

Restrictions on Hedging and Pledging

Directors, employees and Related Persons are also prohibited from purchasing or selling, or making any offer to purchase or sell, derivative securities relating to Securities of the Company, whether or not issued by the Company. Examples of derivative securities are exchange-traded options to purchase or sell Securities of the Company (so called “puts” and “calls”) or financial instruments that are designed to hedge or offset any decrease in the market value of Securities of the Company (including but not limited to prepaid variable forward contracts, equity swaps, collars and exchange funds).

Directors and executive officers of The Southern Company are prohibited from holding Securities of the Company in a margin account or otherwise pledging Securities of the Company as collateral for a loan.