

CODE OF CONDUCT POLICY

I. POLICY

At Southern First Bank, as well as in our local community, there are rules of conduct and safety designed to provide a safe, equitable and productive environment for all concerned. Just as there are regulations which govern us as citizens in the community, there are regulations which govern our conduct as associates while on Bank property and/or conducting Bank business.

The Directors of Southern First Bank were elected to serve the needs of the stockholders, community, clients, and associates. Legal, regulatory, and ethical considerations make it mandatory that associates, especially directors, avoid possible conflicts of interest situations.

It is each individual's responsibility to maintain appropriate standards of behavior that will be conducive to creating a safe, efficient, and enjoyable place to work. Southern First has established guidelines for work conduct in order to alleviate misunderstandings of what the expectations of conduct are and so this policy can be administered fairly and equitably in the best interest of all individuals. These guidelines should be considered representative rather than all-inclusive. It is the responsibility of every associate to know and follow these guidelines.

Credit Approval:

Directors and associates must avoid involvement of any kind in the credit approval process when the credit being considered will directly or indirectly benefit the director or associate. This policy includes loans, overdrafts, immediate credit funds, and any other form of credit.

Disclosure of Potential Conflicts of Interest:

Directors and associates must disclose to the CEO, COO, and to the Board any actual or potential conflicts of interest as soon as the situation arises. This includes disclosure of any material interest in the business of a borrower, any applicant, or other Southern First Bank customer. It also includes any gift or monetary offers made for the purpose of influencing a Company decision.

Arm's Length Transactions:

Directors and associates may only engage in an arm's length transaction when buying, selling, or leasing assets or services to Southern First Bank. It is the policy of Southern First Bank to contract for assets and services using only arm's length transactions that are in the best interest of the Bank.

Use of Company Property:

Each associate is expected to exercise due care in his or her use of Company property and to use such property only for authorized purposes. Negligence in the care and use of Company property may be considered cause for disciplinary action. We have made a tremendous investment in our building(s) and equipment in order to serve our clients and make your job easier. Deliberate or careless damage to the Bank's, coworkers, or client's property will not be tolerated. Unauthorized removal of Company property from the premises, or its conversion to personal use, will be considered a cause for disciplinary action.

Conduct with Clients and Work Quality:

A courteous, professional, and timely response to clients when feasible is important. The quality of your work is of extreme importance. The Bank expects all associates to provide high quality work and service to the Bank and its customers.

Good written, verbal, and non-verbal communication, and attention to detail is also of critical important. Failure to consistently provide high quality work may lead to disciplinary action or separation.

Impropriety:

Since the financial industry entails the safekeeping of client's money, there is no profession where honesty, integrity and high standards of conduct are more important. Financial industry associates have traditionally recognized their first duty is to conduct themselves in a manner deserving of public trust and confidence. Southern First Bank (the Bank"), our Board of Directors, and senior management hereby establish the following policies for all associates. For purposes of this policy, directors are also considered associates.

It is forbidden for any associate, officer, director agent or attorney of Southern First Bank to: (1) solicit for themselves, or for a third party, anything of value from anyone in return for their business, service or confidential information; (2) to accept anything of value from anyone in connection with the business of this organization, either before or after a transaction is discussed or consummated; (3) be paid a greater rate of interest on deposits than that paid to other depositors on similar deposits with our Company. Any known or suspected criminal activity by associates will be reported to the proper authorities on a criminal referral form.

It is the responsibility of management to ensure that all associates review this Policy Statement annually, and to ensure that all personnel sign the attached Compliance Certification after review. In addition, the Policy and Compliance Certification will also be presented to the Board of Directors annually for review and signature. These documents will be maintained for a period of three (3) years.

Dishonesty:

Any act or practice by an associate which indicates dishonesty will not be tolerated. Such acts might include, but are not limited to, untruthful statements, falsifying records (employment application, absentee report, timecard, expense report, etc.) plus direct or indirect misuse of Company funds or property. Indirect use of funds includes charging personal telephone calls to the Bank and sending personal mail through the Bank's postage machines. Violations may be cause for disciplinary action including immediate termination.

Attendance:

Absences place an extra burden on other **associates** and may hinder Southern First Bank's service to our customers. A good attendance record is very important and is a factor when considering promotions and pay adjustments.

