South Atlantic Bancshares, Inc.

630 29th Avenue North
Myrtle Beach, South Carolina 29577

Notice of Annual Meeting of Shareholders
To be held April 23, 2019

Dear Fellow Shareholder:

We cordially invite you to attend the 2019 Annual Meeting of Shareholders of South Atlantic Bancshares, Inc., the holding company of South Atlantic Bank. At the meeting, we will report on our performance in 2018 and answer your questions. We are pleased to discuss our achievements, along with our plans for 2019, with you. We hope that you can attend the meeting and look forward to seeing you there.

This letter serves as your official notice that we will hold the meeting on April 23, 2019, at 5:30 p.m., local time, at South Atlantic Bank, 630 29th Avenue North, Myrtle Beach, South Carolina 29577, for the following purposes:

1. To elect five members to our Board of Directors;
2. To approve an amendment to the Articles of Incorporation for Removal of Directors;
3. To approve an amendment to the Articles of Incorporation for Shareholder Amendments to the Company's Governing Documents;
4. To approve an amendment to the Articles of Incorporation for Shareholder Approval of Business Combinations; and
5. 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 4, 2019, are entitled to attend and vote at the meeting. A complete list of these shareholders will be available at our offices prior to the meeting. In addition to the specific matters to be acted upon, there also will be a report on our operations, and our directors and officers will be present to respond to your questions.

Please use this opportunity to take part in the affairs of your company by voting on the business to come before this meeting. Even if you plan to attend the meeting, we encourage you to vote your proxy online or by phone, or return the proxy card via U.S. mail, as promptly as possible.

By Order of the Board of Directors,

K. Wayne Wicker

K. Wayne Wicker
Chairman and Chief Executive Officer

Myrtle Beach, South Carolina
March 18, 2019

South Atlantic Bancshares, Inc.

630 29th Avenue North
Myrtle Beach, South Carolina 29577

Proxy Statement

FOR ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 23, 2019

Our Board of Directors is soliciting proxies for the 2019 Annual Meeting of Shareholders. This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. We encourage you to read it carefully.

Voting Information

The Board set March 4, 2019 as the record date for the meeting. Shareholders owning our common stock at the close of business on that date are entitled to attend and vote at the meeting, with each share entitled to one vote. There were 7,443,307 shares of common stock outstanding on the record date. A majority of the outstanding shares of common stock represented at the meeting will constitute a quorum. We will count abstentions and broker non-votes, which are described below, in determining whether a quorum exists.

Some of our shareholders hold their shares through a stockbroker, bank, or other nominee rather than directly in their own name. If you hold our 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, because 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 in voting these shares.

When you sign the proxy card, you appoint Richard N. Burch as your representative at the meeting. Mr. Burch will vote your proxy as you have instructed on the proxy card. If you submit a proxy but do not specify how you would like it to be voted, the shares will be voted in favor of all proposals set forth herein. However, if any other matters come before the meeting, Mr. Burch will vote your proxy on such matters in accordance with his 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.

Brokers who hold shares for the accounts of their clients may vote these shares either as directed by their clients or in their own discretion if permitted by the exchange or other organization of which they are members. Proxies that brokers do not vote on some proposals, but that they do vote on others are referred to as "broker non-votes" with respect to the proposals not voted upon. A broker non-vote does not count as a vote in favor of or against a particular proposal for which the broker has no discretionary voting authority. In addition, if a shareholder abstains from voting on a particular proposal, the abstention does not count as a vote in favor of or against the proposal.

We are paying for the costs of preparing and mailing the proxy materials and of reimbursing brokers and 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 on or about March 18, 2019.

You may review these materials and complete your proxy online by going to www.iproxydirect.com/SABK. Voting online is the preferred method. Enter your Control and Request ID numbers, which appear on the front of the proxy card and follow the instructions. You may also vote your shares via telephone by calling 1.866.752.VOTE (8683) or returning the proxy via U.S. mail in the envelope provided.

Proposal No. 1: Election of Directors

The 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. The current terms of the Class III directors will expire at the meeting. The terms of the Class I directors will expire at the 2020 annual meeting. The terms of the Class II directors will expire at the 2021 annual meeting. Our directors and their respective classes are:

Class I	Class II	Class III
R. Scott Plyler	Richard N. Burch	K. Wayne Wicker
Thomas C. Brittain	James Carson Benton, Jr.	Miles M. Herring
Tony K. Cox	Albert A. Springs, IV	Martha S. Lewis
Zeb M. Thomas, Jr.	Jack L. Springs, Jr.	Michael C. Tawes, Sr.
		Edgar L. Woods

At the meeting, shareholders will elect five nominees as Class III directors to serve three-year terms. The terms of the Class II directors will expire at the 2022 annual meeting. 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.

