NOTICE OF 2017 ANNUAL MEETING OF SHAREHOLDERS

CAROLINA ALLIANCE BANK

200 South Church Street
Spartanburg, SC 29306

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Dear Fellow Shareholder:

We cordially invite you to attend the 2017 Annual Meeting of Shareholders of Carolina Alliance Bank (the "Bank"). At the meeting, we will ask you to approve, among other things, the reorganization of the Bank into a holding company. The reorganization of the Bank into a holding company will not change the amount or percentage of stock that you own or result in any change in the Bank's management. Moreover, we believe that the consummation of the reorganization should not have any effect on the value of the shares that you own. Forming a holding company will, however, provide us with more flexibility through which we can grow and continue to serve your financial needs. Our board of directors has unanimously approved the reorganization of the Bank into a holding company and recommends that the shareholders vote in favor of approval. Our directors and executive officers beneficially owned 8.7% of the Bank's outstanding common shares as of the record date, and they have indicated that they will vote their shares in favor of the reorganization. We explain our reasons for the reorganization in the enclosed proxy statement.

At the annual meeting, we will also ask you to vote (1) to authorize management to adjourn the meeting to allow time for the further solicitation of proxies in the event there are insufficient votes present at the meeting, in person or by proxy, to approve the reorganization; (2) to approve the Carolina Alliance Bank 2017 Equity Incentive Plan; (3) to elect our board of directors; and (4) to ratify the appointment of Elliott Davis Decosimo, LLC as our independent auditor for the year ending December 31, 2017. We will also report on our performance in 2016 and answer any questions you may have about the Bank or the reorganization at the meeting. We hope you can attend the meeting and look forward to seeing you there.

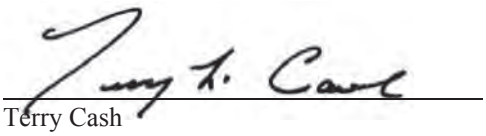
This letter serves as your official notice that we will hold the annual meeting on May 15, 2017 at 10:00 a.m. at the headquarters of the Bank located at 200 South Church Street, Spartanburg, South Carolina 29306, for the following purposes:

1. To approve an Agreement and Plan of Reorganization and Share Exchange, dated as of March 20, 2017, by and between Carolina Alliance Bank and CAB Financial Corporation, and the transactions contemplated by such agreement, including the reorganization of the Bank into a holding company;
2. To authorize management to adjourn the annual meeting to allow time for the further solicitation of proxies in the event there are insufficient votes present at the meeting, in person or by proxy, to approve the Agreement and Plan of Reorganization and Share Exchange;
3. To approve the Carolina Alliance Bank 2017 Equity Incentive Plan;
4. To elect five members to the Bank's board of directors;
5. To ratify the appointment of Elliott Davis Decosimo, LLC as our independent auditor for the year ending December 31, 2017; and
6. To transact any other business that may properly come before the meeting or any adjournment of the meeting.

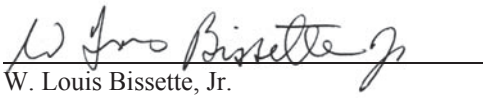
Shareholders owning our common stock at the close of business on March 29, 2017 are entitled to attend and vote at the annual meeting. A complete list of these shareholders will be available at the Bank's offices prior to the meeting.

Your vote is important. Whether or not you plan to attend the annual meeting in person, please take the time to vote your shares by completing, signing, and dating the enclosed proxy card and promptly returning it in the accompanying postage-paid envelope by May 10, 2017. We strongly encourage you to vote by proxy as it will help us prepare for the meeting. IN ADDITION, PLEASE NOTE THAT IF YOU DO NOT VOTE, IT WILL HAVE THE SAME EFFECT AS VOTING AGAINST THE REORGANIZATION.

By Order of the Board of Directors,



Terry Cash
Chairman



W. Louis Bissette, Jr.
Vice Chairman

April 10, 2017
Spartanburg, South Carolina

CAROLINA ALLIANCE BANK
200 South Church Street
Spartanburg, SC 29306

Proxy Statement for the Annual Meeting of Shareholders to be Held on May 15, 2017

Introduction

Our board of directors is soliciting proxies for the 2017 Annual Meeting of Shareholders of Carolina Alliance (the "Bank"). This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. The proxy statement also serves as the offering circular (the "Proxy Statement/Offering Circular") for the proposed new holding company, as it relates to the reorganization of the Bank into a holding company (the "Reorganization") and, in connection therewith, the 6,714,264 shares (using the Record Date share count) of holding company common stock to be issued to the shareholders of the Bank in exchange for their shares of Bank common stock. We encourage you to read this Proxy Statement/Offering Circular carefully.

At the meeting, shareholders will be asked to approve the Reorganization in accordance with the Reorganization Agreement and Plan of Share Exchange, dated as of March 20, 2017, by and between the Bank and CAB Financial Corporation, a South Carolina corporation recently organized to serve as the holding company for the Bank (the "Holding Company"), a copy of which is attached as Appendix A to this Proxy Statement/Offering Circular (the "Reorganization Plan"). The Reorganization Plan provides for a statutory share exchange between the shareholders of the Bank and the Holding Company. At the effective date of the Reorganization, each outstanding share of common stock of the Bank will be exchanged, in a tax-free transaction, for one share of common stock of the Holding Company (the "Share Exchange"). After consummation of the Reorganization, the Bank will conduct its business as a wholly-owned subsidiary of the Holding Company in substantially the same manner as the Bank did before the Reorganization, and all current shareholders of the Bank will become shareholders of the Holding Company. See "Proposal No. 1 – The Proposed Reorganization" for further information on the proposed Reorganization.

At the annual meeting, shareholders will also be asked (1) to authorize management to adjourn the meeting to allow time for the further solicitation of proxies in the event there are insufficient votes present at the meeting, in person or by proxy, to approve the Reorganization Plan; (2) to approve the Carolina Alliance Bank 2017 Equity Incentive Plan; (3) to elect five directors to the Bank's board of directors; and (4) to ratify the appointment of Elliott Davis Decosimo, LLC as our independent auditor for the year ending December 31, 2017.

Voting Information

The board of directors set March 29, 2017 as the record date for the annual meeting (the "Record Date"). Shareholders owning our common stock at the close of business on that date are entitled to attend and vote at the annual meeting, with each share entitled to one vote. There were 6,714,264 shares of common stock outstanding on the Record Date. A majority of the outstanding shares of common stock represented at the annual meeting will constitute a quorum.

Some of our shareholders hold their shares through a broker, bank, or other nominee rather than directly in their own name. If you hold shares in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in "street name", and these materials are being forwarded to you by your broker or nominee, which is considered the shareholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker or nominee how to vote and are also invited to attend the meeting. However, since you are not the shareholder of record, you may not vote these shares in person at the meeting unless you obtain a signed proxy from the shareholder of record giving you the right to vote the shares. Your broker or nominee has enclosed or provided a voting instruction card for you to use to direct your broker or nominee how to vote these shares.

When you sign the proxy card, you appoint John S. Poole and John D. Kimberly as your representatives at the meeting. Messrs. Poole and Kimberly will vote your proxy as you have instructed them on the proxy card. If you submit a proxy, but do not specify how you would like it to be voted, Messrs. Poole and Kimberly will vote your proxy for the approval of the Reorganization Plan; for the proposal to authorize management to adjourn the meeting to allow time for the further solicitation of proxies in the event there are insufficient votes present at the meeting, in person or by proxy, to approve the Reorganization Plan; for the approval of the Carolina Alliance Bank 2017 Equity Incentive Plan; for the election of directors; and for the ratification of the appointment of Elliott Davis Decosimo, LLC as our independent auditor for the year ending December 31, 2017. We are not aware of any other matters to be considered at the meeting. However, if any other matters come before the meeting, Messrs. Poole and Kimberly will vote your proxy on such matters in accordance with their judgment.

You may revoke your proxy and change your vote at any time before the polls close at the meeting. You may do this by signing and delivering another proxy with a later date or by voting in person at the meeting.

We are paying for the costs of preparing and mailing the proxy materials and of reimbursing others for their expenses of forwarding copies of the proxy materials to our shareholders. Our officers and employees may assist in soliciting proxies but will not receive additional compensation for doing so. We are distributing this Proxy Statement/Offering Circular on or about April 10, 2017.

CAB FINANCIAL CORPORATION
OFFERING CIRCULAR

PROXY STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS OF
CAROLINA ALLIANCE BANK
TO BE HELD May 15, 2017

TABLE OF CONTENTS

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS PROXY STATEMENT/ OFFERING CIRCULAR, IN CONNECTION WITH THE OFFERS MADE HEREBY, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THIS PROXY STATEMENT/OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY STATE OR OTHER JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE ANY SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROXY STATEMENT/OFFERING CIRCULAR, NOR ANY OFFER, SOLICITATION OR DISTRIBUTION MADE HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

THE SECURITIES OFFERED HEREBY ARE NOT DEPOSITS AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION. THESE SECURITIES ARE NOT GUARANTEED BY THE BANK OR BY THE HOLDING COMPANY AND MAY LOSE VALUE.

SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement/Offering Circular. Because it is a summary, it may not contain all of the information about the 2017 Annual Meeting of Shareholders that is important to you. We encourage you to read the entire Proxy Statement/Offering Circular carefully.

The Annual Meeting

Date, Time, and Place. The annual meeting will be held on May 15, 2017, commencing at 10:00 a.m. at the headquarters of the Bank located at 200 South Church Street, Spartanburg, South Carolina 29306.

Purpose. At the meeting, you will be asked to approve the Reorganization Plan pursuant to which the Bank will become a wholly-owned subsidiary of the Holding Company. You will also be asked to vote on: (1) a proposal to authorize management to adjourn the meeting to allow time for the further solicitation of proxies in the event there are insufficient votes present at the meeting, in person or by proxy, to approve the Reorganization Plan; (2) a proposal to approve the Carolina Alliance Bank 2017 Equity Incentive Plan; (3) the election of five directors to the Bank's board of directors; and (4) a proposal to ratify the appointment of Elliott Davis Decosimo, LLC as our independent auditor for the year ending December 31, 2017. Finally, you will vote on any other business as may properly come before the meeting or any adjournment of the meeting. At the annual meeting this year, you will not vote on the election of directors of the Holding Company. If the Reorganization is approved, you will be asked to vote on the election of directors of the Holding Company at next year's annual meeting.

Vote Required, Record Date, and Voting Rights. A quorum will be present at the meeting if a majority of the outstanding shares of our common stock entitled to vote at the meeting is represented in person or by valid proxy. If we have a quorum:

- Proposal No. 1 to approve the Reorganization Plan will be approved if the holders of two-thirds of the outstanding shares of the Bank's common stock vote in favor of the Reorganization Plan. You may vote "FOR" or "AGAINST" the Reorganization Plan. If a shareholder submits a proxy but does not specify how he or she would like it to be voted, then the proxy will be voted "FOR" the approval of the Reorganization Plan. A record shareholder's failure to execute and return a proxy card or otherwise to vote at the meeting will have the same effect as a vote "AGAINST" the proposal. If a record shareholder abstains from voting, the abstention will also have the effect of a vote "AGAINST" the proposal. Failure of a shareholder whose shares are held in street name to complete and return voting instructions as required by the broker or other nominee that holds such shares of record will have the same effect as a vote "AGAINST" the proposal.

- Proposal No. 2 to authorize management to adjourn the meeting to allow time for the further solicitation of proxies in the event there are insufficient votes present at the meeting, in person or by proxy, to approve the Reorganization Plan will be approved if the number of shares of the Bank's common stock voted in favor of the approval of the proposal exceeds the number of shares of common stock voted against the proposal. You may vote "FOR" or "AGAINST" this proposal, or "ABSTAIN" from voting on this proposal. If a shareholder submits a proxy but does not specify how he or she would like it to be voted, then the proxy will be voted "FOR" the proposal. We will not count abstentions or broker non-votes as either for or against this proposal, so abstentions and broker non-votes have no impact on this proposal.

- Proposal No. 3 to approve the Carolina Alliance Bank 2017 Equity Incentive Plan will be approved if the number of shares of the Bank's common stock voted in favor of the proposal exceeds the number of shares of common stock voted against the proposal. You may vote "FOR" or "AGAINST" this proposal, or "ABSTAIN" from voting on this proposal. If a shareholder submits a proxy but does not specify how he or she would like it to be voted, then the proxy will be voted "FOR" the proposal. We will not count abstentions or broker non-votes as either for or against this proposal, so abstentions and broker non-votes have no impact on the approval of the Carolina Alliance Bank 2017 Equity Incentive Plan.

- With respect to Proposal No. 4 to elect directors, the directors will be elected by a plurality of the votes of the shares of the Bank's common stock present in person or represented by proxy at the meeting and entitled to vote on the election of directors. This means that the individuals who receive the highest number of votes are selected as directors up to the maximum number of directors to be elected at the meeting. You may vote "FOR" each director nominee or "WITHHOLD" your vote on a director nominee. We will not count abstentions or broker non-votes as either for or against a director, so abstentions and broker non-votes have no impact on the election of a director.

- Proposal No. 5 to ratify the appointment of Elliott Davis Decosimo, LLC as our independent auditor for the year ending December 31, 2017 will be approved if the number of shares of the Bank's common stock voted in favor of the proposal exceeds the number of shares of common stock voted against the proposal. You may vote "FOR" or "AGAINST" this proposal, or "ABSTAIN" from voting on this proposal. If a shareholder submits a proxy but does not specify how he or she would like it to be voted, then the proxy will be voted "FOR" the proposal. We will not count abstentions or broker non-votes as either for or against this proposal, so abstentions and broker non-votes have no impact on the ratification of our independent registered public accounting firm.

The Bank's board of directors has fixed March 29, 2017 as the Record Date. At the close of business on the Record Date, there were issued and outstanding 6,714,264 shares of Bank common stock entitled to vote at the annual meeting and there were 248 shareholders of record (excludes shares held in street name). Holders of Bank common stock are entitled to one vote for each share held of record upon each matter properly submitted at the annual meeting.

The Bank's directors and executive officers beneficially owned 8.7% of the Bank's outstanding common shares as of the Record Date, and they have indicated that they will vote their shares in favor of all proposals submitted to shareholders.

The Reorganization

Purpose of the Reorganization

The members of the Bank's board of directors believe that the Reorganization is in the Bank's shareholders best interest because the Holding Company will have greater business and investment flexibility than the Bank. For example, the Holding Company can generally redeem its own shares, issue shares, and borrow money without regulatory approval, engage through non-bank subsidiaries in certain banking-related activities, and acquire other banks and thrifts. See "Proposal No. 1 - The Proposed Reorganization - Reasons for the Reorganization."

The board of directors has unanimously approved the Reorganization Plan and recommends that the shareholders vote in favor of approval of the Reorganization Plan.

Rights of Dissenting Shareholders.

If the Reorganization is consummated, shareholders who dissent will be entitled, upon compliance with the provisions of Chapter 13 of Title 33 of the South Carolina Business Corporation Code (the "South Carolina Dissenters' Rights Statute") to receive the value of their shares in cash. Any Bank shareholder intending to assert dissenters' rights may not vote in favor of the Reorganization and must file a written notice of intent to demand payment for his shares with the corporate secretary of the Bank before the vote is taken at the annual meeting. A vote against approval of the Reorganization will not, in and of itself, satisfy the requirements of the South Carolina Dissenters' Rights Statute. See "Proposal No. 1 - Rights of Dissenting Shareholders" and Appendix B attached to this Proxy Statement/Offering Circular. If the Reorganization is not consummated for any reason, the Bank will return all share certificates deposited for payment under the South Carolina Dissenters' Rights Statute (or will release all restrictions on transfer of uncertificated shares) and no shareholder will be entitled to a right to dissent nor will any shareholder be entitled to receive the value of their shares in cash.

Effect of Reorganization on the Bank's Shareholders

If the Reorganization is consummated, the shares of common stock held by the Bank's shareholders will be exchanged for shares of common stock of the Holding Company. Shareholders should consider carefully the differences in their rights as shareholders of the Bank and their rights as shareholders of the Holding Company. For instance, unlike the Bank, the Holding Company will be permitted to borrow from third party institutions and pledge all of the Bank's stock as collateral. If the Holding Company were to borrow such funds, pledge the Bank stock, and default on the loan, the Holding Company could forfeit the Bank stock. Except as otherwise described in this Proxy Statement/Offering Circular, Holding Company shareholders will have rights generally comparable to their present rights as shareholders of the Bank. See "Proposal No. 1 - The Proposed Reorganization - Effect of Reorganization on the Bank's Shareholders." Also see "Proposal No. 1 - Restrictions on Transfer of Stock Received by Affiliates" for a description of resale restrictions applicable to certain holders of Holding Company stock under the Securities Act of 1933, as amended (the "Securities Act").

Regulatory Approvals/Nonobjections

The Bank and Holding Company are seeking nonobjection from the Federal Reserve Board to consummate the Reorganization. The Reorganization will not be consummated unless the Federal Reserve Board provides its nonobjection to the Reorganization. In addition, the Bank and Holding Company will provide the South Carolina Board of Financial Institutions and Federal Deposit Insurance Corporation (the "FDIC") with written notice of consummation of the Reorganization, but no approval or nonobjection is required from either regulator relating to the Reorganization.

Securities Exemption and Transferability

The Holding Company will rely upon the exemption from federal registration contained in Section 3(a)(12) of the Securities Act to consummate the Share Exchange. Section 3(a)(12) provides that equity securities issued in connection with the acquisition by a holding company of a bank are exempt from the registration provisions of the Securities Act, provided the transaction meets certain enumerated requirements. The shares of Holding Company common stock issued in the Reorganization will be freely tradable, without restriction or registration under the Securities Act, except for shares issued to "affiliates" of the Bank at the time the Reorganization is submitted to shareholders of the Bank for their approval and shares issued to persons who are or become "affiliates" of the Holding Company. These shares will be subject to resale restrictions under the Securities Act.

Tax Consequences and Accounting Treatment

Under applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), no gain or loss will be recognized for federal income tax purposes by the Bank, the Holding Company, or the Bank's shareholders who receive solely stock of the Holding Company in connection with the proposed Share Exchange. No ruling to that effect will be requested from the Internal Revenue Service. Cash received by shareholders who exercise their dissenters' rights will be treated as amounts distributed in redemption of their shares and will be taxable under the provisions of Section 302 of the Code as either ordinary income or capital gain or loss, depending upon the circumstances of the individual shareholder. See "Federal Income Tax Consequences." The Holding Company intends to account for the Reorganization in a manner similar to a transaction of a group under common control which is accounted for on a historical cost basis.

PROPOSAL NO. 1

THE PROPOSED REORGANIZATION

The description of the Reorganization in this section does not purport to be complete, and it is qualified in its entirety by reference to the Reorganization Plan which is attached hereto as Appendix A.

Description of the Reorganization

The Holding Company is a new corporation recently organized under the laws of the State of South Carolina for the purpose of the Reorganization. If the Bank's shareholders approve the Reorganization Plan, the Reorganization will be accomplished pursuant to a statutory share exchange between the Bank and the Holding Company. The Share Exchange will be effective and the Reorganization will be consummated as of the date specified in the certificate of share exchange issued by the South Carolina Secretary of State's office (the "Effective Date").

At the Effective Date, each outstanding share of common stock of the Bank will be exchanged, in a tax-free transaction, for one share of common stock of the Holding Company. After consummation of the Reorganization, the Bank will conduct its business as a wholly-owned subsidiary of the Holding Company in substantially the same manner as the Bank did before the Reorganization, and all current shareholders of the Bank will become shareholders of the Holding Company. The articles of incorporation, bylaws, corporate identity, charter, and officers and directors of the Bank will not be changed as a result of the Reorganization. The Holding Company intends to account for the Reorganization in a manner similar to a transaction of a group under common control which is accounted for on a historical cost basis.

The Holding Company was recently organized at the direction of the management of the Bank to accomplish the Reorganization. John S. Poole, who served as the Chief Executive Officer of the Bank until January 1, 2017 in connection with the Holding Company formation, is the Chief Executive Officer of the Holding Company, John D. Kimberly, the Chief Executive Officer and President of the Bank, is the President of the Holding Company, and R. Lamar Simpson, the Chief Financial Officer of the Bank, is the Chief Financial Officer and Secretary of the Holding Company. All of the Bank's current directors are also directors of the Holding Company. However, as further described under "Proposal No. 4 – Election of Directors," three current Holding Company directors will not be Bank directors effective as of the annual meeting, one whose term is expiring and is not standing for re-election and two of whom are resigning from the Bank's board of directors. Currently, the sole shareholder of the Holding Company is R. Lamar Simpson, the Chief Financial Officer of the Bank and the Holding Company. In connection with the Reorganization, the Holding Company will redeem Mr. Simpson's stock in the Holding Company for the same consideration paid by him for such stock, so that the result will be that the Bank's shareholders become the Holding Company's only shareholders following the Reorganization. You should refer to "Proposal No. 4 – Election of Directors" for more information regarding the current directors of the Bank.

Reasons for the Reorganization

We believe the Reorganization is in the best interest of the Bank's shareholders because the Holding Company will have greater business and investment flexibility than the Bank in several areas. There are three primary benefits from the Reorganization.

First, the Bank can raise capital only by selling unissued shares of its stock or by issuing certain debt instruments, such as subordinated notes. The Bank must obtain regulatory approval to sell subordinated notes and sales of stock would dilute shareholders' ownership. The Holding Company, on the other hand, can borrow funds to make capital contributions to the Bank. The Holding Company can repay such loans with dividends paid from the Bank to the Holding Company, and the Holding Company can eliminate the dividends in computing its taxable income if it and the Bank file a consolidated tax return. Of course, use of Bank dividends to repay these loans would reduce the amount of dividends available to be used for other purposes, such as funds for the Holding Company to distribute as dividends to its shareholders. If the Holding Company prefers to raise money by issuing stock, it can do so without regulatory approval, subject to federal and state securities law requirements.

Second, except in certain unusual circumstances, the Bank is not permitted to purchase its own stock or to lend money secured by its own stock. The Holding Company may, within limits, redeem its own stock, and the Bank, as the Holding Company's subsidiary, may, within limits, make loans secured by Holding Company stock.

Third, the Holding Company can, either directly or through nonbanking subsidiaries, engage in a wider variety of banking-related activities than the Bank. These activities include: providing data processing services for the Bank; leasing buildings and equipment to the Bank; offering discount brokerage services; providing credit life and other types of insurance; and arranging commercial real estate equity financing. We believe that these broader powers will help us to remain responsive to our customers' broadening and changing financial needs.

In addition to the benefits discussed above, the Reorganization and the resulting corporate structure will impose certain additional costs and burdens relating to the Holding Company, including: (1) direct costs of the Reorganization, such as legal fees, accounting fees and printing costs; (2) additional administrative burdens of operating the Holding Company, such as management time and expenses; and (3) regulation by the Federal Reserve Board at the Holding Company level.

In summary, we believe that the greater business and investment capabilities of the Holding Company will enable the Bank to compete more effectively with other financial institutions and will help place the Bank in a better position for future growth. We also believe that these advantages to the Reorganization outweigh the costs of the Reorganization and the additional regulatory and administrative burdens associated with the Holding Company.

Conditions to the Reorganization

The Reorganization has been unanimously approved by the boards of directors of the Bank and the Holding Company. Consummation of the Reorganization is conditioned upon approval by holders of two-thirds of the outstanding shares of the Bank, and upon the receipt of nonobjection from the Federal Reserve Board.

Termination

The Reorganization Plan may be terminated at any time before the Effective Date if: (1) the number of shares of common stock of the Bank voted against the Reorganization makes consummation of the Reorganization unwise in the opinion of the Bank's board of directors; (2) any act, suit, proceeding or claim relating to the Reorganization has been instituted or threatened before any court or administrative body; or (3) the Bank's board of directors subsequently determines that the Reorganization is inadvisable.

Surrender of Certificates

Upon consummation of the Reorganization on the Effective Date, the Bank's shareholders will be furnished instructions for surrendering their current Bank stock certificates and for replacing any lost, stolen, or destroyed certificates. As of the Effective Date, each certificate representing common stock of the Bank will be deemed to evidence the right to receive Holding Company stock as provided by the Reorganization Plan. However, under the terms of the Reorganization Plan, shareholders who do not surrender their physical Bank stock certificates will not be issued certificates representing the shares of Holding Company common stock they may be entitled to receive and will not be paid dividends or other distributions. Any such dividends or distributions which such shareholders would otherwise receive will be held, without interest, for their accounts until surrender of their Bank stock certificates.

Shareholder Approval

The affirmative vote of the holders of two-thirds of the outstanding shares of the Bank's common stock entitled to vote at the annual meeting is required for approval of the Reorganization Plan. On the Record Date for determination of shareholders entitled to notice of and to vote at the annual meeting, the outstanding voting securities of the Bank consisted of 6,714,264 shares of common stock, with the registered holders thereof being entitled to one vote per share.

Effect of Reorganization on the Bank's Shareholders

General. If the Reorganization is consummated, the Bank's shareholders will become holders of the same number of shares of Holding Company common stock as the number of shares of Bank common stock they held prior to the Reorganization, and their respective percentage ownership interest in the Holding Company will be identical to their respective percentage ownership interest in the Bank (except to the extent that such ownership interest may be increased by the retirement of shares from Bank shareholders who exercise their statutory right to dissent). After the Reorganization, the rights and privileges of former Bank shareholders will be governed by the provisions of the South Carolina Business Corporation Act rather than the provisions of Title 34 of the South Carolina Code of Laws (the "Financial Institutions Code"). Shareholders should carefully consider the differences between their rights as shareholders of the Holding Company and their rights as shareholders of the Bank. A copy of the Holding Company's articles of incorporation and bylaws are attached hereto as Appendices E and F, respectively. The principal differences are described below.

Authorized Capital. The Bank's articles of incorporation authorize the issuance of up to 10,000,000 shares of common stock, par value $1.00 per share, and 10,000,000 shares of preferred stock, par value $1.00 per share, with the terms of the preferred stock to be set by the Bank's board of directors. The Holding Company's articles of incorporation authorize the issuance of up to 20,000,000 shares of common stock, par value $1.00 per share, and 10,000,000 shares of preferred stock, par value $1.00 per share, with the terms of the preferred stock to be set by the Holding Company's board of directors. The Financial Institutions Code provides that the issuance of stock by the Bank is subject to approval by the South Carolina Board of Financial Institutions, and that Bank stock, except for certain limited exceptions, may be issued only for cash consideration. On the other hand, stock issuances by the Holding Company will not be subject to such regulatory approval and stock may be issued by the Holding Company for cash, other property, or services.

