

Union Bank

1011 Red Banks Road
Greenville, North Carolina 27858
Telephone: (252) 215-3030

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS To Be Held on April 29, 2020

NOTICE is hereby given that the 2020 Annual Meeting of Shareholders of Union Bank will be held as follows:

Place: Union Bank Corporate Boardroom, Suite 202
1020 Red Banks Road
Greenville, North Carolina 27858

Date: April 29, 2020

Time: 10:00 o'clock, a.m., local time

The purposes of the Annual Meeting are:

1. To elect three persons to serve as directors of the Bank for three year terms until the 2023 Annual Meeting of Shareholders or until their earlier death, resignation, retirement, removal or disqualification or until their successors are duly elected and qualified;
2. To ratify the appointment of Dixon Hughes Goodman LLP as the independent auditor for the Bank for the fiscal year ending December 31, 2020; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournments thereof. The Board of Directors is not aware of any other business to be considered at the Annual Meeting.

The Board of Directors has established March 31, 2020, as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting and at any adjournments thereof. In the event there are not sufficient shares present in person or by proxy to constitute a quorum at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies by the Bank.

We intend to hold the Annual Meeting in person. However, we are monitoring the coronavirus (COVID-19) and should it not be advisable to hold our Annual Meeting in person, we will announce alternative arrangements, which may include holding the Meeting by means of remote communications. Please see the accompanying Proxy Statement for more details.

By Order of the Board of Directors



V. Robert Jones
President and Chief Executive Officer

Greenville, North Carolina
April 1, 2020

Whether or not you plan to attend the Annual Meeting, we urge you to submit your appointment of proxy as promptly as possible (1) by accessing the Internet website specified on the enclosed proxy card, (2) by using a touch-tone telephone to transmit your voting instructions through the telephone number shown on the enclosed proxy card, or (3) by completing, signing, and dating the enclosed proxy card and returning it in the postage paid envelope provided. If your shares are held in the name of a broker, bank, or other fiduciary, please follow the instructions on the voting instruction card provided by such person.

Union Bank

PROXY STATEMENT

**2020 Annual Meeting of Shareholders
April 29, 2020**

SOLICITATION, VOTING AND REVOCABILITY OF PROXIES

General

This Proxy Statement is being furnished to the shareholders of Union Bank (the “Bank”) in connection with the solicitation by the Board of Directors of the Bank of proxies to be used at the Annual Meeting of Shareholders (the “Meeting”) to be held on April 29, 2020, at 10:00 o’clock, a.m., local time, at the Union Bank Corporate Boardroom located at 1020 Red Banks Road, Suite 202, Greenville, North Carolina 27858 and at any adjournments thereof.

Other than the matters listed on the attached Notice of Annual Meeting of Shareholders (the “Notice”), the Board of Directors knows of no matters that will be presented for consideration at the Meeting. Execution of a proxy, however, confers on the designated proxyholders discretionary authority to vote the shares represented thereby in accordance with their best judgment on such other business, if any, that may properly come before the Meeting or any adjournments thereof.

We reserve the right to refuse admittance to the Meeting to anyone without proper proof of share ownership and without proper photo identification.

We intend to hold the Meeting in person. However, we are actively monitoring the coronavirus (COVID-19). We are sensitive to the public health and related concerns our shareholders may have and the protocols that federal, state and local governments may impose. In the event it is not possible or advisable to hold our Meeting in person, we will announce alternative arrangements as promptly as practical, which may include holding the Meeting solely by means of remote communications. Please monitor the “Investor Relations” page of our website, unionbanknc.com, for updated information. If you are planning on attending the Meeting, please check the website one week prior to the Meeting date, April 29, 2020.