The Board of Directors recommends that you elect K. Wayne Wicker, Miles N. Herring, Martha S. Lewis, Michael C. Tawes, Sr., and Edgar L. Woods as Class III directors.

If you submit a proxy but do not specify how you would like it to be voted, Mr. Burch will vote your proxy to elect Mr. Wicker, Mr. Herring, Ms. Lewis, Mr. Tawes, and Mr. Woods. If any of these nominees is unable or fails to accept nomination or election (which we do not anticipate), Mr. Burch will vote instead for a replacement to be recommended by the Board of Directors, unless you specifically instruct otherwise in the proxy.

Set forth below is certain information about the nominees. Each director also is an organizer and a director of South Atlantic Bank, except for Ms. Lewis who was appointed to the board in 2010 and elected at the 2011 annual meeting, and Mr. Woods, who was appointed to the board in June 2018.

The Board unanimously recommends a vote FOR these nominees:

K. Wayne Wicker serves as chairman of the board and chief executive officer of South Atlantic Bancshares, Inc. and South Atlantic Bank. He is a veteran banker with more than 30 years of experience in the Myrtle Beach and South Carolina markets. Mr. Wicker holds a B.S. degree in business administration from The Citadel. He has also completed the Graduate School of Banking of the South at Louisiana State University and the South Carolina Bankers School at the University of South Carolina. He currently serves as treasurer of the board of the South Carolina Bankers Association. In 2018, he was appointed by the governor to serve as a board member of the South Carolina Board of Financial Institutions. He currently serves on the membership committee of the American Bankers Association. He is involved in a number of community activities, having served on the boards of the South Carolina Young Bankers Association, the Myrtle Beach Area and North Myrtle Beach Chambers of Commerce. He is a member of the City of Myrtle Beach Recreation Advisory Committee. A former member of the South Carolina Air National Guard, Mr. Wicker is a Gulf War veteran.

Miles M. Herring, a native of Myrtle Beach, is the franchisee/operator of Krispy Kreme Doughnuts in Myrtle Beach and Charleston, South Carolina and Wilmington and Jacksonville, North Carolina. He is a graduate of the College of Charleston with a B.A. degree in political science. In addition to his banking experience as a former advisory board member of Carolina First Bank, Mr. Herring brings an entrepreneurial spirit and a strong business acumen to his roles as chairman of the audit finance committee and member of the executive and compensation committees. He is a member of Belin United Methodist Church.

Martha S. Lewis serves as a physical therapist at Next Step Rehabilitation, an affiliate of Tidelands Health. Ms. Lewis co-founded Atlantic Physical Therapy, an outpatient rehabilitation facility in 1986, and oversaw its expansion to several locations along the Grand Strand. Atlantic Physical Therapy became a part of Georgetown Hospital System (now Tidelands Health) in January 2013. Ms. Lewis' strong entrepreneurial skills are an asset to the bank in her role as a member of the board's audit finance and compensation committees. A North Carolina native, she attended East Carolina University and received a B.S. degree in physical therapy from the Medical University of South Carolina. Ms. Lewis is a member of the American Physical Therapy Association (APTA) and the orthopedic section of the APTA. A resident of Conway, Ms. Lewis is strongly committed to the community and serves on the board of the Horry-Georgetown Technical College Foundation. She attends St. Anne's Episcopal Church in Conway.

Michael C. Tawes, Sr. is a partner with Valbridge Property Advisors/Atlantic Appraisals and Atlantic Real Estate Services. He brings more than 25 years of real estate experience in the Charleston area to his role as director. A graduate of the University of South Carolina with a B.S. degree in business administration, Mr. Tawes is a Certified General Real Estate Appraiser in South Carolina. He is a member of the Charleston Trident Area Board of Realtors and the Appraisal Institute. His strong business acumen and depth of knowledge of the community are an asset to the board.

Edgar L. Woods is founder and president of Palmetto Grain Brokerage LLC headquartered in Ridgeland, South Carolina, and president of Performance AG, LLC. Mr. Woods was recently appointed to the board of directors of South Atlantic Bancshares, Inc. and South Atlantic Bank. He expands the board to 13 members. He is also a founding partner of Silveus Southeast and a partner in the Agriculture Products Exchange with offices in New York, Iowa, and South Carolina. He is a graduate of Clemson University with a B.S. degree in agricultural mechanization and business. He is past chairman of the Palmetto Agribusiness Council and past president of both the South Carolina Grain Dealers Association and Southeastern Feed and Grain. He previously served on the board of directors for the former Atlantic Bancshares, Inc. Mr. Woods resides in Bluffton.

