

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 Piedmont for the immediately preceding three fiscal years has 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.

5.

Upon the completion of the merger as aforesaid, each stockholder in Piedmont shall be entitled to one and sixty one hundredths (1.60) shares of the new common stock of Southern, the surviving corporation, for each share of stock owned in Piedmont. Each holder of the common stock of Piedmont, upon surrender of the certificate(s) of the present shares of stock in Piedmont 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 Piedmont. 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 Piedmont. When the stock register of Piedmont is closed in accordance with the appropriate resolution to be adopted by the Board of Directors of Piedmont in connection with this merger, there will be ascertained the number of shares produced by the combined total of all fractions of shareholders of Piedmont, and Southern will cause to be sold such number of shares of its stock on the market and the