

Policy Statement of Southern Bancorp, Inc.

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Whistleblower Policy

General

The Southern Bancorp, Inc. Code of Conduct requires employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities especially as it relates to misappropriation of funds, illegal activities, sharing confidential information or other wrongdoing. As employees and representatives of the Company (Southern Bancorp, Inc., Southern Bancorp Bank, and Southern Bancorp Community Partners), we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

The objectives of the Southern Bancorp, Inc. Whistleblower policy are:

- To encourage employees to report good faith concerns about any conduct of employees or other stakeholders of the organization which they believe to be in violation of the Code of Conduct
- To establish procedures allowing employee concerns to be reported in a confidential and anonymous basis, if so desired, and
- To establish a policy of protection from retaliatory actions for employees reporting concerns.

Reporting Violations

All employees are required to report good faith concerns relating to unethical, fraudulent, illegal or wrongful conduct. Examples of activity that should be immediately reported include but are not limited to:

- Misuse of company resources for personal benefit
- Bribery
- Theft or embezzlement
- False statements on financial reports
- Expense claim fraud
- Conflicts of interest
- Theft of company confidential and proprietary information
- Other violations of the Code of Conduct

Employees should first discuss their concern with their immediate supervisor. If the concern is not resolved to the employee's satisfaction, if the employee is uncomfortable speaking with his supervisor, or if the supervisor is the subject of concern, the employee should report the concern directly to the Company's Director of Internal Audit through one of the avenues described in the following section.

Handling of Reported Violations

Violations or suspected violations may be submitted on a confidential basis to the Company's Director of Internal Audit and/or on an anonymous basis through the Whistleblower Hotline. Employees may contact the Audit Committee Chair if they are not comfortable contacting the Director of Internal Audit.

The Director of Internal Audit is responsible for investigating and resolving reported complaints and allegations concerning violations. The Director of Internal Audit will notify appropriate management and acknowledge receipt of the reported violation or suspected violation within three business days. All reports will be promptly investigated and appropriate and corrective action will be taken if warranted by the investigation. The Director of Internal Audit will report to the Southern Bancorp, Inc. Audit Committee regarding all reported violations.

Procedure for Submitting Concerns through The Whistleblower Hotline

The Whistleblower Hotline is hosted by an external third party to allow employees an avenue for reporting concerns with complete confidentiality and anonymity. The employee's concerns will be collected, recorded, and reported back to the Director of Internal Audit or the Director of Human Resources, depending on the nature of the concern. If Internal Audit or Human Resources is the subject of the concern, the claim will be routed directly to the Audit Committee Chairperson. The two ways for reporting violations through the Whistleblower Hotline are:

- On-line via the following link:
<https://secure.ethicspoint.com/domain/media/en/gui/45928/index.html>
- Through a toll free hotline number at 855/754-3231, available 24 hours a day, 7 days a week.

No Retaliation

No employee who in good faith reports a suspected violation shall suffer harassment, retaliation or adverse employment consequences. An employee who retaliates against someone who has reported a suspected violation is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees to raise serious concerns within the Company prior to seeking resolution outside the Company.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.