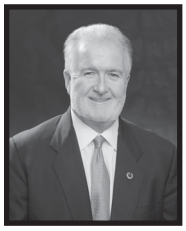
Set forth below is information about each of our other directors. Each is an organizer and a director of South Atlantic Bank.

James Carson Benton, Jr. has been a general contractor for 34 years and is a third generation owner and co-owner/operator of C.L. Benton and Sons, Inc. As a former member of the Anchor Bank and Carolina First Bank advisory boards, Mr. Benton has detailed knowledge of retail and commercial banking along the Grand Strand. His experience in business to business and residential contracting makes him uniquely qualified to lead the bank's loan committee and serve on the executive committee. He has resided in Myrtle Beach since 1958 and is active in the community. He is chairman emeritus of the Grand Strand Miracle League, and a former board member of the Horry County Solid Waste Authority, the Myrtle Beach Area Chamber of Commerce, the Waccamaw Community Foundation, and the Ocean View Memorial Foundation. A graduate of Clemson University with a B.S. degree in industrial education, Mr. Benton is a member of Ocean View Baptist Church.

Richard N. (Dick) Burch is the executive vice president, chief financial officer, and secretary of South Atlantic Bancshares, Inc. and South Atlantic Bank. He brings more than 34 years of banking experience to his post, including six years as a bank examiner for the South Carolina Board of Financial Institutions. His local banking experience includes six years as executive vice president and chief financial officer for the former Beach First National Bank in Myrtle Beach, South Carolina and seven years as senior vice president and director of operations for Anchor Bank. Mr. Burch possesses extensive knowledge of banking technology and operations, and has served on committees of the South Carolina Bankers Association and Jack Henry & Associates, Inc. as a technical advisor for the development of various banking software applications. He is

a current board member of and instructor for the South Carolina Bankers School. Mr. Burch is a graduate of The Citadel with a B.S. degree in business administration and the Darla Moore School of Business in Bank Investments and Financial Management. Having lived in the Myrtle Beach area for more than 22 years, he is a past board member and chairman of the Myrtle Beach High School Booster Club and Chicora Rotary Club, and was president of the North South All-Star Football Game committee for three years. He is a member of First Presbyterian Church.

Thomas C. (Tommy) Brittain is a partner in the Brittain Law Firm, serving the Grand Strand for more than 30 years. He is a graduate of Conway High School and attended Wofford College on a football scholarship. He graduated magna cum laude, Phi Beta Kappa, from Wofford in 1975, and received a law degree from the University of South Carolina School of Law in 1978. He was a law clerk for Governor Robert E. McNair. After graduation, he entered active duty in the United States Army and served as a captain at Fort Hood, Texas, for four years. Through his life-long experiences as a scholar-athlete, a member of the armed forces, and an attorney, Mr. Brittain brings financial, legal, and management skills to his role on the board and as a member of the compensation committee. He served as chairman of the Wofford College Board of Trustees (2003-2009), is a fellow of the American College of Trial Lawyers, and is a member of the Fourth Circuit Judicial Conference. His accomplishments have been recognized by the legal community and by his peers, as he was designated a "Super Lawyer" by The New York Times (2007-2017) and has been rated AV Preeminent (the highest ranking awarded from a lawyer's peers) for the past 15 years by the Martindale-Hubbell Law Directory. In May 2010, he was awarded an Honorary Doctor of Humanities degree from Wofford College.

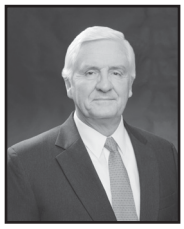


Tony K. Cox has been in the real estate business for 37 years and serves as executive vice president for the real estate division of Burroughs and Chapin Company, Inc. in Myrtle Beach. He is a graduate of the University of South Carolina with a B.A. degree in public administration/ real estate and completed the Harvard Graduate School of Design, Advanced Management Development Program. Mr. Cox is a Certified Commercial Investment Member (CCIM) and a Graduate, Realtor® Institute (GRI). An Horry County native, he has extensive knowledge of the Grand Strand real estate market and considerable banking experience as a former member of the advisory boards of the National Bank of South Carolina and Crescent Mortgage. He brings a strong educational and business background to his post on the board, as chairman of the compensation committee, and as a member of the executive and loan committees. Mr. Cox is a past chairman of the South Carolina Real Estate Commission and has held leadership roles as chairman of the membership committee of the Myrtle Beach Area Chamber of Commerce and as a former chairman of the Horry County Planning Commission.