Revocability of Proxy

A proxy may be revoked at any time prior to its exercise by the filing of a written notice of revocation with the Secretary of the Bank, by delivering to the Bank a duly executed proxy bearing a later date, by voting again over the Internet or by telephone as specified in the Notice, or by attending the Meeting and voting in person. If you choose to revoke your proxy by filing a written notice of revocation or by delivering to the Bank a duly executed proxy bearing a later date, you must submit your notice of revocation or your new proxy card prior to the Meeting to Doyle M. Thigpen, Corporate Secretary, Union Bank, 1011 Red Banks Road, Greenville, North Carolina 27858. If your shares are held in the name of a broker or other nominee (i.e., held in “street name”), you will need to obtain a proxy instruction form from the broker or nominee holding your shares and return the form as directed by your broker or nominee. If you are a shareholder whose shares are held in “street name,” you will need appropriate documentation from your broker or other nominee to vote personally at the Meeting.

Solicitation

The Bank will pay the cost of solicitation of proxies. Directors, officers and employees of the Bank may, without additional compensation, solicit proxies personally or by email or telephone. The Bank will also request persons or entities holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy materials to, and obtain proxies from, such beneficial owners and will reimburse such holders, upon request, for their reasonable out-of-pocket expenses in doing so.

Voting Securities and Vote Required for Approval

Regardless of the number of shares of the Bank's common stock (the "Common Stock") owned, it is important that shareholders be represented by proxy or be present in person at the Meeting. Shareholders are requested to vote by completing the enclosed form of proxy and returning it signed and dated in the enclosed postage-paid envelope. If you are a shareholder of record, you may also vote your shares by accessing the Internet website or by utilizing the telephonic proxy procedure specified on the enclosed proxy card. If you are interested in voting via the Internet or by telephone, please read the instructions on the enclosed proxy card. Any shareholder may vote for all nominees or withhold authority to vote on a nominee (Proposal 1) by properly marking the proxy card. Any shareholder may vote for, against, or abstain from voting on the ratification of appointment of independent auditor (Proposal 2) or other matters properly brought before the Meeting. If the enclosed proxy is properly completed, signed, dated and returned, and not revoked, it will be voted in accordance with the instructions therein. If no instructions are given, the proxy will be voted **FOR** the nominees for election to the Board of Directors named in this Proxy Statement (Proposal 1) and **FOR** the ratification of Dixon Hughes Goodman LLP as the Bank's independent auditor for the fiscal year ending December 31, 2020 (Proposal 2). If instructions are given with respect to one but not both of the Proposals, such instructions as are given will be followed, and the proxy will be voted **FOR** the Proposal on which no instructions are given.

The securities which may be voted at the Meeting consist of the shares of the Bank's outstanding Common Stock. The Board of Directors has fixed the close of business on March 31, 2020 as the record date (the "Record Date") for the determination of shareholders of record entitled to notice of and to vote at the Meeting and any adjournments thereof. A total of 5,933,960 shares of Common Stock were outstanding on the Record Date.

The presence, in person or by proxy, of the holders of at least a majority of the total number of shares of the Common Stock entitled to vote at the Meeting is necessary to constitute a quorum. Since many of our shareholders cannot attend the Meeting in person, it is necessary that a large number be represented by proxy. Accordingly, the Board of Directors has designated proxies to represent those shareholders who cannot be present in person and who desire to be so represented. In the event there are not sufficient votes for a quorum or to approve or ratify the Proposals at the time of the Meeting, the Meeting may be adjourned in order to permit the further solicitation of proxies.

In order to be elected, a nominee need only receive a plurality of the votes cast in the election of the applicable class of directors for which such nominee has been nominated. As a result, those persons nominated for election who receive the largest number of votes will be elected as directors. Accordingly, shares on which authority is withheld and shares otherwise not voted for any reason with respect to any one or more nominees will not be counted as votes against such nominees. No shareholder has the right to cumulatively vote his, her or its shares in the election of directors.

The proposal to ratify the appointment of the Bank's independent auditor for the year ending December 31, 2020 will be approved if the votes cast in favor of such action exceed the votes cast opposing the action. Abstentions and shares not voted for any reason will not be counted as votes against this Proposal.