Associates are expected to report for work on time on a regular basis. If you are going to be absent or tardy for any reason, telephone your supervisor as far in advance of your starting time as possible, explaining your absence and when you expect to return to work. Please note that this absence may or may not be deemed excused regardless of whether or not an associate has PTO to pay for the time. **Do not call a peer. It is very important that you speak with your supervisor.** If you cannot reach your supervisor, notify someone from Human Resources. It is your responsibility to ensure that proper notification is given. Any associate who fails to give such notification or gives notice which does not justify the absence will be charged with an unexcused absence.

An excused absence is an absence caused by a reason recognized as acceptable by the Bank, such as illness, jury duty, or death in the immediate family. An incidence of tardiness may be excused in the same manner as an absence. Each instance of absence or tardiness will be handled individually,

and extenuating circumstances will be considered. If an associate does not agree with a supervisor's judgment regarding an absence or tardiness, the associate may discuss the issue with Human Resources or an executive officer.

Excessive absenteeism, unexcused absences and/or tardiness could result in disciplinary action, including termination of employment. Being absent for three consecutive business days without notification will be considered a voluntary resignation.

Loans:

No associate will accept a loan from a Southern First Bank client or supplier. This prohibition does not apply to loans from banks or other financial institutions on customary terms to finance general credit needs.

Nothing of Value for Making a Loan:

No associate of Southern First Bank may receive anything of value for making a loan.

No Acceptance of Fees:

No associate may accept a fee for performing any act that Southern First Bank could have performed.

Gifts:

It is improper for any associate to accept a gift from a client or from any other person seeking a relationship with Southern First Bank. This rule does not apply to: (a) food, refreshments or entertainment at luncheon or business meetings; (b) advertising or promotional material of nominal value; (c) awards from charitable organizations; or (d) gifts of nominal value given on special occasions such as Christmas. (Nominal value is value that would be within the associate's ability to reciprocate on a personal basis or with a legitimate claim to the Bank for reimbursement under similar circumstances.)

Excess of Worth:

No associate may sell anything to a client at a value in excess of its worth, nor will he or she purchase anything from a client at a price below its worth. (Acceptance of discounts or rebates on merchandise is permitted if the discounts or rebates are also available to other routine customers of the firm.)

Refusal of Legacy or Bequest:

All associates must refuse any legacy or bequest and must refuse to personally serve as Executor, Trustee or Guardian in a Southern First Bank client's estate or trust unless the customer is a close relative.

Perform No Act Prohibited by Rules:

No associate may indirectly perform any act that these rules directly prohibit. For example, it is just as wrong to arrange for a member of the family to receive a gift as it is for an associate to accept the gift directly.

Other Serious Offenses:

The following is a partial list of very serious offenses which may subject an associate to immediate separation.

1. Dishonesty
2. Violation of Confidentiality Policy
3. Theft of Company property or willful damage or destruction of Company property.
4. Insubordination
5. Sabotage or hampering of operations
6. Willful violation of safety rules or deliberate failure to use prescribed safety equipment or procedures
7. Violation of Substance or Alcoholic Beverage Policy
8. Falsification of employment data, pay records, production records, reimbursement requests, any official company record.
9. Fighting, physical attacks, or bodily harm to any person on Company property for any reason
10. Possession of or conspiring to use firearms, incendiaries, toxic materials, explosives, or any type of device or apparatus used to inflict violent injury or damage to property.
11. Violation of Equal Employment Policy or Sexual Harassment Policy
12. Absences without notifying the Bank. Three such consecutive absences will be considered a voluntary resignation
13. Conviction of criminal offense
14. Immoral or indecent conduct
15. Sleeping on work time
16. Failure to report to work on the first working day following the expiration date of a leave of absence
17. Failure to maintain confidentiality of bank and/or customer information
18. Failure to comply with the USA PATRIOT Act Customer Identification Program
19. Violation of attendance policy
20. Disorderly conduct on Company property
21. Carelessness with or damage to Company property
22. Loafing or loitering during work time
23. Quitting work early without permission of a supervisor, or leaving your workstation before being relieved or excused by your supervisor
24. Failure to meet acceptable standards of performance
25. Posting, removing, or altering any documents on Company bulletin boards without proper approval
26. Smoking or eating in unauthorized areas or at unauthorized times.
27. Gambling on Company premises
28. Violation of Solicitation Policy
29. Violation of Company Policy relating to processing of associate's own transactions including maintenance of accounts
30. Horseplay or pranks or violation of Company safety rules.
31. Abusive or profane language
32. Abuse of time for breaks, lunch, and telephone use

II. PROCEDURE

Refer to Disciplinary Action Policy