

THE SOUTHERN BANC COMPANY, INC.

**P.O. BOX 1130, GADSDEN, ALABAMA 35902
(256) 543-3860**

October 16, 2023

Dear Fellow Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of The Southern Banc Company, Inc. to be held at the main office of The Southern Bank Company, Inc., 221 S. 6th Street, Gadsden, Alabama, on Wednesday, November 15, 2023, at 5:00 p.m., local time.

The attached Notice of Annual Meeting of Stockholders and Proxy Statement describe the formal business to be transacted at the Annual Meeting.

The Annual Meeting is being held so that stockholders may be given the opportunity to elect directors and ratify the appointment of Mauldin & Jenkins, LLC as our independent public accounting firm for the fiscal year ending June 30, 2024. For the reasons set forth in the Proxy Statement, the Board of Directors has determined that the matters to be considered at the Annual Meeting are in the best interests of our stockholders, and the Board of Directors unanimously recommends a vote "FOR" each nominee and "FOR" ratification of the Audit Committee's approval of the appointment of our independent public accounting firm.

During the Annual Meeting, we will also report on the operations of the Company's subsidiary, The Southern Bank Company. Directors and officers of the Company will be present to respond to any questions the stockholders may have.

WE URGE YOU TO SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS SOON AS POSSIBLE, EVEN IF YOU CURRENTLY PLAN TO ATTEND THE ANNUAL MEETING. Alternatively, you may vote through the Internet. Your vote is important, regardless of the number of shares you own. This will not prevent you from voting in person but will assure that your vote is counted if you do not attend the Annual Meeting. If you are a stockholder whose shares are not registered in your own name, you will need additional documentation from the holder of record.

On behalf of your Board of Directors, we thank you for your interest and support.

Sincerely,



Gates Little
Chairman of the Board,
President and Chief Executive Officer

THE SOUTHERN BANC COMPANY, INC.
221 S. 6th Street
Gadsden, Alabama 35901
(256) 543-3860

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on November 15, 2023

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Meeting") of The Southern Banc Company, Inc. (the "Company") will be held at the main office of The Southern Bank Company, 221 S. 6th Street, Gadsden, Alabama, at 5:00 p.m., local time, on Wednesday, November 15, 2023.

A Proxy Card and a Proxy Statement for the Meeting are enclosed.

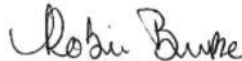
The Meeting is for the purpose of considering and acting upon:

1. The election of two directors of the Company for terms to expire in 2026.
2. The ratification of the appointment of Mauldin & Jenkins, LLC as the Company's independent public accountants for the fiscal year ending June 30, 2024.
3. The transaction of such other business as may properly come before the Meeting or any adjournments thereof. The Board of Directors is not aware of any other business to come before the Meeting.

Any action may be taken on any one of the foregoing proposals at the Meeting on the date specified above or on any date or dates to which, by original or later adjournment, the Meeting may be adjourned. Stockholders of record at the close of business on September 29, 2023, are the stockholders entitled to notice of and to vote at the Meeting and any adjournments thereof.

Each stockholder, whether he or she plans to attend the Meeting, is requested to vote their proxy without delay. Any proxy given by the stockholder may be revoked at any time before it is voted. A proxy may be revoked by filing with the Company's Secretary a written revocation or voting by proxy bearing a later date. Any stockholder present at the Meeting may revoke his or her proxy and vote personally on each matter brought before the Meeting. However, if you are a stockholder whose shares are not registered in your own name, you will need additional documentation from your record holder in order to vote in person at the Meeting.

BY ORDER OF THE BOARD OF DIRECTORS



Robin Burke
Secretary

Gadsden, Alabama
October 16, 2023

IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE YOUR COMPANY THE EXPENSE OF FURTHER REQUESTS FOR PROXIES IN ORDER TO ENSURE A QUORUM. A SELF-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. PLEASE ACT PROMPTLY.