Proxies solicited hereby will be tabulated by one or more inspectors of election designated by the Board of Directors. Abstentions, broker non-votes and votes withheld from any director nominee will be counted as "shares present" at the Meeting for purposes of determining a quorum, and will not be counted in tabulating the votes cast in the election of directors or the ratification of the Bank's independent auditor. You may cast one vote for each share of the Bank's Common Stock you held of record on March 31, 2020 on each matter brought before the Meeting.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

As of the Record Date there were no persons or groups who are known to the Bank to own beneficially more than five (5%) percent of the outstanding shares of Common Stock.

Set forth below is certain information regarding those shares of the Common Stock owned beneficially by each of the members of the Board of Directors of the Bank (including nominees for election at the Meeting), the Bank's executive officers and the directors and executive officers of the Bank as a group as of the Record Date:

<u>Name and Address of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership^{1,2}</u>	<u>Percentage of Class¹²</u>
Dr. Raymond C. Ball, Jr. Morehead City, NC	52,339 ³	.88%
Susan W. Barrett Greenville, NC	10,938	.18%
Joseph E. Blizzard Kinston, NC	25,840	.43%
John E. Burns Oxford, NC	38,644	.65%
Robert Lee Burrows, Jr. Atlanta, GA	137,203 ⁴	2.31%
Anne Corey Washington, NC	3,460	.06%
Chandler T. Currin, Jr. Oxford, NC	27,578 ⁵	.46%
Lawrence Davenport Greenville, NC	16,930	.28%
F. Wills Hancock, IV Oxford, NC	90,249 ⁶	1.52%
James T. Hill, Jr. Kinston, NC	66,899 ⁷	1.13%
C. Dwight Howard Kinston, NC	228,996 ⁸	3.85%
V. Robert Jones Greenville, NC	36,442	.61%
Crawford A. Knott Oxford, NC	29,362	.49%

<u>Name and Address of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership^{1,2}</u>	<u>Percentage of Class¹²</u>
Scott C. McLean Greenville, NC	400	.01%
Cameron McRae Kinston, NC	113,050 ⁹	1.90%
David C. Morgan Wake Forest, NC	4,528	.08%
Conrad B. Sturges, III Louisburg, NC	9,096	.15%
Amy Watts Oxford, NC	11,800 ¹⁰	.20%
David Weil Goldsboro, NC	21,547	.36%
T. Gray Yancey Oxford, NC	17,053 ¹¹	.29%
Stephen K. Zaytoun Raleigh, NC	3,552	.06%
All directors, nominees and officers as a group (21 persons)	945,906 ¹³	15.90%

¹ Unless otherwise noted, all shares are owned directly of record by the named individuals, by their spouses and minor children, or by other entities controlled by the named individuals.

² For each individual listed above, the beneficial ownership includes the following options to acquire the indicated number of shares that are exercisable within 60 days of the Record Date: Ball – 3,559; Blizzard – 4,203; Burrows – 8,717; Currin – 306; Davenport – 2,268; Hancock – 306; Hill – 10,650; Howard – 11,940; Jones – 1,070; Knott – 306; McRae – 11,296; Sturges – 306; Weil – 10,006; Yancey – 306; and, Zaytoun – 306.

³ Includes 14,439 shares owned by the profit sharing plan associated with Dr. Ball's orthodontic practice and 31,688 shares owned by family members.

⁴ Mr. Burrows shares voting power with his spouse, their children, and a charitable foundation.

⁵ Includes 1,638 shares owned individually by Mr. Currin's spouse, 819 shares held by Mr. Currin's spouse as custodian for a family member, and 2,457 shares owned jointly with other family members.

⁶ Includes 16,358 shares owned individually by Mr. Hancock's spouse and 16,202 shares held in children's custodial accounts.

