

of the new common stock of SOUTHERN, the surviving corporation, for each share of stock owned in PELZER-WILLIAMSTON. Each holder of the common stock of PELZER-WILLIAMSTON, upon surrender of the certificate(s) of the present shares of stock in PELZER-WILLIAMSTON properly endorsed with signature guaranteed, shall receive full shares in exchange therefor. When this agreement is signed, acknowledged, approved by the stockholders of the merging corporations, the South Carolina Board of Bank Control and the Federal Deposit Insurance Corporation, and has been filed and recorded as provided by statute, each holder of shares in the constituent corporations, except such dissenting stockholders as qualify and duly seek an appraisal, shall thereupon become holders of shares of stock in the surviving corporation as held by such stockholders in the constituent corporations at the time of merger in the ratio provided above, and new certificates of stock evidencing such ownership will only be issued to the holders of stock of PELZER-WILLIAMSTON. However, pursuant to the authority contained in Title 12 of the Code of Laws for South Carolina, 1962, as amended, no fractional shares will be issued to the shareholders of PELZER-WILLIAMSTON. When the stock register of PELZER-WILLIAMSTON is closed in accordance with the appropriate resolution to be adopted by the Board of Directors of PELZER-WILLIAMSTON in connection with this merger, there will be ascertained the number of shares produced by the combined total of all fractions of shareholders of PELZER-WILLIAMSTON, and SOUTHERN will cause to be sold such number of shares of its stock on the market and the net proceeds therefrom shall be distributed to the shareholders of PELZER-WILLIAMSTON in accordance with their fractional interest. It is further specifically understood and agreed that the consummation of or the failure to consummate the merger with the Bank of Walhalla shall have no effect upon the ratio of eight and one-half (8 1/2) shares of stock of SOUTHERN for each share of PELZER-WILLIAMSTON that each shareholder of PELZER-WILLIAMSTON shall be entitled upon the consummation of this merger.

6.

All and singular the rights, privileges, powers and franchises, lands, tenements, hereditaments, real and personal property, choses in

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