**PROXY STATEMENT
OF
THE SOUTHERN BANC COMPANY, INC.
221 S. 6th STREET
GADSDEN, ALABAMA 35901**

**ANNUAL MEETING OF STOCKHOLDERS
November 15, 2023**

PROXY SUMMARY

The Annual Meeting

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of The Southern Banc Company, Inc. (the “Company”) to be used at the Company’s Annual Meeting of Stockholders to be held at the main office of The Southern Bank Company (the “Bank”), 221 S. 6th Street, Gadsden, Alabama, on Wednesday, November 15, 2023, at 5:00 p.m., local time (the “Meeting”). The accompanying Notice of Annual Meeting and this Proxy Statement are being first mailed to stockholders on or about October 16, 2023.

Proposals For Your Vote

- ***Election of Directors***

We are asking you to elect our two nominees named in this Proxy Statement, each for a three-year term to expire in 2026. For information regarding our nominees and other directors and the Audit, Compensation and Nominating Committees of the Board of Directors, see Proposal I – Election of Directors on page 4 of this Proxy Statement.

Election requires a plurality of votes cast.

Board Recommendation: FOR each nominee of the Board of Directors.

- ***Ratification of Accountants***

We are asking you to ratify the appointment of Mauldin & Jenkins, LLC as our auditors for the fiscal year ending June 30, 2024. For information regarding the Company’s relationship with our independent public accountants, including fees paid for each of the past two fiscal years and the Audit Committee’s pre-approval policy for auditor services, see Proposal II – Ratification of Accountants on page 9 of this Proxy Statement.

Approval requires the affirmative vote of a majority of votes cast.

Board Recommendation: FOR ratification of our independent public accountants.

The Board of Directors knows of no additional matters that will be presented for consideration at the Meeting. Execution of a proxy, however, confers on the designated proxy holders the discretionary authority to vote the shares represented by such proxy as determined by a majority of the Board of Directors. The Board of Directors intends to exercise its discretionary authority to the fullest extent permitted.

The Company has retained Regan & Associates, Inc. to aid in the solicitation of the proxies at a fee of \$2,250.

VOTING SECURITIES

The securities entitled to notice of and to vote at the Meeting consist of the Company's common stock, par value \$.01 per share (the "Common Stock"). Stockholders of record as of the close of business on September 29, 2023 (the "Record Date") are entitled to one vote for each share of Common Stock then held. As of the Record Date, there were 806,086 shares of Common Stock issued and outstanding. The presence, in person or by proxy, of at least one-third of the total number of shares of Common Stock outstanding and entitled to vote will be necessary to constitute a quorum at the Meeting.

VOTING AND PROXY PROCEDURES

Voting

You are entitled to vote at the Meeting if our records show that you held of record shares of our Common Stock as of the close of business on the Record Date. If your shares are held by a broker, bank or other nominee, you can vote your shares at the Meeting if you have a properly executed proxy from the record holder of your shares (or the holder's designee). We will give you a ballot at the Meeting.

If you received a printed copy of these proxy materials by mail, you may vote in one of the following three ways:

- Vote by proxy using the enclosed proxy card. To vote by proxy using the enclosed proxy card, complete, sign, and date your proxy card and return it promptly in the envelope provided; or
- Vote by proxy online. To vote by proxy online, go to <http://www.annualgeneralmeetings.com/SRNN2023/> to complete an electronic proxy card. You will need the 12-digit Control Number included on your proxy card.

If you vote by mail, your proxy must be received by 5:00 p. m., Central Time, on November 15, 2023, to be counted.

You may vote online, 24 hours a day, 7 days a week, through 11:59 p. m., Central Time, on November 14, 2023.

We provide online proxy voting to allow you to vote your shares electronically, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers and telephone companies.

Voting by Proxy

The Board of Directors is sending you this Proxy Statement for the purpose of requesting that you allow your shares of Common Stock to be represented at the Meeting by the persons named in the enclosed proxy card. As shown on your proxy card, you may also vote your shares by online voting. All shares of Common Stock represented at the Meeting by properly executed and dated proxies will be voted according to the instructions indicated on the proxy. **The Board of Directors recommends a vote "FOR" its nominees for directors and "FOR" the ratification of the appointment of Mauldin & Jenkins, LLC as our independent public accountants.**

If you execute a proxy (by any permitted method) without giving voting instructions, the persons named in the proxy card will have authority to vote "FOR" the nominees for directors of the Board of Directors and "FOR" the ratification of the appointment of Mauldin & Jenkins, LLC as our independent public accountants. If any matters not described in this Proxy Statement are properly presented at the Meeting, the proxies will vote your shares as determined by a majority of the Board of Directors. If the Meeting is postponed or adjourned, your shares of Common Stock may be voted by the persons named in the proxy card at the postponed or adjourned Meeting as well, unless you have revoked your proxy. The Company does not know of any other matters to be presented at the Meeting.