Limitation of Liability. The Holding Company's amended and restated articles of incorporation and bylaws provide for indemnification of directors, officers, employees and agents. The current articles of incorporation and bylaws of the Bank also contain indemnification provisions which allow for the indemnification of directors, trustees, officers, employees or agents of the Bank, although it is unclear whether such provisions would be enforceable under all circumstances, especially in the context of an enforcement action by the FDIC. As a result, the limits on liability available to the Holding Company's directors, officers, employees and agents may be more favorable to the Holding Company's directors, officers, employees and agents than the similar provisions available to the Bank's directors, trustees, officers, employees and agents.

Restrictions on Resale of Holding Company Stock. Persons who are "affiliates" of the Bank at the time that the Reorganization Plan is submitted to the Bank's shareholders for approval and persons who are or become "affiliates" of the Holding Company will be subject to restrictions on the resale of their shares of Holding Company common stock under the Securities Act. In contrast, affiliates of the Bank are not subject to those resale restrictions under the Securities Act because stock of a bank is exempt from the registration provisions of the Securities Act pursuant to Section 3(a)(2) thereof. See "Proposal No. 1 - The Proposed Reorganization - Restrictions On Transfer Of Stock Received By Certain Individuals."

Regulation of the Holding Company

Since the Holding Company will own the outstanding capital stock of the Bank, the Holding Company will be a bank holding company within the meaning of the federal Bank Holding Company Act of 1956 (the "BHCA") and the Financial Institutions Code.

The BHCA. Under the BHCA, the Holding Company will be subject to periodic examination by the Federal Reserve Board and will be required to file periodic reports of its operations and such additional information as the Federal Reserve Board may require. The Holding Company's and the Bank's activities are limited to: banking, managing, or controlling banks; furnishing services to or performing services for its subsidiaries; and engaging in other activities that the Federal Reserve Board determines to be so closely related to banking, managing, or controlling banks as to be a proper incident thereto.

Investments, Control, and Activities. With certain limited exceptions, the BHCA requires every bank holding company to obtain the prior approval of the Federal Reserve Board before (1) acquiring substantially all the assets of any bank, (2) acquiring direct or indirect ownership or control of any voting shares of any bank if after such acquisition it would own or control more than 5% of the voting shares of such bank (unless it already owns or controls the majority of such shares), or (3) merging or consolidating with another bank holding company.

In addition, and subject to certain exceptions, the BHCA and the Change in Bank Control Act, together with regulations thereunder, require Federal Reserve Board approval (or, depending on the circumstances, no notice of disapproval) prior to any person or company acquiring "control" of a bank holding company, such as the Holding Company. Control is conclusively presumed to exist if an individual or company acquires 25% or more of any class of voting securities of the bank holding company. Control is rebuttably presumed to exist if a person acquires 10% or more but less than 25% of any class of voting securities and either the Holding Company has registered securities under Section 12 of the Securities and Exchange Act of 1934 or no other person will own a greater percentage of that class of voting securities immediately after the transaction. The regulations provide a procedure for challenge of the rebuttable control presumption.

Under the BHCA, a bank holding company is generally prohibited from engaging in, or acquiring direct or indirect control of more than 5% of the voting shares of any company engaged in, nonbanking activities, unless the Federal Reserve Board, by order or regulation, has found those activities to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. Some of the activities that the Federal Reserve Board has determined by regulation to be proper incidents to the business of a bank holding company include making or servicing loans and certain types of leases, engaging in certain insurance and discount brokerage activities, performing certain data processing services, acting in certain circumstances as a fiduciary or investment or financial adviser, owning savings associations, and making investments in certain corporations or projects designed primarily to promote community welfare.

The Federal Reserve Board will impose certain capital requirements on the Holding Company under the BHCA, including a minimum leverage ratio and a minimum ratio of "qualifying" capital to risk-weighted assets. Subject to its capital requirements and certain other restrictions, the Holding Company will be able to borrow money to make a capital contribution to the Bank, and such loans may be repaid from dividends paid from the Bank to the Holding Company (although the ability of the Bank to pay dividends will be subject to regulatory restrictions). The Holding Company will also generally be able to raise capital for contribution to the Bank by issuing securities without having to receive regulatory approval, subject to compliance with federal and state securities laws. Unlike the Bank, the Holding Company may, subject to certain limitations, repurchase its own stock.

Source of Strength; Cross-Guarantee. In accordance with Federal Reserve Board policy, the Holding Company is expected to act as a source of financial strength to the Bank and to commit resources to support the Bank in circumstances in which the Holding Company might not otherwise do so. Under the BHCA, the Federal Reserve Board may require a bank holding company to terminate any activity or relinquish control of a nonbank subsidiary (other than a nonbank subsidiary of a bank) upon the Federal Reserve Board's determination that such activity or control constitutes a serious risk to the financial soundness or stability of any subsidiary depository institution of the bank holding company.

Further, federal bank regulatory authorities have additional discretion to require a bank holding company to divest itself of any bank or nonbank subsidiary if the agency determines that divestiture may aid the depository institution's financial condition. The Bank may be required to indemnify, or cross-guarantee, the FDIC against losses it incurs with respect to any other bank controlled by the Holding Company, which in effect makes the Holding Company's equity investments in healthy bank subsidiaries available to the FDIC to assist any failing or failed bank subsidiary of the Holding Company.

Financial Institutions Code. As a bank holding company registered under the Financial Institutions Code, the Holding Company is subject to regulation by the South Carolina Board of Financial Institutions. Consequently, the Holding Company must receive the approval of the South Carolina Board of Financial Institutions prior to engaging in the acquisition of banking or nonbanking institutions or assets. The Holding Company must also file with the South Carolina Board of Financial Institutions periodic reports with respect to its financial condition and operations, management, and intercompany relationships between the Holding Company and its subsidiaries.

Assumption of Carolina Alliance Bank Equity Incentive Plans

As a part of the Reorganization, the Holding Company will assume any outstanding awards that have been granted under the Carolina Alliance Bank 2007 Stock Incentive Plan, the Forest Commercial 2008 Incentive Stock Option Plan, the Forest Commercial 2008 Nonstatutory Stock Option Plan, and the Carolina Alliance Bank 2017 Equity Incentive Plan (collectively, the "Equity Plans") prior to the Reorganization. The Holding Company will amend the Equity Plans following the Reorganization to substitute the Holding Company as the granting corporation that maintains the Equity Plans. The Holding Company will also amend the Equity Plans to substitute Bank common stock with Holding Company common stock as the stock issuable under each Equity Plan. Following the Reorganization, the Holding Company will have the authority to grant new awards pursuant to the assumed Equity Plans. Refer to "Proposal No. 3 – Approval of the Carolina Alliance Bank 2017 Equity Incentive Plan" for more information regarding the 2017 Equity Incentive Plan.

RIGHTS OF DISSENTING SHAREHOLDERS

Chapter 13 of the South Carolina Business Corporation Act sets forth the rights of the shareholders of the Bank who object to the Reorganization. The following is a summary of the material terms of the statutory procedures to be followed by a shareholder in order to dissent from the Reorganization and perfect dissenters' rights under the South Carolina Business Corporation Act. A copy of Chapter 13 of the South Carolina Business Corporation Act is attached as Appendix B to this Proxy Statement/Offering Circular. *The only rights of dissent available to the Bank shareholders are those provided in the law. Nothing in this Proxy Statement/Offering Circular shall be deemed to create or grant any such rights.*

If you elect to exercise such a right to dissent and demand appraisal, you must satisfy each of the following conditions:

(a) you must give to the Bank and the Bank must actually receive, before the vote at the annual meeting on approval or disapproval of the Reorganization Plan is taken, written notice of your intent to demand payment for your shares if the Reorganization is effectuated (this notice must be in addition to and separate from any proxy or vote against the Reorganization Plan; neither voting against, abstaining from voting, nor failing to vote on the Reorganization will constitute a notice within the meaning of the South Carolina Business Corporation Act); and

(b) you must not vote in favor of the Reorganization Plan. A failure to vote or a vote against the Reorganization Plan will satisfy this requirement. The return of a signed proxy which does not specify whether you vote in favor or against approval of the Reorganization Plan will not constitute a waiver of your dissenters' rights. If you notify the Bank that you intend to dissent, a vote cast in favor of the Reorganization Plan by the holder of the proxy will not disqualify you from demanding payment for your shares.

If the requirements of (a) and (b) above are not satisfied and the Reorganization becomes effective, you will not be entitled to payment for your shares under the provisions of Chapter 13 of the South Carolina Business Corporation Act.

If you are a dissenting Bank shareholder, any notices should be addressed to Carolina Alliance Bank, 200 South Church Street, Spartanburg, South Carolina 29306, Attention: R. Lamar Simpson. The notice must be executed by the holder of record of the shares of Bank common stock as to which dissenters' rights are to be exercised. A beneficial owner may assert dissenters' rights only if he dissents with respect to all shares of Bank common stock of which he is the beneficial owner. With respect to shares of Bank common stock which are owned of record by a voting trust or by a nominee, the beneficial owner of such shares may exercise dissenters' rights if such beneficial holder also submits to the Bank the name and address of the record shareholder of the shares, if known to him. A record owner, such as a broker, who holds shares of Bank common stock as a nominee for others may exercise dissenters' rights with respect to the shares held for all or less than all beneficial owners of shares as to which such person is the record owner, provided such record owner dissents with respect to all Bank common stock beneficially owned by any one person. In such case, the notice submitted by the broker as record owner must set forth the name and address of the shareholder who is objecting to the Reorganization Plan proposal and demanding payment for such person's shares.

If you properly dissent and the Reorganization Plan is approved, the Bank must mail by registered or certified mail, return receipt requested, a written dissenters' notice to you. This notice must be sent no later than 10 days after the shareholder approval of the Reorganization Plan. The dissenters' notice will state where your payment demand must be sent, and where and when certificates for shares of Bank common stock must be deposited; supply a form for demanding payment; set a date by which the Bank must receive your payment demand (not fewer than 30 days nor more than 60 days after the dissenters' notice is mailed and which must not be earlier than 20 days after the demand date); and include a copy of Chapter 13 of the South Carolina Business Corporation Act.

If you receive a dissenters' notice, you must demand payment and deposit your share certificates in accordance with the terms of the dissenters' notice. If you demand payment and deposit your share certificates, you retain all other rights of a shareholder until these rights are canceled or modified by the Reorganization. If you do not demand payment or deposit your share certificates where required, each by the date set in the dissenters' notice, you are not entitled to payment for your shares under the South Carolina Business Corporation Act.

Within 30 days after receipt of your demand for payment, the Bank is required to pay you the amount it estimates to be the fair value of your shares, plus interest accrued from the effective date of the Reorganization to the date of payment. The payment must be accompanied by:

- The Bank's most recent available balance sheet, income statement, and statement of cash flows as of the end of or for the fiscal year ending not more than 16 months before the date of payment, and the latest available interim financial statements, if any;
- an explanation of how the Bank estimated the fair value of the shares;
- an explanation of the interest calculation;
- a statement of the dissenters' right to demand payment (as described below); and
- a copy of Chapter 13 of the South Carolina Business Corporation Act.

If the Reorganization is not consummated within 60 days after the date set for demanding payment and depositing share certificates, the Bank must return your deposited certificates. If after returning your deposited certificates the Reorganization is consummated, the Bank must send you a new dissenters' notice and repeat the payment demand procedure.

Demand for Payment. You may, however, notify the Bank in writing of your own estimate of the fair value of your shares and amount of interest due, and demand payment of the excess of your estimate of the fair value of your shares over the amount previously paid by the Bank if:

(a) you believe that the amount paid is less than the fair value of the Bank's common stock or that the interest is incorrectly calculated;

(b) the Bank fails to make payment of its estimate of fair value to you within 30 days after receipt of a demand for payment; or

(c) the Reorganization not having been consummated, the Bank does not return your deposited certificates within 60 days after the date set for demanding payment.

You waive the right to demand payment unless you notify the Bank of your demand in writing within 30 days of the Bank's payment of its estimate of fair value (with respect to clause (a) above) or the Bank's failure to perform (with respect to clauses (b) and (c) above). If you fail to notify the Bank of your demand within such 30-day period, you shall be deemed to have withdrawn your shareholder's dissent and demand for payment.

Appraisal Proceeding. If your demand for payment remains unsettled, the Bank must commence a proceeding within 60 days after receiving the demand for additional payment by filing a complaint with the South Carolina Court of Common Pleas in Spartanburg County to determine the fair value of the shares and accrued interest. If the Bank does not commence the proceeding within such 60-day period, the Bank will pay you the amount you demanded.

The court in such an appraisal proceeding will determine all costs of the proceeding and assess the costs as it finds equitable. The proceeding is to be tried as in other civil actions; however, you will not have the right to a trial by jury. The court may also assess the fees and expenses of counsel and expenses for the respective parties, in the amounts the court finds equitable: (a) against the Bank if the court finds that it did not comply with the statute; or (b) against the Bank or you, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith. If the court finds that the services of counsel for you were of substantial benefit to other dissenting shareholders, and that the fees for those services should not be assessed against the Bank, the court may award to these counsel reasonable fees to be paid out of the amounts awarded the dissenting shareholders who were benefited. If the Bank failed to commence an appraisal proceeding within 60 days, the court shall assess the costs of the proceedings and the fees and expenses of counsel for the Bank.

The summary set forth above does not purport to be a complete statement of the provisions of the South Carolina Business Corporation Act relating to the rights of dissenting shareholders and is qualified in its entirety by reference to the applicable sections of the South Carolina Business Corporation Act, which are included as Appendix B to this Proxy Statement/Offering Circular. If you intend to exercise your dissenters' rights, you are urged to carefully review Appendix B and to consult with legal counsel so as to be in strict compliance therewith.

FEDERAL INCOME TAX CONSEQUENCES

If the Share Exchange and related transactions take place as described in the Reorganization Plan and at least 80% of the Bank's outstanding common stock is exchanged solely for Holding Company voting common stock in the Share Exchange:

(1) Assuming any cash paid to shareholders of the Bank who exercise their dissenters' rights is funded by the Bank, the Share Exchange between the Bank and the Holding Company should qualify as a "reorganization" pursuant to Section 368(a)(1)(B) of the Code.

(2) Assuming the Share Exchange qualifies as a "reorganization," no gain or loss will be recognized by the Holding Company or the Bank as a result of the Share Exchange.

(3) Assuming the Share Exchange qualifies as a "reorganization," no gain or loss will be recognized by any shareholder of the Bank upon the exchange of his Bank common stock in the Share Exchange solely for Holding Company common stock.

(4) Cash received by a shareholder of the Bank who perfects his dissenters' rights will be treated as having been received by such shareholder in redemption of his Bank common stock, and such redemption will be taxable under the provisions of Section 302 of the Code as either ordinary income or capital gain or loss, depending upon the circumstances of the individual shareholder.

(5) Assuming the Share Exchange qualifies as a "reorganization," the aggregate tax basis of the Holding Company common stock received by a Bank shareholder will be the same as such shareholder's basis in the Bank common stock exchanged for such Holding Company common stock in the Share Exchange.

(6) Assuming the Share Exchange qualifies as a "reorganization," the holding period of the Holding Company common stock received in the Share Exchange by a Bank shareholder will include the period during which such shareholder held the Bank common stock exchanged for such Holding Company common stock, provided that such Bank common stock is held by such shareholder as a capital asset on the Effective Date.

In the alternative, even if the transaction is determined to fail to qualify as a "reorganization" under Section 368(a)(1)(B) of the Code, the Share Exchange should qualify for tax-free treatment under Section 351(a) of the Code to the extent Bank shares are exchanged for shares of Holding Company stock.

No ruling will be requested from the Internal Revenue Service ("IRS") concerning the tax consequences of the Share Exchange. Because no IRS ruling will be requested, there is a risk that the IRS will determine that the Share Exchange does not qualify as a "reorganization," or as an exchange under Section 351(a) of the Code, thus potentially resulting in adverse tax consequences to the Bank, the Holding Company and their shareholders.

The foregoing brief summary is not, and is not intended to be, a complete analysis of all the federal income tax consequences of the Share Exchange. SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS TO MAKE A PERSONAL APPRAISAL OF THE FEDERAL INCOME TAX CONSEQUENCES OF THE PROPOSED TRANSACTION AND IN ORDER TO DETERMINE ANY STATE OR LOCAL TAX CONSEQUENCES OF THE SHARE EXCHANGE.

DIVIDENDS

The Bank has never paid any cash dividends on its shares of common stock, but only on its 5,000 shares of Series A preferred stock that were issued to United States Treasury under the Small Business Lending Program, which shares were redeemed by the Bank on February 23, 2016 and are thus no longer outstanding. The Holding Company's ability to pay any cash dividends to its shareholders will depend primarily on the Bank's ability to pay dividends to the Holding Company. As a South Carolina chartered bank, the Bank is subject to limitations on the amount of dividends that it is permitted to pay. Unless otherwise instructed by the South Carolina Board of Financial Institutions, the Bank is generally permitted under South Carolina state banking regulations to pay cash dividends of up to 100% of net income in any calendar year without obtaining the prior approval of the South Carolina Board of Financial Institutions. The FDIC also has the authority under federal law to enjoin a bank from engaging in what in its opinion constitutes an unsafe or unsound practice in conducting its business, including the payment of a dividend under certain circumstances.

Since the Holding Company is a bank holding company, its ability to declare and pay dividends is dependent on certain federal and state regulatory considerations, including the guidelines of the Federal Reserve Board. The Federal Reserve Board has issued a policy statement regarding the payment of dividends by bank holding companies. In general, the Federal Reserve Board's policies provide that dividends should be paid only out of current earnings and only if the prospective rate of earnings retention by the bank holding company appears consistent with the organization's capital needs, asset quality and overall financial condition. The Federal Reserve Board's policies also require that a bank holding company serve as a source of financial strength to its subsidiary banks by standing ready to use available resources to provide adequate capital funds to those banks during periods of financial stress or adversity and by maintaining the financial flexibility and capital-raising capacity to obtain additional resources for assisting its subsidiary banks where necessary. Further, under the prompt corrective action regulations, the ability of a bank holding company to pay dividends may be restricted if a subsidiary bank becomes undercapitalized. These regulatory policies could affect the ability of the Holding Company to pay dividends or otherwise engage in capital distributions.

PRO FORMA CONDENSED FINANCIAL INFORMATION

Since the Holding Company was recently formed to acquire the Bank and has had no operations of its own, and because the Reorganization is expected to be accounted for in a manner similar to a transaction of a group under common control which is accounted for on a historical cost basis, the Holding Company's consolidated balance sheet immediately after consummation of the Reorganization will be essentially identical to the Bank's balance sheet with the following changes: (a) shareholders' equity will be reduced by the amount of the expenses of the Reorganization (estimated to be about $50,000); and (b) shareholders' equity may be further reduced by any amounts that the Holding Company must pay to shareholders dissenting from the Reorganization. See "Rights of Dissenting Shareholders." Consummation of the Reorganization will not have any material effect on the earnings of the Bank and, on a consolidated basis, the pro forma consolidated results of operations of the Holding Company would be identical to those of the Bank, with the exception of the estimated expenses of the Reorganization.

The following table sets forth the actual capitalization of the Holding Company as of December 31, 2016, and the pro forma consolidated capitalization of the Holding Company and the Bank as of that date using the Bank's actual balance sheet amounts as of December 31, 2016. The information herein should be read in conjunction with the audited financial statements of the Bank, which have been delivered with this Proxy Statement/Offering Circular.

Pro Forma Consolidated Capitalization

	Holding Company Prior to the Reorganization		Pro Forma Adjustments (Bank Shareholders' Equity)		Consolidated Company After the Reorganization
Shareholders' Equity:					
Preferred stock, no par value, 10,000,000 shares authorized; none outstanding	$ -		$ -		$ -
Common stock,$1 par value, 20,000,000 shares authorized; 10 shares issued prior to reorganization; 6,534,833 shares issued after reorganization	10	(1)	(10)	(2)	-
			6,534,833	(3)	6,534,833
Additional paid-in capital	90	(1)	(90)	(2)	
			59,055,109	(3)	59,055,109
Retained earnings	-		5,569,583	(3)	
			(50,000)	(4)	5,519,583
Accumulated other comprehensive loss	-		(864,081)	(3)	(864,081)
Total shareholders' equity	$ 100		$ 70,245,344		$ 70,245,444

(1) On March 21, 2017, the Chief Financial Officer of the Bank purchased 10 shares of the common stock of the Holding Company for $10.00 per share.

(2) Redemption of 10 shares of common stock of the Holding Company purchased by the Chief Financial Officer of the Bank in connection with the formation of the Holding Company.

(3) Issuance of 6,534,833 shares of common stock of the Holding Company in exchange for all of the 6,534,833 outstanding shares of common stock of the Bank on a one-for-one share basis. Assumes no cash payments are made to dissenting shareholders of the Bank. Amounts are derived from the balance sheet of the Bank as of December 31, 2016.

(4) Assuming $50,000 expenses of the Reorganization.

RESTRICTIONS ON TRANSFER OF STOCK RECEIVED BY AFFILIATES

Upon completion of the Reorganization, the Holding Company will have 6,714,264 shares of common stock outstanding, assuming no shareholders exercise their statutory dissenters' rights, plus 603,594 shares of common stock subject to issuance pursuant to outstanding stock options (share amounts are as of the Record Date). The shares issued in the Reorganization will be freely tradable, without restriction or registration under the Securities Act, except for shares issued to "affiliates" of the Bank at the time the Reorganization is submitted to shareholders of the Bank for their approval and shares issued to persons who are or become "affiliates" of the Holding Company. These shares will be subject to resale restrictions under the Securities Act.

Currently, shares of the Bank's common stock held by affiliates of the Bank are not subject to resale restrictions under the Securities Act because bank stock, unlike stock of a holding company, is accorded exempt status under Section 3(a)(2) of the Securities Act.

An "affiliate" of a company is defined in Rule 144 under the Securities Act as a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the company. Rule 405 under the Securities Act defines the term "control" to mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the person, whether through the ownership of voting securities, by contract, or otherwise.

After the Reorganization, securities held by affiliates may be eligible for sale in the open market without registration in accordance with the provisions of Rule 144 promulgated under the Securities Act. In general, under Rule 144 persons who are affiliates of the Holding Company are entitled to sell within any three-month period a number of shares that does not exceed the greater of 1% of the total number of outstanding shares of common stock or the average weekly trading volume in the common stock during the four calendar weeks preceding the sale and may only sell such shares through unsolicited brokers' transactions. Rule 144 also requires that the securities must be sold in "brokers' transactions," as defined in the Securities Act, and the person selling the securities may not solicit orders or make any payment in connection with the offer or sale of securities to any person other than the broker who executes the order to sell the securities. This requirement may make the sale of the common stock of the Holding Company pursuant to Rule 144 difficult if no trading market develops in the common stock.

The Bank's board of directors recommends that you vote "FOR" the approval of the Reorganization Plan.

PROPOSAL NO. 2

AUTHORIZATION TO ADJOURN

At the 2017 Annual Meeting of Shareholders, you are being asked to consider and vote on a proposal to authorize management to adjourn the meeting to allow time for the further solicitation of proxies if there are insufficient votes present at the meeting, in person or by proxy, to approve the Reorganization Plan.

The Bank's board of directors recommends that you vote "FOR" the proposal to authorize management to authorize management to adjourn the annual meeting to allow time for the further solicitation of proxies in the event there are insufficient votes present at the meeting, in person or by proxy, to approve the Reorganization Plan.

PROPOSAL NO. 3

APPROVAL OF THE CAROLINA ALLIANCE BANK 2017 EQUITY INCENTIVE PLAN

On February 21, 2017, the Bank's board of directors adopted, subject to shareholder approval, the Carolina Alliance Bank 2017 Equity Incentive Plan (the "Plan") that provides for the grant of stock options, restricted stock awards, restricted stock unit awards, and other equity awards to our officers, employees, directors, advisors, and consultants. A total of 600,000 shares of common stock have been reserved for the issuance of awards under the Plan, with any such shares able to be issued pursuant to stock options (all of which may be incentive stock options) or as restricted stock or restricted stock units, subject to the anti-dilution provisions of the Plan. The following summary of the material features of the Plan is qualified in its entirety by reference to the copy of the Plan which is attached as Appendix D to this Proxy Statement/Offering Circular and is incorporated by reference into this summary.

Background

The Bank currently has three stock option plans for the benefit of the Bank's officers, employees, and directors. The Carolina Alliance Bank 2007 Stock Incentive Plan (the "CAB Plan") was effective on May 21, 2007 upon approval of the Bank's shareholders. In connection with the Forest Commercial Bank merger in 2014, the Bank assumed all options outstanding under the Forest Commercial Bank 2008 Incentive Stock Option Plan and the Forest Commercial Bank 2008 Nonstatutory Stock Option Plan (the "FCB Plans" and, together with the CAB Plan, the "Current Equity Plans"). Total options available for grant under the FCB Plans was frozen at the amount of options outstanding as of the merger date and the availability of options under the CAB Plan was reduced by the amount of option availability under these plans, such that the combined options available for grant under the three plans equaled the amount of options available for grant under the CAB Plan immediately preceding the merger.

Under terms of the Current Equity Plans, the Board may grant options to purchase common stock ("options") of the Bank aggregating up to 21% of outstanding shares. At December 31, 2016, 782,844 options were outstanding of the 1,372,315 options available for grant. Beginning with the CAB Plan's 10-year anniversary on May 21, 2017, the Bank may no longer issue incentive stock options to the Bank's employees under the CAB Plan, although it will still be able to issue nonqualified stock options (see further discussion of incentive and nonqualified stock options under "Tax Effects of Participation in the Plan – Stock Options."

Upon shareholder approval of the Plan, the CAB Plan will be frozen and no further grants will be made. The Plan permits the Bank to issue up to 600,000 shares through equity awards. Based on scheduled grant expirations in the Current Equity Plans on May 25, 2017 and the Bank's approximately 6.5 million outstanding shares, the maximum shares issuable under the Plan, in combination with the remaining outstanding stock options under the Current Equity Plans (all of which will be frozen upon shareholder approval of the Plan), is projected to represent approximately 17% of the Bank's outstanding shares.

Purpose of the Plan

We believe we have been able to attract highly qualified personnel to the Bank in part through the use of incentive stock option grants. The board of directors believes that it is desirable to have the continued ability to attract additional personnel and to return and reward exceptional performance by employees through equity awards that encourage stock ownership and proprietary interest in the Bank. Since the CAB Plan will no longer have the ability to issue new incentive stock option grants after May 21, 2017, the board of directors believes that the Plan will continue to provide a means whereby those individuals upon whom the responsibilities of the successful administration and management of the Bank rest, and whose present and potential contributions to the Bank are of importance, can acquire and maintain stock ownership. Management and the board of directors believe that an equity stake in the Bank strengthens employees' concern for the welfare of the Bank. By providing such individuals with additional incentive and reward opportunities, the Board believes that the Plan enhances the profitable growth of the Bank.

