As filed with the U.S. Securities and Exchange Commission on January 22, 2025.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Northpointe Bancshares, Inc.

(Exact name of registrant as specified in its charter)

Michigan	**6022**	**38-3413392**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

3333 Deposit Drive Northeast
Grand Rapids, Michigan 49546
(616) 940-9400

(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

Kevin J. Comps
President and Secretary
3333 Deposit Drive Northeast
Grand Rapids, Michigan 49546
(616) 940-9400

(Name, address, including zip code and telephone number, including area code, of agent for service)

With copies to:

Mark C. Kanaly **David S. Park** **Alston & Bird LLP** **1201 West Peachtree Street, Suite 4900** **Atlanta, Georgia 30309** **(404) 881-7000**	**James J. Barresi** **Aaron A. Seamon** **Squire Patton Boggs (US) LLP** **201 E. Fourth Street, Suite 1900** **Cincinnati, OH 45202** **(513) 361-1200**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

SUBJECT TO COMPLETION, DATED JANUARY 22, 2025

PRELIMINARY PROSPECTUS

Shares

Common Stock

This prospectus relates to the initial public offering of shares of voting common stock (our "common stock" or "voting common stock") of Northpointe Bancshares, Inc., a Michigan corporation and the bank holding company ("BHC") for Northpointe Bank, a wholly-owned subsidiary and a Michigan non-member bank (the "Bank").

We are offering shares of our common stock in this offering. The selling stockholders identified in this prospectus are offering an additional shares of our common stock in this offering. We will not receive any of the proceeds from the sale of the shares being sold by the selling stockholders.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price of our common stock will be between $ and $ per share. We intend to apply to list our common stock on the New York Stock Exchange (the "NYSE") under the symbol "NPB" on or about January 28, 2025. We believe that upon the completion of this offering, we will meet the standards for listing on the NYSE, and the completion of this offering is contingent upon such listing.

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") and, as a result, may elect to comply with certain reduced public company reporting requirements after the completion of this offering. See the section entitled "Implications of Being an Emerging Growth Company."

Investing in our common stock involves risks. See the section entitled "Risk Factors," beginning on page 25 to read about factors you should consider before investing in our common stock.

None of the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission, the Federal Deposit Insurance Corporation (the "FDIC"), the Board of Governors of the Federal Reserve System nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

These securities are not deposits, savings accounts or other obligations of any bank or savings association and are not insured or guaranteed by the FDIC or any other governmental agency and are subject to investment risks, including the possible loss of the entire amount you invest.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions[(1)]	$	$
Proceeds before expenses, to us	$	$
Proceeds before expenses, to the selling stockholders	$	$

(1) See the section entitled "Underwriting" for additional information regarding underwriting compensation.

This is a firm commitment underwritten offering. The underwriters have the option to purchase up to an additional shares from us at the initial public offering price less the underwriting discount within 30 days of the date of this prospectus.

The underwriters expect to deliver the shares of our common stock to purchasers on or about , 2025.

Sole Bookrunning Manager

Keefe, Bruyette & Woods

A Stifel Company

The date of this prospectus is , 2025.

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ABOUT THIS PROSPECTUS

In this prospectus, "we," "our," "us," "Northpointe Bancshares" or "the Company" refers to Northpointe Bancshares, Inc., a Michigan corporation, and our wholly-owned subsidiary, Northpointe Bank, a Michigan non-member bank, unless the context indicates that we refer only to the parent company, Northpointe Bancshares, Inc. In this prospectus, the "Bank" refers to Northpointe Bank, our banking subsidiary.

You should rely only on the information contained in this prospectus or in any free writing prospectus that we authorize to be distributed to you. Neither we, the selling stockholders nor any of the underwriters have authorized anyone to provide you with different or additional information other than what is contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we may have referred you. Neither we, the selling stockholders nor the underwriters take responsibility for, or can provide any assurance as to the reliability of, any different or additional information that others may give you. If anyone provides you with different or inconsistent information, you should not rely on it.

This prospectus is an offer to sell only the shares offered by this prospectus, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of the delivery of this prospectus or any sale of our common stock. Our business, growth prospects, financial condition, and results of operations may have changed since that date. Any references to our website herein are not intended to be active links and the information on, or that can be accessed through, our website is not, and you must not consider the information to be, a part of this prospectus or any other filings we make with the SEC.

You should not interpret the contents of this prospectus or any free writing prospectus to be legal, business, investment or tax advice. You should consult with your own advisors for that type of advice and consult with them about the legal, tax, business, financial and other issues that you should consider before investing in our common stock.

For investors outside of the United States: Neither we, the selling stockholders, nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus or any free writing prospectus in connection with this offering in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our common stock and the distribution of this prospectus outside of the United States. See the section entitled "Underwriting."

Through and including , 2025 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Trademarks

Our and our Bank's logos and other trademarks referred to and included in this prospectus belong to us. Solely for convenience, we refer to our trademarks in this prospectus without the "®," "SM" or the "TM" symbols, but such references are not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights to our trademarks. Other service marks, trademarks and trade names referred to in this prospectus, if any, are the property of their respective owners, although for presentation convenience we may not use the "®," "SM" or the "TM" symbols to identify such trademarks.

INDUSTRY AND MARKET DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations, market position, market opportunity and market size is based on information from various sources, including information obtained from various independent, third-party industry sources, publications, government reports, trade and business organizations and other contacts in the markets in which we operate and our own internal data, estimates and forecasts, as well as assumptions that we have made that are based on such data and other similar sources, and on our knowledge of the market for our products and services.

The sources of certain statistical data, estimates and forecasts contained elsewhere in this prospectus are the following independent industry publications:

- Fannie Mae, *Fannie Mae Mortgage Understanding Study: 2023 Refresh*, 2024;
- Mullane, Mari, *Inside Mortgage Finance*, September 13, 2024;
- Lending Tree, *Mortgage Statistics: 2025*, December 17, 2024; and
- SNL, *Financial*, December 17, 2024.

Although we believe that this information (including the industry publications and third-party research, surveys and studies) is generally reliable, information of this sort is inherently imprecise. This information involves a number of assumptions and limitations. In addition, estimates, forecasts and assumptions of our future performance and the performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled "Risk Factors" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Basis of Presentation

Certain monetary amounts, percentages and other figures included elsewhere in this prospectus have been subject to rounding adjustments. Accordingly, figures show as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

Additionally, unless otherwise stated, all information in this prospectus gives effect to a ten-for-one stock split, whereby each holder of our common stock received nine additional shares of common stock for each share owned as of the record date of December 19, 2024, which was distributed on December 30, 2024. The effect of the stock dividend on outstanding shares and per share figures has been retroactively applied to all periods presented in this prospectus.

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), including as modified by the JOBS Act. As an emerging growth company, we are permitted to, and intend to, rely on exemptions from certain disclosure and other requirements that are generally applicable to public companies that are not emerging growth companies. Accordingly, in this prospectus, we (i) have presented only two years of audited financial statements and (ii) have not included a compensation discussion and analysis of our executive compensation programs. In addition, for so long as we are an emerging growth company, among other exemptions, we are:

- not required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act");
- permitted to present only two years of audited financial statements and only two years of related "Management's Discussion and Analysis of Financial Condition and Results of Operations";

- permitted to provide less extensive disclosure about our executive compensation arrangements; and
- not required to submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay," "say-on-frequency" and "say-on-golden parachutes."

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this extended transition period and, as a result, we are not required to adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies. This may make our financial statements not comparable with those of another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period because of the potential differences in accounting standards used. We cannot predict if investors will find our common stock less attractive as a result of our election to rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will remain an "emerging growth company" until the earliest to occur of:

- the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more;
- the date on which we are deemed to be a large accelerated filer under the rules of the SEC, with at least $700.0 million of equity securities held by non-affiliates;
- the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; and
- the last day of our fiscal year following the fifth anniversary of the date of our initial public offering.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. You should carefully read the following summary together with this entire prospectus, including the sections entitled "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and the accompanying notes included elsewhere in this prospectus. Unless otherwise noted, the share and per share amounts have been adjusted to reflect the ten-for-one stock split effected on December 30, 2024.

Our Business

Our Company Overview

We are a bank holding company headquartered in Grand Rapids, Michigan and registered under the Bank Holding Company Act of 1956, as amended (the "BHC Act"). We operate our business primarily through our wholly-owned banking subsidiary, Northpointe Bank. We emphasize to our employees and clients that our specialized business lines differentiate us as a business that has the added benefit of being a bank. Our Bank was founded in 1999 as a focused mortgage portfolio lender primarily operating in the midwestern states of Michigan, Ohio and Indiana. Since then, we have evolved, and our business now offers a nationwide mortgage purchase program, residential mortgage loans, digital deposit banking to our retail customers and custodial deposit services to our loan servicing clients, which we believe is unique for a bank. We believe we are recognized in the market for the methods we utilize to acquire new borrowers and for our ability to provide simple, fast, and trusted digital solutions to borrowers in the mortgage banking marketplace. Our delivery systems are primarily digital and are available to clients nationwide; and we provide our staff with loan production offices across 23 cities in 15 states and support them through our centralized operating center in Grand Rapids, Michigan. Our nationwide presence has enabled us to have clients in all 50 states and the District of Columbia. As of September 30, 2024, we had $5.4 billion in assets, $4.8 billion in gross loans, including held for investment ("HFI") and held for sale ("HFS"), $3.5 billion of deposits and $454.8 million of stockholders' equity. We have originated more than $190 billion in home loan financings over the last 10 years.

In the large and fragmented mortgage marketplace, we believe we are well-positioned as a specialty bank that uses a widely accepted and growing digitally-enabled platform to serve the borrowing and payment needs of increasingly sophisticated mortgage warehouse MPP clients and the rapidly evolving demands of professional mortgage originators and retail borrowers. Our strategy is to primarily operate four major business channels that offer products which we believe requires differentiated expertise in order to originate, hold and service those products. We believe our specialized credit, technology and payment processing expertise allows us to successfully compete and achieve the desired profitability in the channels in which we operate. We have expertise in the below businesses, which are reflected in our two primary business channels:

1) **Mortgage Warehouse, or Mortgage Purchase Program ("MPP")** — our mortgage warehouse revolving purchase facility, which we refer to as MPP, utilizes proprietary software and payment technology which is integrated with our credit underwriting process to manage the high velocity of credit extension draws and repayments that result from extensive use by our MPP clients of their revolving purchase facilities. We process approximately $2.2 billion in funding draws/repayments per month; and have experienced no charge-offs in our 15-year history of MPP lending.

2) **Retail Banking, including Residential Lending and our All-in-One ("AIO") Loan**— are a rapidly growing category of specialized first mortgage revolving (HELOC-styled) loans, linked by one account to a demand deposit bank account of the borrower. An AIO account requires us to accurately process a high frequency of payments, including changes in payment amounts associated with variable rate structures, revolving loan features and constantly changing balances of contractually linked demand deposit accounts.

    a. **Specialized Mortgage Loan & Deposit Account Servicing** — requires highly developed operating skills and a customized platform capable of: (a) being approved and rated by major agencies to handle subservicing AIO-style loans, (b) being a well-capitalized FDIC-insured

depository institution able to accept deposits, and (c) documenting significant compliance requirements. We believe very few financial institutions have been able to offer and successfully conduct the servicing of the variable rate, varying balance and higher velocity of payments related to such linked loan and deposit accounts. We further believe we are the largest of the limited number of entities that originate, hold and service these types of loans for their own balance sheet, as well as being rated and approved for servicing such products for other issuers.

b. **Digital Deposit Banking** — requires delivery of easy to use, real-time branchless banking to retail deposit customers nationwide with a technologically competitive delivery framework. While many financial institutions offer digital banking, our digital-only focus has allowed us to remain contemporary without being "a bleeding edge" provider. We provide our digital banking services along with attractive rates to a focused digital banking customer subset that fit our specific balance sheet strategy.

We have strategically built our primary business channels to provide us with synergies across our lines of business. We believe this approach offers us substantial insulation from cyclical economic changes, credit swings and rate volatility. Within our lines of business, we pursue very focused strategies that we believe have (1) historically proven to be well received by borrowers, (2) allowed us to differentiate ourselves from the competition and (3) resulted in strong financial performance during high volume cycles and durable performance during low volume cycles. We believe our platform has been able to dynamically and profitably scale up and down with the changes in volume in the mortgage industry. We have demonstrated an ability to generate and scale revenues while proactively managing variable costs and containing fixed costs, resulting in attractive financial results. As evidence of our platform's proactive adaptability, we completed our strategic repositioning efforts over 23 months starting in 2022, which included the following: (i) quickly exiting the correspondent lending business as margins declined in the sector, (ii) entering into private-labelled subservicing agreements for non-specialized mortgage products, such as conforming agency mortgage loans, and (iii) remixing our available lending capacities by (a) increasing MPP clients and balances as other lenders exited the sector and (b) holding more specialized residential loan products, such as our AIO Loans. These actions resulted in long-term cost reductions that outpaced revenue reduction which, in combination with increased yields on assets, delivered strong performance metrics and substantial growth in profitability for the first nine months of 2024 compared to the first nine months of 2023. These strategic actions are consistent with our rate, liquidity and credit risk strategies. We believe we are well positioned to continue to deliver strong balance sheet and profitability growth even if the relatively soft national mortgage origination market continues. Additionally, we believe we are even better positioned to take advantage of opportunities for substantial growth if the national loan origination volumes return to levels we experienced during the 2020 to 2021 time period.

Our historical success is evidenced by the significant growth in our platform, growing assets at a compound annual growth rate ("CAGR") of 27% since inception and over 25% since the Great Financial Crisis that ended in 2011. Since 2018, we have raised over $38.0 million in common equity and $220 million of preferred equity and debt capital to fund such growth and originations. We have delivered tangible book value ("TBV") per share growth plus dividend distributions of 30% since the end of 2019. See the section entitled "Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures" for a reconciliation of non-GAAP measures to their most comparable GAAP measures. Going forward, our focus will be on driving increased profitability combined with continued strong growth through our lines of business. We believe our platform and capital structure are well-positioned for the mortgage industry's anticipated growth in the upcoming years.

(1) Mortgage Purchase Program (MPP) — We offer residential mortgage warehouse facilities to over 100 independent mortgage banking platforms nationwide. Our MPP clients' utilization during the last 12 months ending September 30, 2024 totaled over $21.6 billion. Our core product is based upon a collateralized mortgage purchase facility, marketed to small to mid-size independent mortgage bankers. These facilities enable our MPP clients to close and fund their mortgages and during a relatively short period (typically less than 30 days), the originated loans are sold into the secondary market via government agencies (Fannie Mae, Freddie Mac or Ginnie Mae) or institutional investors (banks, large mortgage companies, insurance companies, mortgage REIT's) or are securitized. Approximately 52% of our MPP

loans are backed by high quality, agency eligible collateral (approximately 27% conventional collateral and 25% government collateral). Our MPP facilities provide a key source of liquidity to the residential mortgage marketplace. We believe more than half of all residential mortgage originations are funded via warehouse facilities. Our ability to help our purchase program clients build and prosper through the various mortgage cycles, while developing long lasting relationships is our brand. We believe our proprietary, state of the art warehouse technology and team of experienced warehouse lending professionals sets us apart in the industry. Our relationship management team has, on average, over 25 years of banking and mortgage warehouse funding experience. That experience has been instrumental in attracting and growing our client base. Based on data through September 13, 2024 published by Inside Mortgage Finance, our MPP platform is ranked within the top eight for warehouse lending providers in the country. By leveraging such experience, our management team has implemented best practices and safeguards into the MPP, which has helped us achieve zero charge-offs in the program's history of over 419,000 mortgage loans totaling over $128 billion in funding. In addition, we have developed a participation program where we directly participate in some of our MPP facilities and act as the lead-agent bank.

(2) Retail Banking, including Residential Lending and our All-in-One Loan— Our residential lending division provides a comprehensive range of financing options for home purchases and refinancing, serving borrowers nationwide through two main channels: Consumer Direct and Traditional Retail. These channels combine the convenience of online, self-service platforms with the personalized service of traditional, referral-based interactions. The heart of Northpointe's loan process is internally branded as HOME, our Bank's proprietary point-of-sale ("POS") platform that streamlines the application experience. Through HOME, borrowers can easily apply for loans, upload documents, speak with loan officers, track progress, and make payments — all from one secure, user-friendly interface. Northpointe offers a broad spectrum of loan programs, including conventional, government, and non-qualified mortgage ("QM") loans, catering to a wide variety of borrowers' needs. As a direct seller/servicer to Fannie Mae, Freddie Mac, and Ginnie Mae, we ensure competitive rates and efficient processing. With a focus on speed, quality, and client satisfaction, we leverage our customized technology in our underwriting process, leading to faster decisions and document delivery. This commitment to excellence is reflected in an impressive 96% Net Promoter Score ("NPS") and a customer satisfaction rating of 4.86 out of 5 as of September 30, 2024. During the 12 months ending September 30, 2024, Northpointe has originated over $2.0 billion in loans, with a mission to deliver value, innovation, and exceptional service, positioning itself as a fulfillment leader in the residential lending industry.

One of our quickly growing products is the licensed and trade-marked **All-in-One Loan®**. AIO Loan combines the benefits of a revolving equity line of credit, a market rate cost of a first mortgage and the sweep benefits of a deposit account. The primary benefit to the borrower is a reduced amount of interest charged on the credit line as a result of the daily sweep from the linked bank checking account. The combined functionality of a first mortgage with a revolving line of credit and deposit account is to: (a) allow borrowers immediate access to funds (real-time through a full-functioning deposit debit card, online or ATM) when needed and (b) the sweep of funds to paydown credit when funds are deposited or are not needed. The ease of use and the comprehensive nature of the product allow our AIO borrowers to use the linked-account as their primary bank account because it has convenient features such as debit card, direct deposit acceptance and bill-payment services. Additionally, an AIO borrower would use the linked-account as their primary bank checking account because they are able to use any funds deposited into the linked-account to pay down the principal balance of the loans through the daily sweep function and therefore pay interest on a lower outstanding principal balance until the funds are actually needed by the borrower to cover expenses. For example, AIO borrowers typically use the linked- account to pay their normal expenses through a combination of debit card, physical checks, and online bill pay transactions and so an AIO borrower's available liquidity, up to the maximum line of credit of the borrower's home equity loan, would automatically sweep to cover such checking account transactions. The initial maximum line of credit is fully available to redraw as many times as needed during the first 10 years after origination of the loan. Resultingly, rather than having their funds sitting in a low or no interest-bearing checking account, funds deposited into an AIO borrower's linked-account would reduce the borrower's interest expense at the interest rate of the home equity loan. An AIO Loan is not structured as a traditional higher rate, second-lien or HELOC (subordinate credit to the first mortgage lien holder). Rather, AIO Loans are typically market rate, first-lien mortgage revolving line of credit, which have variable payments based upon average daily balances, rather than fixed monthly payments of a traditional mortgage. AIO Loans require an interest-only monthly payment, and the expected

contractual maturity term is 30 years. We believe our borrowers choose the AIO Loan product as it allows them to (i) pay off the mortgage more quickly and easily, (ii) create non-traditional income payment schedules, (iii) consolidate total household debt more economically, and (iv) navigate retirement finances more easily. We have compounded growth rates of 89% and 96% since 2019 and 2021, respectively, on total AIO Loan balances, with total outstanding drawn balances of $581.7 million and undrawn available lines of credit of approximately $260 million as of September 30, 2024. With over 1,600 AIO Loans during the nine months ended September 30, 2024, we believe the success of our AIO Loan product is due to a rapidly growing segment of borrowers that desire a revolving equity-line-of-credit linked to a dynamic bank account.

Our digitized processes for borrowers and origination professionals give access to our proprietary software applications ("Apps") and POS support, respectively, with support features to quickly, intelligently, and securely gather personal and loan information. Borrowers also have access to account advisors to help borrowers on their journey when they need human assistance. We believe our processes have allowed us to improve upon traditional mortgage offering with products advancements such as: Lock & Shop, Temporary Buydown, TrueApproval, Delayed Financing, and Rate Refresh along with Jumbo, Renovation, traditional HELOC, Department of Veteran Affairs ("VA") Loans and our AIO Loan. We offer more than just the generalized App-based or online loan calculators, rent versus buy decisioning, purchase-power and loan qualifier tools. Our products are coupled with digital delivery and real-person interaction, which allow borrowers to pursue their home purchase with advantages of price, surety, speed and clarity. Surveys of our mortgage origination professionals indicate that they have joined Northpointe because of the breadth of our products, the speed of delivery and the benefits of us also being a bank, including the state-level mortgage licensing exemption.

(a) Digital Deposit Banking — Our automated account opening, direct to customer deposit platform and product suite provide our depositors with effective, competitive, modern digital banking services and provide us with reliable access to deposit funding. Our strategy is to fund a portion of our assets with core deposits; and to do so dynamically and according to our needs in any given period throughout a week, month, quarter, year and cycle. We offer and utilize the full spectrum of deposit products, including noninterest-bearing accounts, savings, money-market demand accounts; but we focus upon term certificates of deposits ("CDs"). Our digital platform (supported by one central branch) offers very competitive rates that allow us to attract deposits at an attractive all-in cost to us. Historically, the majority of our time deposits were term CDs that were structured with intermediate (close to one year) maturities and priced at rates that are in the top 25 of average nationwide industry deposit rates for similar maturities. If we need higher levels of funding to support stronger balance sheet growth, we will increase deposit rates to be within the top five average nationwide industry deposit rates. The maturity and rates of our deposit platform have been germane to our overall interest rate risk and balance sheet strategy. Beyond term and rate, we successfully compete with other digital-only banks by offering a simple online account opening experience, friendly features such as ATM fee rebates, no/low overdraft fees and a dynamic mobile banking solution. In addition to retail deposits, we offer commercial deposits which are primarily noninterest bearing custodial deposits related to our loan servicing business. As of September 30, 2024, our deposit balances were $3.5 billion, of which $221.9 million were non-interest bearing accounts, primarily comprised of servicing-related custodial deposits and deposits from our MPP clients. Custodial deposits and deposits from our MPP clients are both contractually obligated to remain at Northpointe unless we are not well-capitalized.

(b) Specialized Servicing of Residential Loans & Deposit Accounts— We service and sub-service specialized loans on behalf of our borrowers and investors, which includes a monthly fee paid by the investor of $30.00 compared to the typical $6.50 to $7.50 for agency loans. These specialized loans are primarily loans and deposits accounts that we have originated for borrowers. Servicing the specialized loans that we originate provides logical continuity for us and our borrowers and investors, and provides us with attractive financial and operating synergies. In 2024, we refined our servicing strategy to focus solely on in-house servicing of select loan types such as AIO Loans; and the private label outsourcing of non-specialized mortgage servicing to a scaled sub-servicer. We will continue to use our origination platform to provide a self-sustaining replenishment of our specialized servicing portfolio while continuing the flow of non-specialized servicing to a sub-servicer under a private label sub-servicing agreement. Servicing a specialized, revolving purchase product like AIO Loans requires sophisticated servicing systems and operational skills. Investors in mortgage loans with a revolving purchase facility require three major factors: (i) being approved and rated by a major rating agency, (ii) access to licensed deposit acceptance, and (iii) significant

documentation of compliance of the servicing platforms (i.e., SOC 1 Type 2 Reports, Regulation AB and USAP attestations issued by third-party auditors). Based on publicly available licensing data, we are one of two rated servicers of specialized servicers of AIO-styled loans. Our servicing duties include handling the recording, acceptance, and remittance of principal and interest payments from borrowers, holding FDIC-insured deposits, calculating variable rate interest payments, as well as the administration of taxes, insurance and escrow payments, as applicable; and may also include negotiations of loan workouts and modifications upon default or other proceedings. We currently service for ourselves and investors AIO-styled loans with approximately $3.0 billion of available credit against equity and which have $1.97 billion in outstanding Unpaid Principal Balance ("UPB"). Critical to the success of our servicing platform is being an approved seller/servicer for the largest government-related mortgage agencies (FNMA, FNMA, FHLMC, FHLB) as well as being rated by a third-party rating agency (Fitch) as a qualified servicer for investor-owned securitizations and other non-agency products.

Technology Coupled with Attentive Service Create Differentiation— We continuously adapt and evolve as the mortgage industry evolves and borrowers demand more, better and faster fulfillment. We have been consistently innovating for over two decades to maximize client convenience by bringing refinement to our end-to-end fulfillment. Our digital solutions provide automated data input and retrieval, advancements in underwriting and more capabilities to tailor products as well as terms that allow our team members to put our ICARE pledge (described below) to use and deliver the advantages of our bank-based operations to demonstrable and repeatable use. Our technology extends beyond a simple App as we have integrated our digital solutions with our client-facing team members. Our technologies bring industry standard mortgage origination, underwriting, closing and servicing procedures into our custom-curated and proprietary environment that allows more effective connectivity, speed and control. In addition to our client-facing technology, our sales support functionality builds off the technology we have purchased, developed and implemented to make our employees more productive by enhancing workflow and internal and external reporting and reducing manual errors. We have woven together proven core processing capabilities that we believe can support our growth plans as well as allow us to address and navigate the required cybersecurity risks our industry encounters. We are using the same core system stacks that we relied upon in processing our previous record volumes, and have no major pending or anticipated conversion or major upgrade of these core systems.

Substantially all of our applications are cloud-based or software-as-a-service ("SaaS"); and our technology environment is on-premises in our Bank's active-active data centers. We have an integrated platform that links (1) Native Data Systems of various third-party vendors (appraisal, fraud, tax, document-prep, fact-sets, and agency requirements) with (2) our Custom Integration pathways (modules for CRM, analytics, POS portals, data extraction, hedging, and pre-funding) which then inform (3) our Core Systems (Byte-Pro and FiServ; which collectively handle loan application, underwriting, closing, post-closing and specialty servicing). The use of Artificial Intelligence (AI) is not new to the mortgage industry given its useful and successful application examples in areas such as compliance, valuation, verification and fraud detection. As such, we are carefully monitoring the opportunities and concerns associated with the use of AI by our vendors.

The digitization of the mortgage marketplace has been and continues to be operationally and economically burdensome for many traditional banks and the less-nimble mortgage companies. But digitization has benefited our Bank, our processes, our clients, our employees and our stockholders. As a specialty bank, our annual tech-spend is particularly focused rather than spread too broadly across other platform requirements, because we believe broad, unfocused annual spending compromises the effectiveness of any tech-spend. Our core strategy of technology adoption typically has been to buy, customize and integrate rather than build. We have only two major in-house developed and built systems — our POS and Warehouse platforms. We attempt to adhere to the philosophy of being "leading edge" while avoiding "bleeding edge" mistakes. As part of our technology management strategies, we attempt to improve key metrics such as efficiency of our operations, time-to-close a loan and processing capacity per production member.