You may revoke your proxy at any time before the vote is taken at the Meeting. To revoke your proxy, you must advise the Company's Secretary in writing before your Common Stock has been voted at the Meeting, deliver a later-dated proxy (executed in writing, or via the Internet), or attend the Meeting and vote your shares in person. Attendance at the Meeting will not in itself revoke your proxy.

If you hold your Common Stock in “street name,” you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted. Please review the instruction form provided by your broker, bank or other nominee that accompanies this Proxy Statement. In order to vote in person at the Meeting, you will need special documentation from your broker, bank or other nominee.

Please note that pursuant to the rules that guide how brokers vote your stock, your broker, bank or other nominee may not vote your shares with respect to the election of directors (Proposal I) without specific instructions from you as to how to vote because they are not considered “routine” matters under the applicable rules. Proposal II with respect to ratification of the appointment of our independent public accountants is a matter we believe will be considered “routine”; even if the broker, bank or other nominee does not receive instructions from you, the broker, bank or other nominee is entitled to vote your shares in connection with Proposal II.

Vote Required

Business can only be transacted at the Meeting if one-third of the issued and outstanding shares of Common Stock entitled to vote is present, in person or by proxy, at the Meeting. If you execute a valid proxy or attend the Meeting in person, your shares will be counted for purposes of determining whether there is a quorum even if you abstain or withhold your vote or do not vote your shares at the Meeting. Broker non-votes will be counted for purposes of determining the existence of a quorum. A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner does not have discretionary voting power with respect to the agenda item and has not received voting instructions from the beneficial owner.

In voting on the election of directors (Proposal I), you may vote in favor of the nominee or withhold your vote. There is no cumulative voting in the election of directors. Directors must be elected by a plurality of the votes cast at the Meeting. This means that the nominee receiving the greatest number of votes will be elected. Votes that are withheld and broker non-votes will have no effect on the outcome of the election.

In voting to ratify the appointment of Mauldin & Jenkins, LLC as our independent public accountants (Proposal II), you may vote in favor of the proposal, against the proposal or abstain from voting. To be approved, this proposal requires the affirmative vote of a majority of the votes cast at the Meeting. Broker non-votes and abstentions will not be counted as votes cast and will have no effect on the voting on this proposal.

Under rules applicable to broker-dealers, the proposal to ratify the independent public accountants is considered a “discretionary” item upon which brokerage firms may vote in their discretion on behalf of their clients if such clients have not furnished voting instructions. The election of directors is considered “non-discretionary” for which brokerage firms may not vote in their discretion on behalf of clients who do not furnish voting instructions and, thus, there may be broker non-votes at the Meeting. You should use the proxy card provided by the institution that holds your shares to instruct your broker, bank or other nominee to vote your shares, or else your shares will be considered broker non-votes. If you do not instruct your broker, bank or other nominee how to vote on these proposals, your nominee may not vote your shares with respect to these proposals.

Participants in the Company’s Employee Stock Ownership Plan

If you participate in the Company’s Employee Stock Ownership Plan (the “ESOP”), you will receive vote authorization materials which will reflect all the shares that you may direct the trustees to vote on your behalf under the ESOP. Under the terms of the ESOP, the ESOP trustees vote all shares held by the ESOP, but each ESOP participant may direct the trustees how to vote the shares of Common Stock allocated to his or her account. The ESOP trustees, subject to the exercise of their fiduciary duties, will vote all unallocated shares of Common Stock held by the ESOP and allocated shares for which no voting instructions are received in the same proportion as shares for which they have received timely voting instructions. The deadline for returning your voting instructions to the ESOP trustees is November 8, 2023.