R. Scott Plyler is president of South Atlantic Bancshares, Inc., and South Atlantic Bank. Mr. Plyler has 25 years of banking experience along the Grand Strand, including six years as market president of Carolina First Bank's South Carolina coastal region, which included 23 branches and 245 employees. He previously served as a commercial lender with Anchor Bank and Wachovia Bank in Myrtle Beach, South Carolina. A graduate of the University of South Carolina with a B.S. degree in business administration, Mr. Plyler also completed The Graduate School of Banking of the South and the South Carolina Bankers School. He is a faculty advisor for the South Carolina Bankers School held at Lander University and also serves in the Darla Moore School of Business Mentor Program. Mr. Plyler is a past chairman and board member of the South Carolina Bankers School and the Coastal Carolina Sertoma Club. He is a former board member of the South Carolina Young Bankers Association, the Ocean View Memorial Foundation, and the South Strand United Way. The South Carolina Bankers' Association named him Young Banker of the Year in 2009.

Albert A. Springs, IV has been in the insurance and real estate business for 30 years and is co-owner and president of H.B. Springs Company in Myrtle Beach, South Carolina. He is a graduate of the University of South Carolina with a B.S. degree in business administration and the University of Georgia with an M.B.A. degree in risk management and real estate. His qualifications are augmented by his service on the advisory boards of the former Anchor Bank and Carolina First Bank. He is a member of the board's loan and audit finance committees. A lifelong resident of Myrtle Beach, Mr. Springs serves on the Chapin Foundation Board of Advisors and is a member of Belin United Methodist Church of Murrells Inlet. He has also served on the boards of the Myrtle Beach Education Foundation and Helping Hand.

Jack L. (Jay) Springs, Jr. is an owner/broker for Century 21 Barefoot in North Myrtle Beach, South Carolina. Prior to entering the real estate business, he managed his family's North Myrtle Beach restaurant. He is a graduate of the University of South Carolina with a B. S. degree in hotel, restaurant, and tourism. In addition to his business and educational qualifications, Mr. Springs has local banking experience as a former advisory board member of Horry County State Bank. He serves on the board's loan and compensation committees. Mr. Springs has resided along the Grand Strand for more than 49 years. In the community, he is a member of the Coastal Carolina University Housing committee, and has served as president of the Myrtle Beach High School Booster Club. A member of the First Presbyterian Church, Mr. Springs has served on several church ministry committees.



Zeb M. Thomas, Jr. is a retired hotelier and former president of The Dayton House in Myrtle Beach. He grew up in his family's hotel business and oversaw its expansion from a 14-room cottage to a 328-room resort, Mr. Thomas brings strong business and management skills to his role on the board and as a member of the audit finance and loan committees. He is a graduate of the University of South Carolina with a B.S. degree in economics. Mr. Thomas has played an active role in the Grand Strand community, having held leadership positions with the Myrtle Beach Area Hospitality Association, the Myrtle Beach Area Chamber of Commerce, and the City of Myrtle Beach Zoning Board of Adjustment. He was a charter member of the Myrtle Beach Sertoma and Chicora Rotary Clubs and is an active member of the Episcopal Church of Myrtle Beach.

Proposal No. 2: Amendment to Articles of Incorporation for Removal of Directors

The Board has adopted resolutions approving an amendment to our Articles of Incorporation to provide that directors of the Company may be removed only for cause. The full text of the proposed amendment is included in the new Article Ten of the Amended and Restated Articles of Incorporation set forth on Appendix A to this proxy statement.

The following are the differences between the proposed amendment and the default rule under South Carolina law:

- The proposed amendment provides that directors may be removed by the shareholders of the Company only for cause. The default under Section 33-8-103 of the South Carolina Business Corporation Act (the "SCBCA") is that directors may be removed by the shareholders of the Company with or without cause.

Our Articles of Incorporation do not currently address the removal of directors. Section 33-8-103 of the SCBCA provides that shareholders may remove one or more directors of the Company with or without cause unless our Articles of Incorporation provide that directors may be removed only for cause. "Cause" is defined in South Carolina law as meaning fraudulent or dishonest acts, or gross abuse of authority in the discharge of duties to the Company. The presence of "cause" must be established after written notice of specific charges and opportunity to meet and refute such charges.

The proposed amendment would add the following language:

"ARTICLE TEN
REMOVAL OF DIRECTORS

A director of the Corporation may be removed only for cause, at any special or annual meeting of the shareholders called for that purpose, by the affirmative vote of the holders of a majority of shares entitled to vote for the election of such director if notice of intention to act upon such matter shall have been given in the notice calling such meeting."