Bank Charter Brings Strategic Advantages — As a bank offering FDIC insured deposits, we believe we have seven distinct capabilities, operating licenses and regulatory authorizations that provide us with competitive advantages over non-bank originators. We are able to:

1) Fund our loan origination with deposits and Federal Home Loan Bank borrowings which provide cost-of-fund advantages over other non-bank funding;

2) Fund conforming/non-conforming mortgages with our own balance sheet and not rely on loan sales to third-party purchasers when market conditions are not providing adequate liquidity or competitive pricing for such loan products;

3) Offer and efficiently service AIO styled-loans that have an imbedded deposit account that support the revolving HELOC features;

4) Accept low-cost commercial custodial deposits related to our loan servicing agreements which non-bank servicers are prohibited from accepting;

5) Use national preemption rights that allow our Bank to originate loans in all 50 states and in some instances, avoid the patchwork of certain differing state license requirement for mortgage loan origination platforms and professionals. Without the preemption rights, we would be subject to significant time, cost and oversight burdens;

6) Offer a more attractive and stable employment platform for mortgage professionals given the cost of funds advantage and avoidance of state-by-state licensing requirements; and

7) Diversify our risk exposures as a network of participating banks provide correspondent relationships and flows of assets that can help stabilize our platform in periods of higher volatility, volume fluctuations and rate movements.

We recognize that owning and operating a bank charter does burden us with specific costs of regulatory oversight, capital and liquidity levels and limitations on some types of lending products we can offer. However, we believe the benefits to our stakeholders materially outweigh these costs and limitations.

Growth with Strong Operating Performance to Create Stockholder Value— We have demonstrated a track record of creating value through profitable growth. We establish the trust of our borrowing clients by empowering our experienced and motivated employees to provide timely, technologically-enabled, and attractively priced mortgage products and services. This trust has enabled us to grow organically at attractive levels. Our operating performance in high mortgage volume years has allowed us to retain earnings, achieve high earnings growth, continue to build our Bank as well as perform adequately in low mortgage volume years. Our founding stockholders and other stockholders have continued to own and invest in our Bank since inception and have realized attractive returns on their investment as set forth below. We have measured our stockholder value creation by the accumulation of TBV through our retention of earnings plus the value of dividends we have paid to stockholders. Such returns are illustrated below under various periods:

	TBV /shr + Dividend IRR(%)	EPS Growth (%)	Avg ROA (%)	Avg ROATCE (%)
3yr	9%	18%	0.81	9.5
5yr	30%	51%	1.77	26.6
10yr	%	%		
Trough to Peak: 2011 – 2020	%	%		

See the section entitled “Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures” for a reconciliation of non-GAAP measures to their most comparable GAAP measures.

Positioned for Forecasted Growth within a Highly Fragmented Industry— While there is no way to predict where market rates will move, we believe we are well positioned to capitalize on the ongoing shift in market demographics, consumer demands and interest rate changes that affect the mortgage market. According to Fannie Mae, there is approximately $2.0 – $2.4 trillion of single-family mortgage origination volume anticipated in 2024 and 2025, respectively, which is 19% – 44% higher than the expected $1.6 trillion of volume in 2024. Our volume of retail mortgage originations and MPP fundings increased by 32%

during the first nine months of 2024 compared to the same period of 2023. While recent periods of rising and elevated rates have dampened consumer demand for refinancing of existing mortgages, the mortgage industry believes there are many widely-used forecasts indicating rates will fall and commentary on pent-up-demand. If the U.S. Treasury lowers rates as forecasted, the average mortgage rates will likely fall below the 6.0% threshold that is usually correlated with increased origination volume. The mortgage industry is highly fragmented with the top 250 participants comprising only 57% market share; with the biggest participants having between 1.6% – 3.5%. We have historically gathered market share of 0.15% – 0.23% of the annual single-family volumes. As technology continues to create significant differentiation in the competitive landscape for mortgage origination, we believe there will be ongoing opportunities for scalable platforms that combine a superior client experience with faster speed to close to increase originators' market share.

Sustainable Business Model — During the past 10 years, the combination of our leadership, technology, banking platform and operating performance has allowed us to originate or fund approximately 635,000 mortgages. We believe that being a specialty bank has allowed us to better identify pain points for borrowers and create scaled, technology-enhanced solutions to improve customer experience. Over the past 10 years, the mortgage industry has witnessed record high and cyclical low origination volumes. Even with such volatility and while others were exiting mortgage origination, we continued to proactively manage our business model. We realized record profitability (ROA averaging 2.64%) in peak volume periods (2019 – 2021) as rates were low and realized admirable profitability (ROA averaging 1.26%) in the lower volume periods (2021 – 2023). Our dynamic model has allowed us to quickly address both our volume related expenses and fixed expense base. The ability to utilize our deposit funding during low volume periods has allowed our model to continue to originate and hold mortgages when others were unable to fund the rate and structural changes required by consumers. We believe our platform is durable and scalable.

Market Opportunity

According to LendingTree, the U.S. mortgage market today has over 85 million single-family mortgages with over $12.5 trillion in aggregate outstanding unpaid balance. It is one of the largest and most important markets in the world; and a single-family mortgage is often the most significant financial product in the adult life of a consumer. The wide fragmentation of the mortgage originators universe is well documented and the separation between the branch-lite digitized platforms and the legacy brick-and-mortar, decentralized models is widening. Digitized platforms continue to gain market share from the legacy models. In contrast to other financial product categories, such as credit cards, there are no category-killers in the mortgage market. According to S&P (SNL), there were 119 banks and credit unions represented in the top 250 originators of mortgages. In the United States, we are the only single-family mortgage dedicated commercial bank and will be the only publicly traded, mortgage dedicated bank after this offering.

We have found that most mortgage borrowers and nearly all non-bank mortgage originators expect a technology-based user experience and efficient process for their transactions. FNMA's annual National Housing Survey demonstrated that the submission of financial documents for mortgages was the strongest preference for borrowers as evidence of their increasing desire to have the convenience of speed and simplicity in their mortgage journey. The experience afforded by proven, easy-to-use digital solutions and supported by access to a specifically informed, mortgage origination professional at various moments during the origination journey have been the most satisfying pathway. The shift to digital was massively accelerated by the impact of the COVID-19 pandemic. Furthermore, millennials are expanding as a larger subset within homeowners, and their propensity to use digital apps and online platforms will continue to increase not only the digital delivery pathway, but improvements in the pathway. We have, and will continue to anticipate these demands through our comprehensive strategy that includes the consideration of emerging market trends, disruptive technologies, and industry shifts towards new mortgage products.

According to Home Mortgage Disclosure Act data, at market peaks, there were over 11,000 institutions that originated mortgages and $4.5 trillion in mortgage originations — which contrasts to only approximately 5,000 institutions that originated $1.5 trillion in volume in 2023. The exodus of mortgage originating institutions is primarily attributed to the recent rising rate environment which led to low volumes, falling gain-on-sale margins and materially weakened unit economics. This exodus has led to continued consolidation, which has benefited the surviving institutions that have strengthened their platforms according to Fitch

Ratings. See the section entitled "Risk Factors — Risks Related to Our Business — Decreased residential mortgage origination, competition, and changes in interest rates may adversely affect our profitability." Our platform is thriving in the existing market conditions (still elevated rates, still relatively muted mortgage volumes) as evidenced by our most recent financial performance metrics. And we are positioned to prosper in the increasing volume cycle that is being forecasted by many sources such as Moody's, S&P, the Mortgage Bankers Association (the "MBA") and others.

Our **Market Opportunity Strategy** is to (1) continue to operate as generally configured and perform well in the current rate environment while remaining as rate neutral as possible and (2) expand our available funding resource beyond our existing capacity in the event the forecasted rate environment creates significantly more demand and requires **Scalable Growth** from us. We have taken measures to prepare for Scalable Growth. We are currently experiencing sufficient client growth demands such that we have $200 – $400 million of MPP facilities syndicated to our network of participating banks. In the event we are successful in this offering, we anticipate that we could immediately (within 30 – 45 days) bring the additional $200 – $400 million of MPP loan facilities onto our balance sheet and fund the incremental growth with a mix of new capital, new deposits, and existing available liquidity. In addition, if we are successful in this offering, we would have the capital to increase our HFI portfolio of retail AIO Loan originated assets and fund those with deposits and/or additional Federal Home Loan Bank of Indianapolis ("FHLB") borrowings. We believe our funding platform has the ability to fund new loans at a no less than a 6-to-1 ratio relative to any net new capital we issue in this offering.

Our MPP clients recognize that we have supported them for decades while other providers have either exited the business or not been providing credit consistently though the cycles, including the most recent challenging period. We provided our MPP clients uninterrupted warehouse facilities and worked collaboratively to make technology-based fulfillment changes that improve their businesses. As volumes increase for our MPP clients, we anticipate being prepared to increase our facility sizes. We believe our ability to achieve Scaled Growth is not dependent on new MPP clients being on-boarded nor will it require a significant hiring initiative. Our people and platform previously handled the peak volume without compromising our standards of fulfillment and profitability goals.

Our Operating Strategies; Competitive Advantages and Growth Opportunities

Our strategy is to focus on our four areas of expertise — (1) providing mortgage warehouse facilities to institutional originators (MPP), (2) funding retail mortgage borrowers, including AIO Loans, (3) gathering deposits from consumers to fund our HFI loans and (4) servicing specialized loans we originate or that are originated by others. In pursuing these areas, we originate and sell conforming and non-conforming mortgage loans. Our strategy is to have origination production be a balance between conforming and non-conforming loans (currently 50% / 50%). We sell a majority of the mortgage loans we originate. The loans sold are either servicing retained or released depending upon investor pricing and our servicing portfolio needs during a given cycle. The loans we do not sell are typically high-quality, non-agency eligible loans that we desire to hold in our HFI loan portfolio. A majority of HFI loans are funded with core, consumer related, digitally-sourced deposits or Federal Home Loan Bank advances. In addition to direct mortgages, we provide revolving MPP (warehouse) advances to non-bank originating companies (MPP clients) to fund their production. We keep a super-majority of the funded MPP mortgage loans on our Bank's balance sheet. We believe our Bank's digital deposit funding is a source of all-in-cost advantage over other non-deposit and wholesale funding alternatives. We utilize a dynamic just-in-time funding model that sources deposits, including brokered CDs, non-brokered rateboard time deposits, retail time and savings deposits, and access to FHLB borrowings and other smaller facilities, that satisfy our daily, weekly, monthly and quarterly funding needs of our loan production pipeline. We have a successful history of managing our funding risks and avoiding the pitfalls of rate mismatches and volatile funding sources that have disrupted and plagued many mortgage banks. Keeping our Bank well-capitalized, striving for rate neutrality and remaining in good standing with the regulators is a core strategy. We believe the strength of our Bank is a competitive advantage. We further believe our strategies have led to compelling risk adjusted returns on our capital. Each of these four areas of expertise have more specific business unit strategies and advantages that we attempt to leverage as set forth below.

Our **Mortgage Purchase Program (MPP) / Warehouse Lending** business has advantages that include operating on a national level and supporting over 100 non-bank originating companies. We are currently

funding approximately $2.2 billion of monthly utilization on $3.4 billion of available MPP facilities authorized, and have funded over $20 billion in volume in the past 12 months. Our MPP platform has significantly higher volume capacity than is currently being utilized, and we believe we could increase our utilization of the platform by using a portion of the proceeds from this offering. The proceeds from this offering would be used in part to increase our on-balance sheet hold of MPP loans. We were the eighth largest mortgage warehouse lender in the U.S. during the past 12 months according to industry publication Inside Mortgage Finance dated September 13, 2024. The platform is state-of-the-art, proprietary, highly efficient and has been financially sound and has historically demonstrated a low risk of loss. We have a robust underwriting and risk management framework supporting the MPP business such that we have had no charge-offs since inception while having funded over $125 billion in loans during that period. Our MPP platform provides attractive yielding assets due to its mix of agency eligible and non-agency eligible loans. Agency eligible loans with high quality collateral represent approximately 52% of the total collateral.

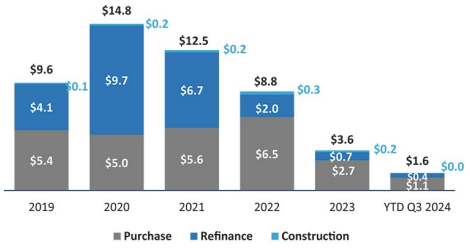
For the nine months ended September 30, 2024, our MPP program earned $85.8 million in interest and fees. During this period, our MPP platform had an average deposit of $72.9 million, and the average utilization rates of the committed purchase program operating system was 60%. Additionally, for the nine months ended September 30, 2024, our weighted average yields (including rates and fees) on MPP facilities was 8.5% annualized; which compares favorably to average loan yields available in other high quality residential mortgage or commercial loans. The weighted average yields (including rates and fees) on MPP facilities was 8.2% in 2023, 4.9% in 2022, 4.2% in 2021, 5.9% in 2020, and 7.8% in 2019. We review every loan and manage our portfolio exposure on a daily basis. Our client base is typically a smaller or regional non-bank originator that relies primarily on our facility to conduct its business. No single MPP client represents more than 12.5% of our MPP portfolio and the top 10 clients represent 55.4% of our MPP portfolio. Part of our dynamic balance sheet and risk management techniques are to use the selling of MPP loan participations to a group of approximately 15 other banks with which we have strong relationships. Selling loan participations provides a fee income stream through loan administration and servicing fees, approximately 16 bps of total unpaid principal balance year to date. Our MPP facilities are funding loans that are ultimately sold to third-party buyers such as FNMA, GNMA, FHLMC as well as other institutional investors. The mortgage loans funded by our MPP facilities are typically sold into permanent structures within 30 days of our MPP facility funding the mortgage's primary closing. For the nine months ended September 30, 2024, MPP loans earned a total of $86 million in interest and fee income, with $114 million annualized. MPP loans also earned $81 million in 2023, $39 million in 2022, $45 million in 2021, $29 million in 2020, and $20 million in 2019.

Northpointe's ongoing commitment to the MPP business in combination with our Bank's strengths and resilience has provided us the growth opportunity set we are pursuing, which includes: (a) increasing our share of wallet with existing clients by increasing exposure, (b) on-boarding new strategic relationships and accepting larger strategic exposures forecasted in our pipeline, (c) expanding the product set to include a wider array of non-agency loan programs, and (d) accepting larger loan balances from existing and new clients currently experiencing shut-down or de-emphasis impacts of their current warehouse providers. We believe that the MPP channel is readily scalable and needs little additional staffing and fixed expense to process significant growth.

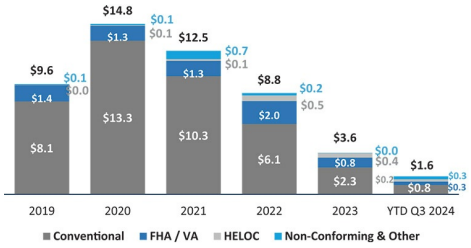
Our **Residential Lending** business is important to our strategic plan. Improving the fulfillment experience and developing new products (such as an AIO Loan's revolver and deposit functionality) are advancements borrowers seek and have created advantages for us. Other advantages include being an approved origination and servicing platform by FNMA, GNMA, FHLMC as well as the FHLB. Our status with these agencies is an important advantage as we can be originator, seller and servicer in all 50 states and the District of Columbia. Over 80% of our historical production is sold into the secondary market to the agencies and private investors. Our originations support our Specialized Loan Servicing business as a source of replenishment. Since we have invested in being technologically advanced and highly communicative with our borrowers, we have been able to appropriately scale to deliver attractive returns in low and high-volume environments. Our continuous funding of conforming and non-conforming loans (such as first-time buyer programs, jumbo mortgage, and tailored solutions) during a challenging rate environment has allowed us to maintain and expand our presence. Our banking charter and 23 loan production centers have created a more stable employment platform that has attracted the types of regional high quality origination

professionals that we desire. Our 132 loan production officers have demonstrated track records of relationship-based success in growing demographic markets. We offer consumers and retail originating mortgage professionals speed and cost benefits across a full array of loan products, including conventional, government, purchase, construction, fixed-rate, variable rate, hybrid adjustable rate mortgages ("ARMs"), AIO and second mortgage loans, all of which are designed to provide our customer with a straightforward, high value solution that fit their needs. Over the past 24 months, we have exited the lower margin correspondent mortgage business. Our latest 12 months of retail production was $2.1 billion, which is below our peak of $7.4 billion realized in 2021. Our peak correspondent mortgage business was $7.5 billion realized in 2020. However, we have demonstrated strong profitability in our last 12 months despite a more muted origination environment. Our ability to re-enter the correspondent business would be low cost given low barriers to entry. The breakout of our residential loan portfolio by mortgage type and purpose since 2019 are shown below.

Funded Production by Purpose



Funded Production by Mortgage Type



Excluding MPP loans, we have $2.7 billion in loans in our HFI portfolio, of which $2.1 billion, or approximately 77%, are in conventional mortgages and $581.7 million are in AIO Loans; and is distributed throughout the United States with the largest concentrations in Florida (13.1%), Colorado (12.5%), California (11.9%), North Carolina (6.0%) and Georgia (4.8%). For our AIO Loans, we had an outstanding balance of $506 million in 2023, $323 million in 2022, $92 million in 2021, $81 million in 2020, and $28 million in 2019. The revenue from AIO Loans was $37 million in 2023, $12 million in 2022, $3 million in 2021, $3 million in 2020, and $2 million in 2019. With respect to regional performance, for the nine months ended September 30, 2024, the originations for consumer direct was $314 million (20.2%), while the Midwest was $421 million (27%), the Southeast was $367 million (23.6%), the Mountain West was $254 million (16.3%), the Northeast and Mid-Atlantic was $158 million (10.1%), and the West was $46 million (3%).

Our capacity to continue to originate HFI non-conforming loans will continue to be an advantage in the retail sector. We have unleveraged liquidity that would allow us to fund more HFI loans as configured, and that amount will expand significantly if we are successful in adding capital from this offering. In addition, our investments in technology in the retail systems and our ability to scale without significant further investments strongly positions us for the normalized mortgage market volume that is forecasted. We see opportunity to continue to expand our product offerings within the retail channel as customer needs evolve.

Our **Specialized Servicing of Residential Mortgage Loans** strategy provides us with the advantage of recurring, relatively stable, fee income from borrowers and investors in mortgages. We believe that servicing income is a natural hedge to origination income and that total revenues are more diversified when origination volumes are low. Our strategic advantage is being both a strong originator and an approved servicer of mortgages, which supplements and diversifies our sources of revenue. Investors in mortgage securitizations have found it beneficial and are willing to use our platform because we are an FDIC-insured bank that accepts custodial deposits and are a rating agency-approved servicer. More specifically, the advantage is being able to service loans that have either (a) the option to hold related custodial deposits, or (b) an imbedded deposit account such as the AIO Loans. As of September 30, 2024, including loans we service for our own HFI portfolio, we service or sub-service approximately 53,000 mortgages with nearly $7.1 billion of UPB and a related $72.8 million of custodial deposits. We also serviced or sub-serviced nearly $13.4 billion in 2023, $13.2 billion in 2022, $21.4 billion in 2021, $17.8 billion in 2020, and $11.2 billion in 2019. We are able to manage our exposure to primary and sub-servicing through active portfolio management and

readily available market for mortgage servicing rights ("MSRs"). We believe there is real advantage in continuing to retain a touch-point in the borrower relationship that servicing and sub-servicing allow. Although we do not hold a relatively large number of MSRs, we still have the advantage of being an approved mortgage sub-servicer, which means when interest rates go up, we have the ability to more easily navigate the capital constraints that MSRs typically carry when it is a bank-owned asset. On any MSRs held, we continue to focus on MSRs with underlying loans that have higher FICO scores, are agency paper, are within the 2020-2023 origination vintages, have lower loan-to-value ratios and that have demonstrated lower rates of delinquency and forbearance frequency — which we believe lead to lower all-in-cost to service and more stable servicing income. We are not, by design, a large-scale participant in the overall MSR market nor are we focused on higher margin work-out loan servicing. However, our profitable growth opportunities are driven by our Specialized Servicing strategy.

Our **Digital Deposit Banking** is also core to our strategy because the platform provides the advantage of having a substantial amount of reliable funding coming directly from consumers and deposit brokers and are sourced nationwide rather than from a narrower geography. The deposits are a source of strength, as we believe digital deposits are a more nimble and lower all-in-cost of funding than traditional, branch-based retail deposits. Our experience has demonstrated an ability to fund as needed and with duration and cost of deposit that is consistent with our asset and liability risk appetite. Our ability to fund HFI loans with deposits has allowed us to build a platform when others have been retreating or abandoning the mortgage sector. According to SNL Financial, there are over 9,000 insured banks and credit unions offering deposit services and most offer an online or App-based deposit platform, but we are a top 15 institution ranked by assets that are single-branch platforms. Our strategy targets a specific granularity within our deposit customer base. Our typical retail depositor has average balances of $38,200 and 96.2% have balances under $250,000. Our deposit strategy is unique, as we do not have or seek large balance commercial or public fund deposits due to withdrawal flight-risk, nor do we seek small balance demand accounts that have high operating costs and burden our customer service resources. In the 2023 banking liquidity crisis, we did not experience any significant outflows beyond natural seasonality. Our demand deposits grew in every quarter during 2023 and our total deposits were slightly higher in 2023 than 2022. Our total deposits in 2021 were $2,935 million, much higher than 2020 and 2019, which had $1,657 million and $1,317 million, respectively. Central to our asset and liability strategy is to have term deposits that match the duration of our HFI assets. We prefer term deposits over demand accounts as the known cost and duration of term funding best matches against our asset durations. Evidence of our success is that we have added deposits as we have desired and at rates that are consistent with or below the national pricing platform rates. We recognize our deposit model does attract more rate sensitive depositors and our interest-bearing deposits are typically over 90% of our deposits with a weighted average maturity of approximately seven and a half months; however, we believe these are cheaper and more reliable than other non-deposit sources of funding. Our deposits provide funding for substantially all of our HFI loan assets which creates a stable net interest income that serves as a strength and advantage over many of our competitors. Finally, our deposit gathering platform and FDIC insured deposit accounts allow us to hold institutional custodial deposits. We have opportunities to grow deposits to handle continued growth in loan fundings, such as continuing to strengthen our brand recognition throughout our major loan origination markets.

Our **Balance Sheet Strategy** has proven to be an advantage by allowing us to hold a relatively simple set of assets and liabilities that have delivered a stable financial banking platform during periods of uncharted rate volatility. We specifically focus on remaining as interest rate and average life neutral as possible by match funding our assets and liabilities. Due to our strategy, we have been able to avoid adverse volatility in our earnings, GAAP capital and regulatory capital that the rapid rise in rates inflicted on the market value of many banking assets (as measured by negative accumulated other comprehensive income ("AOCI") and fair value losses imbedded in held-to-maturity ("HTM") assets that hit the industry). Our strategy continues to simply match our originated primarily variable rate HFI loans with similar duration funding — sourced as needed and from our depositors and FHLB advances. We specifically avoid long-term fixed rate mortgages in our HFI portfolio strategy. 81% of them are adjustable rate and over half will re-price within two years. We are not like most traditional branch and demand deposit focused banks that have more complex asset and liability challenges. Many demand deposit focused banks attempt to deploy their deposits (which have high liquidity requirements) into portfolio strategies that blend (a) short-lived, lower yielding assets to meet liquidity requirements balanced with (b) longer-lived, higher yielding, less liquid assets to achieve desired returns. Such mismatching of asset and liability repricing is an important risk we mitigate through our

funding strategy and policies. We believe our liquidity profile is an advantage due to existing deposit platform, access to FHLB and Fed Funds in addition to the fact that our MPP loans are short-term facilities that can be curtailed immediately and typically have natural liquidation within 30 days.

We believe the **Strength of Our Bank** centers upon our strategy to (a) remain a well-capitalized bank and have appropriate liquidity under federal regulatory definitions, (b) adhere to strong operating guidelines, including strict policies on interest rate-risk and credit-risk tolerances, (c) perform well in frequent banking regulatory exams, (d) provide full and detailed financial banking disclosures not necessarily available from other non-bank mortgage companies, and (e) comply with federal banking and consumer laws as well as following mortgage agency requirements. As a bank, we operate sophisticated and dynamic risk management systems that monitor rate, prepayment, credit, forward liquidity needs and other risks of our businesses. Additionally, our strong underwriting is supported by our use of financial tools such as loan syndication and participations, hedging- and other financial instruments to maintain our risk exposures within our policy limits. For these reasons, we believe that relative to more commercial-focused banks, our loan portfolios have lower credit risk — our largest loan category, residential mortgages, has experienced very low net charge-offs throughout our history, and our second largest loan category, MPP loans, has not experienced any charge-offs since we began this lending program in 2010. The strength of our Bank positions us to remain a strongly Rated Originator and Specialty Servicer by third-party ratings agencies that are required by the mortgage agencies and institutional investors.

Our leadership and management team has effectively operated a regulated bank through multiple rate and credit cycles. Strong historical credit quality has contributed to the strength of our Bank. We have recognized only $2.8 million in cumulative net charge-offs (NCO) since 2014 (averaging approximately 0.04% NCO/Loans per year). Between 2019 and 2022, the net charge-offs (recoveries) incurred were $(0.9) million compared to $0.8 million for 2023. Our low loss history exists because we have had no charge-offs in our MPP warehouse lending business since inception. Our specific MPP client selection, credit structure, documentation, underwriting and closing criteria were formulated following lessons learned in the massive industry fallout caused by the Great Financial Crisis (2007 – 2009). We were able to start our MPP platform, with our standards, during an advantageous void in the market. Furthermore, we have specifically avoided or de-emphasized higher risk categories such as commercial real estate, construction and other consumer credit.

These four areas of focused expertise are complementary and have delivered **Compelling Risk Adjusted Returns** to our stockholders (see the section entitled "— Performance and Returns"). These same four areas are highly scalable platforms operating on state-of-the-art systems. Such returns have been attributable to the strength of our Bank and its ability to leverage our common equity capital nearly 10-to-1 while holding low-risk mortgage loans that are funded by relatively stable, insured deposits with lower costs than non-deposit sources. We do not position ourselves as a supermarket for all-things-mortgage; and do not intend to (a) focus on mortgage insurance, (b) offer real estate brokerage, or (c) offer consumer finance solutions like credit cards or debt consolidation. We are a specialty platform that focuses on the marginal improvements in our four business lines to create distinct strengths and advantages in a sector that has been suppressed by market conditions for the past few years.