PRINCIPAL HOLDERS OF OUR COMMON STOCK

The following table sets forth, as of the Record Date, certain information as to those persons who were believed to be beneficial owners of more than 5% of the Company's outstanding shares of Common Stock and those shares that were believed to be beneficially owned by all directors and executive officers of the Company as a group.

<u>Name and Address Of Beneficial Owner</u>	<u>Percent of Shares Amount and Nature of Beneficial Ownership⁽¹⁾</u>	<u>of Common Stock Outstanding</u>
James Pendergast 2151 Highland Avenue, Suite 330 Birmingham, Alabama 35205	47,236	5.9%
James B. Little, III 2101 Highland Avenue S, Suite 700 Birmingham, Alabama 35205	122,873	15.2%
Gates Little 221 S. 6th Street Gadsden, Alabama 35901	92,644 ⁽²⁾	11.5%
All directors and executive officers as a group (7 persons)	282,340 ⁽²⁾⁽³⁾	35.0%

(1) Although the Common Stock is no longer registered under the Securities Exchange Act of 1934, for purposes of the above table the Company has continued to utilize Rule 13d-3 under such Act, which provides that a person is deemed to be the beneficial owner of any shares of the Common Stock if he or she has or shares voting or investment power with respect to such security, or has a right to acquire beneficial ownership at any time within 60 days from the Record Date. As used herein, "voting power" is the power to vote or direct the voting of shares, and "investment power" is the power to dispose or direct the disposition of shares. Except as otherwise noted, ownership is direct, and the named owner or owners exercise sole voting and investment power over the shares of the Common Stock.

(2) Includes shares held in the Company's ESOP.

(3) Also includes 44,829 shares held by the Company's stock option and incentive plan trust, of which directors Dowling and Ritchie are trustees.

PROPOSAL I -- ELECTION OF DIRECTORS

General

The Board of Directors has nominated John E. Bell, III, and Gates Little to serve as directors for a three-year period. Both nominees are currently members of the Board. Under Delaware law, directors are elected by a plurality of all votes cast at a meeting at which a quorum is present. If either nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute as the Board of Directors may recommend or the size of the Board may be reduced to eliminate the vacancy. At this time, the Board knows of no reason why either nominee might be unavailable to serve. The Company's Certificate of Incorporation requires that directors be divided into three classes, as nearly equal in number as possible, with approximately one-third of the directors elected each year.

The following table sets forth the names of the nominees for election as directors and the directors whose terms expire in future years. Also set forth is certain other information with respect to each person's age, the year he first became a director, the expiration of his term as a director, and the number and percentage of shares of Common Stock beneficially owned.

Name of Class	Age at June 30, 2023	Year First Elected as Director	Current Term to Expire	Shares of Common Stock Beneficially Owned at the Record Date	Percent
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BOARD NOMINEES FOR TERMS TO EXPIRE IN 2026

John E. Bell, III	49	2014	2023	100	*
Gates Little	53	1994 ⁽¹⁾	2023	92,644	11.5%

DIRECTORS CONTINUING IN OFFICE

F. Michael Haney	75	2012	2024	100	*
Thomas Alan Ritchie, Jr.	59	2011	2024	44,929 ⁽²⁾	5.8%
Thomas F. Dowling	86	1972 ⁽¹⁾	2025	45,202 ⁽²⁾	5.6%
James B. Little, III	63	2000	2025	122,873	15.2%*

* Less than 1%.

- (1) Includes term of office as director of the Bank prior to formation of the Company as holding company for the Bank. All directors of the Company other than James B. Little, III also serve as directors of the Bank.
- (2) Includes 44,829 shares held by the Company's stock option and incentive plan trust. See "Principal Holders of Our Common Stock" above.

Set forth below is information concerning the Company's nominees for election as directors and continuing directors. All directors have held the positions indicated for at least the past five years.

John E. Bell, III is Chief Financial Officer of HighFive Dental, a dental support organization. Before working at HighFive Dental, he was Chief Executive Officer of FireRock Products, a building materials supplier to the custom home market. Previously, he worked in the private equity industry as a Principal with New Capital Partners and the Director of Finance with Redmont Capital. Mr. Bell, a CPA, began his career with Arthur Andersen in Atlanta, Georgia.