Administration of the Plan

The Plan provides that it is to be administered by the board of directors, the compensation committee of the board of directors or any other committee appointed by the board of directors to administer the Plan. The board has appointed the compensation committee as the administrator of the Plan until further notice is given. Any such committee may, but is not required to be, comprised of two or more "outside" directors, within the meaning of section 162(m) of the Code and within the meaning of the term "non-employee director" as defined in Rule 16b-3 under the Securities Exchange Act of 1934. The compensation committee has sole authority, in its discretion, to determine which officers, teammates, consultants, advisors (including members of an advisory board), or directors will receive awards, the number of shares of common stock to be subject to each award, and the forfeiture restrictions (as defined below) for each award.

Shares Subject to the Plan

The Plan provides for awards of stock options, restricted stock, and restricted stock units. The compensation committee is also authorized, subject to limitations under applicable law, to issue other awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to shares of common stock, including without limitation shares awarded purely as a "bonus" and not subject to any restrictions or conditions, stock appreciation rights, performance awards, performance units, phantom stock, dividend equivalents, or similar rights to purchase or acquire shares, convertible or exchangeable debt securities and other rights convertible or exchangeable into shares. However, at this time, the Plan defines only the material terms of the stock option, restricted stock, and restricted stock units components and we presently intend to only utilize those components.

The Plan requires that stock options can only be issued at or above the fair market value per share on the date of grant. Stock options granted to participants under the Plan may be either incentive stock options (ISOs) under the provisions of Section 422 of the Code, or options that are not subject to the provisions of Section 422 of the Code (Nonqualified Options). Stock options entitle the recipient to purchase shares of common stock at the exercise price specified in the award agreement.

The administrator at its discretion determines the number of option shares, the term of the option, the exercise price (subject to the minimum price described above), the vesting schedule and performance conditions (if any), and any other terms and conditions. In the case of 10% shareholders who receive incentive stock options, the exercise price may not be less than 110% of the fair market value of the common stock on the date of grant. An exception to each of these requirements may be made for options that the Bank may grant in substitution for options held by employees of companies that the Bank acquires. In such a case, the exercise price is adjusted to preserve the economic value of the employee's stock option from his or her former employer.

The compensation committee will determine the periods during which the options will be exercisable. However, no option will be exercisable more than 10 years after the date of grant. Payment of the exercise price of any option may be made in cash or cash equivalent, as determined by the compensation committee, to the extent permitted by law (1) by means of any cashless exercise procedure approved by the compensation committee, (2) by delivering shares of common stock already owned by the option holder, (3) by such other method as the compensation committee may determine, or (4) any combination of the foregoing.

Restricted stock consists of shares of common stock which are granted to the participant, subject to certain restrictions against disposition and certain obligations to forfeit such shares to the Bank under certain circumstances. The restrictions, which may be different for each award, will be determined by the compensation committee in its sole discretion. Restricted stock awarded under the Plan will be represented by a book entry registered in the name of the participant. Unless otherwise provided in an agreement, the participant will have the right to receive dividends, if any, with respect to such shares of restricted stock, to vote such shares and to enjoy all other shareholder rights, except that the participant may not sell, transfer, pledge or otherwise dispose of the restricted stock until the restrictions have expired. A breach of the terms and conditions established by the compensation committee pursuant to an award will cause a forfeiture of the award. The compensation committee expects that participants generally will not be required to make any payment for common stock received pursuant to an award, except to the extent otherwise determined by the compensation committee or required by law.

Restricted stock units are similar to restricted stock awards in that the value of a restricted stock unit is denominated in shares of stock. However, unlike a restricted stock award, restricted stock units are a mere promise by the Bank to grant stock at a specified point in the future, and no shares of stock are transferred to the participant until certain requirements or conditions associated with the award are satisfied.

The compensation committee, in its discretion, may set restrictions on awards based upon the achievement of performance goals (collectively, the "Performance Goals") based upon any individual participant or Bank criteria or metric that the compensation committee may determine, including, but not limited to, the attainment of specified levels of one or more of the following measures: stock price, earnings (including earnings before taxes, earnings before interest and taxes or earnings before interest, taxes, depreciation and amortization), prescribed rating, earnings per share, operating earnings per share, return on equity, return on assets or operating assets, percentage of non-performing assets, asset quality, level of classified assets, net interest margin, loan portfolio growth, efficiency ratio, deposit portfolio growth, liquidity, market share, objective customer service measures or indices, economic value added, shareholder value added, embedded value added, combined ratio, pre- or after-tax income, net income, cash flow (before or after dividends), cash flow per share (before or after dividends), gross margin, risk-based capital, revenues, revenue growth, return on capital (including return on total capital or return on invested capital), cash flow return on investment, cost control, gross profit, operating profit, cash generation, unit volume, sales, asset quality, cost saving levels, market-spending efficiency, core non-interest income or change in working capital, in each case with respect to the Bank or any one or more subsidiaries, divisions, business units or business segments thereof, either in absolute terms or relative to the performance of one or more other companies (including an index covering multiple companies). Performance for any goal can be measured on an absolute basis (i.e., versus the Bank's budget or prior year result) or relative to a peer group or industry index, as well as over a one-year or multi-year period. In any event, the compensation committee will have the authority to adjust any Performance Goal for unusual or non-recurring events in any manner permitted under Section 162(m) of the Code.

The compensation committee may, in its discretion, fully vest any or all equity awards awarded to a participant under an award and, upon such vesting, all option vesting conditions or forfeiture restrictions applicable to the award will terminate. Any such action by the compensation committee may vary among individual participants and may vary among awards held by any individual participant. The compensation committee may not, however, take any such action with respect to an award that has been granted to a "covered employee," within the meaning of Treasury Regulation Section 1.162-27(c)(2), if such award is intended to meet the exception for performance-based compensation under Section 162(m) of the Code.

At the time any award is made, the Bank and the participants will enter into an equity award agreement setting forth the terms of the award and such other matters as the compensation committee may determine to be appropriate. The terms and provisions of the award agreements need not be identical, and the compensation committee may, in its sole discretion, amend an outstanding award agreement at any time in any manner that is not inconsistent with the provisions of the Plan.

Amendment and Termination of the Plan

The board of directors may amend or terminate the Plan, provided that shareholder approval will be required to (i) increase the total number of shares reserved for issuance under the Plan, or (ii) change the class of recipients eligible to participate in the Plan. No amendment shall adversely affect any of the rights of any holder of any award without the holder's consent. The compensation committee may accept surrender of outstanding equity awards under the Plan and grant new awards in substitution for them; provided that the compensation committee will not exchange underwater stock options without prior shareholder approval. The Plan will terminate in any event five years after its effective date, but outstanding awards continue until they expire in accordance with their terms.

Authorized Shares

In the event of a stock dividend, stock split, reorganization, merger, recapitalization or other change affecting the common stock, the compensation committee will make proportionate adjustments with respect to (i) the aggregate number and kind of shares that may be issued under the Plan, (ii) the number, kind, and exercise price (or other cash or property) of shares issuable pursuant to each outstanding award made under the Plan, and (iii) the maximum number and kind of shares that may be subject to awards granted to any one individual under the Plan.

If any award lapses, expires, terminates or is canceled prior to the issuance of shares thereunder or if shares of common stock covered by an award are settled in cash in a manner that some or all of the shares covered by the award are not issued, the shares subject to such awards and the unissued shares resulting from the cash settlement shall again be available for issuance under the Plan. If any shares of common stock subject to an award are not delivered to a participant because the award is exercised through a reduction of shares subject to the award (i.e., "net exercised"), including if the tax withholding obligations relating to any award are satisfied by delivering shares of common stock (either actually or through attestation) or withholding shares of common stock relating to such award, the number of shares of common stock that are not delivered to the participant will no longer be available for issuance under the Plan.

Tax Effects of Participation in the Plan

Stock Options

There are no federal income tax consequences to the participant or to the Bank on the granting of options. The federal tax consequences upon exercise will vary depending on whether the option is an incentive stock option or a nonqualified stock option.

Incentive Stock Options. When a participant exercises an incentive stock option, the participant will not at that time realize any income, and the Bank will not be entitled to a deduction. However, the difference between the fair market value of the shares on the exercise date and the exercise price will be a preference item for purposes of the alternative minimum tax.

The participant will recognize capital gain or loss at the time of disposition of the shares acquired through the exercise of an incentive stock option if the shares have been held for at least two years after the option was granted and one year after it was exercised. The Bank will not be entitled to a tax deduction if the participant satisfies these holding period requirements. The net federal income tax effect to the holder of the incentive stock options is to defer, until the acquired shares are sold, taxation on any increase in the shares' value from the time of grant of the option to the time of its exercise, and to tax such gain, at the time of sale, at capital gain rates rather than at ordinary income rates.

If the holding period requirements are not met, then upon sale of the shares the participant generally recognizes as ordinary income the excess of the fair market value of the shares at the date of exercise over the exercise price stated in the award agreement. Any increase in the value of the shares subsequent to exercise is long or short-term capital gain to the participant depending on the participant's holding period for the shares. However, if the sale is for a price less than the value of the shares on the date of exercise, the participant might recognize ordinary income only to the extent the sales price exceeded the option price. In either case, the Bank is entitled to a deduction to the extent of ordinary income recognized by the participant.

Nonqualified Stock Options. Generally, when a participant exercises a nonqualified stock option, the participant recognizes income in the amount of the aggregate market price of the shares received upon exercise less the aggregate amount paid for those shares, and the Bank may deduct as an expense the amount of income so recognized by the participant. The holding period of the acquired shares begins upon the exercise of the option, and the participant's basis in the shares is equal to the market price of the acquired shares on the date of exercise.

Restricted Stock

Under the Code as presently in effect, a participant generally will not recognize any income for federal income tax purposes at the time an award of restricted stock is made, nor will the Bank be entitled to a tax deduction at that time, unless the participant elects to recognize income at the time that award of restricted stock is made. If the participant does not make such election, the value of the common stock will be taxable to the participant as ordinary income in the year in which the Forfeiture Restrictions lapse with respect to such shares of stock. We have the right to deduct, in connection with all awards, any taxes required by law to be withheld and to require any payments required to enable it to satisfy our withholding obligations. We will generally be allowed an income tax deduction equal to the ordinary income recognized by the participant at the time of such recognition.

Restricted Stock Units

As with restricted stock, under the Code as presently in effect, a participant will not recognize any income for federal income tax purposes at the time an award of a restricted stock unit is made, nor will the Bank be entitled to a tax deduction at that time. When the restricted stock unit is extinguished and a stock award is issued, the tax consequences for restricted stock awards (see paragraph above) will be realized. A restricted stock unit does not have voting rights or dividend rights. Since no stock is transferred to the participant on the grant date of the restricted stock unit, an election to have the restricted stock unit taxed at the grant date cannot be made since Section 83(b) of the Code requires a transfer of stock.

Additional Tax Matters

We may not deduct compensation of more than $1,000,000 that is paid in a taxable year to certain "covered employees" as defined in Section 162(m) of the Code. The deduction limit, however, does not apply to certain types of compensation, including qualified performance-based compensation. We anticipate that some awards under the Plan may constitute qualified performance-based compensation for purposes of Section 162(m) of the Code.

Unless otherwise determined in an award agreement, in the event of a change in control, as defined in the Plan: (i) each outstanding award will become fully vested and, if applicable, exercisable, (ii) the restrictions, payment conditions, and forfeiture conditions applicable to any such award granted will lapse, and (iii) any performance conditions imposed with respect to awards will be deemed to be fully achieved. Under Section 280G of the Code, we may not deduct certain compensation payable in connection with a change of control. The acceleration of vesting of awards in conjunction with a change in control of the Bank may be limited under certain circumstances thereby avoiding nondeductible payments under Section 280G.

Plan Benefits

We currently have no plans, proposals, or arrangements, written or otherwise, at this time to grant any awards under the Plan. Because no awards have been granted under the Plan as of the date of this Proxy Statement/Offering Circular and all awards will be granted at the discretion of the compensation committee, it is not possible for us to determine and disclose the amounts of awards that may be granted to the named executive officers and the executive officers as a whole, if the Plan is approved. The maximum aggregate number of shares of common stock that may be subject to stock options, restricted stock, and restricted stock units granted in any calendar year to any one participant is 600,000 shares.

Holding Company Assumption of the Plan

As a part of the Reorganization, at the Effective Date the Holding Company will assume any outstanding awards that have been granted under the Plan prior to the Reorganization. The Holding Company will amend the Plan following the Reorganization to substitute the Holding Company as the granting corporation that maintains the Plan. The Holding Company will also amend the Plan to substitute Bank common stock with Holding Company common stock as the stock issuable under the Plan. Following the Reorganization, the Holding Company will have the authority to grant new awards pursuant to the assumed Plan.

Reasons for Authorization and Vote Required

The Plan is being submitted to the shareholders for approval pursuant to Sections 422 and 162(m) of the Code.

If a quorum is present at the annual meeting, this proposal will be approved if the votes cast in favor of the proposal exceed the votes cast against the proposal.

The Bank's board of directors recommends that you vote "FOR" the approval of the Carolina Alliance Bank 2017 Equity Incentive Plan.

PROPOSAL NO. 4

ELECTION OF DIRECTORS

Our board of directors is divided into three classes with staggered terms, so that the terms of only approximately one-third of the board members expire at each annual meeting. Our current directors and their classes are:

Class I	Class II	Class III
Terrence "Terry" L. Cash	Carl R. Bartlett	George M. Groome
T. Alexander Evins	W. Louis Bissette, Jr.	John D. Kimberly
John S. Poole	Marsha H. Gibbs	Susan H. McClinton
L. Terrell Sovey, Jr.	Samuel H. Maw, Jr.	D. Byrd Miller III
W. Lewis White, Sr.	R. Lamar Simpson	W. Allen Rogers II
Richard H. Sumerel*	Larry A. Webb*	Marshall E. Franklin*

* former PBSC Financial Corporation director

The current terms of the Class I directors will expire at the 2017 Annual Meeting of Shareholders. The current terms of the Class II directors will expire at the 2018 Annual Meeting of Shareholders and the current terms of the Class III directors will expire at the 2019 Annual Meeting of Shareholders. As previously disclosed in our proxy statement for our 2015 Annual Meeting of Shareholders and as permitted by our bylaws, we have determined to reduce the size of the board of directors from 18 directors to 15 directors at or prior to the 2017 Annual Meeting of Shareholders, although as a condition to our merger with Pinnacle Bank of South Carolina and PBSC Financial Corporation such reduction will not affect the number of former PBSC Financial Corporation directors then serving on the board of directors of the Bank. As a result, in order to reduce the size of the board of directors to 15 directors, John Poole, a current Class I director, will not stand for re-election to the Bank's board of directors and Samuel H. Maw, Jr. and Susan H. McClinton will resign from the Bank's board of directors effective as of the 2017 Annual Meeting. These individuals will, however, continue to serve on the board of directors of the Holding Company along with all of the Bank's remaining 15 directors.

Shareholders will elect five nominees as Class I directors at the annual meeting to serve a three-year term, expiring at the 2020 Annual Meeting of Shareholders. The directors will be elected by a plurality of the votes cast at the meeting. This means that the five nominees receiving the highest number of votes will be elected. Shareholders do not have cumulative voting rights with respect to the election of directors.

If you submit a proxy but do not specify how you would like it to be voted, Messrs. Poole and Kimberly will vote your proxy to elect each nominee. If any of these nominees is unable or fails to accept nomination or election (which we do not anticipate), Messrs. Poole and Kimberly will vote instead for a replacement to be recommended by the board of directors, unless you specifically instruct otherwise in the proxy.

Director Nominees

Set forth below is certain information about the director nominees.

The Bank's board of directors recommends that you vote "FOR" these nominees.

Terrence "Terry" L. Cash, 70, director, is the Chairman of the Bank's board of directors. He is the President and Chief Executive Officer of the Caman Group, Inc., which specializes in private investments in real estate, long-term care facilities, and pharmacies. Mr. Cash is a board member and Past Chairman of Spartanburg Regional Healthcare System, board member of J M Smith Corporation, Trustee of Spartanburg County Foundation, and Chairman of the VSP Foundation, and board member of the Guardian Research Network. Mr. Cash received his B.S. in Pharmacy Studies from the University of South Carolina in 1970. In addition, he was awarded the 1999 State of South Carolina Health and Human Services Leadership in Aging Award, and was named both the 1999 State of South Carolina Ambassador for Economic Development and the 2001 Spartanburg County Health Planning Department Volunteer of the Year. The South Carolina Hospital Association named Mr. Cash Distinguished Trustee of the Year in 2012.

T. Alexander Evins, 58, director, is an attorney and partner in the firm Parker Poe Adams & Bernstein LLP, where he has served on the firm's board of directors. He has six years of experience on two previous bank advisory boards in Spartanburg. He served on Bank of America's Advisory Board for four years from 1999 to 2003 and on Wachovia's Advisory Board for two years, from 2004 to 2006.

He is general counsel for the Spartanburg Area Chamber of Commerce, and past president/general counsel of The Piedmont Club. Mr. Evins received his B.A. from the University of Georgia and received his J.D. from the University of South Carolina. Mr. Evins has been a devoted community volunteer for more than three decades. He currently serves the Spartanburg Day School as a sustaining trustee and is the chair of the United Way of the Piedmont.

Mr. Evins also has served as President of the Country Club of Spartanburg; he has been co-chairman of both the Arts Partnership of Greater Spartanburg Cultural Arts Facility Fund Drive; and the Arts Partnership of Greater Spartanburg Arts Fund Drive. Mr. Evins has been very involved with the Spartanburg Area Chamber of Commerce, holding many positions including board chairman, vice-chairman for community improvement, and chairman of the Leadership Spartanburg Board of Regents. He was recognized in 2007 with the Neville Holcombe Distinguished Citizenship Award and as the 1997 Leadership Spartanburg Alumni Association Alumnus of the Year, and he was also named the Boss of the Year in 1986-87 by the Spartanburg County Legal Secretaries Association.

L. Terrell Sovey, Jr., 86, director, has been the President of Management Advisory Services, Inc., an investment management and consulting company, since 1984, and is an active partner in several partnerships related to real estate and apparel manufacturing. In addition, he has served as the chairman and chief executive officer of Texfli Industries, president of M. Lowenstein, and vice president of financial planning and general manager of several operating divisions for Milliken & Company and cost control manager of the textile products division of Owens Corning Fiberglass in New York. Texfli and Lowenstein were publicly owned textile companies that were traded on the New York Stock Exchange. In 1983, he founded and organized Goldtex, Inc., a textile printing company, which was traded in a successful public offering in 1987. Mr. Sovey also served as a member of the advisory board of the Manufacturer's Hanover Bank in New York, New York for two years and was a member of the Union League Club from 1970-1996. As a youth, he was active in the Boy Scouts and became the first Eagle Scout of his troop in Hartwell, GA.

Mr. Sovey received his B.S. in Industrial Engineering from Georgia Institute of Technology and has served on the alumni Board of Trustees and as chairman of the advisory board of the School of Systems and Industrial Engineering. In 1994 he was selected for membership in the first class of the Georgia Tech Academy of Distinguished Engineering Alumni, and in 2001 he was inducted into the School of Industrial Engineering and Georgia Institute of Technology Hall of Fame. He also attended the U.S. Navy Supply Officers School in Bayonne, New Jersey and served on destroyers during the Korean War retiring from the Navy in 1955. Mr. Sovey's involvement in the Spartanburg community includes service on the board of directors of J M Smith Corporation and Griffin Gear, Inc. He also is a longtime advisor and consultant to the president of Dearybury Oil and Gas, Inc. He was former chairman of the Spartanburg Regional Healthcare System Foundation, past chairman of the Spartanburg Day School and the Greater Spartanburg YMCA, and treasurer of the Charles Lea Center Foundation, and he has served as chairman of the board of deacons of the Westminster Presbyterian Church. Mr. Sovey has been reelected to serve on the Spartanburg Regional Healthcare System Foundation board.

W. Lewis White, Sr., 65, director, is the Owner and President of the W. Lewis White Company, Inc., which specializes in residential and commercial real estate sales and development. From 1990-2002, Mr. White served on the board of directors for First Federal of South Carolina, helping guide the bank through several mergers. He began his real estate career in 1978 with Grier & Company. He started Cleveland-White Realtors in March of 1982 and sold his ownership interest in the company to his partners and started the W. Lewis White Company, Inc. in 1989. He is a member of the Spartanburg Board of Realtors and a member of the National Association of Realtors. Mr. White received his B.A. from Wofford College and is a graduate of the Realtor's Institute. He is an active member and elder of the First Presbyterian Church of Spartanburg.

Richard H. Sumerel, 65, is President and Chief Executive Officer of Verdae Development, Inc. of Greenville, SC. He previously served as the Operating Manager of GS Communities, LLC, a private real estate investment group. In 1977 he began a twenty-year career in the Liberty Corporation's real estate investment activities first as a mortgage loan analyst and concluded as President of Liberty Properties group when the entity was sold to a REIT. Graduating from Wake Forest University in 1972 to receive his BBA, he went on to receive his MA in Human Resource Management from Pepperdine University. He formerly served as a founding member and board chair of Pinnacle Bank. He currently serves as director of Verdae Development, Inc. and a board member of Goodwill Industries of the Upstate. In addition, he is a former member of the board of Greenville Technical College Foundation.

Other Directors and Executive Officers

John S. Poole, 63, director, is the Chief Executive Officer of the Holding Company and also served as the Bank's Chief Executive Officer until January 1, 2017. Mr. Poole is a seasoned banker with more than 35 years of experience in the following key positions of responsibility: president and director, market executive, city executive, senior commercial lender, and branch manager. He served as President of Carolina Southern Bank, a Spartanburg area community bank, for approximately 10 years from 1992 to 2001. From 2001 until 2003, he served as upstate regional executive for the National Bank of South Carolina, which acquired Carolina Southern Bank. From 2003 until March 2006, Mr. Poole was president and chief executive officer of the Spartanburg Area Chamber of Commerce. Mr. Poole has received numerous professional awards, including the 1991 Young Banker of the Year Award from the South Carolina Bankers Association, the 2000 Spartanburg Area Chamber of Commerce Neville Holcombe Distinguished Citizenship Award, and the 2002 Spartanburg Development Association Alan R. Willis Society of Service Award. Mr. Poole is a graduate of the University of South Carolina (B.A. 1974, M.B.A. 1976) and is active in various civic organizations in Spartanburg County. He serves on the board of directors for Charles Lea Center. He is also chairman of the Spartanburg County Foundation. He also has served as Chairman for major institutions in the community that include United Way of the Piedmont, Spartanburg Area Chamber of Commerce, the Arts Partnership of Greater Spartanburg, and the Charles Lea Center.

Carl Raymond Bartlett, 76, director, has served 10 terms as Mayor of the Town of Black Mountain, NC. Mr. Bartlett is retired from Wachovia Bank of Charlotte, NC where he served from 1972-2004 and attained the position of Senior Vice President. He attended Appalachian State University and the Carolina School of Banking. In addition, he is a United States Naval Aviation veteran. Mr. Bartlett has received several professional, municipal, community, and civic awards including Governor's Order of The Long Leaf Pine. He has chaired successful heart, cancer, and United Way drives and previously served as President of the Chamber of Commerce, Jaycees, and Kiwanis Clubs. He is a current member and deacon of Swannanoa First Baptist Church where he also chairs the finance committee. In addition, he serves on the Swannanoa Valley Christian Ministry Foundation Board. Mr. Bartlett is a charter member of Moose and Oasis Shrine Clubs and previously served on the Board of Visitors of Appalachian University and Montreat College. He has served more than thirty years as the Stadium Public Announcer for Owen High School and well known as the "Voice of the Warhorses."

W. Louis "Lou" Bissette, 73, director, is Vice-Chairman of the Bank's board of directors and is the former Chairman of the board of directors of Forest Commercial Bank. A North Carolina native, Louis Bissette grew up in High Point. He received his B.A. from Wake Forest in 1965, his J.D. from UNC-Chapel Hill in 1968, and his MBA from the University of Virginia in 1970. Lou lives in Asheville, where he practices law and serves of counsel at McGuire, Wood & Bissette, PA. His wide-ranging community leadership includes two terms as Mayor of Asheville, service on the Board of Mission-St. Joseph's Health System and as President of the Asheville Area Chamber of Commerce. He is serving his fifth term as a trustee on the Wake Forest University Board of Trustees. In addition, he is Chairman of the Board of Governors of the University of North Carolina System.

Marsha H. Gibbs, 62, director, is a member of the executive management team at Gibbs International, Inc. She also is the author of "Growing with Grace." Mrs. Gibbs has more than fifteen years of experience serving on local bank boards. She was on the Board of Directors of Carolina Southern Bank from 1996 to 2001 and on the Advisory Board of the National Bank of South Carolina from 2001 to 2006. She is a member of the boards of directors of the Gibbs Foundation, Gibbs International, and the Spartanburg Regional Healthcare System Foundation.

Ms. Gibbs also is on the board of trustees of Converse College. She has an associate degree in business from Spartanburg Community College. She has received numerous awards, including the 2003 Spartanburg Area Chamber of Commerce Neville Holcombe Outstanding Citizenship Award (with her husband, Jimmy) and the Wofford College Mary Mildred Sullivan Award. She also received the Mary Mildred Sullivan Award for Converse College in 2010. Mrs. Gibbs is also a 2004 Paul Harris Fellow, a 2004 Salvation Army Toast of the Town Honoree, the 2004-2005 United Way Volunteer of the Year for Spartanburg County, and Honorary Chair of The Imagination Library of Spartanburg and Union Counties.

Samuel H. Maw, Jr., 83, director, retired as Executive Vice President of Flagstar Corporation in 1995 after 25 years with the company. He also is the former co-owner of the Beacon Restaurant, which has been a landmark in Spartanburg County for decades. Mr. Maw earned his B.S. from Wofford College. He served as President and CEO of Denny's Inc. from 1988-1991 and has served on the South Carolina Forestry Commission Board. Mr. Maw also is a past president of the Wofford College Terrier Club and the former chairman of the board of the Spartanburg Regional Healthcare System Foundation. Mr. Maw is currently on the board of Morris and Associates in Raleigh, NC and a current board member of the Wofford College Terrier Club. He served as a first lieutenant in the United States Army with duty in the United States and Germany. He also previously served as a director on the Spartanburg Area Conservancy SPACE Board and board member of the Spartanburg Regional Hospital Foundation, Cancer Division.