Strong Leadership, Distinct Culture and Insider Ownership

Founder and current Chairman and Chief Executive Officer Charles "Chuck" Williams had the vision of creating a specialty bank with material and available advantages in the mortgage sector. Mr. Williams established the **ICARE Pledge** as the backbone of our culture, managed the evolution of custom-curated and proprietary technological advantages and built our Bank into a nationally recognized mortgage lender and specialty servicer that has delivered the scaled and profitable organic growth it has experienced to date. Our culture has been defined by and instilled in our Bank by Mr. Williams. We use the guiding principles of the ICARE Pledge to act as a blueprint and foundation of how we act individually and corporately. "ICARE" is an acronym for pledge to **I**nnovate, **C**lient Focus, **A**ct with **i**ntegrity, **R**eal Value and **E**mpower. We innovate to provide superior products and services. We focus on borrowers and treat them like friends and family. We build trusted relationships because we act with integrity. We believe we deliver real value add through our collaborative, high performance culture and we empower every employee to make decisions benefiting borrowers.

Our executive leadership team is comprised of established industry veterans with a track record of profitable organic growth, achieving operating efficiencies and instilling strong risk management disciplines. In addition to the executives, named below, we have an organizational structure that includes supporting senior officers with long and focused careers that have primary responsibilities in the areas of Direct Lending, Specialty Servicing, Depository Banking, Compliance and Reporting, Legal, Treasury and the Asset-Liability Committee of our board of directors (the "ALCO"), Risk Management, Marketing, and Bank Technology Innovation, Installment and Deployment. In addition to our executive and senior leadership teams, we believe that we are supported by a deep and talented bench of business professionals, many of whom have been with the Company for many years. We believe our executive leadership team has the experience to continue to execute on our strategic vision.

Charles A. Williams — *Founder, Chairman and Chief Executive Officer.* Mr. Williams has over 42 years of experience in the banking industry and founded our Bank with the vision of what our Bank is today. He has provided steady leadership during our Bank's entire 25 year history.

Kevin J. Comps — *President*. Mr. Comps has over 20 years of experience in the financial services industry and joined our Bank in 2012 for three years and again in 2017. He is responsible for overseeing Residential Lending, Deposit Banking, Loan Servicing, Information Technology, Compliance, Legal, Administration, Facilities, and Human Resources.

David J. Christel — *President of Mortgage Purchase Program (MPP).* Mr. Christel has over 25 years of mortgage warehouse lending and commercial banking experience and joined our Bank in 2010. He is responsible for overseeing the MPP.

Amy Butler — *Executive Vice President, National Sales.* Ms. Butler has over 25 years of experience in the mortgage industry and joined our Bank in 2020. She is responsible for overseeing the retail mortgage sales efforts.

Brad T. Howes — *Executive Vice President, Chief Financial Officer.* Mr. Howes has over 22 years of experience in the financial services industry and joined our Bank in 2023. He is responsible for overseeing the finance and accounting functions.

See the section entitled "Management" for further information on our board of directors and executive management team.

Each member of our executive leadership team is a participant in our ownership program and collectively have a meaningful ownership investment in our Bank. As of October 31, 2024, our board of directors and executive officers own or otherwise control 21.4% of our outstanding common stock. Our board of directors has decades of combined business experience from a variety of backgrounds. Collectively, our non-executive board of director members also own or control significant ownership in our Bank.

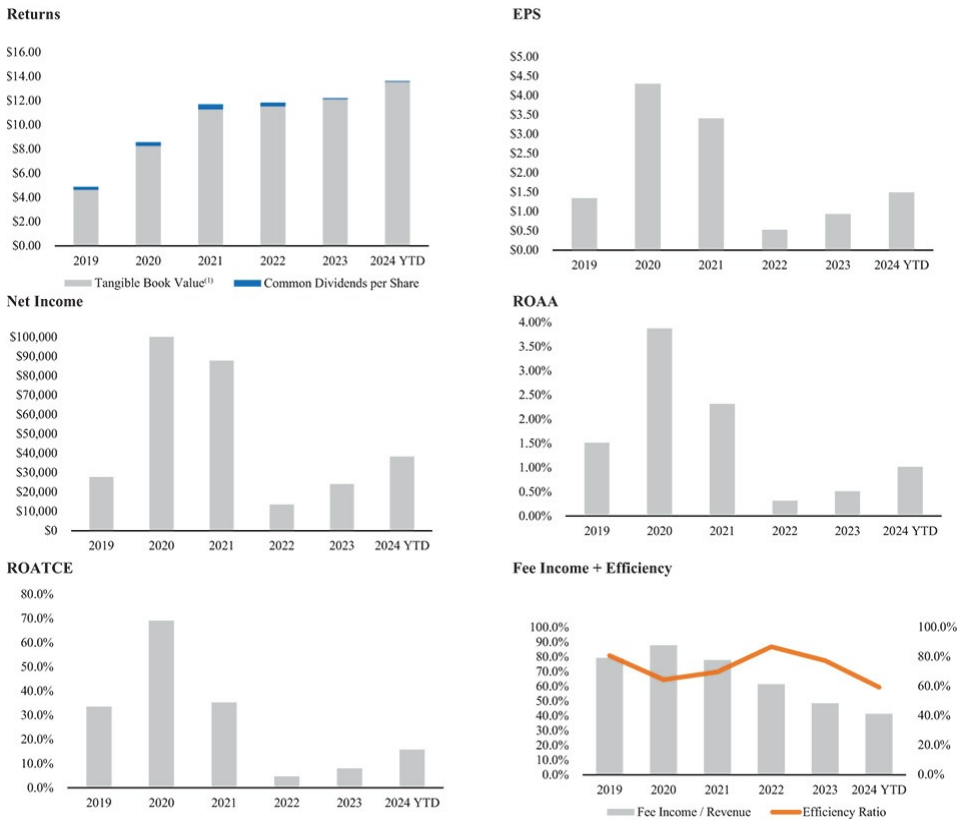
Performance and Returns

The key performance and return metrics that we have primarily focused upon are: (1) TBV per share and its growth combined with (2) return of capital to our stockholders (dividends paid). See the section entitled "Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures" for a reconciliation of non-GAAP measures to their most comparable GAAP measures. We believe we have delivered outstanding operating performance that has resulted in attractive returns for our stockholders. The accumulated returns measured by growth in our TBV per share plus our dividends per share distributed to stockholders have delivered a 30% internal rate of return since the end of 2019.

We also monitor performance metrics such as (3) Net Income or Earnings per share ("EPS") and its growth, (4) Return on Assets, (5) Return on Tangible Common Equity in addition to (6) Revenue Mix and (7) the Efficiency Ratio, which measures the ratio revenue realized relative to the cost expended to generate the revenue. See the section entitled "Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures" for a reconciliation of non-GAAP measures to their most comparable GAAP measures. The performance metrics demonstrate our outsized success in the higher relative volume cycles, such as 2020 and 2021, where our ROA was 3.88% and 2.52%, respectively, and our return on average tangible common equity ("ROATCE") was 69.08% and 35.25%, respectively. In these

periods, we believe our performance was superior to nearly all traditional banks and in-line or better than the specialty consumer credit providers and true mortgage banks. During relatively lower volume cycle periods, such as 2022 and 2023, we still delivered positive and respectable returns by quickly and proactively managing expenses. As part of the success of our strategic repositioning efforts during 2022 and into 2023, we experienced very strong balance sheet growth in MPP loans, which has helped diversify revenues and bolster our operating performance during lower retail mortgage origination cycles. As a result, in 2022 and 2023, we averaged, over such two years on a combined basis, a 0.63% ROAA. Furthermore, our ROA was 1.17% for the first nine months of 2024, an increase from 0.92% over the same period of 2023. We believe our attractive Efficiency Ratio is a strong indicator of our operating skills and reflects the benefits of our Bank's advantages; and it compares favorably to, and is lower than, nearly all mortgage dedicated banks and non-banks who we consider peers.

In the charts below, we show the growth in TBV per share as impacted by our EPS and the individual and cumulative dividends we have paid since 2019.



(1) See the section entitled "Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures" for a reconciliation of non-GAAP measures to their most comparable GAAP measures.

Recent Developments

Financial Highlights for the Year Ended December 31, 2024

The following presents certain unaudited financial information as of and for the year ended December 31, 2024. The following results are preliminary in nature and based upon currently available information. In the opinion of management, such unaudited financial information includes all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of our financial position and results of operations for such periods but may not include normal year-end adjustments. These results are also subject to further revision based upon final actual results for the year ending December 31, 2024, our review and the review of RSM US LLP, our independent registered public accounting firm. Therefore, no assurance can be given that, upon completion of our review and the review of our independent registered public accounting firm, we will not report materially different financial results than those set forth below. In addition, we cannot assure you our results for this period will be indicative of our actual results. Our independent registered public accounting firm, RSM US LLP, has not audited, reviewed, complied or applied agreed-upon procedures with respect to the preliminary financial information, and as such, does not express an opinion, or any assurance, with respect to this preliminary financial information.

In the year ended December 31, 2024, we earned approximately $45 million to $49 million in net income available to common stockholders, which was in line with management's expectations. Over the same period, we originated approximately $26.3 billion in mortgage loans, which included $24.2 billion in MPP total loans purchased and $2.2 billion in residential mortgage loan originations. The net increase over the prior year of approximately $8.6 billion in MPP total loans purchased was primarily related to increases in usage of existing MPP credit facilities. Asset quality, liquidity and capital all remained stable, relative to prior periods.

Summary of Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider all of the risks described in the section entitled "Risk Factors" before deciding to invest in our common stock. If any of the risks actually occur, our business, growth prospects, financial condition, and results of operations, may be materially adversely affected. In such case, the trading price of our common stock may decline and you may lose part or all of your investment. Below is a summary of some of the principal risks we face:

- Decreased residential mortgage origination, competition, and changes in interest rates may adversely affect our profitability.
- Our mortgage banking profitability could significantly decline if we are not able to originate and resell a high volume of mortgage loans.
- A decline in our MPP business could have a significant impact on our results of operations.
- Because a significant portion of our loan portfolio is comprised of real estate loans, negative changes in the economy affecting real estate values and liquidity could impair the value of collateral securing our real estate loans and result in loan and other losses.
- A decline in general business and economic conditions and any regulatory responses to such conditions could have a material adverse effect on our business, financial position, results of operations and growth prospects.
- Liquidity risks could affect operations and jeopardize our business, financial condition, and results of operations, and deposits, many of which are brokered deposits, are our primary source of funding.
- Fluctuations in interest rates may reduce net interest income and otherwise negatively impact our financial condition and results of operations.
- We may be required to repurchase or substitute mortgage loans or MSRs that we have sold, or indemnify purchasers of our mortgage loans or MSRs.
- We engage in lending secured by real estate and may be forced to foreclose on the collateral and own the underlying real estate, subjecting us to the costs and potential risks associated with the ownership

of real property, or consumer protection initiatives or changes in state or federal law may substantially raise the cost of foreclosure or prevent us from foreclosing at all.

- Our allowance for loan losses may prove to be insufficient to absorb potential losses in our loan portfolio.
- Technology disruptions or failures, including a failure in our operational or security systems or infrastructure, or those of third parties with whom we do business, could disrupt our business, cause legal or reputational harm and adversely impact our financial condition and results of operations.
- Cyberattacks and other data and security breaches could result in serious harm to our reputation and adversely affect our business.
- We may not be able to make technological improvements as quickly as demanded by our customers, which could harm our ability to attract customers and adversely affect our financial condition, results of operations, and liquidity.
- We depend on our ability to sell loans in the secondary market to a limited number of investors and to the government-sponsored enterprises ("GSEs"), and to securitize our loans into mortgage-backed securities ("MBS") through the GSEs. If our ability to sell or securitize mortgage loans is impaired, whether as a result of regulatory action or otherwise, the volume of mortgage loans that we are able to originate will be reduced.
- We are subject to certain operational risks, including, but not limited to, customer or employee fraud and data processing system failures and errors.
- Litigation and regulatory actions, including possible enforcement actions, could subject us to significant fines, penalties, judgments or other requirements resulting in increased expenses or restrictions on our business activities.
- Our industry is highly regulated, and the regulatory framework, together with any future legislative or regulatory changes, may have a materially adverse effect on our operations.
- Federal and state regulators periodically examine our business and may require us to remediate adverse examination findings or may take enforcement action against us.
- We are subject to stringent capital requirements, which could have an adverse effect on our operations.
- We are subject to numerous laws designed to protect consumers, including the Community Reinvestment Act (the "CRA") and fair lending laws, and failure to comply with these laws could lead to a wide variety of sanctions.
- We are a bank holding company and are dependent upon our Bank for cash flow, and our Bank's ability to make cash distributions is restricted.
- The Federal Reserve may require us to commit capital resources to support our Bank.
- No public market exists for our common stock, and one may not develop.
- Investors in this offering will experience immediate and substantial dilution.
- Future sales of our common stock could depress the market price of our common stock.
- As of September 30, 2024, approximately 32.9% of our voting and non-voting common stock is owned by certain institutional holders, and future sales by these institutional holders may adversely affect the prevailing market price of our common stock.
- Our stock price may be volatile, and you could lose part or all of your investment as a result.
- We may not pay dividends on our common stock in the future, and our ability to pay dividends is subject to certain restrictions.
- The holders of our debt obligations and preferred stock will have priority over our common stock with respect to payment in the event of liquidation, dissolution or winding up and with respect to the payment of interest and dividends.
- An investment in our common stock is not an insured deposit.

Corporate Information

Our principal executive office is located at 3333 Deposit Drive Northeast, Grand Rapids, Michigan 49546, and our telephone number is (616) 940-9400. We maintain a website at *www.northpointe.com*. This reference to our website is included for the convenience of investors only and our website and the information contained therein or limited thereto is not incorporated into this prospectus or the registration statement of which it forms a part.

The Offering

Issuer	Northpointe Bancshares, Inc.
Common Stock Offered by Us	shares (or shares if the underwriters exercise their option to purchase additional shares in full)
Common Stock Offered by the Selling Stockholders	shares
Option to Purchase Additional Shares of Common Stock Offered by Us	We have granted the underwriters a 30-day option to purchase up to additional shares of our common stock at the public offering price, less the underwriting discounts and commissions.
Shares Outstanding After this Offering	shares (or shares if the underwriters' option to purchase additional shares is exercised in full)
Use of Proceeds	Assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), we estimate that the net proceeds that we will receive from this offering, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us, will be approximately $, or approximately $ if the underwriters exercise their option to purchase additional shares in full. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders. We intend to use the net proceeds that we receive from this offering for general corporate purposes, which may include growing our existing lines of business or using a portion of the proceeds to redeem all or a portion of our preferred stock. Our management will have broad discretion over the use of the net proceeds that we receive from this offering. See the section entitled "Use of Proceeds."
Dividend Policy	We have historically paid quarterly dividends to holders of our common stock. Nevertheless, we have no obligation to pay dividends and any future determination relating to our dividend policy will be made by our board of directors and will depend on a number of factors, including general and economic conditions, industry standards, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, our ability to service debt obligations senior to our common stock, banking regulations, contractual, legal, tax and regulatory restrictions, and limitations on the payment of dividends by us to our stockholders or by our Bank to us, and such other factors as our board of directors may deem relevant. We cannot assure you that we will be able to pay dividends to holders of our common stock in the future. Because we are a BHC and do not engage directly in business activities of a material nature, our ability to pay any dividends on our common stock depends, in large part, upon our receipt of dividends from our Bank, which is also subject to numerous limitations on the payment of dividends under federal and state banking laws, regulations and policies. See the section entitled "Market for Common Stock and Dividend Policy — Dividend Policy."

Risk Factors	Investing in our common stock involves risks. See the sections entitled "Risk Factors," "Prospectus Summary — Summary of Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" for a discussion of factors that you should carefully consider before making an investment decision.
Proposed Trading Symbol	We intend to apply to list our common stock on the NYSE under the symbol "NPB."

The number of shares of our common stock to be outstanding after this offering is based upon 25,689,560 shares of our common stock, as of September 30, 2024, and does not include:

- 84,000 shares of our common stock issuable upon the exercise of outstanding stock options, as of September 30, 2024, at a weighted average exercise of $2.29 per share; and
- 849,530 shares of our common stock issuable upon the settlement of restricted stock units under our Omnibus Incentive Plan that were granted subsequent to September 30, 2024, in connection with this offering.

Except as otherwise indicated, the information in this prospectus reflects and assumes:

- a ten-for-one stock split of our common stock effected on December 30, 2024;
- no exercise of outstanding stock options referred to above after September 30, 2024;
- no attribution to any director, officer, principal stockholder or related person any purchases of shares of our common stock in this offering;
- an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus; and
- no exercise by the underwriters of their option to purchase up to an additional shares of our common stock from us in this offering.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The following tables summarize our historical consolidated financial and other data as of the dates and for the periods indicated. The summary consolidated statements of income data for the years ended December 31, 2023 and 2022, and the consolidated balance sheet data as of December 31, 2023 and 2022 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statements of income data for the nine months ended September 30, 2024 and 2023, and the consolidated balance sheet data as of September 30, 2024, have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statements of income data for the years ended December 31, 2021, 2020 and 2019 is derived from our audited financial statements not included in this prospectus. Our results of operations for any period are not necessarily indicative of the results to be expected in any future period. The summary historical consolidated financial information and other data below should be read together with the information in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus. Unless otherwise noted, the share and per share amounts in the table below have been adjusted to reflect the ten-for-one stock split effected on December 30, 2024.

	(Unaudited) As of or for the Nine Months Ended September 30,		As of or for the Years Ended December 31,				
(Dollars in thousands, except per share data)	2024	2023	2023	2022	2021	2020	2019
BALANCE SHEET DATA							
Total Assets	$ 5,385,999	$ 4,888,913	$ 4,758,479	$ 4,400,346	$ 4,726,880	$ 3,302,490	$ 2,173,532
Total Gross Loans & Leases (HFI and HFS)	$ 4,757,085	$ 4,132,826	$ 4,133,642	$ 3,821,097	$ 3,985,271	$ 2,716,118	$ 1,694,848
Mortgage Warehouse (MPP) / Loans %	35.1%	26.5%	27.7%	20.7%	26.1%	22.3%	17.1%
First Lien Residential Mortgage / Loans %	44.4%	49.2%	47.8%	57.9%	63.7%	67.8%	72.2%
All-in-One (AIO) / Loans %	12.2%	11.3%	12.2%	8.5%	2.3%	3.0%	1.7%
Total Deposits	3,531,878	3,041,028	2,925,558	2,921,300	2,935,393	1,656,719	1,315,553
Cash & Cash Equivalents	440,751	469,357	351,890	274,233	452,603	354,196	314,487
Investment Securities	79,331	81,261	83,532	89,732	90,663	51,688	41,306
Mortgage Servicing Rights (MSRs)	11,671	106,847	95,339	101,792	73,385	68,615	31,491
Intangible Asset (net of DTL)	2,879	3,727	3,431	4,331	6,720	7,740	9,811
FHLB and Other Borrowings	1,308,750	1,275,000	1,275,000	925,000	1,247,000	924,488	634,501
Subordinated Debt	43,897	47,733	39,368	56,255	56,079	60,902	62,250
Preferred Stock	103,573	116,157	116,157	116,157	116,157	91,178	0
Stockholders' Equity	454,782	432,286	430,620	417,307	413,623	311,634	127,631
Tangible Common Equity[(1)]	348,329	312,402	311,032	296,819	290,746	212,715	117,820
Allowance for Credit Losses	$ 12,220	$ 14,273	$ 12,295	$ 6,365	$ 3,886	$ 10,539	$ 4,532
ORIGINATION & OFF-BALANCE SHEET DATA							
Total Loan Originations	$ 1,557,955	$ 2,991,086	$ 3,566,255	$ 8,795,062	$12,465,865	$14,805,345	$ 9,567,450
Total Retail Originations	1,557,955	2,696,346	3,271,032	5,538,613	7,351,327	7,338,437	3,692,278
Total Correspondent Originations	0	294,740	295,223	3,256,449	5,114,538	7,466,908	5,875,172
Total Unused Commitments	2,777,287	3,595,887	3,666,446	3,088,866	247,367	130,795	105,218
Mortgage Warehouse (MPP) Total Loans Funded	17,380,555	11,348,442	15,598,945	14,270,481	21,326,530	18,640,142	11,931,771

(Dollars in thousands, except per share data)	(Unaudited) As of or for the Nine Months Ended September 30,		As of or for the Years Ended December 31,				
	2024	2023	2023	2022	2021	2020	2019
Mortgage Servicing Rights (Unpaid Principal Balance)	7,124,844	13,519,884	13,419,083	13,205,460	21,428,144	17,778,215	11,181,252
PERFORMANCE MEASURES							
Return on Assets[2]	1.17%	0.92%	0.72%	0.54%	2.52%	3.88%	1.51%
Return on Average Equity[2]	13.20%	10.13%	7.89%	5.53%	26.93%	65.16%	29.74%
Return on Average Tangible Common Equity[2][3]	15.8%	11.2%	8.0%	4.7%	35.3%	69.1%	33.5%
Net Interest Margin[2]	2.29%	2.23%	2.25%	2.46%	2.47%	1.93%	2.23%
Efficiency Ratio[4]	59.39%	74.41%	77.40%	86.80%	69.67%	64.54%	80.90%
CAPITAL RATIOS[5]							
Equity / Assets	8.44%	8.84%	9.05%	9.48%	8.75%	9.44%	5.87%
Tangible Equity / Tangible Assets[6]	6.47%	6.39%	6.54%	6.75%	6.16%	6.46%	5.45%
Tier 1 Leverage Ratio	8.77%	8.95%	9.19%	9.73%	N/A	N/A	N/A
Common Equity Tier 1 Capital Ratio	7.93%	7.62%	7.61%	7.81%	N/A	N/A	N/A
Tier 1 Risk Based Capital Ratio	10.37%	10.53%	10.52%	11.03%	N/A	N/A	N/A
Total Risk Based Capital Ratio (TRBC)	11.36%	11.61%	11.43%	12.46%	N/A	N/A	N/A
Tier 1 Leverage Ratio (Bank)	9.11%	9.43%	9.45%	10.54%	10.28%	10.64%	8.28%
Total Risk Based Capital Ratio (Bank)	11.22%	11.57%	11.26%	11.91%	N/A	N/A	N/A
LIQUIDITY & FUNDING							
Loans / Deposits	134.69%	135.90%	141.29%	130.80%	135.77%	163.95%	128.83%
Liquidity Ratio[7]	8.18%	9.60%	7.40%	6.23%	9.58%	10.73%	14.47%
Wholesale Funding Ratio[8]	74.53%	75.28%	74.76%	60.65%	65.42%	45.58%	38.60%
Total Time Deposits / Total Deposits	78.57%	76.71%	65.25%	76.21%	83.06%	62.15%	63.00%
Deposits >$250k / Total Deposits	3.21%	2.36%	2.49%	2.99%	3.23%	5.40%	3.48%
Brokered Deposits / Total Deposits	64.37%	62.90%	58.79%	61.05%	62.82%	15.56%	9.44%
ASSET QUALITY							
Nonperforming Loans to Total Loans	1.68%	1.08%	1.50%	0.55%	0.50%	1.42%	1.03%
Nonperforming Assets to Total Assets	1.52%	0.92%	1.31%	0.49%	0.43%	1.18%	0.81%
Ratios Excluding Loans Wholly or Partially Guaranteed by the U.S Government							
Nonperforming Loans to Total Loans	0.90%	0.61%	0.60%	0.33%	0.28%	0.53%	0.31%
Nonperforming Assets to Total Assets	0.84%	0.52%	0.52%	0.30%	0.24%	0.44%	0.25%
Allowance for credit losses to loans HFI	0.28%	0.39%	0.33%	0.21%	0.22%	0.76%	0.43%

(Dollars in thousands, except per share data)	(Unaudited) As of or for the Nine Months Ended September 30,		As of or for the Years Ended December 31,				
	2024	2023	2023	2022	2021	2020	2019
Net charge-offs (recoveries) to Average Loans	0.04%	0.00%	0.02%	-0.01%	-0.02%	0.00%	-0.01%
INCOME STATEMENT DATA							
Net Interest Income	$ 84,193	$ 74,890	$ 101,219	$ 99,437	$ 88,817	$ 51,538	$ 38,396
Provision (Credit) for Credit Losses	118	(340)	(1,485)	2,216	(7,184)	6,000	0
Noninterest Income: Total	59,310	90,374	95,067	158,119	311,836	367,778	147,315
Servicing Income (MSR and Other)	8,706	21,043	15,146	83,880	52,354	74,060	28,947
Gain-on-Sale	46,922	64,095	73,135	69,921	246,632	272,464	102,104
Other	3,682	5,236	6,786	4,318	12,850	21,254	17,429
Noninterest Expense – TOTAL	85,155	123,223	153,084	221,646	284,148	266,752	151,921
Net Income before Tax	58,230	42,381	44,687	33,694	123,689	146,564	34,955
Income Tax	14,061	10,276	10,925	10,455	28,035	36,586	7,334
Net Income	44,169	32,105	33,762	23,239	95,654	109,978	27,621
Preferred Stock Dividends	5,853	7,240	9,650	9,658	7,865	—	—
Net Income available to common stockholders	**$ 38,316**	**$ 24,865**	**$ 24,112**	**$ 13,581**	**$ 87,789**	**$ 109,978**	**$ 27,621**
Preferred Dividend	5,853	7,240	9,650	9,658	7,865	0	0
Common Dividend	1,926	1,930	2,573	7,753	11,705	7,422	6,626
PER SHARE DATA ($)							
Tangible Book Value[9]	$ 13.56	$ 12.14	$ 12.11	$ 11.53	$ 11.26	$ 8.26	$ 4.62
Common Dividend	0.075	0.075	0.100	0.300	0.454	0.316	0.313
Earnings	$ 1.49	$ 0.97	$ 0.94	$ 0.53	$ 3.40	$ 4.30	$ 1.34
Shares Outstanding (Period End)	25,689,560	25,725,560	25,689,560	25,745,560	25,824,610	25,761,610	25,519,930
Shares Outstanding (Average)	25,689,560	25,734,449	25,723,227	25,842,564	25,785,610	25,565,070	20,607,710

(1) We calculate tangible common equity as stockholders' equity less goodwill and intangible assets (net of DTL) and preferred stock. See "Non-GAAP Financial Measures" for a reconciliation to the comparable GAAP financial measure.

(2) Annualized for interim periods.

(3) We calculate return on average tangible common equity as annualized net income available to common stockholders divided by average tangible common equity. See "Non-GAAP Financial Measures" for a reconciliation to the comparable GAAP financial measure.