Gates Little joined the Bank in 1993 and served as Executive Vice President from 1998 until September 2000, when he was elected President and Chief Operating Officer. In March 2001, he became Chief Executive Officer of the Bank. Mr. Little served as Vice President of the Company from 1995 until 2001 when he was elected President, Chief Executive Officer, and Chairman of the Board. Mr. Little is the brother of James B. Little, III.

F. Michael Haney is a partner and shareholder in the law firm of Inzer, Haney, McWhorter, Haney & Skelton, LLC. Mr. Haney has practiced law in Gadsden and North Alabama since 1975. A lifelong resident of Gadsden, Mr. Haney serves various local organizations, including the Gadsden City Board of Education.

Thomas Alan Ritchie, Jr. is the President of Clearmind, Inc. and Return Mail Inc., a postal return mail services company. Mr. Ritchie was a Managing Partner of New Capital Partners, LLC, and Venture Capital, LLC, from 2001 to 2006. Prior to that, Mr. Ritchie was in management for various private technology companies. Mr. Ritchie is the brother of James B. Little, III.

Thomas F. Dowling, III practiced dentistry in Gadsden, Alabama for over 40 years before retiring in 2011.

James B. Little, III is a founding partner of New Capital Partners, LLC and has more than 30 years of hands-on experience managing and investing in entrepreneurial companies. Mr. Little started his career building a managed health care company, Complete Health Services, from start-up to its sale to UnitedHealth Group (NYSE: UNH). Complete Health grew to be the largest independent health plan in the Southeast. Mr. Little has invested, and been actively involved in, a number of companies which have created thousands of jobs and provided significant returns to their shareholders. His entrepreneurial management and investment experience includes a number of successful companies in the healthcare, financial and technology sectors including, Revnet Systems which sold to Message Media

(NASDAQ:MESG), HospiScript which sold to Catalyst Health Solutions (NASDAQ:CHSI), Cogent Partners which sold to Greenhill & Co. (NYSE:GHL) and ARX Holding Corp. which sold to The Progressive Corp. (NYSE:PGR). Mr. Little currently serves on the Boards of Care Services, Geovera, FireRock, Control Case and Sprout, LLC. Mr. Little is the brother of Gates Little and Alan Ritchie.

Corporate Governance and Other Matters

Boards of Directors and Stockholders Meetings. The Boards of Directors of the Company and the Bank hold regular monthly meetings and special meetings as needed. The Board of Directors of the Company and the Bank met 5 and 12 times, respectively, during the fiscal year ended June 30, 2023. The Company expects all members of the Board of Directors to attend annual meetings.

Director Independence. Each year, the Board of Directors reviews the relationships that each director has with the Company and with other parties. Only those directors who do not have any of the categorical relationships that preclude them from being independent and who the Board of Directors affirmatively determines have no relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director are considered to be “independent directors”. The Board of Directors has reviewed a number of factors to evaluate the independence of each of its members. These factors include its members’ relationships with the Company and its competitors, suppliers and customers; their relationships with management and other directors; the relationships their current and former employers have with the Company; and the relationships between the Company and other companies of which the Company’s Board members are directors or executive officers. After evaluating these factors, the Board of Directors has determined that Messrs. Haney, Dowling, Ritchie and Bell are independent directors of the Company within the meaning of NASDAQ rules.

In the year ended June 30, 2023, independent members of the Board of Directors of the Company held no meetings in executive session without management present.

Stockholder Communications. Stockholders may communicate directly with members of the Board of Directors or the individual chairman of standing Board of Directors committees by writing directly to those individuals at the following address: The Southern Banc Company, Inc., 221 S. 6th Street, Gadsden, Alabama 35901. The Company’s general policy is to forward, and not to intentionally screen, any mail received at the Company’s corporate office that is sent directly to an individual, unless the Company believes the communication may pose a security risk.

Code of Ethics. The Board of Directors has adopted a Code of Ethics that applies to all officers, other employees and directors.