R. Lamar Simpson, 58, director, has served as the Chief Financial Officer of the Bank since inception and also currently serves as its Chief Operating Officer and Secretary. Mr. Simpson also serves as the Chief Financial Officer and Secretary of the Holding Company. Mr. Simpson is a certified public accountant with 35 years of accounting and financial management experience. Prior to joining the Bank, he had eight years' experience as chief financial officer and corporate secretary of two publicly traded community financial institutions. From June 1996 to October 2001, he was the chief financial officer and corporate secretary of FirstSpartan Financial Corp and its subsidiary, First Federal Bank, a savings bank which was headquartered in Spartanburg, and from May 2002 to April 2005 he served as the chief financial officer of New Commerce Bancorp and its subsidiary bank, New Commerce Bank, a community bank which was located in Greenville, South Carolina. He also has 13 years' experience in public accounting, where he served a broad range of clients, both publicly traded and privately held, in a wide range of industries including: financial services, healthcare, manufacturing, construction, and real estate. Mr. Simpson graduated from Erskine College with a B.A. in business administration. He is a member of the American Institute of Certified Public Accountants, the South Carolina Association of Certified Public Accountants, and the Financial Managers Society. Mr. Simpson has served as treasurer of Boys Home of the South and as a Meals on Wheels volunteer.

Larry A. Webb, 64, serves as a principal and Broker with KDS Commercial Properties where he specializes in commercial real estate investments and development with special emphasis on medical office and healthcare related properties. He has been involved in the commercial real estate industry since 2002 following a successful thirty-year career in the healthcare industry as a clinician, consultant, and investor. He formerly served as President and Chief Operating Officer of Respiratory Care Services, Inc. which he later facilitated a merger with a public company where he served as President and Chief Executive Officer of MedBridge Healthcare. He has a BS in Business Administration from Pacific Western University and a degree in Respiratory Therapy from Greenville Technical College.

In support of his community, Larry served six years on the Board of Directors of Meals on Wheels of Greenville, two as Chairman of the Board. He continues to serve as Director of the organization's Wheels for Meals cycling fundraising event. Also, he serves on the Board of Directors of the Ronald McDonald House of Greenville and was recently appointed Chair Elect. He has been recognized as the Outstanding Philanthropist of the Year by the South Carolina Association of Fundraising Professionals. He is also a founding member of the Board of Directors of Pinnacle Bank.

George M. Groome, 65, is Chairman of the Board at Colton Groome & Company, a financial strategies and planning firm of Asheville, NC, having joined the firm in 1974. In addition, he is a managing member and registered investment advisor of Colton Groome Financial Advisors, LLC in Asheville, NC. He also served as a board member of Forest Commercial Bank. As an Asheville native, he graduated from UNC Chapel Hill with a Bachelor of Science in Business Administration.

He is a Chartered Financial Consultant, a Chartered Life Underwriter, and holds a Master of Science in Financial Services from The American College. His professional experience includes over 40 years of experience in financial advisory services, technical expertise in wealth management and estate planning strategies as well as managing partner of the area's oldest independent financial services firm.

John D. Kimberly, 52, serves as President and Chief Executive Officer of the Bank and as President of the Holding Company. Most recently, he was President of the Bank and formerly served as President and Chief Executive Officer of Forest Commercial Bank in Asheville, North Carolina, a bank he helped organize which merged with Carolina Alliance in early 2014. Mr. Kimberly has more than 30 years of banking experience including service as Market President in western North Carolina for SunTrust Bank with responsibility for the retail, commercial, and private wealth management lines of business. He is a graduate of Wake Forest University with a B.A. in economics and attended the Graduate School of Banking at Louisiana State University. Mr. Kimberly serves on the Board of Trustees of Blue Cross and Blue Shield of North Carolina. In the past, he has served as a Director of the North Carolina Banker's Association, Trustee of North Carolina Baptist Hospital, Trustee and Chairman of Mission Healthcare Foundation, Director of the United Way of Asheville and Buncombe County, Director of the UNC-Asheville Foundation, Director of Junior Achievement of Western North Carolina, and Director of the Irene Wortham Center.

Susan "Sue" H. McClinton, 72, is Treasurer and Owner of William S. Hein & Company, Inc., a legal publisher, located in Buffalo, NY serving since 1965. She currently serves on the UNC Asheville Foundation Board. She previously served on the board of directors of Sisters of Mercy of North Carolina Foundation and the UNC Asheville Board of Trustees for 17 years, where she was the past Board Chair. In addition, she has served as Vice Chairman of the board for ABCCM, President of Junior League of Asheville, Chair of Physician Credentials Committee at Mission Hospital, President of The Health Adventure Board, and a former board member of Community Foundation of WNC, Mountain Area Child and Family Center and Pack Place Arts and Science Center. Most recently, she served as a board member of Forest Commercial Bank.

She has been recognized with several awards including the Volunteer of Distinction award by the American Association of Junior League as well as the Outstanding Volunteer Fundraiser for WNC Chapter by the National Society of Fundraising Executives. In addition, she was honored to serve as the Chair of the Search Committee that hired Anne Ponder, Chancellor of UNC Asheville in 2005 until 2014.

D. Byrd Miller III, 58, currently serves as Chief Financial Officer, Treasurer, and a managing member of William Barnet & Son, LLC, a global supplier of fiber yarns and resins. He joined the company in 1992 after retiring from C&S Bank where he served from 1980-1992 and attained the position of Senior Vice President. Mr. Miller currently serves as Chair of the Spartanburg Regional Healthcare System Board and the Clemson University Foundation Board. He is heavily involved in the Spartanburg community having served as a member of the Mary Black Foundation board of Trustees, Chair of the United Way of the Piedmont, Spartanburg County Foundation Investment Committee, Salvation Army Board, and SPACE (Spartanburg Area Conservation Endowment Conservancy), as well as graduating Leadership Spartanburg. In addition, Mr. Miller serves on the Advisory Board of Leadership South Carolina and previously served on the South Carolina Department of Natural Resources Wildlife and Freshwater Fisheries Advisory Board.

Mr. Miller received his B.S. in Administrative Management from Clemson University. Mr. Miller also graduated from the Stonier Graduate School of Banking at the University of Delaware in 1988.

W. Allen Rogers II, 70, has been a Principal and co-owner of the investment banking firm of Allen C. Ewing & Co., Jacksonville, FL since 2002 and works in the firm's Charlotte, NC office. In addition, he is a partner with the firm of Peter Browning Partners, LLC, a provider of board advisory services. Mr. Rogers began his professional career as a bank examiner with the Federal Reserve Bank of Atlanta. Later, he was with Tri-south Mortgage Investors and Kidder, Peabody & Co., also in Atlanta. In 1978, he co-founded Robison, McAulay & Rogers, a private investment banking firm, and Uvest Brokerage Services, a third-party provider of discount brokerage services for community banks, both in Charlotte.

In 1986, Mr. Rogers joined Interstate Securities Corporation, which later became Interstate/Johnson Lane, where he served as head of the Investment Banking Department and a member of the Board of Directors. He was recruited in 1995 to establish an investment banking practice in Charlotte for KPMG.

Mr. Rogers is a graduate of Davidson College (AB-Economics) and The Wharton School of Finance and Commerce (MBA). He served as a first lieutenant in the U.S. Army with tours of duty in the United States and the Republic of Vietnam. He currently serves on the Board of Directors of Insteel Industries, Inc.; and he was a member of the Board of Directors of Forest Commercial Bank.

Marshall E. Franklin, 51, is the Chief Operating Officer at Bob Jones University. Prior to that position, he was a partner with Ernst & Young where he was a leader in an advisory services venture focused on risk management. He was located in Ernst & Young's Paris office during his last three years with the company focused on risk management, leading growth in its Europe, Middle East, India, and Africa divisions. He received his BS from Bob Jones University in Greenville, SC in 1987. Mr. Franklin serves on the board of the Greenville Area Development Corporation, on the advisory board of The Wilds Christian Camp, and leads the college class at Faith Baptist Church.

Committees

The Bank's board of directors has appointed a number of committees, including an audit committee, personnel and compensation committee, and a nominating committee.

Audit Committee

The audit committee is composed of T. Alexander Evins, as Chair, George Groome, and Terrell Sovey. Each member is considered independent. John Poole, John Kimberly, and Lamar Simpson serve in a non-voting advisory capacity to the committee. As noted above, Mr. Poole will no longer serve on the Bank's board of directors effective as of the annual meeting and, in connection therewith, he will no longer serve as an advisor to the audit committee. The audit committee has the responsibility of reviewing the Bank's financial statements, evaluating internal accounting controls, reviewing reports of regulatory authorities, and determining that all audits and examinations required by law are performed. The audit committee is responsible for overseeing the entire audit function and appraising the effectiveness of internal and external audit efforts. The audit committee reports its findings to the board of directors.

Personnel and Compensation Committee

The personnel and compensation committee is composed of Sam Maw, as Chair, Marsha Gibbs, George Groome, and John Kimberly. John Poole and Lamar Simpson serve in an advisory capacity as non-voting members. As noted above, Mr. Poole will no longer serve on the Bank's board of directors effective as of the annual meeting and, in connection therewith, he will no longer serve as an advisor to the personnel and compensation committee. This committee provides oversight for management's administration of compensation and benefits for the Bank's employees. The committee reviews our compensation policies and recommends to the Board the compensation levels and compensation programs for executive officers and board and committee fees paid to the directors.

Nominating Committee

The nominating committee is composed of Terry L. Cash, Chair, W. Louis Bissette, Jr., T. Alexander Evins, W. Allen Rogers II, Richard H. Sumerel, and W. Lewis White, Sr. Each member is considered independent. The Nominating Committee is responsible for identifying and recommending to the board potential director nominees.

Executive and Board Compensation

Set forth below is selected information regarding the compensation arrangements for our executive officers and members of our board of directors.

Total cash compensation of our executive officers for the past three years is as follows:

Executive	2016	2015	2014
John S. Poole	$297,722	$304,523	$258,889
John Kimberly	$293,423	$300,200	$154,269*
R. Lamar Simpson	$290,088	$296,715	$267,822

* Mr. Kimberly joined Carolina Alliance on April 5, 2014 upon the consummation of the merger with Forest Commercial Bank.

The board of directors has established a comprehensive compensation program for our executive officers, John S. Poole, John Kimberly, and R. Lamar Simpson, which is administered by the Bank's personnel and compensation committee. The Bank has entered into three-year employment agreements with each of our executive officers that provide a base salary; incentive or bonus pay of up to 45% of the annual base salary; use of an automobile; participation in other normal and customary benefits generally available to other employees; and payment of certain club dues and assessments.

The total compensation for our executive officers is based upon the committee's consideration of multiple factors, including, without limitation, each executive's years of experience; analysis of market compensation data; their performance compared to the individual's and the Bank's goals; and other performance measures. The committee reviews these factors in February of each year and develops recommendations for the base salary for the following 12-month period and incentive compensation and/or bonuses for the prior year's accomplishments payable in February of the current year. The recommendations are presented by the committee to the full board of directors for approval (in the absence of the executive officers, all of whom are also members of our board of directors).

Monthly fees earned by the directors are determined based on a combination of fixed amounts for board and committee membership, and variable amounts based on the number of meetings attended. Total fee expense was approximately $159,000 in the year ended December 31, 2016.

Directors may elect payment of fees in the form of cash or in Bank stock. Fees earned and payable in cash are paid quarterly, and fees payable in Bank stock are accrued monthly based on the market price of the stock on the last day of each respective month. The accrued compensation is settled from authorized but unissued shares semi-annually. Stock-settled fees earned and accrued in the year ended December 31, 2016 were $125,050, or 12,346 shares, of which 5,956 shares were issuable at December 31, 2016. These shares were issued in the January of 2017.

PROPOSAL NO. 5
RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITOR

The board of directors has appointed Elliott Davis Decosimo, LLC as our independent auditor for the year ending December 31, 2017. Although we are not required to seek shareholder ratification on the selection of our accountants, we believe obtaining shareholder ratification is desirable. If the shareholders do not ratify the appointment of Elliott Davis Decosimo, LLC, the board of directors will re-evaluate the engagement of our independent auditors. Even if the shareholders do ratify the appointment, our board of directors has the discretion to appoint a different independent auditor at any time during the year if the board believes that such a change would be in the best interest of the Bank and our shareholders. We expect that a representative from Elliott Davis Decosimo, LLC will attend the meeting and will be available to respond to appropriate questions from shareholders.

The Bank's board of directors recommends that you vote "FOR" the ratification of the appointment of Elliott Davis Decosimo, LLC as our independent auditor for the year ending December 31, 2017.

APPENDIX A

REORGANIZATION AGREEMENT AND PLAN OF SHARE EXCHANGE

REORGANIZATION AGREEMENT AND PLAN OF SHARE EXCHANGE

THIS REORGANIZATION AGREEMENT AND PLAN OF SHARE EXCHANGE (this "Reorganization Plan"), dated as of March 20, 2017, is entered into between Carolina Alliance Bank (the "Bank") and CAB Financial Corporation (the "Holding Company").

RECITALS:

The parties acknowledge the following to be true and correct:

1. The Bank is a state bank duly organized under the laws of the State of South Carolina and has its principal office and place of business in Spartanburg, South Carolina. The Bank is authorized by its articles of incorporation to issue up to 10,000,000 shares of common stock, par value $1.00 per share, 6,714,264 shares of which are issued and outstanding, and 10,000,000 shares of preferred stock, par value $1.00 per share, none of which are issued and outstanding.
2. The Holding Company is a corporation duly organized under the laws of the State of South Carolina, having its principal place of business in Spartanburg, South Carolina. As of the Effective Date of the Share Exchange (as such terms are defined below), the Holding Company will have authorized and unissued 20,000,000 shares of common stock, par value $1.00 per share, and 10,000,000 shares of preferred stock, par value $1.00 per share. In connection with the formation of the Holding Company, 10 shares of Holding Company common stock will be issued at $10 per share to the Chief Financial Officer of the Bank. All such shares will be redeemed at $10 per share upon the Effective Date.
3. The Board of Directors of the Bank and the Holding Company desire to establish a holding company structure pursuant to which the Bank will become a wholly-owned subsidiary of the Holding Company.
4. The Board of Directors of each of the Bank and the Holding Company has deemed advisable a share exchange transaction between the Bank and the Holding Company (the "Share Exchange") in order to establish the holding company structure and has approved this Reorganization Plan and authorized its execution.
5. The parties intend that the Share Exchange shall qualify as a tax-free reorganization under the provisions of Section 368 of the Internal Revenue Code of 1986, as amended.

In consideration of the foregoing premises, the Bank and the Holding Company enter into this Reorganization Plan and prescribe the terms and conditions of the Share Exchange and the mode of carrying it into effect as follows:

ARTICLE I: The Acquiring Corporation

The name of the acquiring corporation is CAB Financial Corporation. The entity whose shares will be acquired is Carolina Alliance Bank.

ARTICLE II: Terms and Conditions of the Exchange

1. When the Share Exchange becomes effective, each issued and outstanding share of common stock of the Bank shall be exchanged for one share of common stock of the Holding Company. As a result of the Share Exchange, the Holding Company shall become the sole shareholder of the Bank and the Bank will continue in existence as a wholly-owned subsidiary of the Holding Company. The articles of incorporation, bylaws, corporate identity, charter, and officers and directors of the Bank will not be changed as a result of the Share Exchange. In addition, the 10 shares of Holding Company common stock issued at $10 per share to the Chief Financial Officer of the Bank in connection with the formation

of the Holding Company will automatically be redeemed by the Holding Company on the Effective Date at $10 per share. Consequently, as a result of the Share Exchange, the existing shareholders of the Bank will become the only shareholders of the Holding Company and the Holding Company will have 6,714,264 shares of common stock issued and outstanding (assuming no (1) exercise of dissenters' rights, issuance, (2) exercise of stock options, and (3) issuance of shares for director and advisory director compensation).

2. At the Effective Date, the Holding Company shall assume the stock options, and all other employee benefit plans of the Bank. Each outstanding and unexercised stock option or other right to purchase, or security convertible into, the Bank shall become a stock option, or right to purchase, or a security convertible into the Holding Company on the basis of one share of Holding Company common stock for each share of Bank common stock, issuable pursuant to any such stock option or stock purchase right or convertible security, on the same terms and conditions and at an exercise or conversion price per share equal to the exercise or conversion price per share applicable to any such Bank stock option, stock purchase right or other convertible security at the Effective Date. A number of shares of Holding Company common stock shall be reserved for issuance upon the exercise of stock options, stock purchase rights and convertible securities equal to the number of shares of Bank common stock so reserved immediately prior to the Effective Date, or as otherwise deemed necessary to effect the purposes of the Share Exchange.

3. Consummation of the Share Exchange is conditioned upon approval by the holders of two-thirds of the outstanding shares of the Bank as required by law, and upon the receipt of any required approvals from regulatory agencies, including the South Carolina Board of Financial Institutions and the Federal Reserve.

4. The Reorganization Plan shall be submitted to the shareholders of the Bank for approval at a meeting to be called and held in accordance with the applicable provisions of law and the Articles of Incorporation and Bylaws of the Bank. The Bank and the Holding Company shall proceed expeditiously and cooperate fully in the procurement of any other consents and approvals and the taking of any other action, and the satisfaction of all other requirements prescribed by law or otherwise, necessary for consummation of the Share Exchange at the time provided herein.

5. Upon satisfaction of the requirements of law and the conditions contained in this Reorganization Plan, the Share Exchange shall become effective upon the filing of the Articles of Share Exchange with the South Carolina Secretary of State (the "Effective Date").

6. If the Share Exchange becomes effective, the Bank and the Holding Company shall each pay their own expenses, if any, incurred in the proposed transaction. If the Share Exchange does not become effective, the Bank shall pay all reasonable and necessary expenses associated with the transaction proposed herein.

7. Any shareholder of the Bank who objects to the Share Exchange and who properly dissents from the Share Exchange pursuant to Chapter 13 of Title 33 of the South Carolina Business Corporation Act shall have the rights of a "dissenting shareholder" and the right to receive cash for the value of such dissenting shares.

8. Nothing in this Reorganization Plan, express or implied, other than the right to receive one share of common stock of the Holding Company in exchange for each outstanding and issued share of common stock of the Bank pursuant to this Reorganization Plan, is intended to or shall confer upon any person other than the parties hereto any rights, benefits, or remedies of any nature whatsoever under or by this Reorganization Plan.

ARTICLE III: Manner and Basis of Exchanging Shares

On the Effective Date:

1. Each share of common stock of the Bank issued and outstanding immediately prior to the Effective Date shall, without any action on the part of the holder thereof, be converted into the right to receive one share of common stock of the Holding Company.
2. Each holder of common stock of the Bank shall cease to be a shareholder of the Bank and the ownership of all shares of the issued and outstanding common stock of the Bank shall thereupon automatically vest in the Holding Company as the acquiring corporation.
3. As of the Effective Date, until surrendered for exchange in accordance with this Reorganization Plan, each certificate theretofore representing common stock of the Bank will be deemed to evidence the right to receive Holding Company common stock. However, shareholders who do not surrender their Bank stock certificates will not be issued certificates representing the shares of Holding Company common stock they may be entitled to receive and will not be paid dividends or other distributions. Any such dividends or distributions which such shareholders would otherwise receive will be held, without interest, for their accounts until surrender of their Bank stock certificates. The Holding Company shall not be obligated to deliver certificates for shares of Holding Company common stock to any former Bank shareholder until such shareholder surrenders his or her Bank stock certificates.
4. After the Effective Date, the Bank's shareholders will be furnished instructions for surrendering their present stock certificates and for replacing any lost, stolen or destroyed certificates.

ARTICLE IV: Termination

The Reorganization Plan may be terminated, in the sole discretion of the Bank's Board of Directors, at any time before the Effective Date if:

(1) the number of shares of common stock of the Bank voted against the Share Exchange, or in respect of which written notice is given purporting to dissent from the Share Exchange, shall make consummation of the Share Exchange unwise in the opinion of the Bank's Board of Directors;

(2) any act, suit, proceeding or claim relating to the Share Exchange has been instituted or threatened before any court or administrative body; or

(3) the Bank's Board of Directors subsequently determines that the Share Exchange is inadvisable.

Upon termination by written notice as provided in this Article IV, this Reorganization Plan shall be void and of no further effect, and there shall be no liability by reason of this Reorganization Plan or the termination thereof on the part of either the Bank, the Holding Company, or the directors, officers, employees, agents or shareholders of either of them.

IN WITNESS WHEREOF, the Bank and the Holding Company have caused this Reorganization Plan to be executed and attested in counterparts by their duly authorized officers and directors, and their corporate seals to be hereunto affixed as of the day and year first above written.

CAROLINA ALLIANCE BANK

By: /s/ R. Lamar Simpson
R. Lamar Simpson, Chief Financial Officer

CAB FINANCIAL CORPORATION

By: /s/ R. Lamar Simpson
R. Lamar Simpson, Chief Financial Officer

APPENDIX B

SOUTH CAROLINA DISSENTERS' RIGHTS STATUTE

Title 33 - Corporations, Partnerships and Associations

CHAPTER 13

Dissenters' Rights

ARTICLE 1

Right to Dissent and Obtain Payment for Shares

SECTION 33-13-101. Definitions.

In this chapter:

(1) "Corporation" means the issuer of the shares held by a dissenter before the corporate action, or the surviving or acquiring corporation by merger or share exchange of that issuer.

(2) "Dissenter" means a shareholder who is entitled to dissent from corporate action under Section 33-13-102 and who exercises that right when and in the manner required by Sections 33-13-200 through 33-13-280.

(3) "Fair value", with respect to a dissenter's shares, means the value of the shares immediately before the effectuation of the corporate action to which the dissenter objects, excluding any appreciation or depreciation in anticipation of the corporate action to which the dissenter objects, excluding any appreciation or depreciation in anticipation of the corporate action unless exclusion would be inequitable. The value of the shares is to be determined by techniques that are accepted generally in the financial community.

(4) "Interest" means interest from the effective date of the corporate action until the date of payment, at the average rate currently paid by the corporation on its principal bank loans or, if none, at a rate that is fair and equitable under all the circumstances.

(5) "Record shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

(6) "Beneficial shareholder" means the person who is a beneficial owner of shares held by a nominee as the record shareholder.

(7) "Shareholder" means the record shareholder or the beneficial shareholder.

HISTORY: 1988 Act No. 444, Section 2.

SECTION 33-13-102. Right to dissent.

(A) A shareholder is entitled to dissent from, and obtain payment of the fair value of, his shares in the event of any of the following corporate actions:

(1) consummation of a plan of merger to which the corporation is a party (i) if shareholder approval is required for the merger by Section 33-11-103 or the articles of incorporation and the shareholder is entitled to vote on the merger or (ii) if the corporation is a subsidiary that is merged with its parent under Section 33-11-104 or 33-11-108 or if the corporation is a parent that is merged with its subsidiary under Section 33-11-108;

(2) consummation of a plan of share exchange to which the corporation is a party as the corporation whose shares are to be acquired, if the shareholder is entitled to vote on the plan;

(3) consummation of a sale or exchange of all, or substantially all, of the property of the corporation other than in the usual and regular course of business, if the shareholder is entitled to vote on the sale or exchange, including a sale in dissolution, but not including a sale pursuant to court order or a sale for cash pursuant to a plan by which all

or substantially all of the net proceeds of the sale must be distributed to the shareholders within one year after the date of sale;

(4) an amendment of the articles of incorporation that materially and adversely affects rights in respect of a dissenter's shares because it:

(i) alters or abolishes a preferential right of the shares;

(ii) creates, alters, or abolishes a right in respect of redemption, including a provision respecting a sinking fund for the redemption or repurchase, of the shares;

(iii) alters or abolishes a preemptive right of the holder of the shares to acquire shares or other securities;

(iv) excludes or limits the right of the shares to vote on any matter, or to cumulate votes, other than a limitation by dilution through issuance of shares or other securities with similar voting rights; or

(v) reduces the number of shares owned by the shareholder to a fraction of a share if the fractional share so created is to be acquired for cash under Section 33-6-104; or

(5) any corporate action to the extent the articles of incorporation, bylaws, or a resolution of the board of directors provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares;

(6) the conversion of a corporation into a limited liability company pursuant to Section 33-11-111 or conversion of a corporation into either a general partnership or limited partnership pursuant to Section 33-11-113;

(7) the consummation of a plan of conversion to a limited liability company pursuant to Section 33-11-111 or to a partnership or limited partnership pursuant to Section 33-11-113.

(B) Notwithstanding subsection (A), no dissenters' rights under this section are available for shares of any class or series of shares which, at the record date fixed to determine shareholders entitled to receive notice of a vote at the meeting of shareholders to act upon the agreement of merger or exchange, were either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc.

HISTORY: Derived from 1976 Code Section 33-11-270 [1962 Code Section 12-16.27; 1952 Code Sections 12-459 to 12-462, 12-633 to 12-635; 1942 Code Sections 7706, 7759; 1932 Code Sections 7706, 7759; 1925 (34) 246; 1926 (34) 1052; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2], Section 33-15-10 [1962 Code Section 12-19.1; 1952 Code Sections 12-401 to 12-404; 1942 Code Sections 7676, 7736, 7741, 7744; 1932 Code Sections 7676, 7736, 7741, 7744; Civ. C. '22 Sections 4250, 4310, 4315, 4318; Civ. C. '12 Sections 2846, 2849, 2873; Civ. C. '02 Sections 1842, 1851, 1892; R. S. 1499; 1886 (19) 846; 1896 (22) 97; 1898 (22) 769, 771; 1901 (23) 710; 1917 (30) 36; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2], Section 33-17-50 [1962 Code Section 12-20.5; 1962 (52) 1996; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2], Section 33-17-90 [1962 Code Section 12-20.9; 1952 Code Sections 12-459 to 12-462; 1942 Code Section 7759; 1932 Code Section 7759; 1925 (34) 246; 1962 (52) 1996; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2], and Section 33-19-50 [1962 Code Section 12-21.5; 1952 Code Sections 12-633 to 12-635; 1942 Code Section 7706; 1932 Code Section 7706; 1926 (34) 1052; 1962 (52) 1996; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2]; 1988 Act No. 444, Section 2; 1998 Act No. 328, Section 8; 2004, Act No. 221, Section 17.

SECTION 33-13-103. Dissent by nominees and beneficial owners.

(a) A record shareholder may assert dissenters' rights as to fewer than all the shares registered in his name only if he dissents with respect to all shares beneficially owned by any one person and notifies the corporation in writing of the name and address of each person on whose behalf he asserts dissenters' rights. The rights of a partial dissenter under this subsection are determined as if the shares to which he dissents and his other shares were registered in the names of different shareholders.