⁷ Mr. Hill shares voting and investment power over these shares with his spouse.

⁸ Includes shares owned by Mr. Howard and shares owned by Mr. Howard's spouse.

⁹ Includes 105,915 shares which Mr. McRae owns directly and 7,135 shares over which Mr. McRae shares investment and voting power.

¹⁰ Shares are held jointly with Ms. Watt's spouse in a joint brokerage account.

¹¹ Includes 567 shares owned individually by Mr. Yancey's spouse.

¹² Based upon a total of 5,933,960 shares of Common Stock outstanding as of the Record Date, and assumes the exercise and/or vesting of only those stock options and/or shares of restricted stock included with respect to the designated recipient that are exercisable or will vest within 60 days of the Record Date.

¹³ Based upon a total of 5,933,960 shares of Common Stock outstanding as of the Record Date, and assumes the exercise and/or vesting of all stock options and/or shares of restricted stock held by the named persons that are exercisable or will vest within 60 days of the Record Date (65,545 shares).

PROPOSAL 1

ELECTION OF DIRECTORS

The Bylaws of the Bank provide that the number of directors of the Bank shall not be less than seven or more than 21. The exact number of directors is fixed by the Board of Directors prior to the annual meeting of shareholders at which directors are to be elected. The Bank's Board of Directors has currently fixed the size of the Board at 15 members.

The Board of Directors is divided into three classes with staggered terms of office. Each class of directors is elected for terms of three years (except as otherwise necessary to allocate directors among the classes as equally as practicable), or until their earlier death, resignation, retirement, removal or disqualification or until their successors are elected and qualified.

Nominees

The Board of Directors has nominated Chandler T. Currin, Jr., Cameron McRae and T. Gray Yancey for election to three year terms until the 2023 Annual Meeting of Shareholders or until their earlier death, resignation, retirement or disqualification or until their successors are elected and qualified.

The persons named in the accompanying form of proxy intend to vote all shares of Common Stock presented by valid proxies received by them to elect the nominees described herein, unless authority to vote is withheld or such proxies are revoked. In the event that any of the nominees should become unavailable to accept nomination or election, it is intended that the proxy holders will vote to elect in the nominee's stead such other person as the present Board of Directors may recommend. The Board of Directors has no reason to believe that any of the above nominees will be unable to serve if elected to office.

Nominees and Continuing Directors

The following table sets forth as to each nominee and each director whose term is continuing, his name, principal occupation during the last five years, the year he was first elected as a director of the Bank and the year in which his existing term of office expires.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL OF THE FOLLOWING NOMINEES FOR ELECTION AS DIRECTORS.

<u>Name</u>	<u>Principal Occupation During Last Five Years</u>	<u>Director Since</u>	<u>Expiration of Current Term</u>
<u>NOMINEES</u>			
<u>Three Year Terms Until 2023</u>			
Chandler T. Currin, Jr.	Farmer.	2017	2020
Cameron McRae	President, Tands, Inc. – Bojangles Franchisee; President, McRae & Associates, Inc. – Management Company for the Franchisees.	1999	2020
T. Gray Yancey	Vice President, Yancey Properties, Inc.; Granville County Magistrate.	2017	2020
<u>Until 2021</u>			
<u>DIRECTORS CONTINUING IN OFFICE</u>			
Dr. Raymond C. Ball, Jr.	Coastal Carolina Orthodontics.	2011	2021
F. Wills Hancock, IV	Owner, Century 21 Hancock Properties, Inc.	2017	2021
James T. Hill, Jr.	President and Co-Manager, Tull Hill Farms, Inc.	2000	2021
C. Dwight Howard	President, Carolina Greenhouses, Carolina Soil Company, Howard Development, Inc., East Coast Modular, Inc., How Corp., LLC, Eastern Warehouses, LLC.	1998	2021
V. Robert Jones	President and Chief Executive Officer of the Bank.	2002	2021
Crawford A. Knott	Partner, Holden Moss Knott Clark & Copley, P.A., Certified Public Accountants; Vice Chairman of the Board of Directors of the Bank.	2017	2021
<u>Until 2022</u>			
Joseph E. Blizzard	President and Owner, Contract Flooring and Design.	2010	2022
Robert Lee Burrows, Jr.	Vice Chairman of Investment Banking of Performance Trust Capital Partners; Director of L. Harvey & Son; Director of Carolina Finance; Director of Tidewater Corporation; Director of Mallard Oil Company; Chairman of the Board of Directors of the Bank.	2013	2022
Lawrence Davenport	President, J.P. Davenport & Son, Inc.	2013	2022
Conrad B. Sturges, III	Attorney/Partner, Davis, Sturges & Tomlinson, PLLC.	2017	2022
Stephen K. Zaytoun	Owner, Zaytoun & Associates, Inc. – Employee Benefit Insurance Firm.	2017	2022

