

WHISTLEBLOWER POLICY

EFFECTIVE: MAY 27, 2004

REVISED: SEPTEMBER 14, 2010

BOARD APPROVED: SEPTEMBER 21, 2010

OVERVIEW

Provident Community Bancshares, Inc. (the "Corporation") is committed to complying with all applicable laws, regulations, accounting standards, internal accounting controls, audit practices and other matters and has adopted this policy in order to:

- Encourage disclosure and investigation of improprieties before they can disrupt the business or operations of the Corporation or lead to serious loss.
- Promote a climate of accountability.
- Ensure that no associate should feel at a disadvantage in lawfully raising legitimate concerns.

The Audit / Compliance Committee of the Corporation's Board of Directors is responsible for establishing procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, auditing and other matters.

Individuals are encouraged to report concerns regarding questionable accounting, internal accounting controls, auditing and other matters as outlined in this policy. Any person may submit a good faith complaint, report, or concern regarding such matters without fear of dismissal or retaliation of any kind.

SCOPE OF POLICY

This policy relates to complaints, reports, and concerns about questionable accounting, internal accounting controls, auditing matters, or other matters including, but not limited to:

- Any fraud or misstatement or omission in any financial statement of, or other financial information published by, the Corporation, including any report or document filed by the Corporation with the Securities and Exchange Commission or other governmental or regulatory authority;
- Any error or misconduct in the preparation, evaluation, review or audit of any of the Corporation's financial statements;
- Any fraud or misstatement or omission in the recording and maintaining of the financial records of the Corporation;
- Any weakness or deficiency in or noncompliance with the Corporation's internal accounting controls;
- Any misrepresentation or false statement made to or by a senior officer or accountant regarding a matter contained in, or required to be contained in, the financial records, financial statements, financial reports of the Corporation;

- Any deviation from full and fair reporting of the Corporation's financial condition, results of operations or cash flows;
- Any effort to mislead, deceive, coerce or fraudulently influence any internal or independent accountant or auditor in connection with the preparation, examination, audit or review of any financial statement or records of the Corporation;
- Any other error, deficiency or weakness in the Corporation's financial statements, internal controls, auditing procedures or financial records or reports; or
- Any matter or conflict of interest regarding the Corporation's independent auditors that may threaten their independence.

This policy also relates to reports of violations, including violations of:

- Applicable laws, rules, and regulations.
- The Corporation's Code of Ethics
- Any other code, policy or procedure established by the Corporation.

REPORTING PROCESS

Provident Community Bancshares has retained a third-party provider, The Network, to accept, verify, and log any complaints received. Any individual with concerns regarding questionable accounting, internal accounting controls, auditing and other matters can anonymously report a complaint through The Network by telephone or the internet at:

- Toll-free number: 866.614.4836
- Internet address: www.reportlineweb.com/providentcommunitybank

Alternatively, any person wishing to communicate directly with an individual at Provident Community Bancshares to register a complaint may contact the Corporation's Chairman of the Audit / Compliance Committee at 803.329.4920, by mail at P.O. Box 36061, Rock Hill, SC 29732 or by email at breakfieldb@comporium.net. If a complaint involves the Chairman of the Audit / Compliance Committee or any member of the Audit / Compliance Committee, the complaint can be reported directly to the Corporation's Special Counsel, Kilpatrick Stockton, LLP, 607 14th Street, NW, Suite 900, Washington, DC 20005-2018.

The reporting individual should provide names, dates, places and other details sufficient to facilitate an effective investigation.

CONFIDENTIALITY

To help facilitate an effective investigation, Provident Community Bancshares encourages individuals to identify themselves when making a complaint. However, any person who does not want to be identified is entitled to register a complaint anonymously.

Provident Community Bancshares will treat all complaints in a confidential manner. If a person has identified himself or herself when making a complaint in good faith, the Corporation will exercise particular care to keep the person's identity confidential until a formal investigation is launched. Thereafter, the identity of the person who registered a complaint will be kept confidential unless disclosure is necessary to complete a fair investigation or for another overriding reason, or as required by law or regulation.

HANDLING OF COMPLAINTS

Upon receiving a complaint under this policy, The Network will notify the Chairman of the Audit / Compliance Committee of Provident Community Bancshares' Board of Directors and other designees determined by the Audit / Compliance Committee that a complaint has been received. No person who is the subject of a complaint will receive such a notification.

Upon receiving notice of a complaint, the Chairman of the Audit / Compliance Committee along with the Audit / Compliance Committee designees will investigate to determine if the information can be substantiated. Upon receiving the results of the investigation, the Chairman of the Audit / Compliance Committee and his designees will determine any further action required to follow up on the complaint. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit / Compliance Committee.

The Audit / Compliance Committee will maintain a log of all complaints reported to The Network, tracking their receipt, investigation, and resolution. At least annually, the Audit / Compliance Committee will provide copies of any complaints and concerns it receives, summaries of investigations and any corrective action taken, without identifying the source, if appropriate.

NO RETALIATION

Provident Community Bancshares will not discharge, demote, suspend, threaten, harass or in any other manner discriminate or retaliate against any person by reason of his or her having made any such complaint, or having reported any such concern, in good faith pursuant to and in accordance with these procedures. It shall be a violation of Provident Community Bancshares' policy to take any such action.