Committees of the Board of Directors

The Board of Directors has a standing Audit Committee, Compensation Committee and Nominating Committee. The Board of Directors has determined that all of the directors who serve on these committees are independent within the meaning of NASDAQ rules. The Board of Directors has adopted a charter for each of these committees.

Audit Committee. The members of the Audit Committee are the independent directors of the Company. The Board of Directors has determined that, while the Board believes that each of the members of the Audit Committee is highly qualified to discharge his duties, it is appropriate to disclose that the Board has not designated any particular member of the Audit Committee as qualifying as an “audit committee financial expert” as defined by rules of the Securities and Exchange Commission (“SEC”). The Board of Directors has determined that each of the members of the Audit Committee is capable of (i) understanding accounting principles generally accepted in the United States (“GAAP”) and financial statements, (ii) assessing the general application of GAAP in connection with the accounting for estimates, accruals and reserves, (iii) analyzing and evaluating the Company’s consolidated financial statements, (iv) understanding internal control over financial reporting, and (v) understanding audit committee functions, all of which are attributes of an “audit committee financial expert” as defined by the SEC’s rules. As the Board of Directors considers new directors, one of the criteria to be considered will be the financial background and expertise of prospective Board members. It is the Company’s long-term intention to continue to strengthen the financial expertise of the Board of Directors through the normal course of adding new directors.

The Audit Committee has oversight responsibility for the quality and integrity of the Company’s financial statements. The Audit Committee meets privately with the independent auditors, has the sole authority to retain and

dismiss the independent auditors and reviews their performance and independence from management. The independent auditors have unrestricted access and report directly to the Audit Committee. The Audit Committee met 5 times during the fiscal year ended June 30, 2023. The primary functions of the Audit Committee are to oversee: (i) the audit of the financial statements of the Company provided to the stockholders and the general public; (ii) the Company's internal financial and accounting processes; and (iii) the independent audit process. Additionally, the Audit Committee has responsibilities relating to: (i) public accounting firms; (ii) complaints relating to accounting, internal accounting controls or auditing matters; (iii) authority to engage advisors; and (iv) funding as determined by the Audit Committee. These and other aspects of the Audit Committee's authority are more particularly described in the Audit Committee Charter adopted by the Board of Directors.

The Audit Committee approves audit and non-audit services to be provided to the Company by its independent auditor. All services to be provided by the independent auditor, including audit services and permitted audit-related and non-audit services, must be pre-approved by the Audit Committee. The Audit Committee approved all audit and non-audit services provided during the fiscal year ended June 30, 2023. See "Independent Public Accountants."

Compensation Committee. The members of the Compensation Committee are Messrs. Dowling, Haney, Bell and Ritchie, each of whom is a non-employee director. The Compensation Committee met 1 time during the fiscal year ended June 30, 2023. The functions of the Compensation Committee include making recommendations to the Board of Directors concerning compensation, including incentive compensation, of the executive officers.

Nominating Committee. The Company's independent directors act as a nominating committee and met 1 time in this capacity to select the nominees for election as directors at the Meeting. While the Board of Directors will consider nominees recommended by stockholders, it has not actively solicited recommendations from stockholders for nominees. The Board of Directors will consider director candidates recommended by stockholders provided the stockholders follow the procedures set forth in the Company's Certificate of Incorporation.

The Company's Certificate of Incorporation provides that, to be timely, a stockholder's notice of nomination must be delivered or mailed to the Secretary of the Company not less than 30 days nor more than 60 days prior to an annual meeting; provided, however, that in the event that less than 40 days' notice of the meeting is given or made to stockholders, notice by the stockholder, to be timely, must be not later than close of business on the 10th day following the date on which notice is mailed. A stockholder's notice of nomination must also set forth as to each person who the stockholder proposes to nominate for election as a director, (a) the name, age, business address and, if known, residence address of such person, (b) the principal occupation or employment of such person, (c) the class and number of shares of the Company which are beneficially owned by such person, and (d) any other information reasonably requested by the Company. Stockholder nominations may be proposed by any stockholder eligible to vote at an annual meeting provided the notice is timely and complies with the informational requirements of the Certificate of Incorporation. To be timely under the Certificate of Incorporation, nominations by any stockholder eligible to vote at the Meeting must be received by the Company on or before October 26, 2023.

