



**5401 Six Forks Road
Raleigh, North Carolina 27609**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held August 20, 2020**

To the Shareholders of Dogwood State Bank:

The Annual Meeting of Shareholders of Dogwood State Bank, a North Carolina corporation, will be held at 5401 Six Forks Road, Raleigh, North Carolina, on Thursday, August 20, 2020 at 4:00 p.m. for the following purposes:

- to elect three directors (Steven W. Jones, Scott M. Custer, and George R. Perkins, III) to serve for three-year terms expiring in 2023, and
- to act upon such other matters as may properly come before the meeting or any adjournment thereof.

The Board of Directors has set the close of business on July 13, 2020 as the record date for determining shareholders who are entitled to notice of and to vote at the Annual Meeting.

You are invited to attend the Annual Meeting in person. **Whether or not you plan to attend, please complete, date and sign the enclosed form of proxy and promptly return it in the postage-paid return envelope so that your shares will be represented at the Annual Meeting.** If you attend the Annual Meeting in person, you may revoke your proxy at the Annual Meeting and vote in person. You may also choose to vote by internet or telephone; instructions for which are provided on the enclosed Proxy Card. You may revoke your proxy at any time before the proxy is exercised.

We are actively monitoring the public health and travel concerns relating to COVID-19 and the restrictions that federal, state, and local governments have imposed. In the event that it is not possible or advisable to hold the Annual Meeting in person, we will announce alternative arrangements for the Annual Meeting, which may include holding the meeting by means of remote participation. Please monitor the Company's website at www.DogwoodStateBank.com for updated information.

In an effort to enhance efficiency related to the Annual Meeting this year, if you desire an electronic copy of the latest Annual Report, please request that a copy of the 2019 Annual Report be emailed to you at the following email address: DTherit@dsbnc.com.

By Order of the Board of Directors

David B. Therit
Chief Financial Officer and Corporate Secretary

Raleigh, North Carolina
July 16, 2020