(4) We calculate efficiency ratio as non-interest expense divided by the sum of net interest income and non-interest income.

(5) During 2021 and prior the Company was under the community bank leverage ratio rule.

(6) We calculate tangible common equity / tangible assets as tangible common equity divided by tangible assets (we calculate this as total assets less goodwill and intangible assets, net of DTL). See "Non-GAAP Financial Measures" for a reconciliation to the comparable GAAP financial measure.

(7) We calculate liquidity ratio as cash and cash equivalents divided by total assets.

(8) We calculate wholesale funding ratio as average brokered CDs plus average FHLB advances divided by average interest-bearing liabilities.

(9) We calculate TBV per share as tangible common equity divided by the number of outstanding shares of our common stock at the end of the relevant period. See "Non-GAAP Financial Measures" for a reconciliation to the comparable GAAP financial measure.

Non-GAAP Financial Measures

Some of the financial measures discussed in this prospectus, including in the section entitled "Summary Historical Consolidated Financial Information and Other Data," are non-GAAP financial measures. In accordance with SEC rules, we classify non-GAAP financial measures as those that exclude or include amounts, or are subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP in our statements of income, balance sheets, statements of cash flows or ratios.

We believe that non-GAAP financial measures provide useful information to management and investors that is supplementary to our financial condition, results of operations and cash flows computed in accordance with GAAP; however, we acknowledge that the non-GAAP financial measures have inherent limitations. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and these disclosures are not necessarily comparable to non-GAAP financial measures that other companies use.

We calculate tangible common equity as stockholders' equity less goodwill and intangible assets (net of DTL) and preferred stock. We calculate TBV per share as tangible common equity divided by the number of shares of our common stock outstanding at the end of the relevant period. We calculate tangible assets as total assets less intangible assets (net of DTL). We calculate tangible common equity / tangible assets as tangible common equity divided by tangible assets. We calculate return on average tangible common equity as annualized net income available to common stockholders divided by average tangible equity. The most directly comparable GAAP financial measures are outlined in the non-GAAP reconciliation table below.

Management believes that tangible common equity and TBV per share are important to many investors in the marketplace who are interested in changes from period to period in our stockholders' equity, exclusive of changes in intangible assets.

A reconciliation of GAAP to non-GAAP financial measures is as follows:

	As of or for the Nine Months Ended September 30,		As of or for the Years Ended December 31,				
(Dollars in thousands)	**2024**	**2023**	**2023**	**2022**	**2021**	**2020**	**2019**
Stockholders' Equity (GAAP)	454,782	432,286	430,620	417,307	413,623	311,634	127,631
Less: Preferred Stock	103,573	116,157	116,157	116,157	116,157	91,178	—
Less: Intangible Assets, net of DTL	2,879	3,727	3,431	4,331	6,720	7,740	9,811
Tangible Common Equity	**348,329**	**312,402**	**311,032**	**296,819**	**290,746**	**212,715**	**117,820**
Common Shares at End of Period	25,689,560	25,725,560	25,689,560	25,745,560	25,824,610	25,761,610	25,519,930
Tangible Book Value per Share	**13.56**	**12.14**	**12.11**	**11.53**	**11.26**	**8.26**	**4.62**
Book Value per Share (GAAP)	17.70	16.80	16.76	16.21	16.02	12.10	5.00
Total Assets (GAAP)	5,385,999	4,888,913	4,758,479	4,400,346	4,726,879	3,302,489	2,173,532
Less: Intangible Assets, net of DTL	2,879	3,727	3,431	4,331	6,720	7,740	9,811
Tangible Assets	**5,383,120**	**4,885,186**	**4,755,048**	**4,396,015**	**4,720,160**	**3,294,749**	**2,163,721**

(Dollars in thousands)	As of or for the Nine Months Ended September 30, 2024	2023	As of or for the Years Ended December 31, 2023	2022	2021	2020	2019
Tangible Common Equity / Tangible Assets	**6.47%**	**6.39%**	**6.54%**	**6.75%**	**6.16%**	**6.46%**	**5.45%**
Equity to Assets (GAAP)	8.44%	8.84%	9.05%	9.48%	8.75%	9.44%	5.87%
Net Income Available to Common Stockholders	38,316	24,865	24,112	13,581	87,789	109,977	27,621
Add: Preferred Stock Dividends	5,853	7,240	9,650	9,658	7,865	—	—
Net Income Before Preferred Dividends	44,169	32,105	33,762	23,239	95,654	109,977	27,621
Annualized Net Income Before Preferred Dividends	58,999	42,883	33,762	23,239	95,654	109,977	27,621
Annualized Net Income Available to Common Stockholders	51,181	33,212	32,208	18,141	117,266	146,904	36,895
Average Tangible Equity	324,134	295,850	299,859	291,843	249,025	159,200	82,332
Average Equity	447,058	423,738	427,650	420,469	355,248	168,768	92,880
Return on Average Tangible Common Equity	**15.8%**	**11.2%**	**8.0%**	**4.7%**	**35.2%**	**69.1%**	**33.5%**
Return on Average Equity (GAAP)	13.20%	10.12%	7.89%	5.53%	26.93%	65.16%	29.74%

RISK FACTORS

An investment in our common stock involves a significant degree of risk. The material risks and uncertainties that management believes affect us are described below. Before you decide to invest in our common stock, you should carefully read and consider the risk factors described below as well as the other information included in this prospectus, including our consolidated financial statements and the related notes included elsewhere in this prospectus. Any of these risks, if they are realized, could have an adverse effect on our business, financial condition and results of operations, and consequently, the value of our common stock. In any such case, you could lose all or a portion of your original investment. Further, additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also adversely affect us.

Risks Related to Our Business

Decreased residential mortgage origination, competition, and changes in interest rates may adversely affect our profitability.

We currently operate a residential mortgage origination, warehouse financing, and servicing business. Changes in interest rates and pricing decisions by our competitors may adversely affect demand for our mortgage loan products, the revenue realized on the sale of loans, revenues received from servicing such loans and the valuation of our mortgage servicing rights.

The banking and mortgage origination businesses are highly competitive, and we experience competition in our market from many other financial institutions. Our operations consist of offering banking and residential mortgage services as well as warehouse mortgage financing through our MPP business. Many of our competitors offer the same, or a wider variety of, banking and related financial services within our market areas. These competitors include national banks, regional banks, community banks, mortgage companies, and many other types of financial institutions, including savings and loan institutions, finance companies, credit unions, and other financial intermediaries. Additionally, we face growing competition from online businesses with few or no physical locations, including online banks, lenders and consumer lending platforms. Increased competition in our markets may result in reduced loans, deposits and fees, as well as reduced net interest margin and profitability. Ultimately, we may not be able to compete successfully against current and future competitors. If we are unable to attract and retain customers in our mortgage origination, warehouse lending, and banking businesses, we may be unable to continue to grow our business, and our financial condition and results of operations may be adversely affected.

Many of our non-bank competitors are not subject to the same extensive regulations that govern our activities and may have greater flexibility in competing for business. The financial services industry could become even more competitive as a result of legislative, regulatory and technological changes and continued consolidation. In addition, some of our current MPP clients may seek alternative financing sources as they develop needs for warehouse facilities larger than we may be able to accommodate. Our inability to compete successfully in the markets in which we operate could have an adverse effect on our business, financial condition or results of operations.

Mortgage production, especially refinancing activity, declines in high interest rate environments. Interest rates have been elevated in recent years. Although interest rates have begun to decline, there is no assurance that the trend will continue, and continued high interest rates may inhibit our ability to increase our mortgage production. Moreover, if interest rates increase further, there can be no assurance that our mortgage production will continue at current levels.

Our mortgage banking profitability could significantly decline if we are not able to originate and resell a high volume of mortgage loans.

Because we sell a substantial portion of the mortgage loans we originate, the profitability of our mortgage banking business also depends in large part on our ability to aggregate a high volume of loans and sell them at a gain in the secondary market. Thus, in addition to our dependence on the interest rate environment, we are dependent upon (i) the existence of an active secondary market and (ii) our ability to profitably sell loans or securities into that market. If our level of mortgage production declines, the profitability will depend upon our ability to reduce our costs commensurate with the reduction of revenue from our mortgage operations.

Our ability to sell mortgage loans readily is dependent upon our ability to remain eligible for the programs offered by GSEs, and other institutional and non-institutional investors. Any significant impairment of our eligibility with any of the GSEs could materially and adversely affect our operations. Further, the criteria for loans to be accepted under such programs may be changed from time to time by the sponsoring entity, which could result in a lower volume of corresponding loan originations. The profitability of participating in specific programs may vary depending on a number of factors, including our administrative costs of originating qualifying loans and our costs of meeting such criteria.

The ability for us and our warehouse financing clients to originate and sell residential mortgage loans is dependent upon the availability of an active secondary market for single-family mortgage loans, which in turn depends in part upon the continuation of programs currently offered by GSEs and other institutional and non-institutional investors. These entities account for a substantial portion of the secondary market in residential mortgage loans. Because the largest participants in the secondary market are Fannie Mae and Freddie Mac, GSEs whose activities are governed by federal law, any future changes in laws that significantly affect the activity of these GSEs could, in turn, adversely affect our operations. In September 2008, Fannie Mae and Freddie Mac were placed into conservatorship by the U.S. government. The federal government has for many years considered proposals to reform Fannie Mae and Freddie Mac, but the results of any such reform, and their impact on us, are difficult to predict. To date, no reform proposal has been enacted.

A decline in our MPP business could have a significant impact on our results of operations.

Our MPP business accounted for 22% of our total revenues for the nine months ended September 30, 2024. All our MPP clients are residential mortgage originators who are subject to many of the same risks that affect our mortgage origination business. Accordingly macroeconomic, factors that may result in a decrease in our mortgage origination revenue would have a similar effect on our MPP revenue.

An increase in competition in warehouse lending, including from GSEs or new market entrants, could adversely affect our financial condition and results of operations. Additionally, if GSEs who purchase loans from our MPP clients develop real-time funding products for mortgage originators, our MPP clients' need for warehouse funding facilities such as our MPP would be reduced.

The mortgage originators that participate in the MPP may also have fewer resources to weather adverse business developments, which may impair their ability to continue as going concerns and originate new mortgage loans. If a mortgage originator that participates in the MPP defaults on its obligations to us, we have recourse against both the mortgage originator and any unsold loans on our facility originated by the mortgage originator, but it is still possible that we may not be made whole.

Because a significant portion of our loan portfolio is comprised of real estate loans, negative changes in the economy affecting real estate values and liquidity could impair the value of collateral securing our real estate loans and result in loan and other losses.

At September 30, 2024, approximately 99% of our loan portfolio was comprised of loans with real estate as a primary or secondary component of collateral. As a result, adverse developments affecting real estate values in our market areas could increase the credit risk associated with our real estate loan portfolio. The market value of real estate can fluctuate significantly in a short period of time as a result of market conditions in the area in which the real estate is located. Adverse changes affecting real estate values and the liquidity of real estate in one or more of our markets could increase the credit risk associated with our loan portfolio, significantly impairing the value of property pledged as collateral on loans and affect our ability to sell the collateral upon foreclosure without a loss, any losses would adversely affect profitability. Such declines and losses could have a material adverse impact on our business, results of operations and growth prospects.

A decline in general business and economic conditions and any regulatory responses to such conditions could have a material adverse effect on our business, financial position, results of operations and growth prospects.

Our business and operations are sensitive to general business and economic conditions in the United States. If the national, regional and local economies experience worsening economic conditions, including high levels of unemployment, our growth and profitability could be constrained. Additionally, our ability to

assess the credit worthiness of our customers is made more complex by uncertain business and economic conditions. Weak economic conditions are characterized by, among other indicators, deflation, elevated levels of unemployment, fluctuations in debt and equity capital markets, increased delinquencies on mortgage, commercial and consumer loans, residential and commercial real estate price declines, increases in non-performing assets and foreclosures, and lower home sales and commercial activity. All of these factors are generally detrimental to our business. Our business is significantly affected by monetary and other regulatory policies of the U.S. federal government, its agencies and GSEs. Changes in any of these policies are influenced by macroeconomic conditions and other factors that are beyond our control, are difficult to predict and could have a material adverse effect on our business, financial position, results of operations and growth prospects.

Liquidity risks could affect operations and jeopardize our business, financial condition, and results of operations, and deposits, many of which are brokered deposits, are our primary source of funding.

Liquidity is essential to our business. Our primary source of funding is deposits, and such deposits substantially consist of brokered deposits. An inability to raise funds through deposits, borrowings, the sale of loans and/or investment securities and from other sources could have a substantial negative effect on our liquidity. A source of our funds consists of our customer deposits. These deposits are subject to potentially dramatic fluctuations in availability or price due to certain factors that may be outside of our control, such as a loss of confidence by customers in us or the banking sector generally, customer perceptions of our financial health and general reputation, increasing competitive pressures from other financial services firms for consumer or corporate customer deposits, changes in interest rates and returns on other investment classes. If customers move money out of bank deposits and into other investments, we could lose a relatively low cost source of funds, which would require us to seek wholesale funding alternatives in order to continue to grow, thereby increasing our funding costs and reducing our net interest income and net income.

Additional liquidity is provided by brokered deposits and our ability to borrow from the FHLB. As of September 30, 2024, brokered deposits were approximately $2.3 billion, or 65.7% of our total deposits. Brokered deposits may be more rate sensitive than other sources of funding. In the future, those depositors may not replace their brokered deposits with us as they mature, or we may have to pay a higher rate of interest to keep those deposits or to replace them with other deposits or other sources of funds. Not being able to maintain or replace those deposits as they mature would adversely affect our liquidity. Additionally, if our Bank does not maintain its well-capitalized position, it may not accept or renew any brokered deposits without a waiver granted by the FDIC. We also may borrow from third-party lenders from time to time. Our access to funding sources in amounts adequate to finance or capitalize our activities or on terms that are acceptable to us could be impaired by factors that affect us directly or the financial services industry or economy in general, such as disruptions in the financial markets or negative views and expectations about the prospects for the financial services industry.

Additionally, as a BHC, we are dependent on dividends from our subsidiaries as our primary source of income. Our subsidiaries are subject to certain legal and regulatory limitations on their ability to pay us dividends. Any reduction or limitation on our subsidiaries abilities to pay us dividends could have a material adverse effect on our liquidity and in particular, affect our ability to repay our borrowings.

Any decline in available funding, including a decrease in brokered deposits, could adversely impact our ability to continue to implement our strategic plan, including our ability to originate loans, fund warehouse financing commitments, meet our expenses, declare and pay dividends to our stockholders or to fulfill obligations such as repaying our borrowings or meeting deposit withdrawal demands, any of which could have a material adverse impact on our liquidity, business, financial condition and results of operations.

We rely on participations from third parties as an important funding source.

We frequently sell participations in MPP facilities to third parties in order to manage concentration risk and provide an additional source of funding. If we are not able to maintain and attract such third parties to participate in these transactions or if any existing third parties terminate their participations in existing MPP facilities, then we could face loan concentration issues and capital constraints as we seek to provide alternative funding for the affected MPP facilities.

Fluctuations in interest rates may reduce net interest income and otherwise negatively impact our financial condition and results of operations.

Net interest income is the difference between the amounts received by us on our interest-earning assets and the interest paid by us on our interest-bearing liabilities. When interest rates rise, the rate of interest we pay on our liabilities, such as deposits, rises more quickly than the rate of interest that we receive on our interest-bearing assets, such as loans, which may cause our profits to decrease. The impact on earnings is more adverse when short-term interest rates increase more than long-term interest rates or when long-term interest rates decrease more than short-term interest rates, leading to similar yields between short-term and long-term rates. Many factors impact interest rates, including governmental monetary policies, inflation, recession, changes in unemployment, the money supply and international economic weaknesses and disorder and instability in domestic and foreign financial markets.

Interest rate increases often result in larger payment requirements for our borrowers, which increases the potential for default. At the same time, the marketability of the underlying property may be adversely affected by any reduced demand resulting from higher interest rates. In a declining interest rate environment, there may be an increase in prepayments on loans as borrowers refinance their mortgages and other indebtedness at lower rates.

As interest rates decrease, the potential for prepayment on our mortgage servicing rights increases and the fair market value of our mortgage servicing rights assets may decrease. Our ability to mitigate this decrease in value is largely dependent on our ability to be the refinancer and retain servicing rights. While we have previously been successful in our servicing retention, we may not be able to achieve the same level of retention in the future.

Changes in interest rates also can affect the value of loans, securities and other assets. An increase in interest rates that adversely affects the ability of borrowers to pay the principal or interest on loans may lead to an increase in nonperforming assets and a reduction of income recognized, which could have a material adverse effect on our results of operations and cash flows. Further, when we place a loan on nonaccrual status, we reverse any accrued but unpaid interest receivable, which decreases interest income. Subsequently, we continue to have a cost to fund the loan, which is reflected as interest expense, without any interest income to offset the associated funding expense. Thus, an increase in the amount of nonperforming assets would have an adverse impact on net interest income.

Rising interest rates will result in a decline in value of any fixed rate mortgage loans that we hold on our balance sheet and any fixed-rate debt securities we may hold in an investment securities portfolio. The unrealized losses resulting from holding these securities would be recognized in other comprehensive income (loss) and reduce total stockholders' equity. Unrealized losses do not negatively impact our regulatory capital ratios; however, tangible common equity and the associated ratios would be reduced. See the section entitled "Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures" for a reconciliation of non-GAAP measures to their most comparable GAAP measures. If debt securities in an unrealized loss position are sold, such losses become realized and will reduce our regulatory capital ratios.

If interest rates decline for a prolonged period we could experience net interest margin compression as our interest earning assets could reprice downward while our interest-bearing liability rates could fail to decline in tandem. This could have an adverse effect on our net interest income and our results of operations.

If we do not effectively manage our credit risk, we may experience increased levels of delinquencies, nonperforming loans and charge-offs, which could require increases in our allowance for credit losses.

There are risks inherent in making any loan, including risks inherent in dealing with individual borrowers, risks of nonpayment, risks resulting from uncertainties as to the future value of collateral and cash flows available to service debt and risks resulting from changes in economic and market conditions. We cannot guarantee that our credit underwriting, credit monitoring, and risk management procedures will adequately reduce these credit risks, and they cannot be expected to completely eliminate our credit risks. If the overall economic climate in the United States, generally, or our market areas, specifically, declines, our

borrowers may experience difficulties in repaying their loans, and the level of nonperforming loans, charge-offs and delinquencies could rise and require further increases in the allowance for credit losses, which would cause our net income, return on equity and capital to decrease.

Nonperforming assets take significant time to resolve and adversely affect our financial condition and results of operations, and could result in further losses in the future.

Our nonperforming assets adversely affect our net income in various ways. We do not record interest income on nonaccrual loans or other real estate owned, thereby adversely affecting our net income and returns on assets and equity, increasing our loan administration costs and adversely affecting our efficiency ratio. When we take collateral in foreclosure and similar proceedings, we are required to mark the collateral to its then-fair market value, which may result in a loss. These nonperforming loans and other real estate owned also increase our risk profile and the level of capital our regulators believe is appropriate for us to maintain in light of such risks. The resolution of nonperforming assets requires significant time commitments from management and can be detrimental to the performance of their other responsibilities. If we experience increases in nonperforming loans and nonperforming assets, our net interest income may be negatively impacted and our loan administration costs could increase, each of which could have an adverse effect on our net income and related ratios, such as return on assets and equity.

As of September 30, 2024, our nonperforming loans (which consist of nonaccrual loans and loans past due 90 days or more and still accruing interest, including loans reported at fair value) totaled $79.9 million, or 1.68% of total loans, and our nonperforming assets (which include nonperforming loans and other real estate owned at September 30, 2024) totaled $81.9 million, or 1.52% of total assets. In addition, we had $32.8 million in accruing loans that were 31 – 89 days delinquent as of September 30, 2024.

We may be required to repurchase or substitute mortgage loans or MSRs that we have sold, or indemnify purchasers of our mortgage loans or MSRs.

We make representations and warranties to purchasers when we sell them a mortgage loan or an MSR, including in connection with securitizations. If a mortgage loan or MSR does not comply with the representations and warranties that we made with respect to it at the time of its sale, we could be required to repurchase the loan and/or indemnify secondary market purchasers for losses. If this occurs, we may have to bear any associated losses directly, as repurchased loans typically can only be resold at a steep discount to their repurchase price, if at all. We also may be subject to claims by purchasers for repayment of a portion of the premium we received from such purchaser on the sale of certain loans or MSRs if such loans or MSRs are repaid in their entirety within a specified time period after the sale of the loan. As of September 30, 2024, we accrued $2.5 million in expenses in connection with our reserve for repurchase and indemnification obligations. Actual repurchase and indemnification obligations could materially exceed the reserves we have recorded in our financial statements. Any significant repurchases, substitutions, indemnifications or premium recapture could be detrimental to our business.

Additionally, we may not be able to recover amounts from some third parties from whom we may seek indemnification or against whom we may assert a loan repurchase demand in connection with a breach of a representation or warranty due to financial difficulties or otherwise. As a result, we are exposed to counterparty risk in the event of non-performance by counterparties to our various contracts, including, without limitation, as a result of the rejection of an agreement or transaction in bankruptcy proceedings, which could result in substantial losses for which we may not have insurance coverage.

We engage in lending secured by real estate and may be forced to foreclose on the collateral and own the underlying real estate, subjecting us to the costs and potential risks associated with the ownership of real property, or consumer protection initiatives or changes in state or federal law may substantially raise the cost of foreclosure or prevent us from foreclosing at all.

Since we originate loans secured by real estate, we may have to foreclose on the collateral property to protect our investment and may thereafter own and operate such property, in which case we would be exposed to the risks inherent in the ownership of real estate. The amount that we, as a mortgagee, may realize after a foreclosure depends on factors outside of our control, including, but not limited to, general or local economic conditions assessments, interest rates, real estate tax rates, governmental and regulatory rules, and natural

disasters. Our inability to manage the amount of costs or size of the risks associated with the ownership of real estate, or write-downs in the value of other real estate owned could have an adverse effect on our business, financial condition and results of operations.

Additionally, consumer protection initiatives or changes in state or federal law may substantially increase the time and expenses associated with the foreclosure process or prevent us from foreclosing at all. A number of states in recent years have either considered or adopted foreclosure reform laws that make it substantially more difficult and expensive for lenders to foreclose on properties in default. Additionally, federal and state regulators have prosecuted or pursued enforcement action against a number of mortgage servicing companies for alleged consumer law violations. If new federal or state laws or regulations are ultimately enacted that significantly raise the cost of foreclosure or raise outright barriers to foreclosure, they could have an adverse effect on our business, financial condition and results of operations.

If we lose our ability to be a rated servicer, our business would be adversely affected.

We are currently rated by Fitch as a primary servicer. If we were to lose our servicer rating, our reputation would be adversely affected. Additionally, losing our servicer rating would inhibit us from servicing securitized mortgage loans, which would result in a decrease in our mortgage servicing revenue.

Our allowance for loan losses may prove to be insufficient to absorb potential losses in our loan portfolio.

We establish our allowance for loan losses and maintain it at a level that management considers adequate to absorb probable loan losses based on an analysis of our portfolio, the underlying health of our borrowers and general economic conditions. The allowance for loan losses represents our estimate of probable losses in the portfolio at each balance sheet date and is based upon relevant information available to us. The allowance contains provisions for probable losses that have been identified relating to specific borrowing relationships, as well as probable losses inherent in the loan portfolio and credit undertakings that are not specifically identified. Additions to the allowance for loan losses, which are charged to earnings through the allowance for credit losses, are determined based on a variety of factors, including an analysis of the loan portfolio, historical loss experience and an evaluation of current economic conditions in our market areas. The determination of the appropriate level of the allowance for loan losses is inherently subjective and requires us to make significant estimates and assumptions regarding current credit risks and future trends, all of which may undergo material changes. The actual amount of loan losses is affected by changes in economic, operating and other conditions within our markets, which may be beyond our control, and such losses may exceed current estimates.

As of September 30, 2024, our allowance for credit losses as a percentage of total loans HFI was 0.28% and as a percentage of total nonaccrual loans was 17.3%. Although management believes that the allowance for loan losses is adequate to absorb losses on any existing loans that may become uncollectible, we may be required to take additional provisions for loan losses in the future to further supplement the allowance for loan losses, either due to management’s decision to do so or because our banking regulators require us to do so. Our bank regulatory agencies will periodically review our allowance for loan losses and the value attributed to nonaccrual loans or to real estate acquired through foreclosure and may require us to adjust our determination of the value for these items. These adjustments may adversely affect our business, financial condition and results of operations.

We depend on the accuracy and completeness of information provided by customers and counterparties.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We also may rely on representations of customers and counterparties as to the accuracy and completeness of that information. In deciding whether to extend credit, we may rely upon our customers’ representations that their financial statements conform to GAAP and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. We also may rely on customer representations and certifications, or other audit or accountants’ reports, with respect to the business and financial condition of our clients. We employ various processes to verify the accuracy of information provided to us, such as independently pulling credit reports, IRS tax transcripts, asset verifications, property appraisals, and work history, but such processes may contain

limitations. Our financial condition, results of operations, financial reporting and reputation could be negatively affected if we rely on materially misleading, false, inaccurate or fraudulent information.

Our ability to maintain our reputation is critical to the success of our business, and the failure to do so may materially adversely affect our business and the value of our stock.

We are known nationally for mortgage origination, warehouse financing and mortgage servicing, and our reputation is one of the most valuable components of our business. As such, we strive to conduct our business in a manner that enhances our reputation. This is done, in part, by recruiting, hiring and retaining employees who share our core values of being an integral part of the communities we serve, delivering superior service to our customers and caring about our customers and employees. If our reputation is negatively affected, by the actions of our employees or otherwise, our business and, therefore, our operating results and the value of our stock may be materially adversely affected.

Technology disruptions or failures, including a failure in our operational or security systems or infrastructure, or those of third parties with whom we do business, could disrupt our business, cause legal or reputational harm and adversely impact our financial condition and results of operations.

We are dependent on the secure, efficient, and uninterrupted operation of our technology infrastructure, including computer systems, related software applications and data centers, as well as those of certain third parties and affiliates. Our websites and computer/telecommunication networks must accommodate a high volume of traffic and deliver frequently updated information, the accuracy and timeliness of which is critical to our business. Our technology must be able to facilitate a loan application experience that equals or exceeds the experience provided by our competitors. We have or may in the future experience service disruptions and failures caused by system or software failure, fire, power loss, telecommunications failures, team member misconduct, human error, computer hackers, computer viruses and disabling devices, malicious or destructive code, denial of service or information, as well as natural disasters, health pandemics and other similar events and our disaster recovery planning may not be sufficient for all situations. The implementation of technology changes and upgrades to maintain current and integrate new technology systems may also cause service interruptions. Any such disruption could interrupt or delay our ability to provide services to our clients and loan applicants, and could also impair the ability of third parties to provide critical services to us.