2017, options to acquire an aggregate of 5,500 shares, having an exercise price of \$14.90 per share, were awarded to directors. In 2018, options to acquire an aggregate of 8,500 shares, having an exercise price of \$16.75 per share, were awarded to directors. In 2019, options to acquire an aggregate of 8,500 shares, having an exercise price of \$14.92 per share, were awarded to directors.

Executive Officers

The following table sets forth certain information with respect to the persons who are executive officers of the Bank.

<u>Name and Title</u>	<u>Age on 03/31/2020</u>	<u>Positions and Occupations During Last Five Years</u>	<u>Employed By the Bank Since*</u>
V. Robert Jones, President and Chief Executive Officer	64	President and Chief Executive Officer.	2002
Susan Barrett, Executive Vice President and Chief Operations Officer	43	Executive Vice President and Chief Operations Officer.	2003
John E. Burns, Executive Vice President and Chief Banking Officer	51	Executive Vice President and Chief Banking Officer; previously President of Union Bancorp and Union Bank and Trust Company (“UBT Company”) from October 2016 to July 2017; previously Chief Credit Officer of UBT Company.	2017
Anne Corey, Executive Vice President, and Chief Credit Officer	53	Executive Vice President and Chief Credit Officer since January 2015; previously Chief Credit Officer of Select Bank & Trust.	2015
Scott C. McLean, Executive Vice President and Chief Financial Officer	55	Executive Vice President and Chief Financial Officer; previously Executive Vice President and Chief Financial Officer of First South Bank.	2018
David C. Morgan, Executive Vice President and Triangle Market Executive	59	Executive Vice President and Triangle Market Executive; previously Executive Vice President and Chief Banking Officer of UBT Company.	2017
Amy Watts Executive Vice President and Senior Credit Officer	52	Executive Vice President and Senior Credit Officer; previously Executive Vice President and Chief Risk Officer of UBT Company.	2017

* The Bank acquired Union Bancorp and UBT Company in 2017.

Management Compensation

The following table shows for the years ended December 31, 2019 and 2018, the cash and cash equivalent compensation paid by the Bank to V. Robert Jones, President and Chief Executive Officer.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u>	<u>Bonus¹</u>	<u>Restricted Stock Awards²</u>	<u>All Other Compensation³</u>	<u>Total Compensation</u>
V. Robert Jones, President and Chief Executive Officer	2019	\$300,000	\$24,000	\$82,122	\$29,001	\$435,123
	2018	\$300,000	\$25,000	\$56,255	\$35,107	\$416,362

¹ Bonus earned in 2018 was paid in 2019 and bonus earned in 2017 was paid in 2018.

² Amounts listed do not reflect the cash compensation actually received by Mr. Jones. Instead, such amounts represent the amount of compensation cost recognized in accordance with the Statement of Financial Accounting Standards No. 123, as revised, "Share-Based Payment", disregarding any adjustments and reported as compensation. During 2019 and 2018, Mr. Jones received 4,000 shares and 3,500 shares, respectively, of restricted stock. These shares are recognized as income for Mr. Jones as they become vested.