Reasons for the Board Recommendation:

The Board believes that the default set in the SCBCA is too unpredictable, thus allowing shareholders to call a special meeting and remove any or all directors of the Company without merit. The Board further believes that setting removal only for cause is appropriate in light of the need to strike a balance between ensuring accountability to shareholders and enabling the Board and management to manage and run the Company in an effective manner.

The Board believes that requiring that directors may be removed only for cause will provide the following benefits to the Company and its shareholders:

Stability and Experience. Removal only for cause is designed to provide and promote stability, enhance long-term planning and ensure that a majority of the Company's directors at any given time have prior experience as directors of the Company and an in-depth knowledge of its business and strategy. Experienced directors are a valuable resource and, with their knowledge about the Company's business and affairs, are better positioned to make decisions that are best for the Company and its shareholders. In addition, requiring that directors may be removed only for cause properly balances the dynamics of recruiting new directors while providing continuity through experience on the Board. The recruiting process is enhanced in that the Board believes that longer terms help attract more qualified candidates willing to commit the time and dedication necessary to understand the Company, its operations and its competitive environment.

Independence/Long-Term Focus. The Board believes that requiring that directors may be removed only for cause, rather than with or without cause, enhances the independence of non-management directors. It permits them to act independently and on behalf of shareholders without being concerned about whether they will be removed without cause at any time. In addition, the Board believes that the requirement that directors may be removed only for cause encourages directors to focus long-term on the Company's business and shareholder value. The Board believes that the freedom to focus on the long-term interests of the Company instead of short-term favor building with shareholders leads to greater independence and better governance.

Accountability to Shareholders. Whether directors may be removed with or without cause, the directors have the same fiduciary duties to the Company and its shareholders. Accountability depends on the selection of responsible and experienced individuals, not on whether they may be removed with or without cause. In addition, since approximately one-third of directors stand for election each year, shareholders have the opportunity on an annual basis to express dissatisfaction with the Board or management by replacing, or withholding votes from, any director standing for election that year. As a result, shareholders have an ongoing opportunity to hold directors to account should they have any concern that management entrenchment is taking priority over the interests of shareholders.

The Board unanimously recommends a vote FOR Proposal 2.

Proposal No. 3: Amendment to Articles of Incorporation for Shareholder Amendments to the Company's Governing Documents

The Board of Directors has approved and recommends that the shareholders of the Company approve a proposed amendment to add a new article to the Articles of Incorporation to provide that the shareholders may amend the Company's Bylaws at any meeting of the shareholders at which a quorum is present, by the affirmative vote of two-thirds (2/3rds) of the shareholders present and entitled to vote at such meeting. The full text of the proposed amendment is included in the new Article Eleven of the Amended and Restated Articles of Incorporation set forth on Appendix A to this proxy statement.

The following are the differences between the proposed amendment and the default rule under South Carolina law:

- The proposed amendment sets at two-thirds (2/3rds) the voting power necessary for the shareholders to amend the Company's Bylaws, rather than the majority voting standard required by the SCBCA.

The current Articles of Incorporation do not discuss the requisite percentage of shareholders who may amend the Bylaws. Therefore, the Bylaws may be amended by the affirmative vote of a majority of shareholders entitled to vote, as permitted under the SCBCA. The proposed amendment would add the following language:

"ARTICLE ELEVEN
AMENDMENTS TO ARTICLES OF INCORPORATION AND BYLAWS

> The board of directors of the Corporation may alter, amend or repeal this Amended and Restated Articles of Incorporation or the Bylaws of the Corporation as provided by the South Carolina Business Corporation Act. The shareholders of the Corporation may alter, amend or repeal this Amended and Restated Articles of Incorporation or the Bylaws of the Corporation at any meeting of the shareholders at which a quorum is present, by the affirmative vote of the holders of at least two-thirds (2/3rds) of the shares entitled to vote at such meeting (provided notice of the proposed alteration, amendment or repeal of this Amended and Restated Articles of Incorporation or the Bylaws of the Corporation is contained in the notice of the meeting)."

The Board of Directors has also approved an amendment to the Company's Bylaws to insert a corresponding provision that shareholders may amend the Bylaws of the Company by the affirmative vote of not less than two-thirds (2/3rds) of the shareholders present and entitled to vote at a meeting of the shareholders. If this Proposal 3 is approved by our shareholders, the corresponding provision will also be inserted in our amended Bylaws.