Additionally, the technology and other controls and processes we have created to help us identify misrepresented information in our loan origination operations were designed to obtain reasonable, not absolute, assurance that such information is identified and addressed appropriately. Accordingly, such controls may not have detected, and may fail in the future to detect, all misrepresented information in our loan origination operations. If our operations are disrupted or otherwise negatively affected by a technology disruption or failure, this could result in client dissatisfaction and damage to our reputation and brand, and material adverse impacts on our business. We do not carry business interruption insurance sufficient to compensate us for all losses that may result from interruptions in our service as a result of systems disruptions, failures and similar events.

Cyberattacks and other data and security breaches could result in serious harm to our reputation and adversely affect our business.

We are dependent on information technology networks and systems, including the internet, to securely collect, process, transmit and store electronic information. In the ordinary course of our business, we receive, process, retain and transmit proprietary information and sensitive or confidential data, including the public and non-public personal information of our team members, clients and loan applicants. Despite devoting significant time and resources to ensure the integrity of our information technology systems, we have not always been able to, and may not be able to in the future, anticipate or implement effective preventive measures against all security breaches or unauthorized access of our information technology systems or the information technology systems of third-party vendors that receive, process, retain and transmit electronic information on our behalf.

Security breaches, acts of vandalism, natural disasters, fire, power loss, telecommunication failures, team member misconduct, human error and developments in computer intrusion capabilities could result in

a compromise or breach of the technology that we or our third-party vendors use to collect, process, retain, transmit and protect the personal information and transaction data of our team members, clients and loan applicants. Similar events outside of our control can also affect the demands we and our vendors may make to respond to any security breaches or similar disruptive events. We invest in industry-standard security technology designed to protect our data and business processes against risk of a data security breach and cyberattack. Our data security management program includes identity, trust, vulnerability and threat management business processes as well as the adoption of standard data protection policies. We measure our data security effectiveness through industry-accepted methods and remediate significant findings. The technology and other controls and processes designed to secure our team member, client and loan applicant information and to prevent, detect and remedy any unauthorized access to that information were designed to obtain reasonable, but not absolute, assurance that such information is secure and that any unauthorized access is identified and addressed appropriately. Such controls have not always detected, and may in the future fail to prevent or detect, unauthorized access to our team member, client and loan applicant information.

The techniques used to obtain unauthorized, improper or illegal access to our systems and those of our third-party vendors, our data, our team members', clients' and loan applicants' data or to disable, degrade or sabotage service are constantly evolving, and have become increasingly complex and sophisticated. Furthermore, such techniques change frequently and are often not recognized or detected until after they have been launched, and therefore, we may be unable to anticipate these techniques and may not become aware in a timely manner of such a security breach, which could exacerbate any damage we experience. Security attacks can originate from a wide variety of sources, including third parties such as computer hackers, persons involved with organized crime or associated with external service providers, or foreign state or foreign state-supported actors. Those parties may also attempt to fraudulently induce team members, clients and loan applicants or other users of our systems to disclose sensitive information in order to gain access to our data or that of our team members, clients and loan applicants.

Cybersecurity risks for lenders have significantly increased in recent years, in part, because of the proliferation of new technologies, the use of the internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of computer hackers, organized crime, terrorists, and other external parties, including foreign state actors. We, our clients and loan applicants, regulators and other third parties have been subject to, and are likely to continue to be the target of, cyberattacks. These cyberattacks could include computer viruses, malicious or destructive code, phishing attacks, denial of service or information, improper access by team members or third-party vendors or other security breaches that have or could in the future result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of ours, our team members, our clients and loan applicants or of third parties, or otherwise materially disrupt our or our clients' and loan applicants' or other third parties' network access or business operations.

Additionally, cyberattacks on local and state government databases and offices, including the rising trend of ransomware attacks, expose us to the risk of losing access to critical data and the ability to provide services to our clients. These attacks can cause havoc and have at times led title insurance underwriters to prohibit us from issuing policies, and to suspend closings, on properties located in the affected counties or states.

Any penetration of our or our third-party vendors' information technology systems, network security, mobile devices or other misappropriation or misuse of personal information of our team members, clients or loan applicants, including wire fraud, phishing attacks and business e-mail compromise, could cause interruptions in the operations of our businesses, financial loss to our clients or loan applicants, damage to our computers or operating systems and to those of our clients, loan applicants and counterparties, and subject us to increased costs, litigation, disputes, damages, and other liabilities. In addition, the foregoing events could result in violations of applicable privacy and other laws. If this information is inappropriately accessed and used by a third party or a team member for illegal purposes, such as identity theft, we may be responsible to the affected individuals for any losses they may have incurred as a result of misappropriation. In such an instance, we may also be subject to regulatory action, investigation or liable to a governmental authority for fines or penalties associated with a lapse in the integrity and security of our team members', clients' and loan applicants' information. We may be required to expend significant capital and other resources

to protect against and remedy any potential or existing security breaches and their consequences. In addition, our remediation efforts may not be successful and we may not have adequate insurance to cover these losses.

Security breaches could also significantly damage our reputation with existing and prospective clients and third parties with whom we do business. Any publicized security problems affecting our businesses and/or those of such third parties may negatively impact the market perception of our products and discourage clients from doing business with us. These risks may increase in the future as we continue to increase our reliance on the internet and use of web-based product offerings and on the use of cybersecurity.

We may not be able to make technological improvements as quickly as demanded by our customers, which could harm our ability to attract customers and adversely affect our financial condition, results of operations, and liquidity.

The financial services industry is undergoing rapid technological changes, with frequent introductions of new technology-driven products and services. The effective use of technology increases efficiency and enables financial and lending institutions to better serve clients and reduce costs. Our future success will depend, in part, upon our ability to address the needs of our clients by using technology, such as mobile and online services, to provide products and services that will satisfy client demands for convenience, as well as to create additional efficiencies in our operations. We may not be able to effectively implement new technology-driven products and services as quickly as competitors or be successful in marketing these products and services to our clients. Failure to successfully keep pace with technological change affecting the financial services industry could harm our ability to attract customers and adversely affect our financial condition, results of operations, and liquidity.

Our products use software, hardware and services that may be difficult to replace or cause errors or failures of our products that could adversely affect our business.

In addition to our custom-curated and proprietary software, we license third-party software, utilize third-party hardware and depend on services from various third parties for use in our products. In the future, this software or these services may not be available to us on commercially reasonable terms, or at all. Any loss of the right to use any of the software or services could result in decreased functionality of our products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated, which could adversely affect our business. In addition, any errors or defects in or failures of the software or services we rely on, whether maintained by us or by third parties, could result in errors or defects in our products or cause our products to fail, which could adversely affect our business and be costly to correct. Many of our third-party providers attempt to impose limitations on their liability for such errors, defects or failures, and if enforceable, we may have additional liability to our clients or to other third parties that could harm our reputation and increase our operating costs. We will need to maintain our relationships with third-party software and service providers and to obtain software and services from such providers that do not contain any errors or defects. Any failure to do so could adversely affect our ability to deliver effective products to our clients and loan applicants and adversely affect our business.

We could be adversely affected if we inadequately obtain, maintain, protect and enforce our intellectual property and proprietary rights and may encounter disputes from time to time relating to our use of the intellectual property of third parties.

Trademarks and other intellectual property and proprietary rights are important to our success and our competitive position. We rely on a combination of trademarks, service marks, copyrights, trade secrets and domain names, as well as confidentiality procedures and contractual provisions to protect our intellectual property and proprietary rights. Despite these measures, third parties may attempt to disclose, obtain, copy or use intellectual property rights owned or licensed by us and these measures may not prevent misappropriation, infringement, reverse engineering or other violation of intellectual property or proprietary rights owned or licensed by us, particularly in foreign countries where laws or enforcement practices may not protect our proprietary rights as fully as in the United States. Furthermore, confidentiality procedures and contractual provisions can be difficult to enforce and, even if successfully enforced, may not be entirely effective. In addition, we cannot guarantee that we have entered into confidentiality agreements with all

team members, partners, independent contractors or consultants that have or may have had access to our trade secrets and other proprietary information. Any issued or registered intellectual property rights owned by or licensed to us may be challenged, invalidated, held unenforceable or circumvented in litigation or other proceedings, including re-examination, inter partes review, post-grant review, interference and derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings), and such intellectual property rights may be lost or no longer provide us meaningful competitive advantages. Third parties may also independently develop products, services and technology similar to or duplicative of our products and services.

In order to protect our intellectual property rights, we may be required to spend significant resources. Litigation brought to protect and enforce our intellectual property rights could be costly, time consuming and could result in the diversion of time and attention of our management team and could result in the impairment or loss of portions of our intellectual property. Furthermore, attempts to enforce our intellectual property rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against us, or result in a holding that invalidates or narrows the scope of our rights, in whole or in part. Our failure to secure, maintain, protect and enforce our intellectual property rights could adversely affect our brands and adversely impact our business.

Our success and ability to compete also depends in part on our ability to operate without infringing, misappropriating or otherwise violating the intellectual property or proprietary rights of third parties. We may in the future encounter, disputes from time to time concerning intellectual property rights of others, including our competitors, and we may not prevail in these disputes. Third parties may raise claims against us alleging an infringement, misappropriation or other violation of their intellectual property rights, including trademarks, copyrights, patents, trade secrets or other intellectual property or proprietary rights. Some third-party intellectual property rights may be extremely broad, and it may not be possible for us to conduct our operations in such a way as to avoid all alleged infringements, misappropriations or other violations of such intellectual property rights. In addition, former employers of our current, former or future team members may assert claims that such team members have improperly disclosed to us the confidential or proprietary information of these former employers. The resolution of any such disputes or litigations is difficult to predict. Future litigation may also involve non-practicing entities or other intellectual property owners who have no relevant product offerings or revenue and against whom our ownership of intellectual property may therefore provide little or no deterrence or protection. An assertion of an intellectual property infringement, misappropriation or other violation claim against us may result in adverse judgments, settlement on unfavorable terms or cause us to spend significant amounts to defend the claim, even if we ultimately prevail and we may have to pay significant money damages, lose significant revenues, be prohibited from using the relevant systems, processes, technologies or other intellectual property (temporarily or permanently), cease offering certain products or services, or incur significant license, royalty or technology development expenses. Even in instances where we believe that claims and allegations of intellectual property infringement, misappropriation or other violation against us are without merit, defending against such claims could be costly, time consuming and could result in the diversion of time and attention of our management team. In addition, although in some cases a third party may have agreed to indemnify us for such infringement, misappropriation or other violation, such indemnifying party may refuse or be unable to uphold its contractual obligations. In other cases, our insurance may not cover potential claims of this type adequately or at all, and we may be required to pay monetary damages, which may be significant.

We are, and intend to continue, developing new products and services, and our failure to accurately predict their demand or growth could have an adverse effect on our business.

We are, and intend in the future to continue, investing significant resources in developing new tools, features, services, products and other offerings. New initiatives are inherently risky, as each involves unproven business strategies and new products and services with which we have limited or no prior development or operating experience. Risks from our innovative initiatives include those associated with potential defects in the design and development of the technologies used to automate processes, misapplication of technologies, the reliance on data that may prove inadequate, and failure to meet client expectations, among others. As a result of these risks, we could experience increased claims, reputational damage or other adverse effects, which could be material. Additionally, we can provide no assurance that we will be able to develop, commercially market and achieve acceptance of our new products and services. In addition, our investment

of resources to develop new products and services may either be insufficient or result in expenses that are excessive in light of revenue actually originated from these new products and services.

The profile of potential clients using our new products and services may not be as attractive as the profile of the clients that we currently serve, which may lead to higher levels of delinquencies or defaults than we have historically experienced. Failure to accurately predict demand or growth with respect to our new products and services could have an adverse impact on our business, and there is always risk that these new products and services will be unprofitable, will increase our costs or will decrease our operating margins or take longer than anticipated to achieve target margins. Further, our development efforts with respect to these initiatives could distract management from current operations and could divert capital and other resources from our existing business. If we do not realize the expected benefits of our investments, our business may be harmed.

New lines of business, products, product enhancements or services may subject us to additional risk.

From time to time, we may implement new lines of business or offer new products and product enhancements as well as new services within our existing lines of business. There are substantial risks and uncertainties associated with these efforts. In developing, implementing or marketing new lines of business, products, product enhancements or services, we may invest significant time and resources. We may underestimate the appropriate level of resources or expertise necessary to make new lines of business or products successful or to realize their expected benefits. We may not achieve the milestones set in initial timetables for the development and introduction of new lines of business, products, product enhancements or services, and price and profitability targets may not prove feasible. External factors, such as compliance with regulations, competitive alternatives and shifting market preferences, may also impact the ultimate implementation of a new line of business or offerings of new products, product enhancements or services. Any new line of business, product, product enhancement or service could have a significant impact on the effectiveness of our system of internal controls. We may also decide to discontinue businesses or products, due to lack of customer acceptance or unprofitability. Failure to successfully manage these risks in the development and implementation of new lines of business or offerings of new products, product enhancements or services could have an adverse effect on our business, financial condition and results of operations.

We depend on our ability to sell loans in the secondary market to a limited number of investors and to the GSEs, and to securitize our loans into MBS through the GSEs. If our ability to sell or securitize mortgage loans is impaired, whether as a result of regulatory action or otherwise, the volume of mortgage loans that we are able to originate will be reduced.

A substantial portion of our loan originations are sold into the secondary market. We sell whole loans and loans securitized into MBS through Fannie Mae, Freddie Mac and Ginnie Mae. Loans originated outside of Fannie Mae, Freddie Mac, and the guidelines of the Federal Housing Administration, U.S Department of Agriculture, or VA (for loans securitized with Ginnie Mae) are sold to private investors and mortgage conduits.

The gain recognized from sales in the secondary market represents a significant portion of our revenues and net earnings. A decrease in the prices paid to us upon sale of our loans could be detrimental to our business, as we are dependent on the cash generated from such sales to fund our future loan closings and repay borrowings under our loan funding facilities. If it is not possible or economical for us to complete the sale or securitization of certain of our loans held for sale, we may lack liquidity to continue to fund such loans and our revenues and margins on new loan originations could be materially and negatively impacted. The severity of the impact would be most significant to the extent we were unable to sell conforming home loans to the GSEs or securitize such loans pursuant to the GSEs and government agency-sponsored programs.

Further, there may be delays in our ability to sell future mortgage loans which we originate, or there may be a market shift that causes buyers of our non-GSE products to reduce their demand for such products. These market shifts can be caused by factors outside of our control that affect investor appetite for such non-GSE products. To the extent that happens, we could need to reduce our origination volume. Delays in the

sale of mortgage loans also increases our exposure to market risks, which could adversely affect our profitability on sales of loans. Any such delays or failure to sell loans could be detrimental to our business.

Our hedging strategies may not be successful in mitigating our risks associated with changes in interest rates.

Our profitability is directly affected by changes in interest rates. The market value of closed loans held for sale and interest rate locks generally change along with interest rates. The value of such assets moves opposite of interest rate changes. For example, as interest rates rise, the value of existing mortgage assets falls.

We employ various economic hedging strategies to mitigate the interest rate and the anticipated loan financing probability or "pull-through risk" inherent in such mortgage assets. Our use of these hedge instruments may expose us to counterparty risk as they are not traded on regulated exchanges or guaranteed by an exchange or its clearinghouse and, consequently, there may not be the same level of protections with respect to margin requirements and positions and other requirements designed to protect both us and our counterparties. Furthermore, the enforceability of agreements underlying hedging transactions may depend on compliance with applicable statutory, commodity and other regulatory requirements and, depending on the domicile of the counterparty, applicable international requirements. Consequently, if a counterparty fails to perform under a derivative agreement, we could incur a significant loss.

Our hedge instruments are accounted for as free-standing derivatives and are included on our consolidated balance sheet at fair market value. Our operating results could be negatively affected because the losses on the hedge instruments we enter into may not be offset by a change in the fair value of the related hedged transaction.

Our hedging strategies also require us to provide cash margin to our hedging counterparties from time to time. Financial Industry Regulatory Authority, Inc. ("FINRA") requires us to provide daily cash margin to (or receive daily cash margin from, depending on the daily value of related MBS) our hedging counterparties from time to time. The collection of daily margins between us and our hedging counterparties could, under certain MBS market conditions, adversely affect our short-term liquidity and cash-on-hand. Additionally, our hedge instruments may expose us to counterparty risk — the possibility that a loss may occur from the failure of another party to perform in accordance with the terms of the contract, which loss exceeds the value of existing collateral, if any.

Our hedging activities in the future may include entering into interest rate swaps, caps and floors, options to purchase these items, purchasing or selling U.S. Treasury securities, and/or other tools and strategies. These hedging decisions will be determined in light of the facts and circumstances existing at the time and may differ from our current hedging strategy. These hedging strategies may be less effective than our current hedging strategies in mitigating the risks described above, which could adversely affect our business and financial condition.

The accuracy of our financial statements and related disclosures could be affected if the judgments, assumptions or estimates used in our critical accounting policies are inaccurate.

The preparation of financial statements and related disclosures in conformity with GAAP requires us to make judgments, assumptions and estimates that affect the amounts reported in our consolidated financial statements and accompanying notes. Our critical accounting policies, which are included in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this prospectus, describe those significant accounting policies and methods used in the preparation of our consolidated financial statements that we consider "critical" because they require judgments, assumptions and estimates that materially affect our consolidated financial statements and related disclosures. As a result, if future events or regulatory views concerning such analysis differ significantly from the judgments, assumptions and estimates in our critical accounting policies, those events or assumptions could have a material impact on our consolidated financial statements and related disclosures, in each case resulting in our needing to revise or restate prior period financial statements, cause damage to our reputation and the price of our common stock, and adversely affect our business, financial condition and results of operations.

A portion of our assets are measured at fair value. Fair value determinations require many assumptions and complex analyses, and we cannot control many of the underlying factors. If our estimates prove to be incorrect, we may be required to write down the value of such assets, which could adversely affect our earnings, financial condition and liquidity.

We measure the fair value of our mortgage loans held for sale, derivatives, interest rate lock commitments ("IRLCs") and MSRs on a recurring basis and we measure the fair value of other assets, such as certain mortgage loans HFI, certain impaired loans and other real estate owned, on a nonrecurring basis. Fair value determinations require many assumptions and complex analyses, especially to the extent there are not active markets for identical assets. For example, we generally estimate the fair value of loans held for sale based on quoted market prices for securities backed by similar types of loans. If quoted market prices are not available, fair value is estimated based on other relevant factors, including dealer price quotations and prices available for similar instruments, to approximate the amounts that would be received from a third party. In addition, the fair value of IRLCs are measured based upon the difference between the current fair value of similar loans (as determined generally for mortgages held for sale) and the price at which we have committed to originate the loans, subject to the anticipated loan financing probability, or pull-through factor (which is both significant and highly subjective).

Further, MSRs do not trade in an active market with readily observable prices and therefore, their fair value is determined using a valuation model that calculates the present value of estimated net future cash flows, using estimates of prepayment speeds, discount rate, cost to service, float earnings, contractual servicing fee income and ancillary income, and late fees.

If our estimates of fair value prove to be incorrect, we may be required to write down the value of such assets, which could adversely affect our financial condition and results of operations.

Because accounting rules for valuing certain assets and liabilities are highly complex and involve significant judgment and assumptions, these complexities could lead to a delay in preparation of financial information and the delivery of this information to our stockholders and also increase the risk of errors and restatements, as well as the cost of compliance.

We are dependent on the use of data and modeling in our management's decision-making, and faulty data or modeling approaches could negatively impact our decision-making ability or possibly subject us to regulatory scrutiny in the future.

The use of statistical and quantitative models and other quantitative analyses is critical to bank decision-making, and the employment of such analyses is becoming increasingly widespread in our operations. Liquidity stress testing, interest rate sensitivity analysis, and the identification of possible violations of anti-money laundering regulations are all examples of areas in which we are dependent on models and the data that underlies them. The use of statistical and quantitative models is also becoming more prevalent in regulatory compliance. While we are not currently subject to annual Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") stress testing (DFAST) and the Comprehensive Capital Analysis and Review (CCAR) submissions, we anticipate that model-derived testing may become more extensively implemented by regulators in the future. We anticipate data-based modeling will penetrate further into bank decision-making, particularly risk management efforts, as the capacities developed to meet rigorous stress testing requirements are able to be employed more widely and in differing applications. While we believe these quantitative techniques and approaches improve our decision-making, they also create the possibility that faulty data or flawed quantitative approaches could negatively impact our decision-making ability or, if we become subject to regulatory stress-testing in the future, it could result in adverse regulatory scrutiny. Secondarily, because of the complexity inherent in these approaches, misunderstanding or misuse of their outputs could similarly result in suboptimal decision-making.

Our success is largely dependent upon our ability to successfully execute our business strategy.

There can be no assurance that we will be able to continue to grow and to remain profitable in future periods, or, if profitable, that our overall earnings will remain consistent with our prior results of operations, or increase in the future. A downturn in economic conditions in our market, particularly in the real estate market, heightened competition from other financial services providers, an inability to retain or grow our core

deposit base, regulatory and legislative considerations, and failure to attract and retain high-performing talent, among other factors, could limit our ability to grow assets, or increase profitability, as rapidly as we have in the past. Sustainable growth requires that we manage our risks by following prudent loan underwriting standards, balancing loan and deposit growth without materially increasing interest rate risk or compressing our net interest margin, maintaining more than adequate capital at all times, managing a growing number of customer relationships, scaling technology platforms, hiring and retaining qualified employees and successfully implementing our strategic initiatives. We must also successfully implement improvements to, or integrate, our management information and control systems, procedures and processes in an efficient and timely manner and identify deficiencies in existing systems and controls. In particular, our controls and procedures must be able to accommodate an increase in loan volume in various markets and the infrastructure that comes with expanding operations, including new branches. Our growth strategy may require us to incur additional expenditures to expand our administrative and operational infrastructure. If we are unable to effectively manage and grow our banking platform, we may experience compliance and operational problems, have to slow the pace of growth, or have to incur additional expenditures beyond current projections to support such growth. We may not have, or may not be able to develop, the knowledge or relationships necessary to be successful in new markets. Our failure to sustain our historical rate of growth, adequately manage the factors that have contributed to our growth or successfully enter new markets could have an adverse effect on our earnings and profitability and, therefore on our business, financial condition and results of operations.

We are highly dependent on our management team, and the loss of our senior executive officers or other key employees could harm our ability to implement our strategic plan, impair our relationships with customers and adversely affect our business, results of operations and growth prospects.

Our success is dependent, to a large degree, upon the continued service and skills of our executive management team.

Our business and growth strategies are built primarily upon our ability to retain employees with experience and business relationships within their respective market areas. We seek to manage the continuity of our executive management team through regular succession planning. As part of such succession planning, other executives and high performing individuals have been identified and are provided certain training in order to be prepared to assume particular management roles and responsibilities in the event of the departure of a member of our executive management team. However, the loss of any of our other key personnel could have an adverse impact on our business and growth because of their skills, years of industry experience, and knowledge of our market areas, our failure to develop and implement a viable succession plan, the difficulty of finding qualified replacement personnel, or any difficulties associated with transitioning of responsibilities to any new members of the executive management team. While our mortgage originators and loan officers are generally subject to non-solicitation provisions as part of their employment, our ability to enforce such agreements may not fully mitigate the injury to our business from the breach of such agreements, as such employees could leave us and immediately begin soliciting our customers. The departure of any of our personnel who are not subject to enforceable non-competition agreements could have a material adverse impact on our business, results of operations and growth prospects.

Our operations could be interrupted if our third-party service providers experience difficulty, terminate their services or fail to comply with banking regulations.

We depend to a significant extent on a number of relationships with third-party service providers. Specifically, we receive core systems processing, essential web hosting and other internet systems, deposit processing and other processing services from third-party service providers. If these third-party service providers experience difficulties or terminate their services and we are unable to replace them with other service providers, our operations could be interrupted. If an interruption were to continue for a significant period of time, our business, financial condition and results of operations could be adversely affected, perhaps materially. Even if we are able to replace them, it may be at a higher cost to us, which could adversely affect our business, financial condition and results of operations.

We are subject to certain operational risks, including, but not limited to, customer or employee fraud and data processing system failures and errors.

Employee errors and employee and/or customer misconduct could subject us to financial losses or regulatory sanctions and seriously harm our reputation or financial performance. Misconduct by our

employees could include, but is not limited to, hiding unauthorized activities from us, improper or unauthorized activities on behalf of our customers or improper use of confidential information. It is not always possible to prevent employee errors and misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases. Employee errors could also subject us to financial claims for negligence.

We maintain a system of internal controls and insurance coverage to mitigate against operational risks, including data processing system failures and errors and customer or employee fraud. If our internal controls fail to prevent or detect an occurrence, or if any resulting loss is not insured or exceeds applicable insurance limits, it could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to overcome the integration and other risks associated with any future acquisitions, which could have an adverse effect on our ability to implement our business strategy.

Although we plan to continue to grow our business organically, we may pursue acquisition opportunities that we believe complement our activities and have the ability to enhance our profitability and provide attractive risk-adjusted returns. Our future acquisition activities could be material to our business and involve a number of risks, including the following:

- intense competition from other banking organizations and other acquirers for potential merger candidates;
- market pricing for desirable acquisitions resulting in returns that are less attractive than we have traditionally sought to achieve;
- incurring time and expense associated with identifying and evaluating potential acquisitions and negotiating potential transactions, resulting in our attention being diverted from the operation of our existing business;
- using inaccurate estimates and judgments to evaluate credit, operations, management and market risks with respect to the target institution or assets;
- potential exposure to unknown or contingent liabilities of banks and businesses we acquire, including consumer compliance issues;
- the time and expense required to integrate the operations and personnel of the combined businesses;
- experiencing higher operating expenses relative to operating income from the new operations;
- losing key employees and customers;
- reputational issues if the target's management does not align with our culture and values;
- significant problems relating to the conversion of the financial and customer data of the target;
- integration of acquired customers into our financial and customer product systems;
- risks of impairment to goodwill; or
- regulatory timeframes for review of applications may limit the number and frequency of transactions we may be able to consummate.