The Board of Directors may reject any nomination by a stockholder not made in accordance with the requirements of the Company's Certificate of Incorporation. Notwithstanding the foregoing procedures, if the Board of Directors does not make a determination as to the validity of any nomination by a stockholder, the chairman of the annual meeting shall, if the facts warrant, determine at the annual meeting whether the nomination was made in accordance with the terms of the Certificate of Incorporation.

Director Compensation

Except as otherwise required, the Company's directors meet on a quarterly basis and receive \$300 per meeting. The Company's directors are not paid for meetings not attended. For fiscal 2023, fees paid to the Company's directors totaled \$6,900. The Bank's directors receive fees of \$700 per monthly meeting attended. Directors may miss up to two monthly meetings and still receive the monthly fees. For fiscal 2023, fees paid to the Bank's directors totaled \$42,000.

Executive Compensation

Summary Compensation Table. The following table sets forth cash and non-cash compensation for each of the fiscal years ended June 30, 2023, 2022 and 2021 awarded to or earned by the Company's President and Chief Executive Officer for services rendered in all capacities to the Company and its subsidiaries.

Name and Principal Position	Fiscal Year	Annual Compensation			Long-Term Compensation Awards		
		Salary ⁽¹⁾	Bonus	Other Annual Compensation ⁽²⁾	Restricted Stock Awards	Securities Underlying Options	All Other Compensation ⁽³⁾
Gates Little	2023	\$205,433	\$40,000	\$6,169	--	--	\$9,433
President and	2022	\$157,100	\$20,000	\$7,649	--	--	\$6,700
Chief Executive Officer	2021	\$144,600	\$ --	\$6,265	--	--	\$5,738

(1) Includes directors' fees of \$9,600 for each of fiscal years 2023, 2022 and 2021.

(2) Consists of personal benefits.

(3) Consists of contributions to the Bank's 401(k) plan.

Employment Agreements

Each of the Company and the Bank has entered into an employment agreement with Gates Little to serve as President and Chief Executive Officer. The Company and the Bank each depend to a significant extent on their President and Chief Executive Officer, and the employment agreements are intended to ensure the maintenance of a stable management.

The agreements provide for terms of three years, with a current annual base salary of \$200,000 per year. On each anniversary date of the agreements, the terms of employment will be extended to a date up to 36 months thereafter, upon a determination by the Boards of Directors that the performance of the employee has met the required performance standards and that such agreements should be extended. Additionally, the agreements provide for an automatic 36-month extension of the term upon the occurrence of a change in control, as defined in the agreements. The agreements provide for a salary review by the boards of directors not less often than annually, as well as inclusion in any discretionary bonus plans, retirement and medical plans, customary fringe benefits and vacation and sick leave. The agreements will terminate upon the employee's death or disability and are terminable for just cause, as defined in the agreements. In the event of termination for just cause, no severance benefits are available. If the Company or the Bank terminates the employee without just cause, he will be entitled to a continuation of his salary and benefits from the date of termination through the remaining terms of the agreements plus his salary for an additional 12-month period, but not in an aggregate amount in excess of three times his five years' average annual compensation. The agreements will be interpreted to avoid any penalty sanctions under Section 409A of the Internal Revenue Code and applicable regulations and guidance thereunder, including the timing of any payment.

401(k) Plan

The Company has a contributory, defined contribution plan which is qualified under Section 401(k) of the Internal Revenue Code. The plan is available to qualifying employees of the Company who have completed one year of service. Matching contributions may be made at the discretion of the Company's Board of Directors and generally vest over six years. Contributions to the plan charged to expense totaled \$72,057 and \$56,218 for the years ended June 30, 2023 and 2022, respectively.

Outstanding Stock Options

As of the date hereof there are outstanding non-qualified or non-statutory options granted to a senior officer to purchase up to 15,000 shares of Common Stock. The Common Stock may be authorized but unissued shares, or reacquired shares previously purchased by the Company in the open market. Reacquired shares are reflected in the Company's consolidated financial statements at cost as shares held in trust. The per share exercise price for the options is \$8.35 per share, which was determined based upon the average reported trading price prior to the date of grant. The options vest and are exercisable as follows: 5,000 shares in January 2023 and 10,000 shares in January 2026, and expire two years thereafter unless sooner forfeited.