³ The Bank provides its executive officers with certain group life, health, medical and other non-cash benefits generally available to all salaried employees which are not included in this column. The amounts shown in this column include the following:

- Matching contributions by the Bank under the Union Bank 401(k) Contributory Savings Plan. During 2019 and 2018, the Bank's 401(k) matching contributions were \$11,200 and \$12,000, respectively, for Mr. Jones; and
- Certain health insurance, group term life insurance, and long term personal life insurance premiums provided to Mr. Jones but not provided to all salaried employees.

Employment Agreements. The Bank has entered into employment agreements with certain of its executive officers to ensure a stable and competent management base. The agreements provide for specified benefits and cannot be terminated by the Bank's Board of Directors, except for "cause" (as defined in the agreements). In the event of a termination other than for "cause", including a termination in connection with a change of control of the Bank, these executive officers would be entitled to post-termination compensation of varying amounts and the receipt of other benefits.

The Bank entered into an employment agreement, dated August 19, 2004, with Mr. Jones, its President and Chief Executive Officer, that superseded an earlier 2002 employment agreement. The 2004 agreement specified a base salary of at least \$120,000 per year to be increased from time to time (currently \$300,000) at the discretion of the Board. Bonuses are allowed under the agreement as are certain other benefits available to all salaried employees. The term of the agreement initially was three years and it provides for an automatic term extension of one year on each anniversary date of the agreement's execution unless written notice by the Bank or Mr. Jones is received 90 days prior to an anniversary date advising the other party that the agreement shall not be further extended. The employment agreement has been extended continuously since August of 2007 and currently would expire, absent further extension, on August 19, 2022.

Salary, Bonus, and Benefits. Salaries and any increases to the salaries of executive officers must be approved by the Board of Directors. The Bank provides executive management with certain group life, health, medical, and other non-cash benefits generally available to all salaried employees. Executive officers may receive bonuses from time-to-time at the discretion of the Board.

401(k) Savings Plan. The Bank has a Contributory Savings Plan for its employees (the "Savings Plan"), which meets the requirements of Section 401(k) of the Code. During 2019, all employees who are at least 21 years of age may elect to contribute between 1% and 100% of their compensation or \$19,000, whichever was less, to the Savings Plan. Each participant age 50 or older on or before December 31, 2019 could elect to make a catch-up contribution by deferring an additional amount up to \$6,000 for 2019. Each year, the Bank determines the percentage of each participant's contribution that it will match with an employer contribution. The Bank's percentage match is calculated as follows: 100% up to 3% of compensation, plus 50% of the next 2% of

compensation. The Bank may, but has not done so to date, make additional discretionary contributions to participants.

Participants are fully vested in amounts that they contribute to the Savings Plan as well as in amounts contributed to the Savings Plan on their behalf by the Bank as employer matching contributions or as discretionary contributions. Benefits under the Savings Plan are payable in the event of the participant's retirement, death, disability or termination of employment. Normal retirement age under the Savings Plan is 65 years of age.

Supplemental Executive Retirement Benefits Agreement. The Bank has entered into a supplemental executive retirement benefits agreement with Mr. Jones, its President and Chief Executive Officer, to encourage him to remain as an employee of the Bank and to reward him for contributing materially to the success of the Bank. Under the terms of this supplemental agreement, monthly payments will be made to Mr. Jones once he has attained the age of 65. The period of the benefit is 15 years or 180 monthly payments. During 2019 and 2018, the Bank accrued \$165,827 and \$149,163, respectively, in expenses related to the supplemental agreement. Neither these expenses nor any changes in the value of the benefits under the supplemental agreement are contained in the above Management Compensation table.