Depending on the condition of any institution or assets or liabilities that we may acquire, that acquisition may, at least in the near term, adversely affect our capital and earnings and, if not successfully integrated with our organization, may continue to have such effects over a longer period. We may not be successful in overcoming these risks or any other problems encountered in connection with pending or potential acquisitions, and any acquisition we may consider will be subject to prior regulatory approval. Our inability to overcome these risks could have an adverse effect on our ability to implement our business strategy, which, in turn, could have an adverse effect on our business, financial condition and results of operations.

We may need to raise additional capital in the future, and if we fail to maintain sufficient capital, whether due to losses, an inability to raise additional capital or otherwise, our liquidity, financial condition, and results of operations, as well as our ability to maintain regulatory compliance, would be adversely affected.

We face significant capital and other regulatory requirements as a financial institution. Although management believes that funds raised in this offering will be sufficient to fund operations and growth

initiatives for at least the next 18 to 24 months based on our estimated future operations, we may need to raise additional capital in the future to provide us with sufficient capital resources and liquidity to meet our commitments and business needs, which could include the possibility of financing acquisitions. In addition, we, on a consolidated basis, and our Bank, on a stand-alone basis, must meet certain regulatory capital requirements and maintain sufficient liquidity. Importantly, regulatory capital requirements could increase from current levels, which could require us to raise additional capital or contract our operations. Our ability to raise additional capital depends on conditions in the capital markets, economic conditions and a number of other factors, including investor perceptions regarding the banking industry, market conditions and governmental activities, and on our financial condition and performance. Accordingly, we cannot assure you that we will be able to raise additional capital if needed or on terms acceptable to us. If we fail to maintain capital to meet regulatory requirements, our liquidity, financial condition, and results of operations would be materially and adversely affected.

Changes in accounting standards could materially impact our financial statements.

From time to time, the Financial Accounting Standards Board or the SEC may change the financial accounting and reporting standards that govern the preparation of our financial statements. Such changes may result in us being subject to new or changing accounting and reporting standards. In addition, the bodies that interpret the accounting standards (such as banking regulators or outside auditors) may change their interpretations or positions on how these standards should be applied. These changes may be beyond our control, can be hard to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retrospectively, or apply an existing standard differently, also retrospectively, in each case resulting in our needing to revise or restate prior period financial statements. Additionally, as an emerging growth company we intend to take advantage of extended transition periods for complying with new or revised accounting standards affecting public companies.

Litigation and regulatory actions, including possible enforcement actions, could subject us to significant fines, penalties, judgments or other requirements resulting in increased expenses or restrictions on our business activities.

In the normal course of business, from time to time, we have in the past and may in the future be named as a defendant in various legal actions, arising in connection with our current and/or prior business activities. Legal actions could include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. Further, in the future our regulators may impose consent orders, civil money penalties, matters requiring attention, or similar types of supervisory criticism. We may also, from time to time, be the subject of subpoenas, requests for information, reviews, investigations and proceedings (both formal and informal) by governmental agencies regarding our current and/or prior business activities. Any such legal or regulatory actions may subject us to substantial compensatory or punitive damages, significant fines, penalties, obligations to change our business practices or other requirements resulting in increased expenses, diminished income and damage to our reputation. Our involvement in any such matters, whether tangential or otherwise and even if the matters are ultimately determined in our favor, could also cause significant harm to our reputation and divert management attention from the operation of our business. Further, any settlement, consent order or adverse judgment in connection with any formal or informal proceeding or investigation by government agencies may result in litigation, investigations or proceedings as other litigants and government agencies begin independent reviews of the same activities. As a result, the outcome of legal and regulatory actions could have an adverse effect on our business, results of operations and results of operations.

Severe weather, natural disasters, pandemics, acts of war or terrorism or other external events could significantly impact our business.

Severe weather, natural disasters, widespread disease or pandemics, acts of war or terrorism or other adverse external events could have a significant impact on our ability to conduct business. In addition, such events could affect the stability of our deposit base, impair the value of collateral securing loans, cause significant property damage, result in loss of revenue or cause us to incur additional expenses. The occurrence of any of these events in the future could have a material adverse effect on our business, financial condition or results of operations.

Risks Related to Our Industry and Regulation

Our industry is highly regulated, and the regulatory framework, together with any future legislative or regulatory changes, may have a materially adverse effect on our operations.

The banking industry is highly regulated and supervised under both federal and state laws and regulations that are intended primarily for the protection of depositors, customers, the public, the banking system as a whole or the FDIC Deposit Insurance Fund not for the protection of our stockholders and creditors. We are subject to regulation and supervision by the Federal Reserve, and our Bank is subject to regulation and supervision by the FDIC and the Michigan Department of Insurance and Financial Services (the "DIFS"). Compliance with these laws and regulations can be difficult and costly, and changes to laws and regulations can impose additional compliance costs. The Dodd-Frank Act, which imposed significant regulatory and compliance changes on financial institutions, is an example of this type of federal law. The laws and regulations applicable to us govern a variety of matters, including permissible types, amounts and terms of loans and investments we may make, the maximum interest rate that may be charged, the amount of reserves we must hold against deposits we take, the types of deposits we may accept and the rates we may pay on such deposits, maintenance of adequate capital and liquidity, changes in control of us and our Bank, transactions between us and our Bank, handling of nonpublic information, restrictions on dividends and establishment of new offices. We must obtain approval from our regulators before engaging in certain activities, and there is risk that such approvals may not be granted, either in a timely manner or at all. These requirements may constrain our operations, and the adoption of new laws and changes to or repeal of existing laws may have an adverse effect on our business, financial condition and results of operations. Also, the burden imposed by those federal and state regulations may place banks in general, including our Bank in particular, at a competitive disadvantage compared to their non-bank competitors. Compliance with current and potential regulation, as well as supervisory scrutiny by our regulators, may significantly increase our costs, impede the efficiency of our internal business processes, require us to increase our regulatory capital, and limit our ability to pursue business opportunities in an efficient manner by requiring us to expend significant time, effort and resources to ensure compliance and respond to any regulatory inquiries or investigations. Our failure to comply with any applicable laws or regulations, or regulatory policies and interpretations of such laws and regulations, could result in sanctions by regulatory agencies, civil money penalties or damage to our reputation, all of which could have an adverse effect on our business, financial condition and results of operations.

Applicable laws, regulations, interpretations, enforcement policies and accounting principles have been subject to significant changes in recent years, and may be subject to significant future changes. Additionally, federal and state regulatory agencies may change the manner in which existing regulations are applied. We cannot predict the substance or effect of pending or future legislation or regulation or changes to the application of laws and regulations to us. Future changes may have an adverse effect on our business, financial condition and results of operations.

In addition, given the current economic and financial environment, regulators may elect to alter standards or the interpretation of the standards used to measure regulatory compliance or to determine the adequacy of liquidity, risk management or other operational practices for financial service companies in a manner that impacts our ability to implement our strategy and could affect us in substantial and unpredictable ways, and could have an adverse effect on our business, financial condition and results of operations. Furthermore, the regulatory agencies have broad discretion in their interpretation of laws and regulations and their assessment of the quality of our loan portfolio, securities portfolio and other assets. Based on our regulators' assessment of the quality of our assets, operations, lending practices, investment practices, capital structure or other aspects of our business, we may be required to take additional charges or undertake, or refrain from taking, actions that could have an adverse effect on our business, financial condition and results of operations.

Monetary policies and regulations of the Federal Reserve could have an adverse effect on our business, financial condition and results of operations.

Our earnings and growth are affected by the policies of the Federal Reserve. An important function of the Federal Reserve is to regulate the money supply and credit conditions. Among the instruments used by

the Federal Reserve to implement these objectives are open market purchases and sales of U.S. government securities, adjustments of the discount rate and changes in banks' reserve requirements against bank deposits. These instruments are used in varying combinations to influence overall economic growth and the distribution of credit, bank loans, investments and deposits. Their use also affects interest rates charged on loans or paid on deposits.

The monetary policies and regulations of the Federal Reserve have had a significant effect on the operating results of commercial banks in the past and are expected to continue to do so in the future. The effects of such policies upon our business, financial condition and results of operations cannot be predicted.

Federal and state regulators periodically examine our business and may require us to remediate adverse examination findings or may take enforcement action against us.

The Federal Reserve, the FDIC and the DIFS periodically examine our business, including our compliance with laws and regulations. If, as a result of an examination, the Federal Reserve, the FDIC, or the DIFS were to determine that our financial condition, capital resources, asset quality, earnings prospects, management, liquidity or other aspects of any of our operations had become unsatisfactory, or that we were in violation of any law or regulation, they may take a number of different remedial actions as they deem appropriate. These actions may include requiring us to remediate any such adverse examination findings.

In addition, these agencies have the power to take enforcement action against us to enjoin "unsafe or unsound" practices, to require affirmative action to correct any conditions resulting from any violation of law or regulation or unsafe or unsound practice, to issue an administrative order that can be judicially enforced, to direct an increase in our capital, to direct the sale of subsidiaries or other assets, to limit dividends and distributions, to restrict our growth, to assess civil money penalties against us or our officers or directors, to remove officers and directors and, if it is concluded that such conditions cannot be corrected or there is imminent risk of loss to depositors, to terminate our deposit insurance and place our Bank into receivership or conservatorship. Any regulatory enforcement action against us could have an adverse effect on our business, financial condition and results of operations.

We are subject to stringent capital requirements, which could have an adverse effect on our operations.

Federal regulations establish minimum capital requirements for insured depository institutions, including minimum risk-based capital and leverage ratios, and defines "capital" for calculating these ratios. The capital rules require bank holding companies and banks to maintain a common equity Tier 1 capital to risk-weighted assets ratio of at least 7.0% (a minimum of 4.5% plus a capital conservation buffer of 2.5%), a Tier 1 capital to risk-weighted assets ratio of at least 8.5% (a minimum of 6.0% plus a capital conservation buffer of 2.5%), a total capital to risk-weighted assets ratio of at least 10.5% (a minimum of 8% plus a capital conservation buffer of 2.5%), and a leverage ratio of Tier 1 capital to total consolidated assets of at least 4.0%. An institution's failure to exceed the capital conservation buffer with common equity Tier 1 capital would result in limitations on an institution's ability to make capital distributions and discretionary bonus payments. In addition, for an insured depository institution to be "well-capitalized" under the banking agencies' prompt corrective action framework, it must have a common equity Tier 1 capital ratio of at least 6.5%, Tier 1 capital ratio of at least 8.0%, a total capital ratio of at least 10.0%, and a leverage ratio of at least 5.0%, and must not be subject to any written agreement, order or capital directive, or prompt corrective action directive issued by its primary federal or state banking regulator to meet and maintain a specific capital level for any capital measure.

Any new or revised standards adopted in the future may require us to maintain materially more capital, with common equity as a more predominant component, or manage the configuration of our assets and liabilities to comply with formulaic capital requirements. We may not be able to raise additional capital at all, or on terms acceptable to us. Failure to maintain capital to meet current or future regulatory requirements could have an adverse effect on our business, financial condition and results of operations.

We are subject to numerous laws designed to protect consumers, including the CRA and fair lending laws, and failure to comply with these laws could lead to a wide variety of sanctions.

The CRA, the Equal Credit Opportunity Act, the Fair Housing Act and other fair lending laws and regulations prohibit discriminatory lending practices by financial institutions. The U.S. Department of

Justice, federal banking agencies, and other federal agencies are responsible for enforcing these laws and regulations. A challenge to an institution's compliance with fair lending laws and regulations could result in a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisitions activity, restrictions on expansion, and restrictions on entering new business lines. Private parties may also challenge an institution's performance under fair lending laws in private class action litigation. Such actions could have a material adverse effect on our business, growth prospects, financial condition, and results of operations.

Additionally, the Consumer Financial Protection Board (the "CFPB") was created under the Dodd-Frank Act to centralize responsibility for consumer financial protection with broad rulemaking authority to administer and carry out the purposes and objectives of federal consumer financial laws with respect to all financial institutions that offer financial products and services to consumers. The CFPB is also authorized to prescribe rules applicable to any covered person or service provider, identifying and prohibiting acts or practices that are "unfair, deceptive, or abusive" in connection with any transaction with a consumer for a consumer financial product or service, or the offering of a consumer financial product or service. The ongoing broad rulemaking powers of the CFPB have potential to have a significant impact on the operations of financial institutions offering consumer financial products or services.

We are subject to laws regarding the privacy, information security and protection of personal information and any violation of these laws or another incident involving personal, confidential, or proprietary information of individuals could damage our reputation and otherwise adversely affect our business.

Our business requires the collection and retention of large volumes of customer data, including personally identifiable information, or PII, in various information systems that we maintain and in those maintained by third-party service providers. We also maintain important internal company data such as PII about our employees and information relating to our operations. We are subject to complex and evolving laws and regulations governing the privacy and protection of PII of individuals (including customers, employees, and other third parties). For example, our business is subject to the Gramm-Leach-Bliley Act (the "GLB Act"), which, among other things: (i) imposes certain limitations on our ability to share nonpublic PII about our customers with nonaffiliated third parties; (ii) requires that we provide certain disclosures to customers about our information collection, sharing and security practices and afford customers the right to "opt out" of any information sharing by us with nonaffiliated third parties (with certain exceptions); and (iii) requires that we develop, implement and maintain a written comprehensive information security program containing appropriate safeguards based on our size and complexity, the nature and scope of our activities, and the sensitivity of customer information we process, as well as plans for responding to data security breaches. Various federal and state banking regulators and states have also enacted data breach notification requirements with varying levels of individual, consumer, regulatory or law enforcement notification in the event of a security breach.

Ensuring that our collection, use, transfer and storage of PII complies with all applicable laws and regulations can increase our costs. Furthermore, we may not be able to ensure that customers and other third parties have appropriate controls in place to protect the confidentiality of the information that they exchange with us, particularly where such information is transmitted by electronic means. If personal, confidential or proprietary information of customers or others were to be mishandled or misused (in situations where, for example, such information was erroneously provided to parties who are not permitted to have the information, or where such information was intercepted or otherwise compromised by third parties), we could be exposed to litigation or regulatory sanctions under privacy and data protection laws and regulations. Concerns regarding the effectiveness of our measures to safeguard PII, or even the perception that such measures are inadequate, could cause us to lose customers or potential customers and thereby reduce our revenues. Accordingly, any failure or perceived failure to comply with applicable privacy or data protection laws and regulations may subject us to inquiries, examinations and investigations that could result in requirements to modify or cease certain operations or practices or in significant liabilities, fines or penalties, and could damage our reputation and otherwise adversely affect our business, financial condition and results of operations.

We are a bank holding company and are dependent upon our Bank for cash flow, and our Bank's ability to make cash distributions is restricted.

We are a BHC with no material activities other than activities incidental to holding the common stock of our Bank. Our principal source of funds to pay distributions on our common stock and service any of

our obligations, other than further issuances of securities, is dividends received from our Bank. Furthermore, our Bank is not obligated to pay dividends to us, and any dividends paid to us would depend on the earnings or financial condition of our Bank, various business considerations and applicable law and regulation. As is generally the case for banking institutions, the profitability of our Bank is subject to the fluctuating cost and availability of money, changes in interest rates and economic conditions in general. In addition, various federal and state statutes and regulations limit the amount of dividends that our Bank may pay to the Company without regulatory approval.

The Federal Reserve may require us to commit capital resources to support our Bank.

The Federal Reserve requires a BHC to act as a source of financial and managerial strength to its subsidiary banks and to commit resources to support its subsidiary banks. Under the "source of strength" doctrine that was codified by the Dodd-Frank Act, the Federal Reserve may require a BHC to make capital injections into a subsidiary bank at times when the BHC may not be inclined to do so and may charge the BHC with engaging in unsafe and unsound practices for failure to commit resources to such a subsidiary bank. Accordingly, we could be required to provide financial assistance to our Bank if it experiences financial distress.

A capital injection may be required at a time when our resources are limited, and we may be required to borrow the funds or raise capital to make the required capital injection. Any loan by a BHC to its subsidiary bank is subordinate in right of payment to deposits and certain other indebtedness of such subsidiary bank. In the event of a BHC's bankruptcy, the bankruptcy trustee will assume any commitment by the holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank. Moreover, bankruptcy law provides that claims based on any such commitment will be entitled to a priority of payment over the claims of the holding company's general unsecured creditors, including the holders of any note obligations. Thus, any borrowing by a BHC for the purpose of making a capital injection to a subsidiary bank may become more difficult and expensive relative to other corporate borrowings.

We face a risk of noncompliance and enforcement action with the Bank Secrecy Act and other anti-money laundering statutes and regulations.

The Bank Secrecy Act of 1970 (the "BSA"), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act"), and other laws and regulations require financial institutions, among other duties, to institute and maintain an effective anti-money laundering program and to file reports such as suspicious activity reports and currency transaction reports. We are required to comply with these and other anti-money laundering requirements. Our federal and state banking regulators, the U.S. Department of the Treasury Financial Crimes Enforcement Network ("FinCEN"), and other government agencies are authorized to impose significant civil money penalties for violations of anti-money laundering requirements. We are also subject to increased scrutiny of compliance with the regulations issued and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), which is responsible for helping to ensure that U.S. entities do not engage in transactions with certain prohibited parties, as defined by various Executive Orders and Acts of Congress. If our program is deemed deficient, we could be subject to liability, including fines, civil money penalties and other regulatory actions, which may include restrictions on our business operations and our ability to pay dividends, restrictions on mergers and acquisitions activity, restrictions on expansion, and restrictions on entering new business lines. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have significant reputational consequences for us. Any of these circumstances could have an adverse effect on our business, financial condition and results of operations.

Our Bank's FDIC deposit insurance premiums and assessments may increase.

Our Bank's deposits are insured by the FDIC up to legal limits and, accordingly, our Bank is subject to insurance assessments based on our Bank's average consolidated total assets less its average tangible equity. Our Bank's regular assessments are determined by its CAMELS composite rating (a supervisory rating system developed to classify a bank's overall condition by taking into account capital adequacy, assets, management capability, earnings, liquidity and sensitivity to market and interest rate risk), taking into account other factors and adjustments. In order to maintain a strong funding position and the reserve ratios

of the DIF required by statute and FDIC estimates of projected requirements, the FDIC has the power to increase deposit insurance assessment rates and impose special assessments on all FDIC-insured financial institutions. Any future increases or special assessments could reduce our profitability and could have an adverse effect on our business, financial condition and results of operations.

Risks Related to this Offering and an Investment in Our Common Stock

No public market exists for our common stock, and one may not develop.

Prior to this offering there has been no public market for our common stock. An active trading market for shares of our common stock may never develop or may not be sustained following this offering. If an active trading market does not develop, you may have difficulty selling your shares of common stock. The initial public offering price for our common stock will be determined by negotiations between us and the representatives of the underwriters. This price may not be indicative of the price at which our common stock will trade after this offering. The market price of our common stock may decline below the initial offering price, and you may not be able to sell your common stock at or above the price you paid in this offering, or at all. An inactive market may also impair our ability to raise capital by selling our common stock and may impair our ability to expand our business through acquisitions using our common stock as consideration, should we elect to do so.

Investors in this offering will experience immediate and substantial dilution.

The initial public offering price of our stock is substantially higher than the net TBV per share of our common stock immediately following this offering. See the section entitled "Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures" for a reconciliation of non-GAAP measures to their most comparable GAAP measures. Therefore, if you purchase shares in this offering, you will experience immediate and substantial dilution in net TBV per share in relation to the price that you paid for your shares. Based on an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus, and our net TBV as of September 30, 2024, if you purchase our common stock in this offering, you will suffer immediate dilution of approximately $ per share in net TBV. As a result of this dilution, investors purchasing stock in this offering may receive significantly less than the full purchase price that they paid for the shares purchased in this offering in the event of a liquidation. See the section entitled "Dilution."

Future sales of our common stock could depress the market price of our common stock.

Following the completion of this offering, we will have issued and outstanding shares of our common stock (shares if the underwriters elect to their option to purchase additional shares of common stock in full), which will be freely transferable without restriction or further registration under the Securities Act. We, our executive officers, directors and certain of our holders of our currently outstanding shares of common stock holding, in the aggregate, 5,491,660 shares of our common stock as of October 31, 2024 (representing approximately 21.4% of our outstanding common stock as of such date), have agreed not to sell any shares of our common stock for a period of 180 days from the date of this prospectus, subject to certain exceptions. See the section entitled "Underwriting." Following the expiration of this lock-up period, all of these shares will be eligible for resale under Rule 144 of the Securities Act, subject to any remaining holding period requirements and, if applicable, volume limitations. See the section entitled "Shares Eligible for Future Sale." Actual or anticipated issuances or sales of substantial amounts of our common stock following this offering could cause the market price of our common stock to decline significantly and make it more difficult for us to sell equity or equity-related securities in the future at a time and on favorable terms, or at all. We may issue all of these shares without any action or approval by our stockholders, and these shares, once issued (including upon exercise of outstanding options), will be available for sale into the public market, subject to the restrictions described in this registration statement, if applicable, for affiliate holders. The market price for our common stock may decline significantly when the restrictions on resale by our existing stockholders lapse. A decline in the price of our common stock might impede our ability to raise capital through the issuance of additional common stock or other equity securities.

As of September 30, 2024, approximately 32.9% of our voting and non-voting common stock is owned by certain institutional holders, and future sales by these institutional holders may adversely affect the prevailing market price of our common stock.

On May 30, 2019, we sold 1,841,780 shares of our voting common stock and 3,972,180 shares of our non-voting common stock to Castle Creek Capital Partners VII, LP ("Castle Creek VII"). Additionally, on December 24, 2019 we sold 2,600,000 shares of our non-voting common stock to Castle Creek Capital Partners VI, LP ("Castle Creek VI," and together with Castle Creek VII, "Castle Creek"). The non-voting common stock is non-voting in the hands of any holder of 9.9% or more of our voting common stock. Upon the sale or transfer of the non-voting stock in connection with a widely-distributed public offering or to an underwriter for purposes of a widely-distributed public offering, such transferred shares automatically will become an identical number of shares of voting common stock, as provided in our Amended and Restated Articles of Incorporation. As September 30, 2024, Castle Creek continues to own 8,413,960 shares of common stock and non-voting common stock, representing approximately 32.9% of our issued and outstanding voting and non-voting common stock as of such date. Please see the section entitled "Principal and Selling Stockholders."

In connection with the transactions above, we entered into a Registration Rights with each of Castle Creek VII and Castle Creek VI (the "Registration Rights Agreements"). The Registration Rights Agreements provide for demand and piggyback registration rights. Pursuant to its demand registration rights, after May 30, 2024 and December 24, 2024, respectively, Castle Creek had the right to require the Company to file a registration statement with the SEC so that Castle Creek may resell its shares of common stock. If the Company files a registration statement for a primary or secondary offer of its securities (other than a registration statement related to equity compensation plans or mergers and acquisitions), the Registration Rights Agreements require the Company to notify Castle Creek, who may elect to have its securities included in such registration statement for resale.

In accordance with the Registration Rights Agreements, Castle Creek VII and Castle Creek VI are acting as selling stockholders in this offering and offering shares of common stock. To the extent that Castle Creek continues to hold shares of common stock following this offering, it is possible that the Company may be required to register for resale shares of common stock of Castle Creek, and such resale could have adverse effect on volatility and the market value of the Company's common stock then outstanding. Such resales could also make it more difficult for the Company and its stockholders to sell common stock.

Our stock price may be volatile, and you could lose part or all of your investment as a result.

Stock price volatility may negatively impact the price at which our common stock may be sold, and may also negatively impact the timing of any sale. Our stock price may fluctuate widely in response to a variety of factors including the risk factors described herein and, among other things:

- actual or anticipated variations in quarterly or annual operating results, financial conditions or credit quality;
- changes in business or economic conditions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in recommendations or research reports about us or the financial services industry in general published by securities analysts;
- the failure of securities analysts to cover, or to continue to cover, us after this offering;
- changes in financial estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to us or other financial institutions;
- news reports relating to trends, concerns and other issues in the financial services industry;
- reports related to the impact of natural or manmade disasters in our market;
- perceptions in the marketplace regarding us and or our competitors;
- sudden increases in the demand for our common stock, including as a result of any "short squeezes;"

- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors;
- additional investments from third parties;
- additions or departures of key personnel;
- future sales or issuance of additional shares of common stock;
- fluctuations in the stock price and operating results of our competitors;
- changes or proposed changes in laws or regulations, or differing interpretations thereof affecting our business, or enforcement of these laws or regulations;
- new technology used, or services offered, by competitors;
- additional investments from third parties; or
- geopolitical conditions such as acts or threats of terrorism, pandemics or military conflicts.

In particular, the realization of any of the risks described in this section could have an adverse effect on the market price of our common stock and cause the value of your investment to decline. In addition, the stock market in general has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock over the short, medium or long term, regardless of our actual performance.

Our management will have broad discretion in allocating the net proceeds of this offering. Our failure to effectively utilize such net proceeds may have an adverse effect on our financial performance and the value of our common stock.

We intend to use the net proceeds of this offering to increase the capital of our Bank in order to support our organic growth strategies, including expanding our overall market share, to strengthen our regulatory capital and for working capital and other general corporate purposes. However, we are not required to apply any portion of the net proceeds of this offering for any particular purpose and our management could use them for purposes other than those contemplated at the time of this offering. Accordingly, our management will have broad discretion in the application of the net proceeds from this offering, and you will be relying on the judgment of our management regarding the application of these proceeds. You will not have the opportunity, as part of your investment decision, to assess whether we are using the proceeds appropriately. Our management might not apply our net proceeds in ways that ultimately increase the value of your investment. If we do not invest or apply the net proceeds from this offering in ways that enhance stockholder value, we may fail to achieve expected financial results, which could cause our stock price to decline.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We may be unable to attract or sustain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our company, the trading price for our stock would be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of the analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, our stock price would likely decline. If we fail to meet the expectations of analysts for our operating results, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price and trading volume to decline.

We may not pay dividends on our common stock in the future, and our ability to pay dividends is subject to certain restrictions.

Holders of our common stock are entitled to receive only such dividends as our board of directors may declare out of funds legally available for such payments. Our board of directors may, in its sole discretion,

change the amount or frequency of dividends or discontinue the payment of dividends entirely. In addition, we are a BHC, and our ability to declare and pay dividends is dependent on federal regulatory considerations, including the guidelines of the Federal Reserve regarding capital adequacy and dividends. It is the policy of the Federal Reserve that bank holding companies should generally pay dividends on common stock only out of earnings, and only if prospective earnings retention is consistent with the organization's expected future needs, asset quality and financial condition, and that bank holding companies should inform and consult with the Federal Reserve in advance of declaring and paying a dividend that exceeds earnings for the period for which the dividend is being paid.

The holders of our debt obligations and preferred stock will have priority over our common stock with respect to payment in the event of liquidation, dissolution or winding up and with respect to the payment of interest and dividends.