(b) A beneficial shareholder may assert dissenters' rights as to shares held on his behalf only if he dissents with respect to all shares of which he is the beneficial shareholder or over which he has power to direct the vote. A beneficial shareholder asserting dissenters' rights to shares held on his behalf shall notify the corporation in writing of the name and address of the record shareholder of the shares, if known to him.

HISTORY: Derived from 1976 Code Section 33-11-270 [1962 Code Section 12-16.27; 1952 Code Sections 12-459 to 12-462, 12-633 to 12-635; 1942 Code Sections 7706, 7759; 1932 Code Sections 7706, 7759; 1925 (34) 246; 1926 (34) 1052; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2]; 1988 Act No. 444, Section 2.

ARTICLE 2

Procedure for Exercise of Dissenters' Rights

SECTION 33-13-200. Notice of dissenters' rights.

(a) If proposed corporate action creating dissenters' rights under Section 33-13-102 is submitted to a vote at a shareholders' meeting, the meeting notice must state that shareholders are or may be entitled to assert dissenters' rights under this chapter and be accompanied by a copy of this chapter.

(b) If corporate action creating dissenters' rights under Section 33-13-102 is taken without a vote of shareholders, the corporation shall notify in writing all shareholders entitled to assert dissenters' rights that the action was taken and send them the dissenters' notice described in Section 33-13-220.

HISTORY: 1988 Act No. 444, Section 2.

SECTION 33-13-210. Notice of intent to demand payment.

(a) If proposed corporate action creating dissenters' rights under Section 33-13-102 is submitted to a vote at a shareholders' meeting, a shareholder who wishes to assert dissenters' rights (1) must give to the corporation before the vote is taken written notice of his intent to demand payment for his shares if the proposed action is effectuated and (2) must not vote his shares in favor of the proposed action. A vote in favor of the proposed action cast by the holder of a proxy solicited by the corporation shall not disqualify a shareholder from demanding payment for his shares under this chapter.

(b) A shareholder who does not satisfy the requirements of subsection (a) is not entitled to payment for his shares under this chapter.

HISTORY: Derived from 1976 Code Section 33-11-270 [1962 Code Section 12-16.27; 1952 Code Sections 12-459 to 12-462, 12-633 to 12-635; 1942 Code Sections 7706, 7759; 1932 Code Sections 7706, 7759; 1925 (34) 246; 1926 (34) 1052; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2]; 1988 Act No. 444, Section 2.

SECTION 33-13-220. Dissenters' notice.

(a) If proposed corporate action creating dissenters' rights under Section 33-13-102 is authorized at a shareholders' meeting, the corporation shall deliver a written dissenters' notice to all shareholders who satisfied the requirements of Section 33-13-210(a).

(b) The dissenters' notice must be delivered no later than ten days after the corporate action was taken and must:

(1) state where the payment demand must be sent and where certificates for certificated shares must be deposited;

(2) inform holders of uncertificated shares to what extent transfer of the shares is to be restricted after the payment demand is received;

(3) supply a form for demanding payment that includes the date of the first announcement to news media or to shareholders of the terms of the proposed corporate action and requires that the person asserting dissenters' rights certify whether or not he or, if he is a nominee asserting dissenters' rights on behalf of a beneficial shareholder, the beneficial shareholder acquired beneficial ownership of the shares before that date;

(4) set a date by which the corporation must receive the payment demand, which may not be fewer than thirty nor more than sixty days after the date the subsection (a) notice is delivered and set a date by which certificates for certificated shares must be deposited, which may not be earlier than twenty days after the demand date; and

(5) be accompanied by a copy of this chapter.

HISTORY: Derived from 1976 Code Section 33-11-270 [1962 Code Section 12-16.27; 1952 Code Sections 12-459 to 12-462, 12-633 to 12-635; 1942 Code Sections 7706, 7759; 1932 Code Sections 7706, 7759; 1925 (34) 246; 1926 (34) 1052; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2]; 1988 Act No. 444, Section 2.

SECTION 33-13-230. Shareholders' payment demand.

(a) A shareholder sent a dissenters' notice described in Section 33-13-220 must demand payment, certify whether he (or the beneficial shareholder on whose behalf he is asserting dissenters' rights) acquired beneficial ownership of the shares before the date set forth in the dissenters' notice pursuant to Section 33-13-220(b)(3), and deposit his certificates in accordance with the terms of the notice.

(b) The shareholder who demands payment and deposits his share certificates under subsection (a) retains all other rights of a shareholder until these rights are canceled or modified by the taking of the proposed corporate action.

(c) A shareholder who does not comply substantially with the requirements that he demand payment and deposit his share certificates where required, each by the date set in the dissenters' notice, is not entitled to payment for his shares under this chapter.

HISTORY: Derived from 1976 Code Section 33-11-270 [1962 Code Section 12-16.27; 1952 Code Sections 12-459 to 12-462, 12-633 to 12-635; 1942 Code Sections 7706, 7759; 1932 Code Sections 7706, 7759; 1925 (34) 246; 1926 (34) 1052; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2]; 1988 Act No. 444, Section 2.

SECTION 33-13-240. Share restrictions.

(a) The corporation may restrict the transfer of uncertificated shares from the date the demand for payment for them is received until the proposed corporate action is taken or the restrictions are released under Section 33-13-260.

(b) The person for whom dissenters' rights are asserted as to uncertificated shares retains all other rights of a shareholder until these rights are canceled or modified by the taking of the proposed corporate action.

HISTORY: 1988 Act No. 444, Section 2.

SECTION 33-13-250. Payment.

(a) Except as provided in Section 33-13-270, as soon as the proposed corporate action is taken, or upon receipt of a payment demand, the corporation shall pay each dissenter who substantially complied with Section 33-13-230 the amount the corporation estimates to be the fair value of his shares, plus accrued interest.

(b) The payment must be accompanied by:

(1) the corporation's balance sheet as of the end of a fiscal year ending not more than sixteen months before the date of payment, an income statement for that year, a statement of changes in shareholders' equity for that year, and the latest available interim financial statements, if any;

(2) a statement of the corporation's estimate of the fair value of the shares and an explanation of how the fair value was calculated;

(3) an explanation of how the interest was calculated;

(4) a statement of the dissenter's right to demand additional payment under Section 33-13-280; and

(5) a copy of this chapter.

HISTORY: Derived from 1976 Code Section 33-11-270 [1962 Code Section 12-16.27; 1952 Code Sections 12-459 to 12-462, 12-633 to 12-635; 1942 Code Sections 7706, 7759; 1932 Code Sections 7706, 7759; 1925 (34) 246; 1926 (34) 1052; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2]; 1988 Act No. 444, Section 2.

SECTION 33-13-260. Failure to take action.

(a) If the corporation does not take the proposed action within sixty days after the date set for demanding payment and depositing share certificates, the corporation, within the same sixty-day period, shall return the deposited certificates and release the transfer restrictions imposed on uncertificated shares.

(b) If, after returning deposited certificates and releasing transfer restrictions, the corporation takes the proposed action, it must send a new dissenters' notice under Section 33-13-220 and repeat the payment demand procedure.

HISTORY: Derived from 1976 Code Section 33-11-270 [1962 Code Section 12-16.27; 1952 Code Sections 12-459 to 12-462, 12-633 to 12-635; 1942 Code Sections 7706, 7759; 1932 Code Sections 7706, 7759; 1925 (34) 246; 1926 (34) 1052; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2]; 1988 Act No. 444, Section 2.

SECTION 33-13-270. After-acquired shares.

(a) A corporation may elect to withhold payment required by section 33-13-250 from a dissenter as to any shares of which he (or the beneficial owner on whose behalf he is asserting dissenters' rights) was not the beneficial owner on the date set forth in the dissenters' notice as the date of the first announcement to news media or to shareholders of the terms of the proposed corporate action, unless the beneficial ownership of the shares devolved upon him by operation of law from a person who was the beneficial owner on the date of the first announcement.

(b) To the extent the corporation elects to withhold payment under subsection (a), after taking the proposed corporate action, it shall estimate the fair value of the shares, plus accrued interest, and shall pay this amount to each dissenter who agrees to accept it in full satisfaction of his demand. The corporation shall send with its offer a statement of its estimate of the fair value of the shares, an explanation of how the fair value and interest were calculated, and a statement of the dissenter's right to demand additional payment under Section 33-13-280.

HISTORY: Derived from 1976 Code Section 33-11-270 [1962 Code Section 12-16.27; 1952 Code Sections 12-459 to 12-462, 12-633 to 12-635; 1942 Code Sections 7706, 7759; 1932 Code Sections 7706, 7759; 1925 (34) 246; 1926 (34) 1052; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2] and Section 33-11-290 [1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2]; 1988 Act No. 444, Section 2.

SECTION 33-13-280. Procedure if shareholder dissatisfied with payment or offer.

(a) A dissenter may notify the corporation in writing of his own estimate of the fair value of his shares and amount of interest due and demand payment of his estimate (less any payment under Section 33-13-250) or reject the

corporation's offer under Section 33-13-270 and demand payment of the fair value of his shares and interest due, if the:

(1) dissenter believes that the amount paid under Section 33-13-250 or offered under Section 33-13-270 is less than the fair value of his shares or that the interest due is calculated incorrectly;

(2) corporation fails to make payment under Section 33-13-250 or to offer payment under Section 33-13-270 within sixty days after the date set for demanding payment; or

(3) corporation, having failed to take the proposed action, does not return the deposited certificates or release the transfer restrictions imposed on uncertificated shares within sixty days after the date set for demanding payment.

(b) A dissenter waives his right to demand additional payment under this section unless he notifies the corporation of his demand in writing under subsection (a) within thirty days after the corporation made or offered payment for his shares.

HISTORY: Derived from 1976 Code Section 33-11-270 [1962 Code Section 12-16.27; 1952 Code Sections 12-459 to 12-462, 12-633 to 12-635; 1942 Code Sections 7706, 7759; 1932 Code Sections 7706, 7759; 1925 (34) 246; 1926 (34) 1052; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2]; 1988 Act No. 444, Section 2.

ARTICLE 3

Judicial Appraisal of Shares

SECTION 33-13-300. Court action.

(a) If a demand for additional payment under Section 33-13-280 remains unsettled, the corporation shall commence a proceeding within sixty days after receiving the demand for additional payment and petition the court to determine the fair value of the shares and accrued interest. If the corporation does not commence the proceeding within the sixty-day period, it shall pay each dissenter whose demand remains unsettled the amount demanded.

(b) The corporation shall commence the proceeding in the circuit court of the county where the corporation's principal office (or, if none in this State, its registered office) is located. If the corporation is a foreign corporation without a registered office in this State, it shall commence the proceeding in the county in this State where the principal office (or, if none in this State, the registered office) of the domestic corporation merged with or whose shares were acquired by the foreign corporation was located.

(c) The corporation shall make all dissenters (whether or not residents of this State) whose demands remain unsettled parties to the proceeding as in an action against their shares and all parties must be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication, as provided by law.

(d) The jurisdiction of the court in which the proceeding is commenced under subsection (b) is plenary and exclusive. The court may appoint persons as appraisers to receive evidence and recommend decisions on the question of fair value. The appraisers have the powers described in the order appointing them or in any amendment to it. The dissenters are entitled to the same discovery rights as parties in other civil proceedings.

(e) Each dissenter made a party to the proceeding is entitled to judgment for the amount, if any, by which the court finds the fair value of his shares, plus interest, exceeds the amount paid by the corporation.

HISTORY: Derived from 1976 Code Section 33-11-270 [1962 Code Section 12-16.27; 1952 Code Sections 12-459 to 12-462, 12-633 to 12-635; 1942 Code Sections 7706, 7759; 1932 Code Sections 7706, 7759; 1925 (34) 246; 1926 (34) 1052; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2]; 1988 Act No. 444, Section 2.

SECTION 33-13-310. Court costs and counsel fees.

(a) The court in an appraisal proceeding commenced under Section 33-13-300 shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall assess the costs against the corporation, except that the court may assess costs against all or some of the dissenters, in amounts the court finds equitable, to the extent the court finds the dissenters acted arbitrarily, vexatiously, or not in good faith in demanding payment under Section 33-13-280.

(b) The court also may assess the fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable:

(1) against the corporation and in favor of any or all dissenters if the court finds the corporation did not comply substantially with the requirements of Sections 33-13-200 through 33-13-280; or

(2) against either the corporation or a dissenter, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this chapter.

(c) If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated, and that the fees for those services should not be assessed against the corporation, the court may award to these counsel reasonable fees to be paid out of the amounts awarded the dissenters who were benefited.

(d) In a proceeding commenced by dissenters to enforce the liability under Section 33-13-300(a) of a corporation that has failed to commence an appraisal proceeding within the sixty-day period, the court shall assess the costs of the proceeding and the fees and expenses of dissenters' counsel against the corporation and in favor of the dissenters.

HISTORY: Derived from 1976 Code Section 33-11-270 [1962 Code Section 12-16.27; 1952 Code Sections 12-459 to 12-462, 12-633 to 12-635; 1942 Code Sections 7706, 7759; 1932 Code Sections 7706, 7759; 1925 (34) 246; 1926 (34) 1052; 1962 (52) 1996; 1963 (53) 327; 1981 Act No. 146, Section 2; Repealed, 1988 Act No. 444, Section 2]; 1988 Act No. 444, Section 2.

APPENDIX C

CAROLINA ALLIANCE BANK 2017 EQUITY INCENTIVE PLAN

CAROLINA ALLIANCE BANK

2017 EQUITY INCENTIVE PLAN

Section 1. General Purpose of Plan; Definitions.

The name of this plan is the Carolina Alliance Bank 2017 Equity Incentive Plan (the "Plan"). The Plan was approved by the Board of Directors on February 21, 2017 (the "Effective Date") and subsequently adopted by the shareholders of the Bank on [*May 15, 2017*]. The purpose of the Plan is to enable the Bank to attract and retain highly qualified personnel who will contribute to the Bank's success and to provide incentives to Participants to increase shareholder value and therefore further align the interests of the Participants with those of the shareholders to benefit all shareholders of the Bank.

For purposes of the Plan, the following terms shall be defined as set forth below:

(a) "Administrator" means the Committee, under the terms as set forth in more detail in Section 2 below and except as limited by the express provisions of the Plan or by resolutions adopted by the Board.

(b) "Award" means any award granted under the Plan as further described in Sections 6 and 7 below.

(c) "Award Agreement" means, with respect to each Award, the signed written agreement between the Bank and the Participant setting forth the terms and conditions applicable to the Award.

(d) "Bank" means Carolina Alliance Bank, a South Carolina state bank (or any successor corporation that assumes this Plan, either contractually or by operation of law).

(e) "Board" means the Board of Directors of the Bank.

(f) "Cause" means as set forth in the Participant's written employment, consulting or similar agreement with the Bank or, if "Cause" is not defined therein, or if there is no such agreement, "Cause" shall mean termination by the Bank on account of acts or omissions of fraud, dishonesty, incompetence, willful misconduct, any breach of fiduciary duty involving personal profit, intentional failure to perform stated duties, willful violation of any law, rule, or regulation (other than traffic violations, regulations that do not adversely affect the Bank or its employees, or similar offenses) or final cease-and-desist order, or material breach of any provision of an agreement with the Bank. In determining incompetence, the acts or omissions shall be measured against standards generally prevailing in the community banking industry. No act or failure to act shall be considered "willful" unless done, or omitted to be done, not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Bank. The determination of "Cause" may be made by the Administrator solely for purposes of this Plan and without regard to any other purpose of the Bank.

(g) "Change in Control" means the first to occur of any one of the events:

(i) the date any Person (as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "Exchange Act") and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) or more than one Person acting as a group (as determined under Treasury Regulation §1.409A-3(i)(5)(v)(B), acquires ownership of the stock of the Bank that, together with stock held by such Person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Bank. This section applies only when there is a transfer of stock of the Bank (or issuance of stock of the Bank) and stock in the Bank remains outstanding after the transaction;

(ii) the date any one Person, or more than one Person acting as a group (as defined under Treasury Regulation §1.409A-3(i)(5)(v)(B)), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) ownership of stock of the Bank possessing 30% or more of the total voting power of the stock of the Bank;

(iii) the date individuals who, as of the Effective Date, constituted the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Bank's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Bank in which such person is named as a nominee for director, without objection to such nomination) shall be considered as though such individual were a member-of the Incumbent Board, but excluding or this purpose any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iv) the date that any Person or more than one Person acting as a group (as defined under Treasury Regulation §1.409A-3(i)(5)(v)(B)) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Bank that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all assets of the Bank immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Bank, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

Notwithstanding the foregoing, a Change in Control shall only be deemed to have occurred if the Change in Control otherwise constitutes a change in the ownership or effective control of the Bank, or a change in the ownership of a substantial portion of the assets of the Bank, within the meaning of Section 409A of the Code and the regulations and rulings thereunder ("Section 409A").

In addition, a Change in Control will not include (1) a transaction in which the holders of the outstanding voting securities of the Bank immediately prior to the

transaction hold at least 50% of the outstanding voting securities of the successor company immediately after the transaction; (2) any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Bank or any successor company or indebtedness of the Bank is cancelled or converted or a combination thereof, (3) a sale, lease, exchange or other transfer of all or substantially all of the Bank's assets to a majority-owned subsidiary of the Bank; or (4) a transaction undertaken for the principal purpose of restructuring the capital of the Bank, including, but not limited to, reincorporating the Bank in a different jurisdiction, converting the Bank to a corporation or creating a holding company. Also, when a Change in Control occurs due to a series of related transaction, the Change in Control is deemed to have occurred upon consummation of the last of the related transactions.

(h) "Code" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(i) "Committee" means the Compensation Committee of the Board or, if applicable, any other committee the Board may appoint to administer the Plan. If at any time or to any extent the Committee shall not administer the Plan, then the functions of the Administrator specified in the Plan may be exercised by the Board. The Committee shall be comprised of three or more "outside" directors, within the meaning of section 162(m) of the Internal Revenue Code, who are also "non-employee directors" as defined in Rule 16b-3 under the Securities Exchange Act of 1934 and "independent directors" as defined by NASDAQ Listing Rule 5605(a)(2).

(j) "Common Stock" or "Stock" means the common stock, par value $1.00 per share, of the Bank.

(k) "Eligible Recipient" means an officer, director, employee, consultant, or advisor (including a member of an advisory board) of the Bank or any subsidiary of the Bank.

(l) "Exercise Price" means the per share price at which a Participant holding an Award of Options may purchase Shares issuable with respect to such Award of Options, if any.

(m) "Fair Market Value" on any date shall mean:

(i) if the Common Stock is readily tradable on an established securities market (as defined in Treasury Regulation §1.897-1(m)) (including if the Common Stock is quoted on an over-the-counter market), the closing sales price of the Common Stock on such date on the securities exchange having the greatest volume of trading in the Common Stock during the 30-day period preceding the day the value is to be determined or, if there is no reported closing sales price on such date, the next preceding date on which there was a reported closing price; or

(ii) if the Common Stock also is not readily tradable on an established securities market (as defined in Treasury Regulation §1.897-1(m)), the fair market value as determined in good faith by the Board or the Committee by application of a reasonable valuation method consistently applied and taking into consideration all available information material to the value of the Bank; factors to be considered

may include, as applicable, independent third party valuations of the Common Stock, trading activity of the Common Stock known by the Board or the Committee, whether on the over-the-counter market or through private transactions, the value of the tangible and intangible assets of the Bank, the present value of future cash-flows of the Bank, the market value of stock or equity interests in similar corporations which can be readily determined through objective means (such as through trading prices on an established securities market or an amount paid in an arm's length private transaction), and other relevant factors such as control premiums or discounts for lack of marketability. For purposes of the foregoing, a valuation prepared in accordance with any of the methods set forth in Treasury Regulation § 1.409A-1(b)(5)(iv)(B)(2) consistently used, shall be rebuttably presumed to result in a reasonable valuation. This paragraph is intended to comply with the definition of "fair market value" contained in Treasury Regulation § 1.409A-1(b)(5)(iv) and should be interpreted consistently therewith.

(n) "Grant Date" means the date on which the Administrator completes the corporate action authorizing the grant of an Award. Corporate action constituting a grant by the Administrator of an Award to any Participant shall be deemed completed as of the date of such corporate action, unless otherwise determined by the Administrator, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant.

(o) "Incentive Stock Option" or "ISO" means any Option intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Code.

(p) "Nonqualified Stock Option" or "NQSO" means any Option that is not an Incentive Stock Option, including any Option that provides (as of the time such Option is granted) that it will not be treated as an Incentive Stock Option.

(q) "Option" means an option to purchase Shares granted pursuant to Section 6 of the Plan.

(r) "Other Stock-Based Award" means a right granted pursuant to Section 8 of the Plan that relates to or is valued by reference to Shares or other Awards relating to Shares.

(s) "Participant" means any Eligible Recipient selected by the Administrator, pursuant to the Administrator's authority in Section 2 of the Plan, to receive an Award.

(t) "Performance Goals" means the performance goals established by the Administrator in connection with the grant of Awards. Performance Goals may be based upon any individual Participant or Bank criteria or metric that the Administrator may determine, including, but not limited to, the attainment of specified levels of one or more of the following measures: stock price, earnings (including earnings before taxes, earnings before interest and taxes or earnings before interest, taxes, depreciation and amortization), prescribed rating, earnings per share, operating earnings per share, return on equity, return on assets or operating assets, percentage of non-performing assets, asset quality, level of classified assets, net interest margin, loan portfolio growth, efficiency ratio, deposit portfolio growth, liquidity, market share, objective

customer service measures or indices, economic value added, shareholder value added, embedded value added, combined ratio, pre- or after-tax income, net income, cash flow (before or after dividends), cash flow per share (before or after dividends), gross margin, risk-based capital, revenues, revenue growth, return on capital (including return on total capital or return on invested capital), cash flow return on investment, cost control, gross profit, operating profit, cash generation, unit volume, sales, asset quality, cost saving levels, market-spending efficiency, core non-interest income or change in working capital, in each case with respect to the Bank or any one or more subsidiaries, divisions, business units or business segments thereof, either in absolute terms or relative to the performance of one or more other companies (including an index covering multiple companies). Performance for any goal can be measured on an absolute basis (i.e., versus the Bank's budget or prior year result) or relative to a peer group or industry index, as well as over a one-year or multi-year period. In any event, the Administrator shall have the authority to adjust any Performance Goal for unusual or non-recurring events in any manner permitted under Section 162(m) of the Code.

(u) "Performance Period" is a period not less than one calendar year, beginning not earlier than the year in which such Performance Award is granted, which may be referred to herein and by the Administrator by use of the calendar year in which a particular Performance Period commences; provided, however, that the Administrator shall have the authority to adjust a Performance Period for unusual or non-recurring events to a period of not less than six months.

(v) "Permanent and Total Disability" shall have the same meaning as given to that term by Treasury Regulation Section 1.409A-3(i)(4) and any regulations or rulings promulgated thereunder.

(w) "Restricted Stock" means Shares subject to certain restrictions granted pursuant to Section 7 of the Plan.

(x) "Restricted Stock Unit" means a right granted pursuant to Section 7 of the Plan and denominated in Shares that will be settled, subject to the terms and conditions of the Restricted Stock Units, in cash, Shares, or a combination of both, based upon the Fair Market Value of a specified number of Shares.

(y) "Shares" means shares of Common Stock reserved for issuance under the Plan, as adjusted pursuant to Sections 3 or 4 of the Plan, and any successor security.

(z) "Substitute Awards" means Awards granted or shares of Common Stock issued by the Bank in substitution or exchange for awards previously granted by an Acquired Entity.

(aa) "Treasury Regulations" means regulations promulgated by the United States Department of Treasury pursuant to the Code, including proposed or temporary regulations as applicable.

Section 2. Administration.

The Plan shall be administered by the Administrator. Pursuant to the terms of the Plan, the Committee shall serve as the Administrator and shall have the power and authority:

(a) to select those Eligible Recipients who shall be Participants;

(b) to determine whether and the extent to which Awards are to be granted to Participants under the Plan;

(c) to determine the number of Shares to be covered by or subject to each Award granted under the Plan;

(d) to determine the terms and conditions, not inconsistent with the terms of the Plan, of each Award granted under the Plan; and

(e) to determine the terms and conditions, not inconsistent with the terms of the Plan, that shall govern all written instruments evidencing Awards granted under the Plan, including Award Agreements.

The Administrator shall have the authority, in its sole discretion, to: adopt, alter, and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable; correct any defect, supply any omission, reconcile any inconsistency, and resolve any ambiguity in, and otherwise interpret, the terms and provisions of the Plan and any Award issued under the Plan (and any Award Agreement relating thereto); and otherwise supervise the administration of the Plan. All decisions made by the Administrator pursuant to the provisions of the Plan shall be final, conclusive and binding on all persons, including the Bank and the Participants. Except to the extent prohibited by applicable law, the Administrator may delegate to one or more individuals the day-to-day administration of the Plan and any of the functions assigned to it in this Plan. Such delegation may be revoked at any time.

Notwithstanding the above, and subject to Sections 3, 4, 6, 9, 10 and 13, outstanding Options granted under the Plan shall not be repriced without approval by the Bank's shareholders. In particular, neither the Board nor the Administrator may take any action: (1) to amend the terms of an outstanding Option to reduce the Exercise Price thereof, cancel an Option and replace it with a new Option with a lower Exercise Price, or that has an economic effect that is the same as any such reduction or cancellation or (2) to cancel an outstanding Option having an Exercise Price above the then-current Fair Market Value of the Stock in exchange for the grant of another type of Award, without, in each such case, first obtaining approval of the shareholders of the Bank of such action.

Section 3. Shares Subject to the Plan.

Subject to Section 4 of the Plan, the total number of Shares reserved and available for issuance under the Plan shall be 600,000 shares. Such Shares may consist in whole or in part, of authorized and unissued shares or treasury shares. At all times the Bank shall reserve and keep available a sufficient number of shares as shall be required to satisfy the requirements of all outstanding Options under the Plan. No fractional Shares shall be issued or delivered pursuant to the Plan. The Administrator shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.

(a) Options. The maximum aggregate number of shares of Stock that may be subject to Options granted in any calendar year to any one Participant shall be 25,000 shares. The maximum aggregate number of Shares that may be issued through ISOs shall be 600,000 shares.

(b) Restricted Stock. The maximum aggregate number of shares of Stock that may be subject to Awards of Restricted Stock or Restricted Stock Units granted in any calendar year to any one Participant shall each be 10,000 shares.