Equity Compensation Plan

The Bank's Omnibus Plan was approved by the Bank's shareholders at the 2012 annual meeting of shareholders. The Omnibus Plan allows for grants in the form of stock options, restricted stock and performance units. Employees and directors are both eligible to receive grants under the Omnibus Plan. Stock options may be issued as incentive stock options or as nonqualified stock options. The term of each option is established at the time it is granted but may not exceed ten years. Vesting is established at the time an option is granted. Restricted stock awards are subject to restrictions and the risk of forfeiture if conditions stated in the award agreement are not satisfied at the end of the restriction period. Vesting is also established on the grant date.

Certain Indebtedness and Transactions of Management

The Bank makes loans to its executive officers and directors in the ordinary course of its business. These loans are currently made on substantially the same terms, including interest rates, collateral and repayment terms, as those then prevailing for comparable transactions with nonaffiliated persons, and do not involve more than the normal risk of collectability or present any other unfavorable features. Applicable regulations prohibit the Bank from making loans to its executive officers and directors at terms more favorable than could be obtained by persons not affiliated with the Bank.

PROPOSAL 2

RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR

Dixon Hughes Goodman LLP ("Dixon Hughes Goodman") has been appointed by the Audit Committee, and confirmed by the Board of Directors, as the Bank's independent auditor for the year ending December 31, 2020. This appointment is being submitted to the Bank's shareholders for ratification. Representatives of Dixon Hughes Goodman are expected to attend the Meeting and will be afforded an opportunity to make a statement, if they so desire, and to respond to appropriate questions from shareholders.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR RATIFICATION OF THE SELECTION OF DIXON HUGHES GOODMAN AS INDEPENDENT AUDITOR FOR THE BANK FOR THE FISCAL YEAR ENDING DECEMBER 31, 2020.

DATE FOR RECEIPT OF SHAREHOLDERS' PROPOSALS

It is anticipated that the 2021 Annual Meeting of Shareholders will be held on a date in May of 2021. Any proposal of a shareholder which is intended to be presented at the 2021 annual meeting must be received by the Bank at its office at 1011 Red Banks Road, Greenville, NC 27858 at least 60 days before the first anniversary of the date of the proxy statement for the last preceding annual meeting of shareholders (i.e. February 1, 2021) in order that any such proposal be timely received for inclusion in the proxy statement and appointment of proxy to be issued in connection with that meeting. The Bank will use its discretionary authority for any proposals received thereafter.

OTHER MATTERS

Management knows of no other matters to be presented for consideration at the Meeting or any adjournments thereof. If any other matters shall properly come before the Meeting, it is intended that the proxyholders named in the enclosed form of proxy will vote the shares represented thereby in accordance with their judgment, pursuant to the discretionary authority granted therein.

WHERE YOU CAN FIND MORE INFORMATION

The Bank is not subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Therefore, it neither files nor is required to file periodic reports, proxy statements, and other informational statements with the Securities and Exchange Commission or the Federal Deposit Insurance Corporation ("FDIC") pursuant to the Exchange Act. The Bank, however, files periodic reports of condition and income, or call reports, with the FDIC. These call reports are available electronically through the FDIC website, www.fdic.gov/bank/statistical/. Physical copies of the call reports can be requested through the Corporate Secretary of the Bank at the applicable address below.

Additional information about the Bank is also available at its web site, www.unionbanknc.com. A copy of the Bank's 2019 Annual Report accompanies this Proxy Statement and contains its financial statements for the fiscal year ended December 31, 2019, which statements have been audited by Dixon Hughes Goodman LLP. Additional financial information can also be found and obtained under the Resources – Investor Relations section of the Bank's website or upon written or oral request to Scott C. McLean, Chief Financial Officer, Union Bank, 1011 Red Banks Road, Greenville, NC 27858 (252) 917-5735.

Information included in the website of the Bank, or any other websites, does not form any part of this Proxy Statement.

By Order of the Board of Directors,



V. Robert Jones
President and Chief Executive Officer

Greenville, North Carolina
April 1, 2020

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