debit card AFTER hours by calling: 866.546.8273 If you suspect existing fraud on your account, you may review your debit card transactions AFTER hours by calling: 800.417.4592

TYPES OF AVAILABLE TRANSFERS AND LIMITS ON TRANSFERS Prearranged Transfers

Preauthorized Credits- You may make arrangements for certain direct deposits to be accepted into your Checking or Statement Savings Accounts. We do not charge for direct deposits to any type of account.

Preauthorized 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 Transfers- You may access your account(s) by telephone at 1-800-535-4636 using a touch tone phone, your account numbers and your access code to get checking and savings account information. Please also see Limitations on Frequency of Transfers section regarding limitations that apply to telephone transfers.

ATM Transfers- If the Card is a MasterMoney® Check Card issued by The Southern Bank Company, which is encoded with your checking account, you may access your account(s) by ATM using your check card and personal identification number at the ATM's of the ATM shared network to get cash withdrawals from checking accounts. You may withdraw no more than \$300.00 per day. You may also get checking account(s) information.

Point-of-Sale Transactions- Using your card, you may access your checking account to purchase goods and pay for services (in person, by phone, by computer), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything a participating merchant will accept. You may not exceed more than \$500.00 in transactions per day.

Computer Transfers- You may access your accounts by computer by signing onto our website at www.sobanco.com and using your user ID and online password to:

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. Get account information from your checking or savings account.
3. Make payments from checking to loan accounts with us.
4. Upon acceptance to Bill Payment Service, pay vendors and individuals electronically from a checking account with unlimited check writing privileges. Default limit of \$300.00 is set for transactions to individuals
5. Communicate directly with the Bank via E-mail.

Mobile Banking Transfers- You may access your accounts by web-enabled cell phone by signing onto www.sobanco.com and using your mobile device, password and PIN:

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. Get account information from your checking or savings account.
3. Make payments from checking to loan accounts with us.
4. Existing online Bill Pay customers may complete transactions to established payees with their mobile device.
5. You may be charged access fees by your cell phone provider based on your individual plan. Web access is needed to use this service. Check with your cell phone provider for details on specific fees and charges.

Electronic Fund Transfers Initiated by Third Parties- You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and financial institution information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your financial institution and account information (whether over the phone, the internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

Electronic check conversion- You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.

Electronic returned check charge- You may authorize a merchant or other payee to initiate an electronic fund transfer to collect a charge in the event a check is returned for insufficient funds.

GENERAL LIMITATIONS

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.

Transfers from a Statement Savings Account to another account or to third parties by preauthorized, automatic or telephone transfers are limited to six (6) per month with no transfers by check to third parties.

Transfers from a Money Market Deposit Account to another account or to third parties by preauthorized, automatic or telephone transfers are limited to six (6) per monthly statement cycle.

Except as indicated above, we do not charge for Electronic Funds Transfers.

ATM Operator/Network Fees- When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer.

DOCUMENTATION

Terminal Transfers- You can get a receipt at the time you make a transfer to or from your account using an automated teller machine, or a point-of-sale terminal.

Preauthorized Credits- 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

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. You will get a quarterly statement from us on your savings account if the only possible electronic transfer to and from the account is a preauthorized credit.

PREAUTHORIZED PAYMENTS

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 disclosure in time for us to receive your request 3 business days or more before the payment 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 charge \$20.00 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.

FINANCIAL INSTITUTION'S 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.
13. There may be other exceptions in our agreement with you.

CONFIDENTIALITY

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; or
3. In order to comply with government agency or court orders; or
4. If you give us written permission.
5. As explained in the separate Privacy Disclosure.

ERROR RESOLUTION NOTICE

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 determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) 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 new account, a point-of-sale transaction or a foreign initiated transfer) to investigate your complaint or question. If we decide to do this we will credit your account within 10 business days (20 business days if the transaction involved a new account) 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 credit your account. An account is considered a new account for 30 days after the first deposit is made, if you are a new customer.

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.

ADDITIONAL INFORMATION

To report lost or stolen debit card AFTER banking hours, please call: 866.546.8273

**The Southern Bank Company
221 South 6th Street
Gadsden, AL 35901**

Phone: (256) 543-3860

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