Reasons for the Board Recommendation:

The Board believes that setting at two-thirds (2/3rds) the voting power necessary for shareholders to amend the Company's Bylaws is appropriate in light of the need to strike a balance between ensuring accountability to shareholders and enabling the Board and management to manage and run the Company in an effective manner.

Amendments to the Company's Bylaws pose substantial administrative and financial burdens on a company and its shareholders in light of the legal costs for preparing required documents and the time commitment required of the Board and members of senior management to give effect to such amendments. The Board believes it is not in the best interest of the Company or its shareholders to divert the Board's and management's attention away from performing their primary function of operating the business of the Company unless changes to the Company's Bylaws is of concern to a significant percentage of the Company's shareholders.

The Board believes that setting at two-thirds (2/3rds) the voting power necessary for shareholders to amend the Company's Bylaws still provides a meaningful right to impact the corporate governance of the Company. If shareholders owning two-thirds (2/3rds) of our outstanding common stock consider a matter to be of sufficient importance for the Company to bear the expense and disruption of amending the Company's Bylaws, then the Board believes that such authority to amend the Company's Bylaws should be vested in the Company's shareholders. In addition, the Board believes that, as the Company grows, the potential for the types of abusive shareholder practices that this provision is designed to prevent will also increase.

The Board unanimously recommends a vote FOR Proposal 3.

Proposal 4: Amendment to Articles of Incorporation for Shareholder Approval of Business Combinations

The Board has approved and recommends that the shareholders of the Company approve a proposed amendment to add a new article to the Articles of Incorporation to provide that the affirmative vote of at least eighty percent (80%) of the outstanding shares of the Company are required for shareholder approval of certain transactions. However, if the Board approves such transaction, the requisite vote of the shareholders would be restored to that which is required by South Carolina law. The full text of the proposed amendment is included in the new Article Twelve of the Amended and Restated Articles of Incorporation set forth on Appendix A to this proxy statement.

The following are the differences between the proposed amendment and the default rule under South Carolina law:

- The proposed amendment sets at eighty percent (80%) the voting power necessary for the shareholders to approve certain transactions, including mergers, rather than the two-thirds (2/3rds) voting standard required by the SCBCA. If, however, the Board approves such transaction, the statutory default under the SCBCA would be restored for shareholder approval of that transaction.

The current Articles of Incorporation do not discuss the requisite percentage of shares that must be voted to approve certain transactions, like mergers or share exchanges. Therefore, under Section 33-11-103 of the SCBCA, such transactions must be approved by the holders of not less than two-thirds (2/3rds) of the votes entitled to be cast on the proposed transaction. The proposed amendment would add the following language:

"ARTICLE TWELVE
SHAREHOLDER APPROVAL OF BUSINESS COMBINATIONS

The affirmative vote of the holders of at least eighty percent (80%) or more of the outstanding shares of the Corporation issued and entitled to vote shall be required for the approval or authorization of any Business Combination (as defined below); provided, however, that the eighty percent (80%) voting requirement shall not be applicable and such Business Combination may be approved by the shareholder vote required by South Carolina law if the Business Combination is approved by the board of directors of the Corporation by the affirmative vote of a majority of the entire board of directors.

For purposes of this Article XII, the term "Business Combination" shall mean any transfer in connection with:

(i) a share exchange, merger or other combination of the Corporation;

(ii) the acquisition of more than ten percent (10%) of the Corporation's outstanding shares of common stock; or

(iii) a purchase or sale of a substantial portion of the assets of the Corporation or a subsidiary thereof (a purchase or sale of twenty percent (20%) or more of the total assets of the Corporation or a subsidiary as of the end of the most recent quarterly period being deemed as "substantial")."

Reasons for the Board Recommendation:

The Board believes that the increase in the requisite voting threshold for shareholders to approve certain transactions from two-thirds (2/3rds) to eighty percent (80%) will provide the following benefits to the Company and its shareholders:

Protection Against Unfair and Abusive Takeover Tactics and Inadequate Offers. The increased voting threshold for shareholder approval of certain significant transactions helps to safeguard the Company against the efforts of a third party that is intent on quickly taking control of the Company and not paying fair value to shareholders for the Company's business and assets. Potential transaction partners are incentivized to work with the Board and gain the Board's approval of the transaction. If the Board approves the transaction, the lower statutory default under the SCBCA would be restored for shareholder approval of that transaction. The Board therefore has the leverage necessary to evaluate any proposal, negotiate on behalf of all shareholders and weigh alternatives for maximizing shareholder value. As a result, Proposal 4 encourages purchasers seeking control of the Company to initiate such attempts under circumstances that the Board would view as favorable to all of the Company's shareholders. While the increased voting requirement to eighty percent (80%) of the outstanding shares of the Company does not preclude a takeover, it does help to ensure that the process will be more deliberative and afford the Board the opportunity to determine what is in the best interest of all shareholders.