In any liquidation, dissolution or winding up of the Company, our common stock would rank below all claims of debt holders against us as well as any preferred stock that has been issued. As of September 30, 2024, we had outstanding an aggregate of $43.9 million of subordinated notes, net of debt issuance costs, and we had outstanding an aggregate $103.6 million of non-cumulative perpetual preferred stock. We could incur such debt obligations or issue preferred stock in the future to raise additional capital. In such event, holders of our common stock will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution or winding up of the Company until after all of our obligations to the debt holders are satisfied and holders of subordinated debt and senior equity securities, including preferred shares, if any, have received any payment or distribution due to them. In addition, we will be required to pay interest on the subordinated notes and dividends on the trust preferred securities and preferred stock before we will be able to pay any dividends on our common stock.

Michigan law and the provisions of our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws may have an anti-takeover effect, and there are substantial regulatory limitations on changes of control of bank holding companies.

Michigan corporate law and provisions of our Amended and Restated Articles of Incorporation and our Amended and Restated Bylaws could make it more difficult for a third party to acquire us, even if doing so would be perceived to be beneficial by our stockholders. Furthermore, with certain limited exceptions, federal regulations prohibit a person or company or a group of persons deemed to be "acting in concert" from, directly or indirectly, acquiring 10% or more (5% or more if the acquirer is a BHC) of any class of our voting stock or obtaining the ability to control in any manner the election of a majority of our directors or otherwise direct the management or policies of our Company without prior notice or application to and the approval of the Federal Reserve. Accordingly, prospective investors must comply with these requirements, if applicable, in connection with any purchase of shares of our common stock. Collectively, provisions of our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws and other statutory and regulatory provisions may delay, prevent or deter a merger, acquisition, tender offer, proxy contest or other transaction that might otherwise result in our stockholders receiving a premium over the market price for their common stock. Moreover, the combination of these provisions effectively inhibits certain business combinations, which, in turn, could adversely affect the market price of our common stock.

An investment in our common stock is not an insured deposit.

An investment in our common stock is not a bank deposit and, therefore, is not insured against loss by the FDIC, any other deposit insurance fund or by any other public or private entity. Investment in our common stock is inherently risky for the reasons described herein, and is subject to the same market forces that affect the price of common stock in any company. As a result, if you acquire our common stock, you could lose some or all of your investment.

The requirements of being a public company may strain our resources and divert management's attention.

As a public company, we will incur additional legal, accounting, insurance and other expenses. We will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and applicable securities rules and regulations. These laws and regulations increase the scope, complexity and cost of

corporate governance, reporting and disclosure practices over those of non-public or non-reporting companies. Despite our conducting business in a highly regulated environment, these laws and regulations have different requirements for compliance than we have experienced prior to becoming a public company. Among other things, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and operating results and maintain effective disclosure controls and procedures and internal control over financial reporting. As an NYSE listed company, we will be required to prepare and file proxy materials which meet the requirements of the Exchange Act and the SEC's proxy rules. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly, and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company" as defined in the JOBS Act. In order to maintain, appropriately document and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet the standards required by the Sarbanes-Oxley Act, additional resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business and operating results. Additionally, any failure by us to file our periodic reports with the SEC in a timely manner could harm our reputation and cause our investors and potential investors to lose confidence in us, and restrict trading in, and reduce the market price of, our common stock, and potentially our ability to access the capital markets.

If we fail to design, implement and maintain effective internal control over financial reporting or remediate any future material weakness in our internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud.

Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Effective internal control over financial reporting is necessary for us to provide reliable reports and prevent fraud. We may not be able to identify all significant deficiencies and/or material weaknesses in our internal control over financial reporting in the future, and our failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have an adverse effect on our business, financial condition and results of operations.

In the normal course of our operations, we may identify deficiencies that would have to be remediated to satisfy the SEC rules for certification of our internal control over financial reporting. A material weakness is defined by the standards issued by the PCAOB, as a deficiency, or combination of deficiencies, in internal control over financial reporting that results in a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As a consequence, we would have to disclose in periodic reports we file with the SEC any material weakness in our internal control over financial reporting. The existence of a material weakness would preclude management from concluding that our internal control over financial reporting is effective and, when we cease to be an emerging growth company under the JOBS Act, preclude our independent registered public accounting firm from rendering their report addressing an assessment of the effectiveness of our internal control over financial reporting. In addition, disclosures of deficiencies of this type in our SEC reports could cause investors to lose confidence in our financial reporting, and may negatively affect the market price of our common stock, and could result in the delisting of our securities from the securities exchanges on which they trade. Moreover, effective internal controls are necessary to produce reliable financial reports and to prevent fraud. If we have deficiencies in our disclosure controls and procedures or internal control over financial reporting, such deficiencies may adversely affect us.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. All statements contained in this prospectus other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, market growth, and for future operations, are forward-looking statements. Forward-looking statements include without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and are typically identified with words such as “may,” “could,” “should,” “will,” “would,” “believe,” “anticipate,” “estimate,” “expect,” “ intend,” “plan” or words or phases of similar meaning. We have based these forward-looking statements on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy and short-term and long-term business operations and objectives. We caution that these forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, including those described in the section entitled “Risk Factors,” that are subject to change based on factors, which are, in many instances, beyond our control. The forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- decreased residential mortgage origination and competition;
- the ability to originate and resell a high volume of mortgage loans;
- a decline in our MPP business;
- factors that impact the performance of our loan portfolio, including real estate values and liquidity in our primary market areas;
- general business and economic conditions and regulatory responses to such conditions;
- liquidity risks;
- our reliance on third parties as an important funding source;
- fluctuations in interest rates;
- our ability to manage credit risk;
- our nonperforming assets;
- our ability to repurchase or substitute mortgage loans or MSRs that we have sold, or indemnify purchasers of such mortgage loans or MSRs;
- the costs and risks associated with the ownership of real property if forced to foreclose on collateral;
- our ability to be a rated servicer;
- the sufficiency of our allowance for loan losses in our loan portfolio;
- the accuracy and completeness of information provided by our customers and counterparties;
- the ability to maintain our reputation;
- disruption of our business due to technology failures, including a failure in our operational or security systems or infrastructure, or those of third parties;
- cyberattacks and other data and security breaches;
- our ability to make technological improvements quickly;
- our use of software, hardware and services that may be difficult to replace;
- the ability to adequately obtain, maintain, protect and enforce our intellectual property and potential intellectual property disputes related to our use of the intellectual property of third parties;
- the ability to accurately predict the demand or growth of new products and services that we are developing;
- the risks associated with new lines of business, products, product enhancements or services;
- our ability to sell loans in the secondary market to a limited number of investors and to the GSEs (Fannie Mae and Freddie Mac), and to securitize our loans into MBS through the GSEs and Ginnie Mae;

- our hedging strategies to mitigate risks associated with changes in interest rates;
- the accuracy of our financial statements and related disclosures;
- our ability to accurately estimate the fair value of a portion of our assets;
- our dependence on the use of data and modeling in our management's decision-making;
- the ability to execute our business strategy;
- changes in our senior management team and our ability to attract and retain qualified personnel;
- our dependence on third-party service providers;
- operational risks, including, but not limited to, customer or employee fraud and data processing system failures and errors;
- integration and other risks associated with any future acquisitions;
- our ability to raise additional capital;
- changes in accounting standards;
- potential litigation and regulatory actions, including possible enforcement actions;
- severe weather, natural disasters, pandemics, acts of war or terrorism or other external events;
- the impact of recent and future legislative and regulatory changes;
- monetary policies and regulations of the Federal Reserve;
- our ability to comply with various governmental and regulatory requirements, including supervisory actions by federal and state banking agencies;
- our capital requirements as an insured depository institution;
- our ability to comply with consumer protection laws, including the CRA and fair lending laws;
- compliance with laws regarding the privacy, information security and protection of personal information;
- being a BHC and our dependence on our Bank for cash flow;
- the risk of noncompliance and enforcement action with the BSA and other anti-money laundering statutes and regulations;
- FDIC deposit insurance premiums and assessments;
- failure of an active public market for our common stock developing;
- immediate and substantial dilution in our common stock as a result of this offering;
- future sales of our common stock, including by certain institutional holders that own our voting and non-voting common stock, or the perception in the public markets that these sales may occur;
- volatility in the price of our common stock;
- our use of the net proceeds from this offering;
- securities or industry analysts not publishing research or publishing inaccurate or unfavorable research about us or our business;
- our expectation and ability to pay dividends;
- holders of our debt obligations and preferred stock having priority over our common stock;
- Michigan law and the provisions of our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws having anti-takeover effect;
- investments in our common stock not being an insured deposit;
- the costs associated with our transformation into a public company;

- our ability to design, implement and maintain effective internal controls over financial reporting; and
- other risks, uncertainties and factors set forth in this prospectus, including those set forth under the section entitled “Risk Factors.”

The foregoing factors should not be considered exhaustive and should be read together with other cautionary statements that are included in this prospectus, including those discussed in the section entitled “Risk Factors.” New risks and uncertainties may emerge from time to time, and it is not possible for us to predict their occurrence or how they will affect us. If one or more of the factors affecting our forward-looking information and statements proves incorrect, then our actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking information and statements contained in this prospectus.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. For example, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and we cannot guarantee future results, performance or achievements. We undertake no obligation to update any of these forward-looking statements for any reason after the date of this prospectus or to conform these statements to actual results or revised expectations, except as required by law.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, performance and events and circumstances may be materially different from what we expect. See the section entitled “Where You Can Find More Information.”

USE OF PROCEEDS

Assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), we estimate that the net proceeds to us from this offering, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us, will be approximately $, or approximately $ if the underwriters exercise their option to purchase additional shares from us in full. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders.

Each $1.00 increase or decrease in the assumed initial public offering price per share of $, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the net proceeds that we receive from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, by $, or approximately $ if the underwriters exercise their option to purchase additional shares from us in full, assuming the number of shares we sell, as set forth on the cover of this prospectus, remains the same. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of our common stock offered by us would increase or decrease the net proceeds that we receive from this offering by approximately $, assuming no change in the assumed initial public offering price and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds that we receive from this offering for general corporate purposes, which may include growing our existing lines of business or using a portion of the proceeds to redeem all or a portion of our preferred stock.

We reserve the right to use the net proceeds we receive in this offering in any manner we consider to be appropriate. Although we do not contemplate changes in the proposed use of proceeds, to the extent we find that adjustment is required for other uses by reason of existing business conditions, the use of proceeds may be adjusted. The actual use of the proceeds of this offering could differ from those outlined above as a result of several factors including those set forth in the section entitled “Risk Factors” and elsewhere in this prospectus. Our management will have broad discretion over the use of the net proceeds that we receive from this offering.

CAPITALIZATION

The following table sets forth our capitalization on a consolidated basis as of September 30, 2024:

- on an actual basis and gives effect to the ten-for-one stock split effected on December 30, 2024;
- on a pro forma basis after giving effect to the grant of restricted stock units to our executive officers on December 19, 2024, which will occur immediately prior to the completion of this offering;
- on a pro forma as adjusted basis after giving effect to (i) the pro forma adjustments described above and (ii) the sale and issuance by us of shares of our common stock offered in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information below is illustrative only, and our capitalization following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering. The following should be read together with the sections entitled "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Prospectus Summary — Summary Historical Consolidated Financial Information and Other Data" and our consolidated financial statements and accompanying notes that are included elsewhere in this prospectus.

	As of September 30, 2024		
(Dollars in thousands)	**Actual**	**Pro Forma**	**Pro Forma as Adjusted[1]**
Cash and cash equivalents	$ 440,751	$	$
Liabilities			
Deposits:			
Non-interest bearing	$ 221,928	$	$
Interest-bearing	3,309,950		
Total deposits	3,531,878		
Borrowings	1,308,750		
Subordinated debentures	38,897		
Subordinated debentures issues through trusts	5,000		
Deferred tax liability	4,539		
Accrued and other liabilities	42,153		
Total liabilities	4,931,217		
Stockholders' equity			
Preferred Stock Non-Cumulative, no par value; 5,000,000 shares authorized			
Series A – 82,000 shares issued and outstanding at September 30, 2024 with a liquidation preference of $82,000	—		
Series B – 25,000 shares issued and outstanding at September 30, 2024 with a liquidation preference of $25,000	—		
Common stock, no par value; 101,500,000 shares authorized and 25,689,560 shares issued and outstanding at September 30, 2024	—		
Additional paid-in capital	167,462		
Retained earnings	287,765		
Accumulated other comprehensive loss	(445)		
Total stockholders' equity	454,782		
Total capitalization	$5,385,999	$	$

(1) Each $1.00 increase (decrease) in the assumed initial public offering price per share of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would

increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, by $, or approximately $ if the underwriters exercise their option to purchase additional shares from us in full, assuming the number of shares we sell, as set forth on the cover of this prospectus, remains the same. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of our common stock offered by us would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by approximately $, assuming no change in the assumed initial public offering price and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The outstanding share information in the table above excludes as of September 30, 2024:

- 84,000 shares of our common stock issuable upon the exercise of outstanding stock options, as of September 30, 2024, at a weighted average exercise of $2.29 per share; and
- 849,530 shares of our common stock issuable upon the settlement of restricted stock units under our Omnibus Incentive Plan that were granted subsequent to September 30, 2024, in connection with this offering.

DILUTION

Information in this section gives effect to the ten-for-one stock split effected on December 30, 2024. If you invest in our common stock, your interest will be immediately diluted to the extent of the difference between the amount per share paid by purchasers of shares of our common stock in this initial public offering and the pro forma as adjusted net TBV per share of common stock immediately upon completion of this offering. See the section entitled "Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures" for a reconciliation of non-GAAP measures to their most comparable GAAP measures. Our net TBV per common share represents our total tangible assets less total liabilities, divided by the number of shares of common stock outstanding as of September 30, 2024.

As of September 30, 2024, we had a net TBV of approximately $348.3 million, or $13.56 per share.

As of September 30, 2024, our pro forma net TBV was approximately $, or $ per share. Our pro forma net TBV per share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of shares of our common stock outstanding as of September 30, 2024.

After giving effect to our sale of shares of our common stock in this offering, based upon an assumed initial offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net TBV as of September 30, 2024 would have been approximately $, or $ per share. This represents an immediate in pro forma net TBV of $ per share to our existing stockholders and an immediate dilution of $ per share to new investors purchasing common stock at the assumed initial offering price. We determine dilution by subtracting our pro forma as adjusted net TBV per share after this offering from the amount of cash that a new investor paid for a share of our common stock in this offering. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Net tangible book value per share as of September 30, 2024	$13.56	
Pro forma increase in net tangible book value per share		
Pro forma net tangible book value per share as of September 30, 2024		
Increase in pro forma net tangible book value per share attributable to new investors participating in this offering		
Pro forma as adjusted net tangible book value per share after this offering		$
Dilution in pro forma net tangible book value per share to new investors in this offering		$

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the price range reflected on the cover of this prospectus, would increase or decrease our pro forma as adjusted net TBV after this offering by approximately $, or approximately $ per share, and the dilution per share to new investors would increase or decrease, as applicable, by approximately $, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1,000,000 shares in the number of shares offered by us would increase or decrease our pro forma as adjusted net TBV after this offering by approximately $, or approximately $ per share, and the dilution per share to new investors would increase or decrease, as applicable, by approximately $, assuming the initial public offering price of $ per share of common stock, which is the midpoint of the price range set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise in full their option to purchase additional shares of common stock in this offering, the pro forma as adjusted net TBV per share after giving effect to this offering would be $ per share and the dilution in pro forma net TBV to new investors in this offering would be $ per share, assuming the initial public offering price of $ per share, which is the midpoint of the price range set

forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, on a pro forma as adjusted basis as of September 30, 2024, after giving effect to the pro forma adjustments described above, the difference between existing stockholders and new investors purchasing shares of our common stock in this offering with respect to the number of shares purchased from us, the total consideration paid to us, and the average price per share paid by our existing stockholders or to be paid by investors purchasing shares in this offering at an assumed offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors					
Total		100%	$	100%	

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the price range reflected on the cover of this prospectus, would increase or decrease, as applicable, total consideration paid by new investors by $, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same.

Assuming no shares are sold to existing stockholders in this offering and using the number of shares of common stock outstanding as of September 30, 2024, sales of shares of our common stock by the selling stockholders in this offering will reduce the number of shares of common stock held by existing stockholders to shares, or approximately % of the total shares of common stock outstanding after this offering, and will increase the number of shares held by new investors to shares, or approximately % of the total shares of common stock outstanding after this offering.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares of our common stock. If the underwriters exercise in full their option to purchase additional shares of common stock in this offering, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding after this offering.

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering to be determined at pricing. To the extent we issue any additional stock options or any outstanding stock options are exercised, or we issue any other securities or convertible debt in the future, investors will experience further dilution.

The number of shares of our common stock to be outstanding after this offering is based upon 25,689,560 shares of our common stock as of September 30, 2024, and does not include:

- 84,000 shares of our common stock issuable upon the exercise of outstanding stock options, as of September 30, 2024, at a weighted average exercise of $2.29 per share; and
- 849,530 shares of our common stock issuable upon the settlement of restricted stock units under our Omnibus Incentive Plan that were granted subsequent to September 30, 2024, in connection with this offering.

MARKET FOR COMMON STOCK AND DIVIDEND POLICY

Market for Common Stock

Prior to this offering, our common stock has not been traded on an established public trading market, and quotations for our common stock were not reported on any market. As a result, there has been no regular market for our common stock. As of September 30, 2024, there were 95 holders of record of our common stock.

We intend to apply to list our common stock for trading on the NYSE. However, we cannot assure you that a liquid trading market for our common stock will develop or be sustained after this offering. You may not be able to sell your shares quickly or at the market price if trading in our common stock is not active. See the section entitled "Underwriting" for more information regarding our arrangements with the underwriters and the factors considered in setting the initial public offering price.

Dividend Policy

We have historically paid quarterly dividends to holders of our common stock. Nevertheless, we have no obligation to pay dividends and any future determination relating to our dividend policy will be made by our board of directors and will depend on a number of factors, including general and economic conditions, industry standards, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, our ability to service debt obligations senior to our common stock, banking regulations, contractual, legal, tax and regulatory restrictions, and limitations on the payment of dividends by us to our stockholders or by our Bank to us, and such other factors as our board of directors may deem relevant. We cannot assure you that we will be able to pay dividends to holders of our common stock in the future. Because we are a BHC and do not engage directly in business activities of a material nature, our ability to pay any dividends on our common stock depends, in large part, upon our receipt of dividends from our Bank, which is also subject to numerous limitations on the payment of dividends under federal and state banking laws, regulations and policies.

Dividend Limitations. Michigan law places limits on the amount of dividends our Bank may pay to the Company without prior approval. Absent prior regulatory approval, we would not be able to pay a dividend in excess of net income on hand, after deducting losses and bad debts. We must also ensure that the payment of any dividend will not reduce our surplus to less than 20% of our capital, after making mandatory transfers to surplus. See the section entitled "Supervision and Regulation" for more information. State and federal bank regulatory agencies also have authority to prohibit a bank from paying dividends if such payment is deemed to be an unsafe or unsound practice, and the Federal Reserve System (the "Federal Reserve") has the same authority over BHCs.

The Federal Reserve has established requirements with respect to the maintenance of appropriate levels of capital by registered BHCs. Compliance with such standards, as presently in effect, or as they may be amended from time to time, could possibly limit the amount of dividends that we may pay in the future. Where a BHC intends to declare or pay a dividend that could raise safety and soundness concerns, it generally will be required to inform and consult with the Federal Reserve in advance. It is the policy of the Federal Reserve that a BHC should generally pay dividends on common stock only out of earnings, and only if prospective earnings retention is consistent with the company's capital needs, asset quality and overall current and prospective financial condition, and that BHCs should inform and consult with the Federal Reserve in advance of declaring and paying a dividend that exceeds earnings for the period for which the dividend is being paid. As a depository institution, the deposits of which are insured by the FDIC, our Bank may not pay dividends or make capital distributions if our Bank would thereafter be undercapitalized. In addition, our Bank may not pay dividends on its capital stock if it remains in default on any assessment due to the FDIC. Our Bank currently is not in default under any of its obligations to the FDIC. See the section entitled "Supervision and Regulation" for more information regarding the regulatory limitations on our ability to declare and pay dividends.

Our ability to pay dividends may also be limited on account of our outstanding indebtedness. We currently have issued multiple series of subordinated debentures, including subordinated debentures issued through trusts, and two series of non-cumulative perpetual preferred stock. We must make the required payments on our debentures before any cash dividends can be paid on our common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with the section entitled "Prospectus Summary — Summary Historical Consolidated Financial Information and Other Data" and our audited and unaudited consolidated financial statements and related notes thereto and other financial information included elsewhere in this prospectus. To the extent that this discussion describes prior performance, the descriptions relate only to the periods listed, which may not be indicative of our future financial outcomes. In addition to containing historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause results to differ materially from management's expectations. Factors that could cause such differences are discussed in the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors." We assume no obligation to update any of these forward-looking statements, except to the extent required by law.

Unless otherwise stated, all information in this prospectus gives effect to a ten-for-one stock split, whereby each holder of our common stock received nine additional shares of common stock for each share owned as of the record date of December 19, 2024, which was distributed on December 30, 2024. The effect of the stock dividend on outstanding shares and per share figures has been retroactively applied to all periods presented in this prospectus.

Business Overview

The Company is a BHC that is headquartered in Grand Rapids, Michigan. Through our wholly owned subsidiary, Northpointe Bank, we focus on providing residential mortgage purchase program to more than 100 independent mortgage banking companies located in 19 states (we refer to this mortgage warehouse business as MPP), as well as residential mortgage and digital banking services to retail customers nationwide. Our residential lending business provides a comprehensive range of financing options nationwide through two main channels: consumer direct and traditional retail. These channels combine the convenience of on-line, self-service platforms with the personalized service of an experienced residential mortgage loan officer as needed. Both residential mortgage loan origination channels are supported by our proprietary POS digital platform that streamlines the loan application and closing processes. Our consumer direct and traditional retail channels primarily originate mortgage loans which are saleable through an end investor. In addition, our traditional retail channel selectively originates specialized first mortgage revolving (HELOC-styled) loans that are linked to a demand deposit bank account of the customer (we refer to these loans as "All-in-One"). We have one bank branch located in Grand Rapids, Michigan and loan production offices located in 23 cities across the country, which are supported by our centralized operations and back-office support teams based in Grand Rapids, Michigan.

Our results of operations are driven by a combination of net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest-bearing liabilities, as well as fee income from a variety of sources. Key components of noninterest income include gains from the sale of newly originated loans, loan servicing fees, and service charges from our deposit services and our MPP and residential lending businesses. Our principal operating expense, aside from interest expense, consists of salaries and employee benefits, including commissions paid to loan originators, occupancy and equipment costs, data processing expense, professional fees, and provisions for credit losses. Our income is affected by regulatory, economic, and competitive factors that influence interest rates, residential loan demand and deposits costs. In addition, we are subject to interest rate risk to the degree that our interest-earnings assets mature or reprice at different times or at different speeds than our interest-bearing liabilities.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with United States generally accepted accounting principles ("GAAP") and follow general practices within the banking industry. Application of these principles requires management to make estimates, assumptions and complex judgements that affect amounts presented in our consolidated financial statements. These estimates, assumptions and judgements are based on information available as of the date of the financial statements; accordingly, as this information changes, the consolidated financial statements could reflect different estimates,

assumptions, and judgements. Management has identified our most significant accounting policies in Note 2 of our consolidated financial statements to be the accounting areas that require the most complex and subjective judgements and, as such, could be most subject to revision as new and additional information becomes available or circumstances change including changes in the economic climate and interest rate changes.

Pursuant to the JOBS Act, as an emerging growth company, we can elect to opt out of the extended transition period for adopting any new or revised accounting standards. We have elected to take advantage of the extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we may adopt the standard on the application date for private companies. We have elected to take advantage of the scaled disclosures and other relief under the JOBS Act, and we may take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us under the JOBS Act, so long as we qualify as an emerging growth company.

Primary Factors Used to Evaluate our Business

In addition to net income, the primary factors we use to evaluate and manage our results of operations include net interest income, noninterest income and noninterest expense.

Net Interest Income

Net interest income is generally the most significant contributor to our net income. Net interest income represents interest income from interest earning assets, primarily our loan portfolio, including MPP loans, residential mortgage loans, and our first lien home equity product AIO Loans, as well as interest earned on our liquid assets primarily invested at the Federal Reserve and FHLB dividends, less interest expense on interest-bearing liabilities, such as deposits, FHLB advances, and other borrowings, which are used to fund those assets. The amount of our net income is affected by overall loan demand, economic conditions, the slope of the yield curve, and changes in the absolute level of interest rates, the amounts and composition of our loan portfolio and interest-bearing liabilities.

For 2023 and the first nine months of 2024, net interest income accounted for more than half of our total revenue. During periods when market conditions are such that industry residential loan originations are significantly higher, such as in 2020 and 2021, it is expected that noninterest income will grow substantially, driven primarily by gain on sale of mortgage loans, resulting in net interest income dropping to under half of total revenue.

Noninterest Income

Noninterest income consists primarily of net gains on the sale of loans, loan servicing fees, and other fee revenue, including MPP loan-related fees and fees related to customer deposits. Noninterest income is a key contributor to our net income and is expected to account for more than half of our revenue in market conditions when industry residential mortgage loan origination volumes are significantly higher, such as in 2020 and 2021.

Noninterest Expense

Noninterest expense includes salaries and employee benefits, occupancy and equipment costs, data processing and software fees, professional services fees, and other general and administrative expenses including taxes and insurance. In evaluating our level of noninterest expense, we also monitor our efficiency ratio. As a residential real estate mortgage-focused bank, our efficiency ratio will typically be higher than other non-mortgage focused banks and will tend to decrease significantly with any meaningful increase in industry mortgage originations. The efficiency ratio represents non-interest expense divided by the sum of net interest income and noninterest income.

We continually seek to identify ways to streamline our business and operate more efficiently, which has enabled us to reduce our noninterest expense in both absolute terms and as a percentage of our revenue while continuing to achieve growth in total loans and assets. A large component of our expense base is mortgage-related commissions, which are variable in nature and move up or down in line with residential mortgage

originations. We also proactively manage our production-related back-office expenses and will right size those expenses based on the anticipated level of production.

Over the past several years, we have continued to invest in growth strategies and resources, including personnel, technology and infrastructure. We believe we are well positioned to continue our growth trajectory without meaningful additions to our current cost structure.