(c) Other Stock-Based Awards. The maximum aggregate number of shares of Stock that may subject to Other Stock-Based Awards granted in any calendar year to any one Participant shall be 10,000 shares.

(d) Awards to Non-Employee Directors. The maximum aggregate number of shares of Stock associated with any Award granted under this Plan in any calendar year to any one "non-employee director" (as defined in Rule 16b-3 under the Securities Exchange Act of 1934) shall be 5,000 shares.

(e) Compliance with Section 162(m) of the Code. To the extent required by Section 162(m) of the Code, Shares subject to Options which are canceled shall continue to be counted against the limits set forth in paragraphs (a) and (b) immediately preceding.

(f) Reissuance of Shares. Shares of Common Stock covered by an Award shall not be counted as used unless and until they are actually issued and delivered to a Participant. If any Award lapses, expires, terminates or is canceled prior to the issuance of shares thereunder or if shares of Common Stock covered by an Award are settled in cash in a manner that some or all of the shares covered by the Award are not issued, the shares subject to such Awards and the unissued shares resulting from the cash settlement shall again be available for issuance under the Plan. If any shares of Common Stock subject to an Award are not delivered to a Participant because the Award is exercised through a reduction of shares subject to the Award (i.e., "net exercised"), including if the tax withholding obligations relating to any Award are satisfied by delivering Shares of Common Stock (either actually or through attestation) or withholding Shares of Common Stock relating to such Award, the number of shares of Common Stock that are not delivered to the Participant shall no longer be available for issuance under the Plan. For the sake of clarification, any shares of Common Stock reacquired by the Bank pursuant to Section 6 upon the exercise of an Option or as consideration for the exercise of an Option shall no longer be available for issuance under the Plan. The number of shares of Common Stock available for issuance under the Plan shall not be reduced to reflect any dividends that are reinvested into additional shares of Common Stock or credited as additional shares of Common stock subject to or paid with respect to an Award.

(g) Performance Goals. The Administrator, in its discretion, may set restrictions based upon the achievement of Performance Goals, including, but not limited to, the purpose of qualifying Awards as "performance-based compensation" under Section 162(m) of the Code. The Administrator may designate such Award as a Qualified Performance-Based Award, based upon a determination that (i) the recipient is or may be a "covered employee" (within the meaning of Section 162(m)(3) of the Code) with respect to such Award, and (ii) the Administrator wishes such Award to qualify for exemption under Section 162(m) of the Code, and the terms of any such Award (and of the grant thereof) shall be consistent with such designation (including, without

limitation, that all such Awards be granted by a committee composed solely of "outside directors"). To the extent required to comply with Section 162(m) of the Code, no later than 90 days following the commencement of a Performance Period or, if earlier, by the expiration of 25% of a Performance Period, the Administrator will designate one or more Performance Periods, determine the Participants for the Performance Periods and establish the Performance Goals for the Performance Periods. The Administrator also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals pursuant to the performance criteria specified for such Award. In the event that applicable tax and/or securities laws change to permit the Administrator discretion to alter the governing performance criteria without obtaining shareholder approval of such changes, the Administrator shall have sole discretion to make such changes without obtaining shareholder approval. In granting Awards which are intended to qualify under Section 162(m) of the Code, the Administrator may follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code. Notwithstanding any other provision of the Plan, payment or vesting of any Qualified Performance Based Award shall not be made until the applicable Performance Goals have been satisfied and any other material terms of such Award were in fact satisfied. The Administrator shall certify in writing the attainment of each Performance Goal. Notwithstanding any provision of the Plan to the contrary, with respect to any Qualified Performance Based Award, (a) the Administrator may not adjust, downwards or upwards, any amount payable, or other benefits granted, issued, retained, and/or vested pursuant to such an Award on account of satisfaction of the applicable Performance Goals; provided, that the Administrator may reduce or eliminate the performance compensation or other economic benefit that was due upon attainment of the Performance Goal (exercise of "negative discretion") but such decrease does not increase the amount payable to any other employee, and (b) the Administrator may not waive the achievement of the applicable Performance Goals, except in the case of the Participant's death or disability, or a Change of Control. For any Award not intended to qualify as a Qualified Performance-Based Award, the Committee may apply any or all of the foregoing terms and conditions.

(h) Substitute Awards. Notwithstanding any other provision of the Plan to the contrary, the Administrator may grant Substitute Awards under the Plan. In the event that a written agreement between the Bank and an Acquired Entity pursuant to which a merger or consolidation is completed and approved by the Board and that agreement sets forth the terms and conditions of the substitution for or assumption of outstanding awards of the Acquired Entity, those terms and conditions shall be deemed to be the action of the Administrator without any further action by the Administrator, and the persons holding such awards shall be deemed to be Participants with respect to the Substitute Awards.

(i) Administrator's Discretion to Accelerate Vesting of Awards. Except upon the occurrence of a Change in Control (which is governed by the provisions of Section 10 hereof), the Administrator may, in its discretion and as of a date determined by the Administrator, fully vest any or all Awards awarded to a Participant pursuant to an Award and, upon such vesting, all vesting restrictions applicable to such Award shall terminate as of such date. Any action by the Administrator pursuant to this section may vary among individual Participants and may vary among the Awards held by any individual Participant. Notwithstanding the preceding provisions of this section, the Administrator may not take any action described in this section (i) with respect to an Award that has been granted to a "covered Employee" (within the meaning of Treasury

Regulation Section 1.162-27(c)(2)) if such Award is intended to meet the exception for performance-based compensation under Section 162(m) of the Code, or (ii) if such action shall cause any Award hereunder which is or becomes subject to Section 409A of the Code to fail to comply with the requirements of Section 409A of the Code.

(j) Forfeiture of Awards; Clawback of Shares. If the Bank's capital falls below the minimum requirements contained in 12 CFR Section 3 or below a higher requirement as determined by the Bank's primary bank regulatory agency, such agency may direct the Bank to require Participants to exercise or forfeit some or all of their Awards. All Awards granted under this Plan are subject to the terms of any such directive. In addition, Awards granted under this Plan within the prior two years of the event described in subsections (i)-(iii) below shall be forfeited and the Participant shall be obligated to repay the value realized, if any, from the conversion of Awards into shares of Stock under the following circumstances:

(i) Termination of employment or service for Cause;

(ii) A restatement of financial results attributable to the Participant's actions, whether intentional or negligent; and

(iii) The Administrator determines that Award vesting was based on incorrect performance measurement calculations. In such event, vesting (and recoupment, if applicable) will be adjusted consistent with the actual, corrected results.

Notwithstanding the forgoing sentence, the Administrator shall have the authority, in its sole discretion, to not enforce the foregoing clawback of Shares if it determines that such clawback would not be in the best interest of the Bank and its shareholders.

Section 4. Corporate Transactions.

Subject to the provisions of Section 10 hereof relating to a Change in Control, in the event of any merger, consolidation, combination, reorganization, recapitalization, reclassification, extraordinary cash dividend, stock dividend, stock split, reverse stock split, or other change in corporate structure, the Administrator shall make an equitable substitution or proportionate adjustment in (i) the aggregate number of Shares reserved for issuance under the Plan, and (ii) the kind, number, and Exercise Price of Shares (or other cash or property) issuable with respect to outstanding Options granted under the Plan (which may become, without limitation, shares of an acquiring entity or other successor corporation that assumes this Plan), and (iii) the kind and number of Shares subject to any outstanding Awards of Restricted Stock and Restricted Stock Units granted under the Plan (which may become, without limitation, shares of an acquiring entity or other successor corporation that assumes this Plan), in each case as may be determined by the Administrator, in its sole discretion; provided, that with respect to ISOs, any adjustment shall be made in accordance with the provisions of Section 424(h) of the Code and any regulations or guidance promulgated thereunder; and provided, further, that no such adjustment shall cause any Award hereunder which is or becomes subject to Section 409A of the Code to fail to comply with the requirements of Section 409A of the Code.

Section 5. Eligibility.

The Participants under the Plan shall be selected from time to time by the Administrator, in its sole discretion, from among the Eligible Recipients. Participation in the Plan through receipt of an Award in any year does not guarantee a Participant participation in future years or participation at the same level. The Administrator shall have the authority to grant Awards under the Plan to the Eligible Recipients; provided, however, that only current employees of the Bank may be granted ISOs.

Section 6. Options.

Options may be granted alone or in addition to other Awards granted under the Plan. Any Option granted under the Plan shall be substantially in the form as the Administrator may from time to time approve, and the provisions of each Option need not be the same with respect to each Participant. Participants who are granted Options shall enter into an Award Agreement with the Bank in such form as the Administrator shall determine, which Award Agreement shall set forth, among other things, the Exercise Price of the Option, the term of the Option and provisions regarding exercisability of the Option granted in connection with such Award Agreement.

Options granted under the Plan may be of two types: (i) Incentive Stock Options and (ii) Nonqualified Stock Options. If and to the extent any Option granted under the Plan intended to qualify as an ISO does not qualify as an ISO, such Option shall constitute a separate NQSO. A grant of an ISO can only be made to an Eligible Recipient who is also an employee within the meaning of Section 422(a)(2) of the Code.

Options granted under the Plan shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable:

(a) Option Exercise Price. The Exercise Price of Shares issuable with respect to an Option shall be determined by the Administrator in its sole discretion, provided, however, that such Exercise Price shall not be less than 100% of the Fair Market Value on the Grant Date, except in the case of Substitute Awards. If a Participant owns or is deemed to own (by reason of the attribution rules applicable under Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Bank and an ISO is granted to such Participant, the Exercise Price of such ISO shall be no less than 110% of the Fair Market Value on the Grant Date of such Option.

(b) Option Term. The term of each Option shall be fixed by the Administrator, but no Option shall be exercisable more than 10 years after the Grant Date of such Option; provided, however, that if an employee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Bank and an ISO is granted to such employee, the term of such ISO (to the extent required by the Code at the time of grant) shall be no more than five years from the Grant Date.

(c) Exercisability. Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Administrator at the time of grant. Specifically, such terms and conditions may include (i) the attainment of one or more Performance

Goals established by the Administrator, (ii) the Participant's continued employment with the Bank or any subsidiary, or continued service as a director, consultant or advisor of the Bank or any subsidiary, for a specified period of time, (iii) the occurrence of any other event or the satisfaction of any other condition specified by the Administrator in its sole discretion, or (iv) a combination of any of the foregoing. The Administrator may provide that any Option shall be exercisable only in installments, and the Administrator may waive such installment exercise provisions at any time, in whole or in part, based on such factors as the Administrator may determine, all in its sole discretion. An Option designated as an Incentive Stock Option shall cease to qualify for favorable tax treatment as an Incentive Stock Option to the extent it is exercised (if permitted by the terms of the Option) (1) more than three months after the date of a Participant's termination of employment if termination was for reasons other than death or disability, (2) more than one year after the date of a Participant's termination of employment if termination was by reason of death or disability, or (3) more than six months following the first day of a Participant's leave of absence that exceeds three months, unless the Participant's reemployment rights are guaranteed by statute or contract.

(d) Method of Exercise. Subject to Sections 6(c) and 9 of the Plan, vested Options may be exercised in whole or in part at any time during the Option term, by giving notice as described in the applicable Award Agreement. As determined by the Administrator in its sole discretion, payment in whole or in part may also be made: (i) to the extent permitted by applicable law, by means of any cashless exercise procedure approved by the Administrator, including by means of a net exercise whereby the Bank issues Shares reduced by the number of Shares needed to satisfy the Exercise Price and/or the Participant's tax withholding obligations; (ii) in the form of unrestricted shares (exclusive of SEC transfer restrictions for unregistered shares) of Common Stock already owned by the Participant (based on the Fair Market Value on the date the Option is exercised); provided, however, that in the case of an ISO, the right to make payment in the form of already owned shares of Common Stock may be authorized only at the time of grant; (iii) any other form of consideration approved by the Administrator and permitted by applicable law; or (iv) any combination of the foregoing. A Participant shall generally have the rights to dividends and any other rights of a shareholder with respect to the Shares subject to the Option only after the Participant has given written notice of exercise, has paid in full for such Shares, and, if requested, has given the representation described in paragraph (b) of Section 13 of the Plan.

(e) Non-Transferability of Options. Except as otherwise provided in the Award Agreement and subject to Section 9 of the Plan, Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will, or by the laws of descent and distribution, except that NQSOs may be transferred if and to the extent set forth in an Award Agreement.

(f) Annual Limit on Incentive Stock Options. To the extent that the aggregate Fair Market Value (determined as of the Grant Date of the ISO) of Shares with respect to which ISOs granted to a Participant under this Plan and all other equity compensation plans of the Bank become exercisable for the first time by the Participant during any calendar year exceeds $100,000 (as determined in accordance with Section 422(d) of the Code), the number of Shares attributable to the amount of such Fair Market Value exceeding $100,000 shall be treated as issuable with respect to NQSOs. The maximum aggregate number of shares of Stock that may be subject to ISOs that may be granted under the Plan shall be 600,000 shares.

(g) Taxation of Incentive Stock Options.

(i) In order to obtain certain tax benefits afforded to Incentive Stock Options under Section 422 of the Code, the Participant must hold the shares acquired upon the exercise of an Incentive Stock Option for two years after the Grant Date and one year after the date of exercise.

(ii) A Participant may be subject to the alternative minimum tax at the time of exercise of an Incentive Stock Option. The Participant shall give the Bank prompt notice of any disposition of shares acquired on the exercise of an Incentive Stock Option prior to the expiration of such holding periods described in (i) above.

(h) Certain Successor Options. To the extent not inconsistent with the terms, limitations and conditions of Section 422 of the Code and any regulations promulgated with respect thereto, an Option issued in respect of an option held by an employee to acquire stock of any entity acquired, by merger or otherwise, by the Bank (or any subsidiary of the Bank) may contain terms that differ from those stated in this Section 6, but solely to the extent necessary to preserve for any such employee the rights and benefits contained in such predecessor option, or to satisfy the requirements of Section 424(a) of the Code.

(i) Code Definitions. For purposes of this Section 6, "disability," "parent corporation" and "subsidiary corporation" shall have the meanings attributed to those terms for purposes of Section 422 of the Code.

(j) Non-Exempt Employees. No Option, whether or not vested, granted to an Participant who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, shall be first exercisable for any shares of Common Stock until at least six months following the date of grant of the Option. Notwithstanding the foregoing, consistent with the provisions of the Worker Economic Opportunity Act, (i) in the event of the Participant's death or Disability, (ii) upon a corporate transaction as described in Section 4 in which such Option is not assumed, continued, or substituted, or (iii) upon a Change in Control, any such vested Options may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option will be exempt from his or her regular rate of pay.

Section 7. Restricted Stock; Restricted Stock Units.

(a) General. Awards of Restricted Stock and Restricted Stock Units may be granted either alone or in addition to other Awards granted under the Plan. The Administrator shall determine the Eligible Recipients to whom, and the time or times at which, awards of Restricted Stock or Restricted Stock Units shall be made; the number of Shares to be awarded with respect to an Award of Restricted Stock or Restricted Stock Units; and the Restricted Period (as defined in Section 7(c) of this Plan) applicable to an Award of Restricted Stock or Restricted Stock Units. Award Agreements with respect to Restricted Stock or Restricted Stock Units shall be in such form as the Administrator may from time to time approve, and the provisions of Awards of Restricted Stock or Restricted Stock Units need not be the same with respect to each Participant. An Award of Restricted Stock or Restricted Stock Units shall be subject to such terms and conditions not

inconsistent with the Plan as the Administrator shall impose and shall be evidenced by an Award Agreement.

(b) Stock Certificates. Subject to Section 7(c) below, with respect to each Participant who is granted an Award of Restricted Stock, the Bank shall either (i) issue a stock certificate in respect of such Award of Restricted Stock, which certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award of Restricted Stock; or (ii) enter such Award of Restricted Stock in book entry form (with appropriate restrictions noted with respect thereto), such method to be determined by the Administrator in its sole discretion. The Bank may require that any stock certificates evidencing Restricted Stock granted under the Plan be held in the custody of the Bank until the restrictions thereon shall have lapsed, and that, as a condition of any Award of Restricted Stock, the Participant shall have delivered a stock power, endorsed in blank, relating to the Shares covered by such Award of Restricted Stock.

(c) Restrictions and Conditions Applicable to Restricted Stock. An Award of Restricted Stock granted pursuant to this Section 7 shall be subject to the following restrictions and conditions:

(i) Subject to the provisions of the Plan and the Award Agreement governing any such Award of Restricted Stock, during such period as may be set by the Administrator commencing on the date of grant of the Award, the Participant shall not be permitted to sell, transfer, pledge, or assign such Shares of Restricted Stock (such period, the "Restricted Period"); provided, however, that the Administrator may, in its sole discretion, provide for the lapse of such restrictions in installments and may accelerate or waive such restrictions in whole or in part based on such factors and such circumstances as the Administrator may determine, in its sole discretion. Notwithstanding the preceding provision of this section, the Administrator may not take any action described in this section (i) with respect to an Award that has been granted to a "covered Employee" (within the meaning of Treasury Regulation Section 1.162-27(c)(2)) if such Award is intended to meet the exception for performance-based compensation under Section 162(m) of the Code, or (ii) if such action shall cause any Award hereunder which is or becomes subject to Section 409A of the Code to fail to comply with the requirements of Section 409A of the Code. Such restrictions shall be determined by the Administrator in its sole discretion, and the Administrator may provide that such restrictions lapse upon (1) the attainment of one or more Performance Goals established by the Administrator, (2) the Participant's continued employment with the Bank or any subsidiary, or continued service as a director, consultant or advisor of the Bank or any subsidiary, for a specified period of time, (3) the occurrence of any other event or the satisfaction of any other condition specified by the Administrator in its sole discretion, or (4) a combination of any of the foregoing.

(ii) Subject to paragraph (b) of Section 12 of the Plan and/or unless otherwise provided in an Award Agreement, a Participant awarded Restricted Stock under the Plan generally shall have the rights of a shareholder of the Bank with

respect to such Restricted Stock during the Restricted Period (including, without limitation, the right to vote the Restricted Stock and to receive dividends thereon).

(iii) If a Participant makes an election pursuant to Section 83(b) of the Code, the Participant shall be required to file promptly a copy of such election form with the Bank.

(d) Terms and Conditions for Restricted Stock Units. The Administrator shall, prior to or at the time of grant, condition the vesting of Restricted Stock Units upon the (i) continued service of the applicable Participant, (ii) the attainment of Performance Goals, or (iii) the attainment of Performance Goals and the continued service of the applicable Participant. In the event that the Administrator conditions the grant or vesting of Restricted Stock Units upon the attainment of Performance Goals or the attainment of Performance Goals and the continued service of the applicable Participant, the Administrator may, prior to or at the time of grant, designate the Restricted Stock Units as a qualified performance-based award. The conditions for grant or vesting and the other provisions of Restricted Stock Units (including without limitation any applicable Performance Goals) need not be the same with respect to each Participant. An Award of Restricted Stock Units shall be settled as and when the Restricted Stock Units vest, or, after consultation with Bank legal counsel, at a later time specified by the Administrator in the applicable Agreement. In addition, subject to the provisions of this Plan and the applicable Agreement, during the restriction period, if any, set by the Administrator, the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber Restricted Stock Units. A Participant shall have no voting or dividend rights with respect to any Restricted Stock Units granted hereunder.

Section 8. Stock or Other Stock-Based Awards. The Administrator is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to Shares, as deemed by the Administrator to be consistent with the purposes of the Plan, including without limitation Shares awarded purely as a "bonus" and not subject to any restrictions or conditions, stock appreciation rights, performance awards, performance units, phantom stock, dividend equivalents or similar rights to purchase or acquire Shares, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, and Awards valued by reference to book value of Shares or the value of securities of or the performance of specified Parents or Subsidiaries. The Administrator shall determine the terms and conditions of such Awards. The maximum value of cash-settled awards that may be paid or payable in any calendar year to any one Participant shall be $150,000.

Section 9. Termination of Employment or Service.

Unless otherwise set forth in Section 13 of the Plan and subject to Section 10 below, or as may otherwise be set forth in an Award Agreement, if a Participant's employment with or service as an officer, director, employee, consultant, or advisor of the Bank or of any subsidiary: (a) terminates for any reason and on the date of termination of employment or service the Participant is not vested as to his or her entire Award, the Shares issuable with respect to the unvested portion of such Award shall be forfeited; and (b) terminates for the reasons described below and on the date of termination of employment or service the Participant is vested as to any Options, then if such termination is (i) by reason of his or her death or Permanent and Total

Disability, any vested Option may thereafter be exercised for a period of twelve months following termination of employment or service; (ii) for Cause, then any vested Option shall cease to be exercisable and shall terminate; or (iii) for any other reason than listed in subsections (b)(i) and (b)(ii) above, then any vested Option may thereafter be exercised for a period of three months following termination of employment or service. If, and to the extent that, after termination of employment or service, the Participant does not exercise his or her Option within the applicable time stated above, the unexercised Option shall terminate.

Section 10. Change in Control.

Unless otherwise determined in an Award Agreement, in the event of a Change in Control:

(a) Effective immediately prior to the occurrence of the Change in Control, (i) each outstanding Award shall become fully vested and, if applicable, exercisable, (ii) the restrictions and forfeiture conditions applicable to any such Award granted shall lapse, and (iii) any performance conditions imposed with respect to Awards shall be deemed to be fully achieved.

(b) The Administrator may notify all Participants that all outstanding Awards shall be assumed by the acquiring entity or substituted on an equitable basis with awards issued by the acquiring entity. For purposes of this Section 10, an Award shall be considered assumed or substituted for if, following the Change in Control, the Award remains subject to the same terms and conditions that were applicable to the Award immediately prior to the Change in Control except that, if the Award related to Shares, the Award instead confers the right to receive common stock or other securities of the acquiring entity.

(c) Notwithstanding any other provision of the Plan, in the event of a Change in Control, except as would otherwise result in adverse tax consequences under Section 409A of the Code, the Board may, in its sole discretion, provide that each Award shall, immediately upon the occurrence of a Change in Control, be cancelled in exchange for a payment in cash or securities in an amount equal to (i) the excess (if any) of the consideration paid per Share in the Change in Control (as determined by the Administrator in its sole discretion) over the exercise or purchase price (if any) per Share subject to the Award multiplied by (ii) the number of Shares subject to the Award (if the consideration paid per share in the Change in Control is deemed by the Administrator to be less than the Exercise Price or purchase price (if any) per Share subject to an Award, then such Awards may be deemed to have been paid in full and canceled by the Administrator).

Section 11. Amendment and Termination.

The Board may amend, alter, or discontinue the Plan, but no amendment, alteration, or discontinuation that would materially impair the rights of a Participant under any Award granted or Award Agreement in effect under the Plan shall be made without such Participant's consent. The Administrator may accept surrender of outstanding Awards and grant new Awards in substitution for them; provided, that the Administrator will not, without prior shareholder approval, exchange Options with an exercise price that is greater than the then-current fair market value of the Stock or otherwise modify the exercise price or purchase price of any Option or Award that has the effect of being a repricing. To the extent necessary and desirable, approval of the Bank's shareholders shall be obtained for any amendment that would:

(a) increase the total number of Shares reserved for issuance under the Plan; or

(b) change the class of officers, directors, employees, consultants, and advisors eligible to participate in the Plan.

The Administrator may amend the terms of any Award granted under the Plan, prospectively or retroactively, but, subject to Section 4 of the Plan, no such amendment shall impair the rights of any Participant without his or her consent. Notwithstanding the previous sentence, the Administrator reserves the right to amend the terms of any Award or Award Agreement as may be necessary or appropriate to avoid adverse tax consequences under Section 409A of the Code, to comply with any requirements under the forfeiture provisions set forth in Section 3(j) of the Plan, to comply with the requirements in the Bank's "clawback" policy regarding incentive compensation, or to comply with such "clawback" requirements under the Sarbanes-Oxley Act of 2002 or the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended from time to time, or to maintain the qualified status of any ISO.

Section 12. Unfunded Status of Plan.

The Plan is intended to constitute an "unfunded" plan. With respect to any payments not yet made to a Participant by the Bank, nothing contained herein shall give any such Participant any rights that are greater than those of a general unsecured creditor of the Bank.

Section 13. General Provisions.

(a) Shares shall not be issued pursuant to the exercise or settlement of any Award granted under the Plan unless the exercise or settlement of such Award and the issuance and delivery of such Shares pursuant to such Award shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, the Securities Exchange Act of 1934, withholding tax requirements and the requirements of any stock exchange upon which the Common Stock may then be listed, and shall be further subject to the approval of counsel for the Bank with respect to such compliance. The Bank may rely on an opinion of its counsel as to such compliance. Any share certificate issued to evidence Common Stock for which an Award is exercised or issued may bear such legends and statements as the Administrator may deem advisable to assure compliance with Federal and state laws and regulations.

(b) The Administrator may require each person acquiring Shares granted under the Plan to represent to and agree with the Bank in writing that such person is acquiring the Shares without a view to distribution thereof. All certificates for Shares delivered under the Plan shall be subject to such stock-transfer orders and other restrictions as the Administrator may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Common Stock is then listed, and any applicable Federal or state securities law. The certificates for such Shares may include the legend set forth below, or any other legend that the Administrator deems appropriate to reflect any restrictions on transfer for such Shares.

> "THE ISSUANCE OF THE SHARES REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THE SHARES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT

BE SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF EITHER AN EFFECTIVE REGISTRATION STATEMENT FOR THESE SHARES UNDER THE SECURITIES ACT OF 1933 OR AN OPINION OF COUNSEL THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT."

(c) Nothing contained in the Plan shall prevent the Board from adopting other or additional compensation arrangements. The adoption of the Plan or granting of an Award shall not confer upon any Eligible Recipient any right to continued employment with or service to the Bank or any subsidiary, as the case may be, nor shall it interfere in any way with the right of the Bank or any subsidiary to terminate the employment or service of any Eligible Recipient at any time.

(d) Unless otherwise set forth in an applicable Award Agreement, a Participant may elect, no later than the date as of which the value of an Award becomes includible in the gross income of the Participant for Federal income tax purposes (the "withholding date"), to have the Bank withhold vested whole shares of Common Stock deliverable upon the exercise of an Option or the vesting of the Restricted Stock or Restricted Stock Units to satisfy (in whole or in part) the amount, if any, that the Bank or any subsidiary is required to withhold for federal state or local taxes (including the Participant's FICA, employment tax or other social security contribution obligation); provided, however, that the Fair Market Value (as of the withholding date) of the shares of Common Stock so withheld does not exceed the amount that would be withheld if the Maximum Statutory Tax Rate were used as the applicable tax withholding rate. "Maximum Statutory Tax Rate" means the applicable maximum statutory federal, state and local tax rates in the Participant's jurisdiction (including the Participant's share of payroll and similar taxes), even if the maximum rate exceeds the highest rate that may be applicable to the specific Participant. Any such election shall be irrevocable.