Protection Against Potentially Disruptive Industry Trends. The Board is mindful of the accelerating pace of consolidation in the banking and other industries. The Board believes that this consolidation and geographical dislocation may have caused a reduction in the commitment of these institutions to their local community. The Board is also mindful of certain tactics employed by certain investors, including the accumulation of substantial holdings of common stock and proxy fights designed to force boards of directors to sell an institution, regardless of its long term business plan and prospects or service to its communities. The Board considers these tactics to be highly disruptive to a company, and considers the aim of these tactics to require a board of directors to satisfy the short-term investment objectives of certain investors while ignoring the long-term prospects of the institution and

the communities served by the institution. In addition, the Board believes that, as the Company grows, the potential for the types of abusive shareholder practices that this provision is designed to prevent will also increase.

The Board unanimously recommends a vote FOR Proposal 4.

Potential Anti-Takeover Effects of These Amendments

Proposals 2, 3, and 4 propose making the following changes to the Company's Articles of Incorporation:

(1) requiring that directors of the Company may be removed only for cause;

(2) requiring the Company's Articles of Incorporation or Bylaws may be amended by (i) a majority of the Board of Directors, or (ii) the holders of at least two-thirds (2/3rds) of the shares entitled to vote at a shareholder meeting; and

(3) setting the requisite voting threshold for certain business combinations at eighty percent (80%), unless a majority of the Board of Directors approves the business combination, whereby the requisite voting threshold would be restored to the statutory requirement of two-thirds(2/3rds).

These proposals may constrain the ability of shareholders of the Company to effect a change in the composition of the Board of Directors or to approve any proposed corporate transaction and otherwise to exercise their voting power to affect the composition of the Board of Directors or with respect to any proposed corporate transaction. Shareholders will have more limited ability to remove the directors of the Company or to amend the corporate governance processes of the Company. Accordingly, these amendments could have the effect of discouraging, delaying or making more difficult a change in control of the Company.

Although we believe that these amendments are intended to ensure an orderly process of shareholder democracy and may provide for an opportunity to maximize shareholder value in the event of an acquisition proposal by requiring potential acquirers to negotiate with the Company's Board, these amendments will apply even to unsolicited acquisition proposals that may be considered beneficial by some shareholders. If so used, the effect of these provisions might be to (i) deprive shareholders of an opportunity to sell their stock at a temporarily higher price as

a result of a tender offer or the purchase of shares by a person or entity seeking to obtain control of us, or (ii) assist incumbent management in retaining its present position.

Accordingly, before voting on these amendments, shareholders are urged to read carefully this section and the other sections of this proxy statement and the relevant portions of the appendices to this proxy statement, which set forth the full text of the proposed amendments to our Articles of Incorporation.

In the ordinary course of business, the Board of Directors considers the structure of the Company's corporate governance, consistent with changes to law and best practices. The proposed changes to the Articles of Incorporation are a result of the Board's recent assessment. Proposals 2, 3, and 4 are not being recommended in response to any specific effort of which the Company is aware to accumulate the common stock or to obtain control of the Company.

* * * * *

Compensation of Directors

The directors received compensation in the amount of $2,000 per director per meeting attended. The ten outside directors received $500 per director per committee meeting attended.

Beneficial Owners and Management

The following table shows how much common stock is owned by our directors and executive officers and by owners of more than 5% of the outstanding common stock, as of March 4, 2019. The mailing address for each of our directors and executive officers is our headquarters at P.O. Box 70130, Myrtle Beach, South Carolina 29572.

	Number of Shares [1]	Right to Acquire [2]	% of Ownership [3]
James Carson Benton, Jr.	119,337	16,976	1.77%
Thomas C. Brittain	36,905	16,976	*
Richard N. Burch	133,393	16,976	1.96%
Tony K. Cox	65,414	16,976	1.07%
Miles M. Herring	102,368	16,976	1.55%
Martha S. Lewis	13,371	3,666	*
R. Scott Plyler	155,273	16,976	2.24%
Albert A. Springs, IV	52,998	16,976	*
Jack L. Springs, Jr.	40,563	16,976	*
Michael C. Tawes, Sr.	3,631	3,666	*
Zeb M. Thomas, Jr.	76,598	3,666	1.05%
K. Wayne Wicker	237,337	16,976	3.31%
Edgar L. Woods	342,690	12,260	4.62%
Executive Officers and Directors as a group (13 persons)	1,379,878	176,042	20.26%

* Less than 1%

(1) Includes shares for which the named person:
- has sole voting and investment power,
- has shared voting and investment power with a spouse or other person, or
- holds in an IRA or other retirement plan program, unless otherwise indicated in these footnotes.

