

West Pelzer, S. C., Williamston, S. C. (two offices), Gaffney, S. C., Blacksburg, S. C., York, S. C., Easley, S. C., and Laurens, S. C. (two offices), if the aforesaid merger with FNB is consummated.

3.

The amount of the authorized capital stock of the surviving corporation shall be Three Million Three Hundred Twenty-Eight Thousand Eight Hundred Forty and no/100 (\$3,328,840.00) Dollars, divided into six hundred sixty-five thousand seven hundred sixty-eight (665,768) shares of common stock of the par value of Five (\$5.00) Dollars per share of which five hundred forty-seven thousand five hundred (547,500) will be issued and outstanding. The balance of the one hundred eighteen thousand two hundred sixty-eight (118,268) is reserved, unissued, to provide for the conversion of Capital Notes issued and outstanding.

4.

The said surviving corporation shall have and possess all of the rights, privileges, powers and franchises of each of the said constituent corporations so merged. For the purposes of this Agreement and in accordance with the statutes thereto appertaining, a balance sheet and profit and loss statement of both SOUTHERN and FNB for the immediately preceding three fiscal years have been prepared as well as a pro forma consolidated balance sheet of the two said banking corporations. Such statements, for recording purposes, are not made a part of this Agreement, but copies of the same shall be mailed to the stockholders of both corporations at the same time that notices are mailed to the stockholders of the meeting of the stockholders to be held for the purpose of approving or rejecting this Merger Agreement.

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