

NOTICE REGARDING POSTING ORDER OF ITEMS AND HOLDS DUE TO PENDING TRANSACTIONS

To assist you in handling your account with us, we wanted to make you aware of important changes to the order in which C&F Bank pays items.

POSTING ORDER OF ITEMS

The law permits us to pay items (also referred to as “post”) drawn on your account in any order. The term “items” includes checks you issue, drafts you’ve authorized, electronic transfers, transactions that clear through the Automated Clearing House system (ACH), debit card purchases, ATM withdrawals and various other preauthorized withdrawals. Preauthorized withdrawals include preauthorized or automatic transfers you initiate by telephone, online banking or similar order made by you and payable to third parties. Please note that we may not post items in the order in which they occurred and expressly reserve the right to choose our posting order sequence at our discretion and also change them from time to time, regardless of whether additional fees may result.

| POSTING ORDER | TRANSACTION TYPE | HOW THEY ARE POSTED |
|---------------|--|---|
| 1st | Deposits | For information on the availability of funds in a deposit you make, please refer to "Your Ability to Withdraw Funds at Citizens and Farmers Bank" |
| 2nd | Bank fees (charges for services provided such as overdraft fees, monthly service charges and stop payment fees) | Highest amount to lowest amount |
| 3rd | ATM withdrawals ATM transfer Debit card transactions Outgoing wires Checks cashed at the teller line C&F loan payments Internal (C&F) account to account transfers | These are transactions that generally cannot be returned and are posted in chronological (by date and time received) order |
| 4th | ACH debits | Posted in chronological (by date and time received) order |
| 5th | Checks (other than those cashed at the teller line) | Posted in sequence (by check number) order |

Item(s) presented without sufficient funds in your account may be paid (causing an overdraft) or returned at our discretion. An overdraft fee or returned item fee may be charged in these instances. The order in which items are paid is important if there is not enough money in your account to pay all the items being presented. The order of payment processing may increase the overdraft or returned item fee(s) you pay if funds are not available to pay all of the items. Overdraft fees and Returned Item fees are disclosed in the Consumer Services Pricing Guide or Business Services Pricing Guide. We encourage you to keep careful records of your transactions. This will help you avoid writing checks or withdrawing funds without sufficient funds in your account and incurring the resulting fees.

You should note that we do not display deposit “holds”, or distinguish between “available” and “unavailable” funds in your account balance, on your monthly statement. Therefore, when you review your statement at a later date it could appear that you had enough available funds in your account to cover a debit for which we charged a fee when, in fact, sufficient funds actually were not available.

PENDING TRANSACTION HOLDS:

Please be aware that holds will be placed on your account for pending electronic transactions such as hotel or rental car deposits, and/or purchases using your debit card. These holds reduce your available balance and may cause your account to become overdrawn. When using your debit card – with or without your signature – to make a purchase, a hold will be placed on your account for the amount of the authorized expense. We will consider “pending” funds spent and unavailable to be used to pay for other items drawn on your account. “Pending” debit card transactions will usually post to your account within 1 to 3 business days after the transaction.