

stock of the consolidated corporation. Certificates for fractional shares of capital stock of the consolidated corporation shall be issued to the stockholders of Banner Insurance Agency, Inc. in connection with such conversion, but, in lieu thereof, the treasurer of the consolidated corporation, acting as agent for the stockholders of Banner Insurance Agency, Inc. entitled to receive fractional shares, may pay the holder of fractional shares from the treasurer a percentage value based on \$12.00 per share of the fraction of Banner Insurance Agency, Inc. stock or the stockholder may pay the additional fraction and receive stock of the consolidated corporation.

EXCHANGE OF CERTIFICATES

After the effective date of the consolidation, each stockholder of an outstanding certificate or certificates theretofore representing capital stock of Banner Insurance Agency, Inc. shall be entitled, upon the surrender of such certificate or certificates at the office or agency of the consolidated corporation designated for the purpose, to receive in exchange, therefore, a certificate or certificates representing the number of whole shares of \$1.00 par value capital stock of the consolidated corporation resulting from the conversion as above provided.

Certificates representing shares of \$1.00 par value capital stock of Carolina General Life Insurance Company outstanding upon the effective date of the consolidation need not be surrendered in exchange for new certificates. After the effective date of the consolidation such certificates shall represent shares of \$1.00 par value capital stock of the consolidated corporation as herein provided.

Article VII

Prohibited Actions

Prior to the effective date of consolidation, Banner Insurance Agency, Inc. shall not issue or sell rights to subscribe to or purchase any shares of its capital stock and neither shall it

(Continued on next page)