

CORPORATE GOVERNANCE GUIDELINES
THE SOUTH FINANCIAL GROUP, INC.
Amended and Restated July 24, 2009

1. Director Qualifications

The Board will maintain at least 75% of Directors who meet the criteria for independence required by the rules of the Nasdaq Stock Market. The Nominating and Corporate Governance Committee (the "Committee") is responsible for reviewing the qualifications and independence of the members of the Board and its various committees on a periodic basis, as well as the composition of the Board as a whole. This assessment will include members' qualification as independent, as well as consideration of diversity, age, skills, and experience in the context of the needs of the Board. Nominees for Directorship will be recommended to the Board by the Committee in accordance with the policies and principles in its charter. The invitation to join the Board should be extended by the Board itself, by the Chairman of the Committee and the Chairman of the Board. The Board will not nominate a former CEO of the Company to the Board for a period of two (2) years after the departure of the CEO from TSFG

The Board presently has 14 members. It is the sense of the Board that a size of 10 to 20 is about right. However, the Board will continually evaluate what are best practices in the industry and make appropriate determinations in this regard in light of the Corporation's particular circumstances.

It is the sense of the Board that individual Directors who change the principal occupation, position or responsibility they held when they were elected to the Board should volunteer to resign from the Board. It is not the sense of the Board that in every instance the Directors who retire or change from the position they held when they joined the Board should necessarily leave the Board. There should, however, be an opportunity for the Board through the Committee to review the continued appropriateness of Board membership under the circumstances.

Directors should advise the Chairman of the Board and the Chairman of the Committee in advance of accepting an invitation to serve on another public company board. There should be an opportunity for the Board through the Committee to review the Director's availability to fulfill his or her responsibilities as a Director if he or she serves on more than three other public company boards.

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and, therefore, provide an increasing contribution to the Board as a whole.

The Chairman of the Board (i) must be independent; (ii) will be elected by secret ballot of the Board annually; and (iii) will be limited to four (4) consecutive years of service as Board Chairman.

Communications to the Board from shareholders or employees shall be delivered to Board members within six (6) weeks of receipt. All communications to the Board will be opened by the Corporate Secretary for the sole purpose of determining whether the contents represent a message to the Directors. The Corporate Secretary, in his discretion, will forward items to the Board unless he deems them to be of a commercial or frivolous nature or otherwise inappropriate for the Board's consideration.

When new independent Board members are nominated to fill newly created positions or to replace incumbent Board members who are leaving the Board, the Board or the appropriate Board committee will also commit to seek to speak with shareholders, other than index funds, beneficially holding greater than 5% of the Company's common stock to solicit their suggestions for appropriate persons to fill these position. The Company is not obligated to nominate any particular person suggested, but it will duly consider nominating any such person.

2. Director Responsibilities

The basic responsibility of the Directors is to exercise their business judgment in good faith to act in what they reasonably believe to be in the best interests of the Corporation. In discharging that obligation, Directors should be entitled to rely on the honesty and integrity of their fellow Directors and the Corporation's senior executives and outside advisors and auditors. The Directors shall also be entitled to have the Corporation purchase reasonable Directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Corporation's articles of incorporation, by-laws and any indemnification agreements, and to exculpation as provided by state law and the Corporation's articles of incorporation.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the Directors before the meeting, and Directors should review these materials in advance of the meeting.

The Chairman (or the CEO with the Chairman's permission) will establish the agenda for each Board meeting. At the beginning of the year the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Corporation's long-term strategic plans and the principal issues that the Corporation will face in the future during at least one Board meeting each year.

The non-management Directors will meet periodically in executive session (and at a minimum, twice per year). The Chairman (or the Vice Chairman in the Chairman's absence), shall preside at these meetings.

The Board believes that the management speaks for the Corporation. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Corporation. But it is expected that Board members will do this only with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management. The Board's existing Policy regarding takeover discussions is expressly affirmed.

3. Board Committees

The Board will have at all times an Audit Committee, Executive Committee, Compensation Committee and a Nominating and Corporate Governance Committee. All of the members of these committees will be independent Directors under the criteria established by the NASD as applicable to a company traded on the Nasdaq Stock Market, except that the Corporation's CEO (if also a director) may serve on the Executive Committee. The Board will have additional standing and temporary committees as appropriate. In general, committee members will be appointed by the Board with consideration of the desires of individual Directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but, except in the case of the Audit Committee, the Board does not feel that rotation should be mandated as a policy. The Charter of the Audit Committee provides that the composition of that Committee must be changed at least within every 24 months period and the chairman of that Committee may not serve in that capacity for more than four consecutive years.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as certain specific qualifications for committee membership and procedures for committee member appointment; in addition, the charters will address committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen).

The Board and each committee have the power to hire at the expense of the Corporation independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Corporation in advance.

Certain committees may meet simultaneously as committees of the Corporation and of its subsidiary banks (each, the "Bank"), though they should hold separate sessions if necessary to address issues that are relevant to one entity but not the other or to consider transactions between the two entities or other matters where the Corporation and the Bank may have different interests. In addition, any such committee should consult with internal or outside counsel if, in the opinion of the committee, any matter under consideration by the committee has the potential for any conflict between the interests of the Corporation and those of the Bank or the Corporation's other subsidiaries in order to ensure that appropriate procedures are established for addressing any such potential conflict and for ensuring compliance with the Corporation's policies regarding Sections 23A and 23B of the Federal Reserve Act.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

4. Director Access to Officers and Employees

Directors have full and free access to officers and employees of the Corporation. Any meetings Director wishes to initiate may be arranged through the CEO or Corporate Secretary or directly by the Director. The Directors will use their judgment to insure that any such contact is not disruptive to the business operations of the Corporation and will, to the extent not inappropriate, copy the CEO on any written communications between a Director and an officer or employee of the Corporation.

The Board welcomes regular attendance at each Board meeting of the appropriate representatives of senior management of the Corporation as shall be determined from time to time, subject to the Board's right in all instances to meet in executive session or with a more limited number of management representatives. If the CEO wishes to have additional Corporation personnel attendees on a regular basis, this suggestion should be brought to the Board for consideration.

5. Director Compensation

The form and amount of Director Compensation will be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter and any NASD or other applicable rules, and that committee will conduct an annual review of Director Compensation. The Committee will consider that Directors' independence may be jeopardized if Director compensation and perquisites exceed customary levels, if the Corporation makes substantial charitable contributions to organizations with which a Director is affiliated, or if the Corporation enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization with which the Director is affiliated.

6. Director Orientation

All new Directors must meet with Senior Management within three months of the annual meeting at which new Directors are elected or within three months of the time the new Director otherwise joins the Board. This meeting will include presentations by senior management to familiarize new Directors with the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Ethics, its principal officers, and its internal and independent auditors. All continuing Directors are also invited to attend the meeting.

7. CEO Evaluation and Management Succession

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board of Directors will review the Compensation Committee's report in order to confirm that the CEO is providing effective leadership for the Corporation in the long- and short-term.

The Compensation Committee should periodically report to the Board on succession planning. The entire Board will work with the Compensation Committee to address issues of management succession. The CEO should at all time make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

8. Annual Performance Evaluation

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Committee will receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Corporation and specifically focus on areas in which the Board or management believes that the Board could improve.

9. Relationship to Bylaws and Articles of Incorporation

Nothing herein shall be construed in a manner which is inconsistent with the Corporation's Bylaws or Articles of Incorporation, and in the event of a conflict (or perceived conflict), the terms of the Corporation's Bylaws or Articles of Incorporation shall prevail.