To the extent that a Participant does not make such an election, or such election does not fully satisfy such minimum statutorily required withholding tax payments, then (x) the Bank may require that the Participant pay to the Bank, or make arrangements satisfactory to the Bank regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld with respect to such Award, as a condition of the exercise of any Option, (y) the Bank may withhold vested whole shares of Common Stock deliverable upon exercise of an Option or vesting of the Restricted Stock or Restricted Stock Units to satisfy (in whole or in part) the amount, if any, that the Bank or any subsidiary is required to withhold for taxes; provided, however, that the amount of shares of Common Stock so withheld shall have a Fair Market Value (as of the withholding date) that is not in excess of the amount determined by the Bank to be equal to the applicable minimum statutorily required withholding tax payments, and (z) the Bank shall have the right to deduct from any payment of any kind otherwise due to a Participant up to an amount equal to any federal, state or local taxes of any kind required by law to be withheld in connection with the granting, vesting or exercise of an Award (not to exceed the amount determined by the Bank to be the applicable minimum statutorily required withholding tax payments). Upon request, the Participant shall reimburse the Bank for any taxes that the Bank withholds that are not otherwise reimbursed as contemplated above in this Section 13(d).

(e) No member of the Board or the Administrator, nor any officer or employee of the Bank acting on behalf of the Board or the Administrator, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board or the Administrator and each and any officer or employee of the Bank acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Bank in respect of any such action, determination, or interpretation.

(f) If a Participant is an officer or director of the Bank within the meaning of Section 16, Awards granted hereunder shall be subject to all conditions required under Rule 16b-3, or any successor rule(s) promulgated under the Securities Exchange Act of 1934, to qualify the Award for any exemption from the provisions of Section 16 available under such Rule. Such conditions are hereby incorporated herein by reference and shall be set forth in the agreement with the Participant, which describes the Award.

(g) The Bank shall be under no obligation to effect the registration pursuant to the Securities Act of 1933 of any shares of Stock to be issued hereunder or to effect similar compliance under any state laws. Notwithstanding anything herein to the contrary, the Bank shall not be obligated to cause to be issued or delivered any shares of Stock pursuant to the Plan unless and until the Bank is advised by its counsel that the issuance and delivery of such shares is in compliance with all applicable laws, regulations or governmental authority and the requirements of any securities exchange on which shares of Stock are traded or any over-the-counter market on which the Stock is quoted. The Administrator may require, as a condition of the issuance and delivery of shares of Stock pursuant to the terms hereof, that the recipient of such shares make such covenants, agreements and representations, and that such shares, if certificated, bear such legends, and if dematerialized, be so restricted, in each case, as the Administrator, in its sole discretion, deems necessary or desirable.

Section 14. Section 409A of the Code.

Notwithstanding any provision in the Plan to the contrary, no payment or distribution under this Plan that constitutes an item of deferred compensation under Section 409A of the Code and becomes payable by reason of a Participant's termination of employment or service with the Bank will be made to such Participant unless such Participant's termination of employment or service constitutes a "separation from service" (as defined in Section 409A of the Code). For purposes of this Plan, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Section 409A of the Code. If a participant is a "specified employee" (as defined in Section 409A of the Code), then to the extent necessary to avoid the imposition of taxes under Section 409A of the Code, such Participant shall not be entitled to any payments which are deferred compensation under Section 409A of the Code upon a termination of his or her employment or service until the earlier of: (i) the expiration of the six-month period measured from the date of such Participant's "separation from service" or (ii) the date of such Participant's death. Upon the expiration of the applicable waiting period set forth in the preceding sentence, all payments and benefits deferred pursuant to this Section 14 (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such deferral) shall be paid to such Participant in a lump sum as soon as practicable, but in no event later than 60 calendar days, following such expired period, and any remaining payments due under this Plan will be paid in accordance with the normal payment dates specified for them herein.

Section 15. Notice.

All notices, requests, waivers, and other communications required or permitted hereunder shall in writing and shall be either personally delivered, sent by reputable overnight courier service or mailed by first class mail, return receipt requested, or by email or other form of electronic transmission, each against receipt therefore, to the recipient at the address below:

Carolina Alliance Bank
200 South Church Street
Spartanburg, South Carolina 29306
Attention: R. Lamar Simpson

or such other address or the attention of such other person as the recipient party shall have specified by prior written notice to the sending party, or sent by other electronic means. All such notices, requests, waivers and other communications shall be deemed to have been effectively given: (a) when personally delivered to the party to be notified; (b) when sent by confirmed facsimile, email or other form of electronic transmission to the party to be notified; (c) five (5) business days after deposit in the United States Mail postage prepared by certified or registered mail with return receipt requested at any time other than during a general discontinuance of postal service due to strike, lockout, or otherwise (in which case such notice, request, waiver or other communication shall be effectively given upon receipt) and addressed to the party to be notified as set forth above; or (d) two (2) business days after deposit with a national overnight delivery service, postage prepaid, addressed to the party to be notified as set forth above with next-business-day delivery guaranteed. A party may change its or his notice address given above by giving the other party ten (10) days' written notice of the new address in the manner set forth above.

Section 16. Governing Law and Interpretation.

The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of South Carolina, without reference to principles of conflict of laws.

Section 17. Severability.

If, for any reason, any provision of this Plan is held invalid, such invalidity shall not affect any other provision of this Plan not held so invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect. If any provision of this Plan shall be held invalid in part, such invalidity shall in no way affect the rest of such provision not held so invalid, and the rest of such provision, together with all other provisions of this Plan, shall to the full extent consistent with law continue in full force and effect.

Section 18. Term of Plan.

The Plan shall be effective as of the Effective Date. No Award shall be granted pursuant to the Plan on or after the fifth anniversary of the Effective Date, but Awards granted under the Plan prior to the fifth anniversary of the Effective Date may extend beyond the fifth anniversary of the Effective Date pursuant to the terms of the Award as provided for under the Plan and the terms of the applicable Award Agreement.

* * * * *

IN WITNESS WHEREOF, the Board of Directors of the Bank has adopted this Plan, to be executed on behalf of the Bank by a duly designated officer of the Bank, as of the day and year first above written as the Effective Date.

CAROLINA ALLIANCE BANK

By: /s/ R. Lamar Simpson

Name: R. Lamar Simpson

Title: Secretary

APPENDIX D

ARTICLES OF INCORPORATION OF THE HOLDING COMPANY

ARTICLES OF INCORPORATION
OF
CAB FINANCIAL CORPORATION

ARTICLE ONE
NAME

The name of the corporation is CAB Financial Corporation (the "Corporation").

ARTICLE TWO
ADDRESS AND REGISTERED AGENT

The street address of the initial registered office of the Corporation shall be 200 South Church Street Spartanburg, South Carolina 29306 (Spartanburg County). The name of the Corporation's initial registered agent at such address shall be John S. Poole.

I hereby consent to the appointment as registered agent of the Corporation:

/s/ John S. Poole
John S. Poole

ARTICLE THREE
CAPITALIZATION

The Corporation shall have the authority, exercisable by its board of directors, to issue up to 20,000,000 shares of voting common stock, par value $1.00 per share, and to issue up to 10,000,000 shares of preferred stock, par value $1.00 per share. The board of directors shall have the authority to specify the preferences, limitations and relative rights of each class of preferred stock.

ARTICLE FOUR
NO PREEMPTIVE RIGHTS

The shareholders shall not have any preemptive rights to acquire additional stock in the Corporation.

ARTICLE FIVE
NO CUMULATIVE VOTING RIGHTS

The Corporation elects not to have cumulative voting, and no shares issued by this Corporation may be cumulatively voted for directors of the Corporation (or for any other decision).

ARTICLE SIX
LIMITATION ON DIRECTOR LIABILITY

No director of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for breach of the duty of care or any other duty as a director, except that such liability shall not be eliminated for:

(i) any breach of the director's duty of loyalty to the Corporation or its shareholders;

(ii) acts or omissions not in good faith or which involve gross negligence, intentional misconduct, or a knowing violation of law;

(iii) liability imposed under Section 33-8-330 (or any successor provision or re-designation thereof) of the Act; and

(iv) any transaction from which the director derived an improper personal benefit.

If at any time the Act shall have been amended to authorize the further elimination or limitation of the liability of a director, then the liability of each director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Act, as so amended, without further action by the shareholders, unless the provisions of the Act, as amended, require further action by the shareholders.

Any repeal or modification of the foregoing provisions of this Article Six shall not adversely affect the elimination or limitation of liability or alleged liability pursuant hereto of any director of the Corporation for or with respect to any alleged act or omission of the director occurring prior to such a repeal or modification.

Additionally, the Company shall have the power to indemnify any person who was or is a party or who is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the Bank or is or was serving at the request of the Company as a director, officer, partner, trustee, employee, or agent of another association, partnership, joint venture, trust, employee benefit plan, or other enterprise, against settlements or reasonable expense (including attorneys' fees) incurred by such person in connection with such action, suit or proceeding, as may be prescribed from time to time in the bylaws which substantially reflect general standards of law as evidenced by the laws of South Carolina.

The Company may, upon the affirmative vote of a majority of its board of directors, purchase insurance to indemnify its directors, officers and other employees to the extent that such indemnification is allowed in the preceding paragraphs. Such insurance may, but need not, be for the benefit of all directors, officers and employees.

ARTICLE SEVEN
CONTROL SHARE ACQUISITIONS

The provisions of Title 35, Chapter 2, Article 1 of the Code of Laws of South Carolina shall not apply to control share acquisitions of shares of the Corporation.

ARTICLE EIGHT
CLASSIFIED BOARD OF DIRECTORS

At any time that the board of directors has six or more members the terms of office of directors will be staggered by dividing the total number of directors into three classes, with each class accounting for one-third, as near as may be, of the total. The terms of directors in the first class expire at the first annual shareholders' meeting after their election, the terms of the second class expire at the second annual shareholders' meeting after their election, and the terms of the third class expire at the third annual shareholders' meeting after their election. At each annual shareholders' meeting held thereafter, directors shall be chosen for a term of three years to succeed those whose terms expire. If the number of directors is changed, any increase or decrease shall be so apportioned among the classes as to make all classes as nearly equal in number as possible, and when the number of directors is increased and any newly created directorships are filled by the board, the terms of the additional directors shall expire at the next election of directors by the shareholders. Each director, except in the case of his earlier death, written resignation, retirement, disqualification or removal, shall serve for the duration of his term, as staggered, and thereafter until his successor shall have been elected and qualified.

ARTICLE NINE
CONSIDERATION OF OTHER CONSTITUENCIES

The board of directors, when evaluating any offer by another party to (i) make a tender or exchange offer for any equity security of the Corporation outside of the ordinary course of business, (ii) merge or consolidate the Corporation with any other corporation, (iii) purchase or otherwise acquire all or substantially all of the properties and assets of the Corporation, or (iv) undertake any similar extraordinary corporation transaction with the Corporation, may in its discretion, in connection with the exercise of its judgment in determining what is in the best interests of the Corporation and its shareholders, give due consideration to: (a) all relevant factors, including without limitation the social, legal, and economic effects on the employees, customers, suppliers, and other constituencies of the Corporation and its subsidiaries, on the communities and geographical areas in which the Corporation and its subsidiaries operate or are located, and on any of the businesses and properties of the Corporation or any of its subsidiaries, as well as such other factors as the directors deem relevant; and (b) all features of the consideration being offered, not only in relation to the then current market price for the Corporation's outstanding shares of capital stock, but also in relation to the then current value of the Corporation in a freely negotiate transaction and in relation to the board of directors' estimate of the future value of the Corporation (including the unrealized value of its properties and assets) as an independent going concern.

ARTICLE TEN
AMENDMENTS

These Articles of Incorporation may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of the Corporation, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount. The Corporation's board of directors may propose one or more amendments to the Articles of Incorporation for submission to the shareholders.

ARTICLE ELEVEN
NAME AND ADDRESS OF THE SOLE INCORPORATOR

The sole incorporator is John S. Poole, whose address is 200 South Church Street, Spartanburg, South Carolina 29306.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation as of the date indicated below.

The effective date of these Articles of Incorporation shall be 10:00 a.m., local time, on March 20, 2017, in accordance with the provisions of Section 33-1-230(b) of the 1976 South Carolina Code of Laws, as amended.

Date: March 20, 2017

/s/ John S. Poole
John S. Poole
Sole Incorporator

CERTIFICATION

I, Benjamin A. Barnhill, an attorney licensed to practice in the State of South Carolina, certify that the Corporation has complied with the requirements of Chapter 2, Title 33 of the 1976 South Carolina Code of Laws, as amended, relating to the Articles of Incorporation.

Date: March 20, 2017

/s/ Benjamin A. Barnhill
(Signature)
Benjamin A. Barnhill
Nelson Mullins Riley & Scarborough LLP
Poinsett Plaza, Suite 900
104 South Main Street
Greenville, South Carolina 29601

APPENDIX E

BYLAWS OF THE HOLDING COMPANY

BYLAWS
OF
CAB FINANCIAL CORPORATION

ARTICLE 1: OFFICES

Section 1: Registered Office and Agent. The registered office of the Corporation shall be 200 South Church Street, Spartanburg, South Carolina, 29304 (Spartanburg County). The registered agent shall be John S. Poole.

Section 2: Other Offices. The Corporation may also have offices at such other places within and without the State of South Carolina as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE 2: SHAREHOLDERS

Section 1: Place of Meetings. Meetings of shareholders shall be held at the time and place, within or without the State of South Carolina, stated in the notice of the meeting or in a waiver of notice.

Section 2: Annual Meetings. An annual meeting of the shareholders shall be held each year on a date and at a time to be set by the Board of Directors in accordance with all applicable notice requirements. At the meeting, the shareholders shall elect directors and transact such other business as may properly be brought before the meeting.

Section 3: Special Meetings.

(a) Special meetings of the shareholders, for any purpose or purposes, unless otherwise required by the Code of Laws of South Carolina (the "Code"), the Articles of Incorporation of the Corporation (the "Articles"), or these Bylaws, may be called by the chief executive officer, the president, the chairman of the Board of Directors or a majority of the Board of Directors.

(b) In addition to a special meeting called in accordance with subsection 3(a) of this Article 2, the Corporation shall, if and to the extent that it is required by applicable law, hold a special meeting of shareholders if the holders of at least 10 percent of all the votes entitled to be cast on any issue proposed to be considered at such special meeting sign, date and deliver to the secretary of the Corporation one or more written demands for the meeting. Such written demands shall be delivered to the secretary by certified mail, return receipt requested. Such written demands sent to the secretary of the Corporation shall set forth as to each matter the shareholder or shareholders propose to be presented at the special meeting (i) a description of the purpose or purposes for which the meeting is to be held (including the specific proposal(s) to be presented); (ii) the name and record address of the shareholder or shareholders proposing such business; (iii) the class and number of shares of the Corporation that are owned of record by the shareholder or shareholders as of a date within 10 days of the delivery of the demand; (iv) the class and number of shares of the Corporation that are held beneficially, but not held of record, by the shareholder or shareholders as of a date within 10 days of the delivery of the demand; and (v) any interest of the shareholder or shareholders in such business. Any such special shareholders' meeting shall be held at a location designated by the Board of Directors. The Board of Directors may set such rules for any such meeting as it may deem appropriate, including when the meeting will be held (subject to any requirements of the Code), the agenda for the meeting (which may include any proposals made by the Board of Directors), who may attend the meeting in addition to shareholders of record and other such matters.

(c) Business transacted at any special meeting shall be confined to the specific purpose or purposes stated in the notice of the meeting.

Section 4: Notice.

(a) Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the specific purpose or purposes for which the meeting is called, shall be delivered by the Corporation not less than 10 nor more than sixty days before the date of the meeting, either personally or by mail, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed effective when deposited with postage prepaid in the United States mail, addressed to the shareholder at the address appearing on the stock transfer books of the Corporation. Except as may be expressly provided by law, no failure or irregularity of notice of any regular meeting shall invalidate the same or any proceeding thereat.

(b) The notice of each special shareholders meeting shall include a description of the specific purpose or purposes for which the meeting is called. Except as provided by law, the Articles or these Bylaws, the notice of an annual shareholders meeting need not include a description of the purpose or purposes for which the meeting is called.

Section 5: Quorum. The holders of a majority of the shares issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at meetings of the shareholders for the transaction of business except as otherwise provided by statute, by the Articles or by these Bylaws. If a quorum is not present or represented at a meeting of the shareholders, the shareholders entitled to vote, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At an adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. Once a share is represented for any purpose at a meeting it is deemed present for quorum purposes.

Section 6: Majority Vote; Withdrawal of Quorum. Except in regards to the election of directors, when a quorum is present at a meeting, the vote of the holders of a majority of the shares having voting power, present in person or represented by proxy, shall decide any question brought before the meeting, unless the question is one on which, by express provision of the statutes, the Articles or these Bylaws, a higher vote is required in which case the express provision shall govern. Directors shall be elected by a plurality vote of the shareholders. The shareholders present at a duly constituted meeting may continue to transact business until adjournment, despite the withdrawal of enough shareholders to leave less than a quorum.

Section 7: Method of Voting. Each outstanding share of common stock shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders. Each outstanding share of other classes of stock, if any, shall have such voting rights as may be prescribed by the Board of Directors. Executed proxies delivered by facsimile or electronic correspondence to the Corporation, if otherwise in order, shall be valid. Votes shall be taken by voice, by hand or in writing, as directed by the chairman of the meeting. Voting for directors shall be in accordance with Article 3, Section 3 of these Bylaws.

Section 8: Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, including any special meeting, or shareholders entitled to receive payment of dividends, or in order to make a determination of shareholders for any other purpose, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not less than 10 nor more than seventy days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. Except as otherwise provided by law, if no record

date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or of shareholders entitled to receive payment of dividends, the date on which notice of the meeting is mailed, or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date.

Section 9: Shareholder Proposals.

(a) To the extent required by applicable law, a shareholder may bring a proposal before an annual meeting of shareholders as set forth in this Section 9. To be properly brought before an annual meeting of shareholders, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors; (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors; or (iii) otherwise properly brought before the meeting by a shareholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the secretary of the Corporation. To be timely, a shareholder's notice must be given, either by personal delivery or by United States mail, postage prepaid, return receipt requested, to the secretary of the Corporation not less than 30 nor more than 60 days in advance of the annual meeting (provided, however, that if less than 31 days' notice of the meeting is given to shareholders, such written notice shall be delivered or mailed, as prescribed, to the Secretary of Corporation not later than the close of the tenth day following the day on which notice of the meeting was mailed to shareholders). A shareholder's notice to the secretary of the Corporation shall set forth for each matter the shareholder proposes to bring before the annual meeting (i) a description of the business desired to be brought before the annual meeting (including the specific proposal(s) to be presented) and the reasons for conducting such business at the annual meeting; (ii) the name and record address of the shareholder proposing such business; (iii) the class and number of shares of the Corporation that are owned of record, and the class and number of shares of the Corporation that are held beneficially, but not held of record, by the shareholder as of the record date for the meeting, if such date has been made publicly available, or as of a date within 10 days of the effective date of the notice by the shareholder if the record date has not been made publicly available; and (iv) any interest of the shareholder in such business. In the event that a shareholder attempts to bring business before an annual meeting without complying with the provisions of this Section 9, the chairman of the meeting shall declare to the meeting that the business was not properly brought before the meeting in accordance with the foregoing procedures, and such business shall not be transacted. The chairman of any annual meeting, for good cause shown and with proper regard for the orderly conduct of business at the meeting, may waive in whole or in part the operation of this Section 9.

(b) If any shareholder of the Corporation notifies the Corporation that such shareholder intends to present a proposal for action at a forthcoming meeting of the Corporation's shareholders and requests that the Corporation include the proposal in its proxy statement and such shareholder complies with all the requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, the Corporation shall consider inclusion of such proposal in the proxy statement unless it determines that the proposal is inappropriate for consideration by the shareholders at the meeting.

ARTICLE 3: DIRECTORS

Section 1: Management. The business and affairs of the Corporation shall be managed by the Board of Directors who may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Articles or these Bylaws directed or required to be done or exercised by the shareholders.

Section 2: Number and Terms of Office of Directors. Unless otherwise provided in the Articles, the number of directors of the Corporation shall be that number as may be fixed from time to time by resolution of the Board of Directors, but in no event shall the number be less than five or greater than twenty-

date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or of shareholders entitled to receive payment of dividends, the date on which notice of the meeting is mailed, or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date.

Section 9: Shareholder Proposals.

(a) To the extent required by applicable law, a shareholder may bring a proposal before an annual meeting of shareholders as set forth in this Section 9. To be properly brought before an annual meeting of shareholders, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors; (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors; or (iii) otherwise properly brought before the meeting by a shareholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the secretary of the Corporation. To be timely, a shareholder's notice must be given, either by personal delivery or by United States mail, postage prepaid, return receipt requested, to the secretary of the Corporation not less than 30 nor more than 60 days in advance of the annual meeting (provided, however, that if less than 31 days' notice of the meeting is given to shareholders, such written notice shall be delivered or mailed, as prescribed, to the Secretary of Corporation not later than the close of the tenth day following the day on which notice of the meeting was mailed to shareholders). A shareholder's notice to the secretary of the Corporation shall set forth for each matter the shareholder proposes to bring before the annual meeting (i) a description of the business desired to be brought before the annual meeting (including the specific proposal(s) to be presented) and the reasons for conducting such business at the annual meeting; (ii) the name and record address of the shareholder proposing such business; (iii) the class and number of shares of the Corporation that are owned of record, and the class and number of shares of the Corporation that are held beneficially, but not held of record, by the shareholder as of the record date for the meeting, if such date has been made publicly available, or as of a date within 10 days of the effective date of the notice by the shareholder if the record date has not been made publicly available; and (iv) any interest of the shareholder in such business. In the event that a shareholder attempts to bring business before an annual meeting without complying with the provisions of this Section 9, the chairman of the meeting shall declare to the meeting that the business was not properly brought before the meeting in accordance with the foregoing procedures, and such business shall not be transacted. The chairman of any annual meeting, for good cause shown and with proper regard for the orderly conduct of business at the meeting, may waive in whole or in part the operation of this Section 9.

(b) If any shareholder of the Corporation notifies the Corporation that such shareholder intends to present a proposal for action at a forthcoming meeting of the Corporation's shareholders and requests that the Corporation include the proposal in its proxy statement and such shareholder complies with all the requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, the Corporation shall consider inclusion of such proposal in the proxy statement unless it determines that the proposal is inappropriate for consideration by the shareholders at the meeting.

ARTICLE 3: DIRECTORS

Section 1: Management. The business and affairs of the Corporation shall be managed by the Board of Directors who may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Articles or these Bylaws directed or required to be done or exercised by the shareholders.

Section 2: Number and Terms of Office of Directors. Unless otherwise provided in the Articles, the number of directors of the Corporation shall be that number as may be fixed from time to time by resolution of the Board of Directors, but in no event shall the number be less than five or greater than twenty-

five. The number of members of the Board of Directors can be increased or decreased within the foregoing range at any time by the Board of Directors. In addition, unless provided otherwise by resolution of the Board of Directors, if, in any case after proxy materials for an annual meeting of shareholders have been mailed to shareholders, any person named therein to be nominated at the direction of the Board of Directors becomes unable or unwilling to serve, the number of authorized directors shall be automatically reduced by a number equal to the number of such persons. Directors shall be elected at each annual meeting of shareholders, or at a special meeting of shareholders called for purposes that include the election of directors, by a plurality of the votes cast by the shares entitled to vote and present at the meeting and shall serve for terms of one year until their successors are elected and qualified. Each member of the Board of Directors must be the owner of unencumbered and unpledged shares of stock in the corporation having an aggregate par value of at least five hundred dollars or having an aggregate book value as of December thirty-first of the most recent year of at least five hundred dollars and must meet all qualifications prescribed by state statute or regulation. Members need not be residents of any particular state. At any time that the Board has six or more members, unless provided otherwise by the Articles of Incorporation, the terms of office of directors will be staggered by dividing the total number of directors into three classes, with each class accounting for one-third, as near as may be, of the total. The terms of directors in the first class expire at the first annual shareholders' meeting after their election, the terms of the second class expire at the second annual shareholders' meeting after their election, and the terms of the third class expire at the third annual shareholders' meeting after their election. At each annual shareholders' meeting held thereafter, directors shall be chosen for a term of three years to succeed those whose terms expire. If the number of directors is changed, any increase or decrease shall be so apportioned among the classes as to make all classes as nearly equal in number as possible, and when the number of directors is increased and any newly created directorships are filled by the board, the terms of the additional directors shall expire at the next election of directors by the shareholders. Each director, except in the case of his earlier death, written resignation, retirement, disqualification or removal, shall serve for the duration of his term, as staggered, and thereafter until his successor shall have been elected and qualified.

Section 3: Qualifications of Directors. No individual who is or becomes a Business Competitor (as defined below) or who is or becomes affiliated with, employed by or a representative of any individual, corporation, association, partnership, firm, business enterprise or other entity or organization which the Board of Directors, after having such matter formally brought to its attention, determines to be in competition with the Corporation or any of its subsidiaries (any such individual, corporation, association, partnership, firm, business enterprise or other entity or organization being hereinafter referred to as a "Business Competitor") shall be eligible to serve as a director if the Board of Directors determines that it would not be in the Corporation's best interests for such individual to serve as a director of the Corporation. Such affiliation, employment or representation may include, without limitation, service or status as an owner, partner, shareholder, trustee, director, officer, consultant, employee, agent, or counsel, or the existence of any relationship which results in the affected person having an express or implied obligation to act on behalf of a Business Competitor; provided, however, that passive ownership of a debt or equity interest not exceeding 1% of the outstanding debt or equity, as the case may be, in any Business Competitor shall not constitute such affiliation, employment or representation. Any financial institution having branches or affiliates in Spartanburg County, South Carolina, shall be presumed to be a Business Competitor unless the Board of Directors determines otherwise.

Section 4: Election of Directors. Directors shall be elected by a plurality vote.

Section 5: Nomination of Directors.

(a) Nomination of persons to serve as directors of the Corporation, other than those made by or on behalf of the Board of Directors of the Corporation, shall be made in writing and shall be delivered either by personal delivery or by United States mail, postage prepaid, return receipt requested, to the secretary of the Corporation no later than (i) with respect to an election to be held at an annual meeting of

shareholders, ninety days in advance of such meeting; and (ii) with respect to an election to be held at a special meeting of shareholders for the election of directors, the close of business on the seventh day following the date on which notice of such meeting is first given to shareholders. Each notice shall set forth: (i) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated; (ii) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (iii) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (iv) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission relating to the election of directors; and (v) the consent of each nominee to serve as a director of the Corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure. The chairman of any such meeting, for good cause shown and with proper regard for the orderly conduct of business at the meeting, may waive in whole or in part the operation of this Section 5.