Does not include shares that may be acquired by exercising stock options.

(2) Includes shares that may be acquired within the next 60 days by exercising stock options, but does not include any other stock options.

(3) Determined by assuming the named person exercises all options which he or she has the right to acquire within 60 days, but that no other persons exercise any options.

Other Matters

The Board of Directors of South Atlantic Bancshares, Inc. knows of no other matters that may be brought before the meeting. If, however, any matters other than those described in the Notice of Annual Meeting of Shareholders should properly come before the meeting, votes will be cast pursuant to the proxies in accordance with the best judgment of the proxy holders.

If you cannot be present in person, you are requested to complete your proxy online by going to www.iproxydirect.com/SABK . You will be prompted for your Control and Request ID numbers, which appear on the front of the proxy card. Enter the control number and follow the instructions. If you complete your proxy online, there is no need for you to return the paper proxy card to us. You may also vote your shares via telephone by calling 1.866.752.VOTE (8683) or by completing and returning the enclosed proxy card in the envelope provided. No postage is required if mailed in the United States.

By Order of the Board of Directors
Richard N. Burch
Secretary

March 18, 2019
Myrtle Beach, South Carolina

APPENDIX A

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF SOUTH ATLANTIC BANCSHARES, INC.

ARTICLE ONE
NAME

The name of the corporation is South Atlantic Bancshares, Inc. (the "Corporation").

ARTICLE TWO
ADDRESS AND REGISTERED AGENT

The street address of the registered office of the Corporation is 630 29th Avenue North, Myrtle Beach, South Carolina, 29577 (Horry County). The name of the Corporation's registered agent at such address is Richard N. Burch.

Date: _____, 2019

Signed: _____
Richard N. Burch
as Registered Agent

ARTICLE THREE
CAPITALIZATION

The Corporation shall have the authority, exercisable by its board of directors, to issue up to 25,000,000 shares of voting common stock, $1.00 par value per share, and to issue up to 5,000,000 shares of preferred stock, $1.00 par value 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).

APPENDIX A

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 redesignation 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.

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.

APPENDIX A

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, 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 negotiated 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
REMOVAL OF DIRECTORS

A director of the Corporation may be removed only for cause, at any special or annual meeting of the shareholders called for that purpose, by the affirmative vote of the holders of a majority of shares entitled to vote for the election of such director if notice of intention to act upon such matter shall have been given in the notice calling such meeting.

ARTICLE ELEVEN
AMENDMENTS TO ARTICLES OF INCORPORATION AND BYLAWS

The board of directors of the Corporation may alter, amend or repeal this Amended and Restated Articles of Incorporation or the Bylaws of the Corporation as provided by the South Carolina Business Corporation Act. The shareholders of the Corporation may alter, amend or repeal this Amended and Restated Articles of Incorporation or the Bylaws of the Corporation at any meeting of the shareholders at which a quorum is present, by the affirmative vote of the holders of two-thirds (2/3rds) of the shares entitled to vote at such meeting (provided notice of the proposed alteration, amendment or repeal of this Amended and Restated Articles of Incorporation or the Bylaws of the Corporation is contained in the notice of the meeting).

ARTICLE TWELVE
SHAREHOLDER APPROVAL OF BUSINESS COMBINATIONS

The affirmative vote of the holders of at least eighty percent (80%) or more of the outstanding shares of the Corporation issued and entitled to vote shall be required for the approval or authorization of any Business Combination (as defined below); provided, however, that the eighty percent (80%) voting requirement shall not be applicable and such Business Combination may be approved by the shareholder vote required by South Carolina law if the Business Combination is approved by the board of directors of the Corporation by the affirmative vote of a majority of the entire board of directors.

APPENDIX A

For purposes of this Article XII, the term "Business Combination" shall mean any transfer in connection with:

(i) a share exchange, merger or other combination of the Corporation;

(ii) the acquisition of more than ten percent (10%) of the Corporation's outstanding shares of common stock; or

(iii) a purchase or sale of a substantial portion of the assets of the Corporation or a subsidiary thereof (a purchase or sale of twenty percent (20%) or more of the total assets of the Corporation or a subsidiary as of the end of the most recent quarterly period being deemed as "substantial").

* * * * *

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

Date: _____, 2019

_____
Name: K. Wayne Wicker
Title: Chief Executive Officer