Transactions with Management

The Bank offers loans to directors, officers and other employees of the Company and the Bank. These loans are made in the ordinary course of business on substantially the same terms, including collateral, interest rates and repayment terms as those prevailing for comparable transactions with non-affiliated persons. It is management's belief that these loans do not involve more than the normal risk of collectability or present other unfavorable features. At June 30, 2023, the Bank's loans to directors and executive officers totaled approximately \$360,000.

PROPOSAL II- RATIFICATION OF ACCOUNTANTS

Mauldin & Jenkins, LLC audited the Company's annual financial statements for the fiscal year ended June 30, 2023. The Audit Committee has appointed Mauldin & Jenkins, LLC to be the Company's independent public accountants for the fiscal year ending June 30, 2024, subject to ratification of the engagement by our stockholders. A representative of Mauldin & Jenkins, LLC is not expected to be present at the Meeting.

Audit Fees and Other Matters

During the fiscal years ended June 30, 2023 and 2022, Mauldin & Jenkins, LLC provided audit services for the annual audit of the Company's consolidated financial statements contained in the Annual Report to Stockholders and a review of the financial statements contained in the Company's quarterly reports for each of the fiscal years.

	2023		2022	
Audit Fees	\$ 38,379	78%	\$ 38,779	83%
Audit-Related Fees	--	--	--	--
Tax Fees	\$ 10,670	22%	\$ 8,000	17%
Other Fees	--	--	--	--
Total Fees ⁽¹⁾	\$ 49,049	100%	\$ 46,779	100%

(1) Fees included reimbursement of expenses incurred.

Audit Fees. These are fees related to professional services rendered in connection with the audit of the Company's annual financial statements, and accounting consultations that relate to the audited financial statements and are necessary to comply with generally accepted auditing standards.

Tax Fees. These are fees billed for professional services related to tax compliance, tax advice and tax planning, including services provided in connection with assistance in the preparation and filing of tax returns.

Pre-approval Policy

The Audit Committee is authorized to pre-approve all audit and permissible non-audit services provided by the independent accountants. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent accountants and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent accountants in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis. For the fiscal years ended June 30, 2023 and 2022, pre-approved non-audit services included only those services described above for "Tax Fees."

OTHER MATTERS

The Board of Directors is not aware of any business to come before the Meeting other than those matters described above in this Proxy Statement and matters incident to the conduct of the Meeting. Properly executed proxies in the accompanying form that have not been revoked confer discretionary authority on the persons named therein to vote at the direction of a majority of the Board of Directors with respect to matters incident to the conduct of the Meeting and with respect to any other matter presented to the Meeting if notice of such matter has not been delivered to the Company in accordance with the Certificate of Incorporation, which provides that due notice of business to be brought before an annual meeting by a stockholder must be submitted in writing to the Secretary of the Company not less than 30 nor more than 60 days prior to the date of any such meeting; provided, however, that if less than 40 days' notice of the meeting is given to stockholders, such written notice shall be delivered or mailed, as prescribed, to the Secretary of the Company not later than the close of business on the 10th day following the day on which notice of the meeting was mailed to stockholders. The Annual Meeting of Stockholders for the fiscal year ending June 30, 2024 will be held on or about November 20, 2024.

MISCELLANEOUS

The cost of soliciting proxies will be borne by the Company. The Company will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of Common Stock. In addition to solicitations by mail, directors, officers and regular employees of the Company may solicit proxies personally or telephone without additional compensation.

BY ORDER OF THE BOARD OF DIRECTORS



Robin Burke
Secretary

Gadsden, Alabama
October 16, 2023

A COPY OF THE COMPANY'S ANNUAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023 WILL BE FURNISHED WITHOUT CHARGE TO STOCKHOLDERS OF RECORD UPON WRITTEN REQUEST TO THE SECRETARY, THE SOUTHERN BANC COMPANY, INC., 221 S. 6th STREET, GADSDEN, ALABAMA 35901.