(b) Notwithstanding subsection (a) of this Section 5, if the Corporation or any banking subsidiary of the Corporation is subject to the requirements of Section 914 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, then no person may be nominated by a shareholder for election as a director at any meeting of shareholders unless the shareholder furnishes the written notice required by subsection (a) of this Section 5 to the secretary of the Corporation at least ninety days prior to the date of the meeting and the nominee has received regulatory approval to serve as a director prior to the date of the meeting.

Section 6: Emeritus Directors. The Board of Directors may, from time to time, appoint individuals (including individuals who have retired from the Board of Directors) to serve as members of the Emeritus Board of Directors of the Corporation. Each member of the Emeritus Board of Directors of the Corporation, except in the case of his earlier death, resignation, retirement, disqualification or removal, shall serve until the next succeeding annual meeting of the Board of Directors of the Corporation. Members of the Emeritus Board of Directors may be removed without cause by a vote of the members of the Board of Directors. Any individual appointed as a member of the Emeritus Board of Directors of the Corporation may, but shall not be required to, attend meetings of the Board of Directors of the Corporation and may participate in any discussions at such meetings, but such individual may not vote or be counted in determining a quorum at any meeting of the Board of Directors of the Corporation. It shall be the duty of the members of the Emeritus Board of Directors of the Corporation to serve as goodwill ambassadors of the Corporation, but such individuals shall not have any responsibility or be subject to any liability imposed upon a member of the Board of Directors of the Corporation or in any manner otherwise be deemed to be a member of the Board of Directors of the Corporation. Each member of the Emeritus Board of Directors of the Corporation shall be paid such compensation as may be set from time to time by the Chairman of the Board of Directors of the Corporation and shall remain eligible to participate in any stock option plan in which directors are eligible to participate which is maintained by, or participated in, from time to time by the Corporation, according to the terms and conditions thereof.

Section 7: Vacancies. Except as otherwise provided by law, in the Articles, or in these Bylaws (a) the office of a director shall become vacant if he dies, resigns, or is removed from office, and (b) the Board of Directors may declare vacant the office of a director if (i) he is interdicted or adjudicated an incompetent, (ii) an action is filed by or against him, or any entity of which he is employed as his principal business activity, under the bankruptcy laws of the United States, (iii) in the sole opinion of the Board of Directors he becomes incapacitated by illness or other infirmity so that he is unable to perform his duties for a period of six months or longer, (iv) he participates in a willful or a grossly negligent act, or the willful or grossly negligent omission to act by him, including but not limited to any crime involving dishonesty, moral turpitude or fraud that is

reasonably likely to cause material harm to the Company (including harm to its business reputation), or (v) he ceases at any time to have the qualifications required by law, the Articles or these Bylaws. The remaining directors may, by a majority vote, fill any vacancy on the Board of Directors (including any vacancy resulting from an increase in the authorized number of directors, or from the failure of the shareholders to elect the full number of authorized directors) for an unexpired term; provided that the shareholders shall have the right at any special meeting called for such purpose prior to action by the Board of Directors to fill the vacancy.

Section 8: Removal of Directors-. Unless provided otherwise by the Articles, directors may be removed with or without cause by the affirmative vote of the holders of at least a majority of the shares entitled to vote at an election of directors, such vote being taken at a meeting of the shareholders called for that purpose at which a quorum is present.

Section 9: Place of Meetings. Meetings of the Board of Directors, regular or special, may be held either within or without the State of South Carolina.

Section 10: Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board of Directors.

Section 11: Special Meetings. Special meetings of the Board of Directors may be called by the chairman, the chief executive officer, or the president of the Corporation, on not less than twenty-four hours' notice. Notice of a special meeting may be given by personal notice, telephone, facsimile, electronic communication, overnight courier or United States mail to each director. Any such special meeting shall be held at such time and place as shall be stated in the notice of the meeting. The notice need not describe the purpose or purposes of the special meeting.

Section 12: Telephone and Similar Meetings. Directors may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the holding of the meeting or the transacting of any business at the meeting on the ground that the meeting is not lawfully called or convened, and does not thereafter vote for or assent to action taken at the meeting.

Section 13: Quorum; Majority Vote. At meetings of the Board of Directors a majority of the number of directors then in office shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically provided by law, the Articles or these Bylaws. If a quorum is not present at a meeting of the Board of Directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 14: Compensation. Each director shall be entitled to receive such reasonable compensation as may be determined by resolution of the Board of Directors. By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum as a member and also may be paid a fixed sum for attendance at each meeting of the Board of Directors. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees may, by resolution of the Board of Directors, be allowed compensation for attending committee meetings.

Section 15: Procedure. The Board of Directors shall keep regular minutes of its proceedings. The minutes shall be placed in the minute book of the Corporation.

Section 16: Action Without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is assented to by all the members of the Board. Such consent shall have the same force and effect as a meeting vote and may be described as such in any document.

ARTICLE 4: BOARD COMMITTEES

Section 1: Designation. The Board of Directors may, by resolution adopted by a majority of the full Board, designate one or more committees. Each committee must have two or more members who serve at the pleasure of the Board of Directors. To the extent specified by the Board of Directors, in the Articles or in these Bylaws, each committee may exercise the authority of the Board of Directors. So long as prohibited by law, however, a committee of the Board may not (a) authorize distributions; (b) approve or propose to shareholders action required by the Code to be approved by shareholders; (c) fill vacancies on the Board of Directors or on any of its committees; (d) amend the Articles; (e) adopt, amend or repeal these Bylaws; (f) approve a plan of merger not requiring shareholder approval; (g) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board of Directors; or (h) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares, except that the Board of Directors may authorize a committee (or a senior executive officer of the Corporation) to do so within limits specifically prescribed by the Board of Directors. Any director may serve one or more committee. Any committee appointed under this Section 1 shall perform such duties and assume such responsibility as may from time to time be placed upon it by the Board of Directors.

Section 2: Meetings. Time, place and notice of all committee meetings shall be as called and specified by the chief executive officer, the committee chairman or any two members of each committee.

Section 3: Quorum; Majority Vote. At meetings of committees, a majority of the number of members designated by the Board of Directors shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee, except as otherwise specifically provided by the Code, the Articles or these Bylaws. If a quorum is not present at a meeting of the committee, the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present.

Section 4: Procedure. Committees shall keep regular minutes of their proceedings and report the same to the Board of Directors at its next regular meeting. The minutes of the proceedings of the committee shall be placed in the minute book of the Corporation.

Section 5: Action Without Meeting. Any action required or permitted to be taken at a meeting of any committee may be taken without a meeting if the action is assented to by all the members of the committee. Such consent shall have the same force and effect as a meeting vote and may be described as such in any document.

Section 6: Telephone and Similar Meetings. Committee members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the holding of the meeting or the transacting of any business at the meeting on the ground that the meeting is not lawfully called or convened, and does not thereafter vote for or assent to action taken at the meeting.

ARTICLE 5: OFFICERS

Officers

Section 1: Offices. The officers of the Corporation shall consist of a chief executive officer, a chief financial officer, president and a secretary, each of whom shall be elected by the Board of Directors and shall have the duties which are established for them from time to time by the Board of Directors. The Board of Directors may also create and establish the duties of other offices as it deems appropriate. The Board of Directors shall also elect a chairman of the Board and may elect a vice chairman of the Board from among its members. The Board of Directors from time to time may appoint, or may authorize the chief executive officer or the president to appoint or authorize specific officers to appoint, the persons who shall hold such other offices as may be established by the Board of Directors, including one or more vice presidents (including executive vice presidents, senior vice presidents, assistant vice presidents), one or more assistant secretaries, and one or more assistant treasurers. Any two or more offices may be held by the same person.

Section 2: Term. Each officer shall serve at the pleasure of the Board of Directors (or, if appointed pursuant to this Article, at the pleasure of the Board of Directors, the chief executive officer, the president, or the officer authorized to have appointed the officer) until his or her death, resignation, or removal, or until his or her replacement is elected or appointed in accordance with this Article.

Section 3: Vacancies. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors. Any vacancy in an office which was filled by the chief executive officer, the president, or another officer may also be filled by the chief executive officer, the president, or by any officer authorized to have filled the office vacant.

Section 4: Compensation. The compensation of all officers of the Corporation shall be fixed by the Board of Directors or by a committee or officer appointed by the Board of Directors. Officers may serve without compensation.

Section 5: Removal. All officers (regardless of how elected or appointed) may be removed, with or without cause, by the Board of Directors. Any officer appointed by the chief executive officer, the president, or another officer may also be removed, with or without cause, by the chief executive officer, the president, or by any officer authorized to have appointed the officer to be removed. Removal will be without prejudice to the contract rights, if any, of the person removed, but shall be effective notwithstanding any damage claim that may result from infringement of such contract rights.

Section 6: Chairman of the Board. The office of the chairman of the board may be filled by the Board at its pleasure by the election of one of its members to the office. The chairman shall preside at all meetings of the Board and meetings of the shareholders and shall perform such other duties as may be assigned to him by the Board of Directors. The board may also appoint a vice chairman of the board, who shall preside at Board meetings in the absence of the chairman.

Section 7: Chief Executive Officer. If the Board chooses to have a chief executive officer other than the chairman of the board, the position of chief executive officer may be filled by the Board at its pleasure. The chief executive officer shall be responsible for the general and active management of the business and affairs of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect. He shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe. The chief executive officer shall preside as chairman of the Board of Directors during the absence of the Board chairman or vice chairman.

Section 8: President. The president shall be responsible for the general and active management of the business and affairs of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect. He shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe.

Section 9: Vice Presidents. The vice presidents (executive, senior, or assistant), as such offices are appointed by the Board of Directors shall be under the supervision of the chief executive officer and shall perform such duties and have such authority and powers as the Board of Directors may from time to time prescribe or as the chief executive officer may from time to time delegate.

Section 10: Secretary.

(a) The secretary shall attend all meetings of the Board of Directors and all meetings of the shareholders and record all votes, actions and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the executive and other committees when required.

(b) The secretary shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the Board of Directors.

(c) The secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors or the executive committee, affix it to any instrument requiring it. When so affixed, it shall be attested by the secretary's signature or by the signature of the treasurer or an assistant secretary.

(d) The secretary shall be under the supervision of the chief executive officer and shall perform such duties and have such authority and powers as the Board of Directors may from time to time prescribe or as the chief executive officer may from time to time delegate.

Section 11: Assistant Secretary. The assistant secretaries, as such offices are created by the Board of Directors, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the secretary, perform the duties and have the authority and exercise the powers of the secretary. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe or as the chief executive officer or the president may from time to time delegate.

Section 12: Chief Financial Officer.

(a) The chief financial officer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all moneys and other valuables in the name and to the credit of the Corporation in appropriate depositories.

(b) The chief financial officer shall disburse the funds of the Corporation ordered by the Board of Directors and prepare financial statements as they direct.

(c) The chief financial officer shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the chief financial officer may from time to time delegate.

(d) The chief financial officer’s books and accounts shall be opened at any time during business hours to the inspection of any directors of the Corporation.

ARTICLE 6: INDEMNIFICATION

Section 1: Indemnification of Directors.

(a) Except to the extent provided otherwise in the Articles, the Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law and public policy, any person (an "Indemnified Person") who was or is a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, by reason of the fact that he, or a person for whom he is a legal representative (or other similar representative), is or was a director of the Corporation or is or was serving at the Corporation's request as a director, officer, partner, trustee, employee or agent of another association, corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines, amounts paid in settlement or other similar costs actually and reasonably incurred in connection with such action, suit or proceeding. For purposes of this Article 6, all terms used herein that are defined in Section 33-8-500 of the Code or any successor provision or provisions shall have the meanings so prescribed in such Section.

(b) Without limiting the provisions of Section 1(a) of this Article 6, the Corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party because he is or was a director of the Corporation against reasonable expenses incurred by him in connection with the proceeding. In addition, the Corporation shall indemnify an individual made a party to a proceeding because he is or was a director against liability incurred in the proceeding if: (i) he conducted himself in good faith; (ii) he reasonably believed: (A) in the case of conduct in his official capacity with the Corporation, that his conduct was in its best interest; and (B) in all other cases, that his conduct was at least not opposed to its best interest; and (iii) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this subsection (b). The determination of whether the director met the standard of conduct described in this subsection (b) shall be made in accordance with Section 33-8-550 of the Code or any successor provision or provisions.

Section 2: Advancement of Expenses.

(a) With respect to any proceeding to which an Indemnified Person is a party because he is or was a director of the Corporation, the Corporation shall, to the fullest extent permitted by applicable law, pay for or reimburse the Indemnified Person's reasonable expenses (including, but not limited to, attorneys' fees and disbursements, court costs, and expert witness fees) incurred by the Indemnified Person in advance of final disposition of the proceeding.

(b) Without limiting the provisions of Section 2(a) of this Article 6, the Corporation shall, to the fullest extent permitted by applicable law, pay for or reimburse the reasonable expenses (including, but not limited to, attorneys' fees and disbursements, court costs and expert witness fees) incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if: (a) the director furnishes the Corporation a written affirmation of his good faith belief that he has met the standard of conduct described in Section 1(b) of this Article 6; (b) the director furnishes the Corporation a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet such standard of conduct; and (c) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article 6. The Corporation shall expeditiously pay the amount of such expenses to the director following the director's delivery to the Corporation of a written

request for an advance pursuant to this Section 2 together with a reasonable accounting of such expenses. The undertaking required by this Section 2 shall be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment. Determinations and authorizations of payments under this Section 2 shall be made in the manner specified in Section 33-8-550 of the Code or any successor provision or provisions.

Section 3: Indemnification of Officers, Employees and Agents. An officer of the Corporation who is not a director is entitled to the same indemnification rights which are provided to directors of the Corporation in Section 1 of this Article 6 and the Corporation shall advance expenses to officers of the Corporation who are not directors to the same extent and in the same manner as to directors as provided in Section 2 of this Article 6. In addition, the Board of Directors shall have the power to cause the Corporation to indemnify, hold harmless and advance expenses to any officer, employee or agent of the Corporation who is not a director to the fullest extent permitted by law and public policy, by adopting a resolution to that effect identifying such officers, employees or agents (by position and name) and specifying the particular rights provided, which may be different for each of the persons identified. Any officer entitled to indemnification pursuant to the first sentence of this Section 3 and any officer, employee or agent granted indemnification by the Board of Directors in accordance with the second sentence of this Section 3 shall, to the extent specified herein or by the Board of Directors, be an "Indemnified Party" for the purposes of the provisions of this Article 6.

Section 4: Insurance. The Corporation may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee or agent of the Corporation, or who, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, association, partnership, joint venture, trust, employee benefit plan or other enterprise, against liability asserted against or incurred by him in that capacity or arising from his status as a director, officer, employee or agent, whether or not the Corporation would have the power to indemnify him against the same liability under this Article 6.

Section 5: Nonexclusivity of Rights; Agreements. The rights conferred on any person by this Article 6 shall neither limit nor be exclusive of any other rights which such person may have or hereafter acquire under any statute, agreement, provision of the Articles, these Bylaws, vote of shareholders or otherwise. The provisions of this Article 6 shall be deemed to constitute an agreement between the Corporation and each person entitled to indemnification hereunder. In addition to the rights provided in this Article 6, the Corporation shall have the power, upon authorization by the Board of Directors, to enter into an agreement or agreements providing to any person who is or was a director, officer, employee or agent of the Corporation certain indemnification rights. Any such agreement between the Corporation and any director, officer, employee or agent of the Corporation concerning indemnification shall be given full force and effect, to the fullest extent permitted by applicable law, even if it provides rights to such director, officer, employee or agent more favorable than, or in addition to, those rights provided under this Article 6.

Section 6: Continuing Benefits; Successors. The indemnification and advancement of expenses provided by or granted pursuant to this Article 6 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person. For purposes of this Article 6, the term "Corporation" shall include any association, joint venture, trust, partnership or unincorporated business association that is the successor to all or substantially all of the business or assets of this Corporation, as a result of merger, consolidation, sale, liquidation or otherwise, and any such successor shall be liable to the persons indemnified under this Article 6 on the same terms and conditions and to the same extent as this Corporation.

Section 7: Interpretation; Construction. This Article 6 is intended to provide indemnification to the directors and permit indemnification to the officers of the Corporation to the fullest extent permitted by applicable law as it may presently exist or may hereafter be amended and shall be construed in order to accomplish this result. To the extent that a provision herein prevents a director or officer from receiving indemnification to the fullest extent intended, such provision shall be of no effect in such situation. If at any time the Code is amended so as to permit broader indemnification rights to the directors and officers of this Corporation, then these Bylaws shall be deemed to automatically incorporate these broader provisions so that the directors and officers of the Corporation shall continue to receive the intended indemnification to the fullest extent permitted by applicable law.

Section 8: Amendment. Any amendment to this Article 6 that limits or otherwise adversely affects the right of indemnification, advancement of expenses or other rights of any Indemnified Person hereunder shall, as to such Indemnified Person, apply only to claims, actions, suits or proceedings based on actions, events or omissions (collectively, "Post Amendment Events") occurring after such amendment and after delivery of notice of such amendment to the Indemnified Person so affected. Any Indemnified Person shall, as to any claim, action, suit or proceeding based on actions, events or omissions occurring prior to the date of receipt of such notice, be entitled to the right of indemnification, advancement of expenses and other rights under this Article 6 to the same extent as if such provisions had continued as part of the Bylaws of the Corporation without such amendment. This Section 8 cannot be altered, amended or repealed in a manner effective as to any Indemnified Person (except as to Post Amendment Events) without the prior written consent of such Indemnified Person.

Section 9: Severability. Each of the Sections of this Article 6, and each of the clauses set forth herein, shall be deemed separate and independent, and should any part of any such Section or clause be declared invalid or unenforceable by any court of competent jurisdiction, such invalidity or unenforceability shall in no way render invalid or unenforceable any other part thereof or any separate Section or clause of this Article 6 that is not declared invalid or unenforceable.

ARTICLE 7: CERTIFICATES AND SHAREHOLDERS

Section 1: Certificates. Certificates in the form determined by the Board of Directors shall be delivered representing all shares of which shareholders are entitled. Certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued. At a minimum, each share certificate must state on its face: (a) the name of the Corporation and that it is organized under the laws of South Carolina; (b) the name of the person to whom the certificate is issued; and (c) the number and class of shares and the designation of the series, if any, the certificate represents. Each share certificate (a) must be signed (either manually or in facsimile) by at least two officers, including the chief executive officer, the president, the secretary, or such other officer or officers as the Board of Directors shall designate; and (b) may bear the corporate seal or its facsimile. If the person who signed (either manually or in facsimile) a share certificate no longer holds office when the certificate is issued, the certificate is nevertheless valid.

Section 2: Issuance of Shares. The Board of Directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the Corporation, including cash, promissory notes, services performed, written contracts for services to be performed or other securities of the Corporation. Before the Corporation issues shares, the Board of Directors must determine that the consideration received or to be received for shares to be issued is adequate. That determination by the Board of Directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid and nonassessable. When the Corporation receives the consideration for which the Board of Directors authorized the issuance of shares, the shares issued therefor are fully paid and nonassessable.

Section 3: Rights of Corporation with Respect to Registered Owners. Prior to due presentation for transfer of registration of its shares, the Corporation may treat the registered owner of the shares as the person exclusively entitled to vote the shares, to receive any dividend or other distribution with respect to the shares, and for all other purposes; and the Corporation shall not be bound to recognize any equitable or other claim to or interest in the shares on the part of any other person, whether or not it has express or other notice of such a claim or interest, except as otherwise provided by law.

Section 4: Transfers of Shares. Transfers of shares shall be made upon the books of the Corporation kept by the Corporation or by the transfer agent designated to transfer the shares, only upon direction of the person named in the certificate or by an attorney lawfully constituted in writing. Before a new certificate is issued, the old certificate shall be surrendered for cancellation or, in the case of a certificate alleged to have been lost, stolen or destroyed, the provisions of these Bylaws shall have been complied with.

Section 5: Registration of Transfer. The Corporation shall register the transfer of a certificate for shares presented to it for transfer if: (a) the certificate is properly endorsed by the registered owner or by his duly authorized attorney; (b) the signature of such person has been guaranteed by a commercial bank or brokerage firm that is a member of the National Association of Securities Dealers and reasonable assurance is given that such endorsements are effective; (c) the Corporation has no notice of an adverse claim or has discharged any duty to inquire into such a claim; (d) any applicable law relating to the collection of taxes has been complied with; and (e) the transfer is in compliance with applicable provisions of any transfer restrictions of which the Corporation shall have notice.

Section 6: Lost, Stolen or Destroyed Certificates. The Corporation shall issue a new certificate in place of any certificate for shares previously issued if the registered owner of the certificate: (a) makes proof in affidavit form that the certificate has been lost, destroyed or wrongfully taken; (b) requests the issuance of a new certificate before the Corporation has notice that the certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim; (c) gives a bond in such form, and with such surety or sureties, with fixed or open penalty, as the Corporation may direct, to indemnify the Corporation (and its transfer agent and registrar, if any) against any claim that may be made on account of the alleged loss, destruction or theft of the certificate; and (d) satisfies any other reasonable requirements imposed by the Corporation. When a certificate has been lost, apparently destroyed or wrongfully taken, and the holder of record fails to notify the Corporation within a reasonable time after he has notice of it, and the Corporation registers a transfer of the shares represented by the certificate before receiving such notification, the holder of record is precluded from making any claim against the Corporation for the transfer or for a new certificate.

Section 7: Restrictions on Shares. The Board of Directors, on behalf of the Corporation, or the shareholders may impose restrictions on the transfer of shares (including any security convertible into, or carrying a right to subscribe for or acquire shares) to the maximum extent permitted by law. A restriction does not affect shares issued before the restriction was adopted unless the holders of the shares are parties to the restriction agreement or voted in favor of the restriction. A restriction on the transfer of shares is valid and enforceable against the holder or a transferee of the holder if the restriction is authorized by this Section 7 and its existence is noted conspicuously on the front or back of the certificate.

Section 8: Control Share Acquisitions Statute. The Corporation elects not to be subject to or governed by the South Carolina Control Share Acquisitions Statute contained in Sections 35-2-101 to 35-2-111 of the South Carolina Code, or any successor provision or provisions.

Section 9: Voting of Stock Held. Unless otherwise provided by resolution of the Board of Directors, the chief executive officer, the president, treasurer, chief financial officer, or any executive vice president shall from time to time appoint an attorney or attorneys or agent or agents of this Corporation, in the name and on behalf of this Corporation, to cast the vote which this Corporation may be entitled to cast as a shareholder or otherwise in any other association, any of whose stock or securities may be held by this Corporation, at meetings of the holders of the stock or other securities of such other association, or to consent in writing to any action by any of such other association, and shall instruct the person or persons so appointed as to the manner of casting such votes or giving such consent and may execute or cause to be executed on behalf of this Corporation and under its corporate seal or otherwise, such written proxies, consents, waivers or other instruments as may be necessary or proper; or, in lieu of such appointment, the chief executive officer, the president or any executive vice president may attend in person any meetings of the holders of stock or other securities of any such other association and their vote or exercise any or all power of this Corporation as the holder of such stock or other securities of such other association.

ARTICLE 8: GENERAL PROVISIONS

Section 1: Distributions. The Board of Directors may authorize, and the Corporation may make, distributions (including dividends on its outstanding shares) in the manner and upon the terms and conditions provided by applicable law and the Articles.

Section 2: Books and Records. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders and Board of Directors.

Section 3: Execution of Documents. The Board of Directors or these Bylaws shall designate the officers, employees and agents of the Corporation who shall have the power to execute and deliver deeds, contracts, mortgages, bonds, debentures, checks and other documents for and in the name of the Corporation, and may authorize such officers, employees and agents to delegate such power (including authority to redelegate) to other officers, employees or agents of the Corporation. Unless so designated or expressly authorized by these Bylaws, no officer, employee or agent shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or any amount.

Section 4: Fiscal Year. The fiscal year of the Corporation shall be the same as the calendar year.

Section 5: Seal. The Corporation may provide a seal which contains the name of the Corporation and the name of the state of incorporation. The seal may be used by impressing it or reproducing a facsimile of it or otherwise.

Section 6: Resignation. A director may resign by delivering written notice to the Board of Directors, the chairman or the Corporation. Such resignation of a director is effective when the notice is delivered unless the notice specifies a later effective date. An officer may resign at any time by delivering notice to the Corporation. Such resignation of an officer is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation of an officer is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date.

Section 7: Computation of Days. In computing any period of days prescribed hereunder the day of the act after which the designated period of days begins to run is not to be included. The last day of the period so computed is to be included.

Section 8: Amendment of Bylaws. (a) Except to the extent required otherwise by law, these Bylaws, or the Articles, these Bylaws may be altered, amended or repealed or new Bylaws may be adopted at any meeting of the Board of Directors at which a quorum is present, by the affirmative vote of a majority of the directors then in office, provided notice of the proposed alteration, amendment or repeal is contained in the notice of the meeting.

(b) Except to the extent required otherwise by law, these Bylaws, or the Articles, these Bylaws may also be altered, amended or repealed or new Bylaws may be adopted at any meeting of the shareholders at which a quorum is present or represented by proxy, by the affirmative vote of the holders of a majority of each class of shares entitled to vote thereon, provided notice of the proposed alteration, amendment or repeal is contained in the notice of the meeting.

(c) Upon adoption of any new bylaw by the shareholders, the shareholders may provide expressly that the Board of Directors may not adopt, amend or repeal that bylaw or any bylaw on that subject.

Section 9: Construction. If any portion of these Bylaws shall be invalid or inoperative, then, so far as is reasonable and possible: (a) the remainder of these Bylaws shall be considered valid and operative and (b) effect shall be given to the intent manifested by the portion held invalid or inoperative.

Section 10: Headings. The headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of these Bylaws.

The undersigned, as Chief Executive Officer of the Corporation, hereby certifies that the bylaws contained herein are the true and correct bylaws adopted by the Corporation's Board of Directors in compliance with any procedural requirements of the Corporation's Articles of Incorporation and the laws of the State of South Carolina, and the rules and regulations promulgated thereunder.

/s/ John S. Poole
Name: John S. Poole
Its: Chief Executive Officer

Date: March 20, 2017