Public Company Costs

Following the completion of this offering, we expect to incur additional costs associated with operating as a public company. We expect that these costs will include additional personnel, legal, consulting, regulatory, insurance, accounting, investor relations and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, as well as rules adopted by the SEC, the FDIC, and national securities exchanges, requires public companies to implement specified corporate governance practices that are currently inapplicable to us as a private company. These additional rules and regulations will increase our legal, regulatory and financial compliance costs and will make some activities more time-consuming and costly.

Financial Condition

The primary factors we use to evaluate and manage our financial condition include asset quality, liquidity and capital.

Asset Quality

We manage the quality of our loans based upon trends at the overall loan portfolio level as well as within specific product types. We measure and monitor key factors that include the level and trend of classified, delinquent, nonaccrual and nonperforming assets, collateral coverage and credit scores and debt service coverage, where applicable. These metrics directly impact our evaluation of the adequacy of our allowance for credit losses.

Liquidity

We manage liquidity based upon factors that include the level of diversification of our funding sources, the composition and duration of our deposits, the availability of unused funding sources, off-balance sheet obligations, the amount of cash we hold and the availability of assets to be readily converted into cash without undue loss. Our liquidity position benefits significantly from the fact that approximately one-third of the loan portfolio is in MPP loans, in which loans typically have a dwell time on the warehouse client's facility for less than 30 days after the loan is funded, and which we have the unilateral right not to fund. We maintain appropriate funding capacity through our diversified and nimble funding structure, which includes a scalable digital banking platform, non-brokered rateboard time deposits, brokered CDs, and access to funding from the FHLB and other smaller facilities. The FDIC evaluates the liquidity of our Bank on a stand-alone basis pursuant to applicable guidance and policies.

Capital

We manage our capital by tracking our level and quality of capital with consideration given to our overall financial condition, our asset quality, our level of allowance for credit losses, our geographic and industry concentrations, and other risk factors in our balance sheet, including interest rate sensitivity. Bank holding companies and banks are subject to various regulatory capital requirements administered by federal bank and state regulatory agencies. Our Bank is subject to minimum risk-based and leverage capital requirements under federal regulations implementing the Basel III framework, and to regulatory thresholds that must be met for an insured depository institution to be classified as "well-capitalized" under the prompt corrective action framework. Our capital ratios and the capital ratios of our Bank at September 30, 2024 exceeded all applicable minimum capital requirements and the regulatory standards for our Bank to be "well-capitalized."

Operating Highlights

Year-to-date September 30, 2024 vs. 2023

Our net income for the first nine months of 2024, compared to the same period of 2023, demonstrates our success in strategic repositioning over the past several years.

- Net income available to common stockholders for the first nine months of 2024 was $38.3 million, an increase of $13.5 million, or 54.1%, over the same period of 2023.
- Despite higher interest rates and lower mortgage originations over the same period, net income increased by 54.1%, attributable to higher net interest income and lower noninterest expense, which more than offset the decrease in noninterest income.
- Did not incur any material one-time costs associated with strategic repositioning.
- Noninterest expense decreased by $38.1 million, or 30.9%, over the first nine months of 2024, compared to the same period of 2023, reflecting lower variable compensation and our proactive measures to manage mortgage-related back-office expenses.
- Continued to intentionally change the mix of our HFI loan portfolio.
    - MPP loans increased to 35.1% of total gross loans at September 30, 2024, from 27.7% at December 31, 2023.
    - Residential mortgage loans decreased to 41.5% of total gross loans at September 30, 2024 from 45.1% at December 31, 2023.
    - AIO Loans were 12.2% of total gross loans at September 30, 2024, flat from December 31, 2023.
- MPP loans increased by $525.0 million, or 45.8%, at September 30, 2024 compared to December 31, 2023, reflecting strong new customer acquisition and market share gains, as well as an increase in overall industry mortgage originations.
- Liquidity remained stable, with total cash and cash equivalents of $440.8 million at September 30, 2024, compared to $351.9 million at December 31, 2023.
- As of September 30, 2024, our capital ratios were above all regulatory requirements to be considered well-capitalized.

Full-year 2023 vs. 2022

- Net income available to common stockholders for the full year 2023 and 2022 was $24.1 million and $13.6 million, respectively, which is lower than other periods in recent history due to the decrease in industry mortgage originations resulting from a higher interest rate environment.
- Did not incur any material one-time costs associated with strategic repositioning.
- The total loan portfolio was $4.1 billion at the end of 2023 compared to $3.8 billion at the end of 2022, primarily driven by growth in MPP loans.
- Liquidity remained stable, with total cash and interest-bearing deposits of $351.9 million at December 31, 2023 and $274.2 million at December 31, 2022.
- For 2023 and 2022, our capital ratios were above all regulatory requirements to be considered well-capitalized.

Results of Operations

Net Interest Income

The following table presents average balance sheet information, interest income, interest expense and the corresponding average yield earned and rates paid for the nine months ended September 30, 2024 and 2023:

	For the Nine Months Ended September 30,					
	2024			2023		
(Dollars in thousands)	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest-Earning Assets						
Loans[1]	$4,347,308	$210,660	6.46%	$3,912,894	$173,901	5.92%
Securities, AFS[2]	9,884	477	6.43%	16,183	687	5.66%
Securities, FHLB Stock	69,132	4,751	9.16%	73,413	2,865	5.20%
Interest Bearing Deposits	466,277	18,943	5.42%	477,074	18,009	5.03%
Total Earning Assets	4,892,601	234,831	6.40%	4,479,564	195,462	5.82%
Noninterest Earning Assets[3]	149,263			200,189		
Total Assets	$5,041,864			$4,679,753		
Interest-Bearing Liabilities						
Deposits:						
Transaction Accounts	$ 395,765	$ 14,639	4.93%	$ 175,444	$ 6,602	5.02%
Money Market & Savings	395,580	13,152	4.43%	452,769	11,755	3.46%
Time	2,131,676	84,177	5.26%	2,107,696	71,960	4.55%
Total Interest-bearing deposits	2,923,021	111,968	5.11%	2,735,909	90,317	4.40%
Sub Debt	40,767	2,855	9.33%	56,284	3,510	8.31%
Borrowings	1,321,471	35,815	3.61%	1,113,202	26,745	3.20%
Total Interest-bearing liabilities	4,285,259	150,638	4.69%	3,905,395	120,572	4.12%
Noninterest-bearing liabilities						
Noninterest-bearing deposits	251,850			285,732		
Other noninterest-bearing liabilities	57,697			64,887		
Total Noninterest-bearing liabilities	309,547			350,619		
Equity	447,058			423,738		
	$5,041,864			$4,679,752		
Net Interest Spread[4]			1.71%			1.70%
Net Interest Margin[5]		$ 84,193	2.29%		$ 74,890	2.23%

(1) Loan balance includes loans held for investment and held for sale. Nonaccrual loans are included in total loan balances and no adjustment has been made for these loans in the yield calculation. Interest income on loans includes amortization of deferred loan fees, net of deferred loan costs.

(2) Average yield based on carrying value and there are no tax-exempt securities in the portfolio.

(3) Noninterest-earning assets includes the allowance for loan losses.

(4) Net interest spread is the average yield on total interest-earning assets minus the average rate on total interest-bearing liabilities.

(5) Net interest margin is net interest income divided by total interest-earning assets.

Net interest income increased to $84.2 million for the nine months ended September 30, 2024, compared to $74.9 million for the nine months ended September 30, 2023, representing an increase of $9.3 million, or 12.4%. The increase in net interest income was primarily due to a 9.2% increase in our earning assets to $4.9 billion, from $4.5 billion, consistent with the Company's strategic repositioning efforts described in the Operating Highlights. Net interest margin increased to 2.29% from 2.23% over the same period.

The following table presents average balance sheet information, interest income, interest expense and the corresponding average yield earned and rates paid for the years ended December 31, 2023 and 2022:

	For the Years Ended December 31,					
	2023			2022		
(Dollars in thousands)	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest-Earning Assets						
Loans[1]	$3,932,840	$237,396	6.04%	$3,544,383	$156,705	4.42%
Securities, AFS[2]	16,117	923	5.73%	15,070	805	5.34%
Securities, FHLB Stock	71,627	4,191	5.85%	74,330	2,328	3.13%
Interest Bearing Deposits	482,246	24,872	5.16%	410,154	6,287	1.53%
Total Earning Assets	4,502,830	267,382	5.94%	4,043,937	166,125	4.11%
Noninterest Earning Assets[3]	200,113			241,822		
Total Assets	$4,702,943			$4,285,760		
Interest-Bearing Liabilities						
Deposits:						
Transaction Accounts	$ 233,199	$ 11,974	5.13%	$ 400,482	$ 5,200	1.30%
Money Market & Savings	434,395	15,705	3.62%	548,484	8,641	1.58%
Time	2,044,351	96,226	4.71%	1,344,343	26,214	1.95%
Total Interest-bearing deposits	2,711,945	123,905	4.57%	2,293,309	40,055	1.75%
Sub Debt	53,418	4,562	8.54%	56,161	3,876	6.90%
Borrowings	1,157,969	37,696	3.26%	1,032,590	22,756	2.20%
Total Interest-bearing liabilities	3,923,332	166,163	4.24%	3,382,060	66,687	1.97%
Noninterest-bearing liabilities						
Noninterest-bearing deposits	286,569			385,919		
Other noninterest-bearing liabilities	65,392			97,312		
Total noninterest-bearing liabilities	351,961			483,231		
Equity	427,650			420,469		
	$4,702,943			$4,285,760		
Net Interest Spread[4]			1.70%			2.14%
Net Interest Margin[5]		$101,219	2.25%		$ 99,438	2.46%

(1) Loan balance includes loans held for investment and held for sale. Nonaccrual loans are included in total loan balances and no adjustment has been made for these loans in the yield calculation. Interest income on loans includes amortization of deferred loan fees, net of deferred loan costs.

(2) Average yield based on carrying value and there are no tax-exempt securities in the portfolio.

(3) Noninterest-earning assets includes the allowance for loan losses.

(4) Net interest spread is the average yield on total interest-earning assets minus the average rate on total interest-bearing liabilities.

(5) Net interest margin is net interest income divided by total interest-earning assets.

For the year ended 2023, net interest income increased to $101.2 million, a slight increase from $99.4 million for the year ended 2022. This increase was due to the combined impact of an 11.3% increase in earning assets to $4.5 billion from $4.0 billion, mostly offset by a decrease in the net interest margin to 2.25% from 2.46%. The decrease in net interest margin was driven by a higher cost of funds, as the increase in deposit and other interest-bearing liabilities costs more than outpaced the increase in interest-earning asset yields.

Yield and Volume Impact on Net Interest Income

Increases and decreases in interest income and interest expense result from changes in average balances (volume) of interest-earning assets and interest-bearing liabilities, as well as changes in average interest rates. The following table shows the effect that these factors had on the interest earned from our interest-earning assets and interest incurred on our interest-bearing liabilities. The effect of changes in volume is determined by multiplying the change in volume by the current period's average rate. The effect of rate changes is calculated by multiplying the change in average rate by the previous period's volume. The change in interest due to both rate and volume has been allocated to rate and volume changes in proportion to the relationship of the absolute dollar amounts of the changes in each.

	For the Nine Months Ended Sept 30,			For the Years Ended December 31,		
	2024 vs 2023			2023 vs 2022		
	Variance Due To			Variance Due To		
(Dollars in thousands)	Volume	Yield/Rate	Total	Volume	Yield/Rate	Total
Interest-Earning Assets						
Loans	$25,735	$ 11,024	$36,759	$23,448	$ 57,243	$ 80,691
Securities, AFS	(356)	146	(210)	60	58	118
Securities, FHLB Stock	(223)	2,108	1,885	(158)	2,021	1,863
Interest-Bearing Deposits	(543)	1,478	935	3,718	14,866	18,584
Total Interest-Earning Assets	24,613	14,756	39,369	27,068	74,188	101,256
Interest-Bearing Liabilities						
Deposits:						
Transaction Accounts	11,052	(3,014)	8,038	(8,590)	15,365	6,775
Money Market & Savings	(1,979)	3,375	1,396	(4,125)	11,189	7,064
Time	1,091	11,126	12,217	32,949	37,063	70,012
Total Interest-Bearing Deposits	10,164	11,487	21,651	20,234	63,617	83,851
Sub Debt	(1,292)	635	(657)	(234)	920	686
Borrowings	6,670	2,400	9,070	4,082	10,857	14,939
Total Interest-Bearing liabilities	15,542	14,522	30,064	24,082	75,394	99,476
Net Interest Income / Margin	$ 9,071	$ 234	$ 9,305	$ 2,986	$ (1,206)	$ 1,780

The yield and volume table above shows that the $9.3 million increase for the nine months ended September 30, 2024, compared to the same period for the prior year, was primarily driven by the increase in volume of earning assets. The $1.8 million increase in net interest margin for the full year 2023, compared to the full year 2022, was due to a $3.0 million benefit from increased earnings asset volume offset by a $1.2 million decrease in net interest margin.

Provision for Credit Losses

The provision for credit losses represents a charge to earnings necessary to establish an allowance for credit losses that, in management's evaluation, is adequate to provide coverage for all expected future credit losses. The provision for credit losses is impacted by inherent risk characteristics in our loan portfolio, the level of nonperforming loans and net charge-offs, both current and historic, recent historical and projected future economic conditions, loan growth, the direction of the change in collateral values, and the level of

actual net charge-offs incurred. Our provision for credit loss reflects risks in the loan portfolio, which is comprised predominately of collateralized single-family mortgage loans, and low historical loss experience.

We recorded a provision for credit losses of $0.1 million for the nine months ended September 30, 2024, reflecting net charge-offs of $1.3 million and an ending allowance for credit losses of $12.2 million. For the nine months ended September 30, 2023, we recorded a release of provision for credit losses of $(0.3) million, reflecting $33 thousand in net recoveries and an ending allowance for credit losses of $14.3 million. Provision for credit losses also includes provision for unfunded loan commitments on the consolidated statements of income. The Company released a provision of $1.1 million during the nine months ended September 30, 2024 and provided a provision of $1.1 million during the nine months ended September 30, 2023, which drove the decrease in allowance for credit losses over the same period.

During 2023, we adopted ASU 2016-13, Financial Instruments — Credit Losses: Measurement of Credit Losses on Financial Instruments, which replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL"). For the full year 2023, we recorded a release of provision for credit losses of $(1.5) million, reflecting net charge-offs of $0.8 million and an ending allowance for credit losses of $12.3 million. Provision for credit losses in 2023 also included a $1.1 million provision for unfunded loan commitments on the consolidated statements of income. For the full year 2022, we recorded a provision for credit losses of $2.2 million, reflecting net recoveries of $0.3 million and an ending allowance for credit losses of $6.4 million. The increase in allowance for credit losses for 2023 reflected the adoption of CECL and the provision for unfunded loan commitments.

Noninterest income

The following table presents the major components of our noninterest income for the nine months ended September 30, 2024 and 2023:

(Dollars in thousands) Noninterest Income	For the nine months ended 2024	 2023	$ Increase (Decrease)
Service charges on deposits and other fees	$ 1,387	$ 2,017	$ (630)
Loan Servicing fees	8,706	21,043	(12,337)
Mortgage purchase program loan fees	3,823	2,609	1,214
Net gain on sale of loans held for sale	46,922	64,095	(17,173)
Sold loan fees	—	222	(222)
Unrealized gain (loss) on equity securities	28	(40)	68
Net (loss) gain on sale of assets	(1,556)	428	(1,984)
	$ 59,310	**$ 90,374**	**$ (31,064)**

Noninterest income decreased to $59.3 million for the nine months ended September 30, 2024, from $90.4 million compared to the same period in 2023. This decrease was primarily driven by lower net gain on sale of loans from the decrease in mortgage originations combined with lower loan servicing fees as we made a strategic decision to sell a substantial portion of our residential mortgage servicing portfolio in 2024.

The following table presents the major components of our noninterest income for the years ended December 31, 2023 and 2022:

(Dollars in thousands) Noninterest Income	For the years ended 2023	 2022	$ Increase (Decrease)
Service charges on deposits and other fees	$ 2,669	$ 3,759	$ (1,090)
Loan servicing fees	15,146	83,880	(68,734)
Mortgage purchase program loan fees	3,584	3,659	(75)
Net gain on sale of loans held for sale	73,135	69,921	3,214
Sold loan fees	223	2,635	(2,412)
Unrealized gain (loss) on equity securities	18	(170)	188
Net gain (loss) on sale of assets	292	(5,565)	5,857
	$95,067	**$158,119**	**$ (63,052)**

Noninterest income declined by $63.1 million between year-end 2023 and 2022, driven primarily by lower loan servicing fees from a reduction in capitalized mortgage servicing rights reflecting both a decrease in level of residential mortgage originations sold and a lower capitalization, both reflecting changes in the interest rate environment over the period. For the year ended 2022, capitalized mortgage servicing rights was included in loan servicing fees, but was changed to be included in net gain on sale of loans held for sale for the year ended 2023. In both the first nine months of 2024 and 2023, and the full years of 2023 and 2022, the decrease in our noninterest income was more than offset by lower noninterest expense resulting from our proactive management of operating expenses.

Noninterest expense

The following table presents the major components of our noninterest expense for the nine months ended September 30, 2024 and 2023:

(Dollars in thousands) Noninterest Expense	For the nine months ended 2024	 2023	$ Increase (Decrease)
Salaries and employee benefits	$ 58,817	$ 85,811	$ (26,994)
Occupancy and equipment	3,456	5,466	(2,010)
Data processing expense	7,047	8,585	(1,538)
Professional fees	3,341	3,858	(517)
Other taxes and insurance	4,894	4,948	(54)
Other	7,600	14,555	(6,955)
	$ 85,155	**$ 123,223**	**$ (38,068)**

For the nine months ended September 30, 2024, noninterest expense declined by 30.9% to $85.2 million, from $123.2 million for the first nine months of 2023. The largest driver of this decline was from a $27.0 million decline in salaries and employee benefits expense, driven primarily by lower variable commissions, along with other staff reductions, both consistent with lower residential mortgage origination volume and the Company's ability to quickly and proactively manage its expense base.

The following table presents the major components of our noninterest expense for the years ended December 31, 2023 and 2022:

(Dollars in thousands) Noninterest Expense	For the years ended 2023	 2022	$ Increase (Decrease)
Salaries and employee benefits	$104,286	$159,876	$ (55,590)
Occupancy and equipment	6,924	7,242	(318)
Data processing expense	11,107	12,658	(1,551)
Professional fees	4,879	9,689	(4,810)
Other taxes and insurance	6,976	4,408	2,568
Other	18,912	27,773	(8,861)
	$153,084	**$221,646**	**$ (68,562)**

For the full year 2023, operating expenses decreased by $68.6 million, or 30.9%, as compared to the full year 2022, primarily driven by a $55.6 million decrease in salaries and benefits expense. The decrease in salaries and benefits was driven primarily by lower variable commissions, along with other staff reductions, both consistent with lower residential mortgage origination volume. Professional fees and other operating expenses decreased by $4.8 million and $8.9 million, respectively, from 2022 to 2023, reflecting corporate-wide efficiency initiatives and lower production-related loan fees.

Income tax expense

Total income tax expenses were $14.1 million for the nine months ended 2024, compared to $10.3 million for the same period of 2023. The effective tax rate was 24.1% for the nine months ended September 30, 2024, relatively unchanged for the same period of 2023.

Total income tax expenses were $10.9 million for the year ended 2023, compared to $10.5 million for the year ended 2022. The effective tax rate was 24.5% for the year ended 2023, a decrease from 31.0% for the year ended 2022. The decrease in tax rate was driven primarily by a change in state apportionment and the impact of changes in the deferred tax liability.

Operating Segment Analysis

We have two reporting segments, Retail Banking and MPP. As discussed in Note 22 of our Consolidated Financial Statements included elsewhere in this prospectus, our reportable segments have been determined based on management's focus and internal reporting structure.

The MPP segment provides residential mortgage purchase program to more than 100 independent mortgage banking companies located in 19 states nationwide. The Retail Banking segment provides a vast array of financial products and services to consumers nationwide. These include residential mortgages, AIO Loans, other consumer loans, and loan servicing, as well as various types of deposit products, including checking, savings and time deposit accounts. It also includes general and administrative expenses for the enterprise-wide support functions, which are allocated among the segments, internal funds transfer pricing offsets resulting from allocations to or from the other segments, and certain elimination entries.

Our reported segments and the financial information disclosed in the reported segments are not necessarily comparable with similar information reported by other financial institutions. Furthermore, changes in management structure or allocation methodologies and procedures may result in future changes to previously reported operating segment financial information.

The following tables present our reported segment results for the nine months ended September 30, 2024 and 2023:

	As of or for the Nine Months Ended September 30,					
	2024			2023		
(Dollars in thousands)	Retail Banking	Mortgage Warehouse (MPP)	Total	Retail Banking	Mortgage Warehouse (MPP)	Total
Interest Income	$ 153,567	$ 81,264	$ 234,831	$ 140,344	$ 55,118	$ 195,462
Interest Expense	(150,638)	—	(150,638)	(120,574)	—	(120,574)
Funds Transfer Pricing	52,584	(52,584)	—	35,768	(35,768)	—
Net Interest Income	**$ 55,513**	**$ 28,680**	**$ 84,193**	**$ 55,539**	**$ 19,350**	**$ 74,890**
(Credit) Provision for Credit Losses	$ (92)	$ 210	$ 118	$ (462)	$ 122	$ (340)
Net Income after provision	**$ 56,605**	**$ 28,470**	**$ 84,075**	**$ 56,000**	**$ 19,228**	**$ 75,230**
Noninterest Income	$ 55,487	$ 3,823	$ 59,310	$ 87,765	$ 2,609	$ 90,374
Noninterest Expense	(80,775)	(4,380)	(85,155)	(118,277)	(4,946)	(123,223)
Expense Allocation	2,266	(2,266)	—	1,802	(1,802)	—
Net Income before Taxes	**$ 32,583**	**$ 25,647**	**$ 58,230**	**$ 27,290**	**$ 15,089**	**$ 42,381**
Income Tax Expense	$ (7,868)	$ (6,193)	$ (14,061)	$ (6,618)	$ (3,658)	$ (10,276)
Net Income	**$ 24,715**	**$ 19,454**	**$ 44,169**	**$ 20,674**	**$ 11,431**	**$ 32,105**
Average Balance Sheet Assets	3,708,073	1,333,791	5,041,864	3,725,065	954,687	4,679,752
Period Ending Assets	3,714,171	1,671,829	5,385,999	3,791,991	1,096,922	4,888,913

Mortgage Warehouse (MPP)

For the nine months ended September 30, 2024, the MPP segment reported net income before preferred dividends of $19.5 million, an increase of $8.0 million, or 70.2%, over the $11.4 million reported over the same period of 2023. The increase was driven primarily by a 39.7% increase in average balances reflecting strong new customer acquisition and market share gains.

Retail Banking

For the nine months ended September 30, 2024, the Retail Banking segment reported net income before preferred dividends of $24.7 million, an increase of $4.0 million, or 19.5%, over the $20.7 million reported over the same period of 2023. The increase was driven primarily by lower noninterest expense, which outpaced the decrease in noninterest income and net interest income. The decrease in noninterest expense reflects lower variable mortgage commissions and proactive expense management across the channel.

The following tables present our reported segment results for the years ended December 31, 2023 and 2022:

	As of or for the Year Ended December 31,					
	2023			2022		
(Dollars in thousands)	Retail Banking	Mortgage Warehouse (MPP)	Total	Retail Banking	Mortgage Warehouse (MPP)	Total
Interest Income	$ 190,645	$ 76,737	$ 267,382	$ 131,907	$ 34,217	$ 166,124
Interest Expense	(166,163)	—	(166,163)	(66,687)	—	(66,687)
Funds Transfer Pricing	49,497	(49,497)	—	13,896	(13,896)	—
Net Interest Income	**$ 73,979**	**$ 27,240**	**$ 101,219**	**$ 79,117**	**$ 20,321**	**$ 99,437**
(Credit) Provision for Credit Losses	$ (1,627)	$ 142	$ (1,485)	$ 2,316	$ (100)	$ 2,216
Net Income after provision	**$ 75,606**	**$ 27,098**	**$ 102,704**	**$ 76,800**	**$ 20,421**	**$ 97,221**
Noninterest Income	$ 91,483	$ 3,584	$ 95,067	$ 154,460	$ 3,659	$ 158,119
Noninterest Expense	(148,138)	(4,946)	(153,084)	(216,873)	(4,773)	(221,646)
Expense Allocation	2,648	(2,648)	—	2,117	(2,117)	—
Net Income before Taxes	**$ 21,599**	**$ 23,088**	**$ 44,687**	**$ 16,504**	**$ 17,190**	**$ 33,694**
Income Tax Expense	$ (5,281)	$ (5,644)	$ (10,925)	$ (5,121)	$ (5,334)	$ (10,455)
Net Income	**$ 16,318**	**$ 17,444**	**$ 33,762**	**$ 11,383**	**$ 11,856**	**$ 23,239**
Average Balance Sheet Assets	$3,725,065	$ 977,873	$4,702,943	$3,509,394	$ 776,365	$4,285,759
Period Ending Assets	3,611,652	1,146,826	4,758,479	3,608,427	791,919	4,400,346

Mortgage Warehouse (MPP)

For the year ended December 31, 2023, the MPP segment reported net income before preferred dividends of $17.4 million, an increase of $5.6 million, or 47.1%, over the $11.9 million reported over the same period of 2022. The increase was driven primarily by a 26.0% increase in average balances reflecting strong new customer acquisition and market share gains.

Retail Banking

For the year ended December 31, 2023, the Retail Banking segment reported net income before preferred dividends of $16.3 million, an increase of $4.9 million, or 43.3%, over the $11.4 million reported over the same period of 2022. The increase was driven primarily by lower noninterest expense, which outpaced the decrease in noninterest income and net interest income. The decrease in noninterest expense reflects lower variable mortgage commissions and proactive expense management across the channel.

Discussion and Analysis of Financial Condition

The following table summarizes selected components of our balance sheet as of September 30, 2024, and as of years ended 2023 and 2022:

(Dollars in thousands)	For the Year Ended September 30 2024	For the Years Ended December 31 2023	2022
BALANCE SHEET DATA			
Total Assets	$ 5,385,999	$4,758,479	$4,400,346
Cash and cash equivalents	440,751	351,890	274,233
Equity and debt securities	9,757	16,045	16,201
Other securities	69,574	67,487	73,531
Loans and loans held for sale, net	4,744,865	4,121,347	3,814,732
Mortgage servicing rights	11,671	95,339	101,792
Deposits	3,531,878	2,925,558	2,921,300
Borrowings	1,308,750	1,275,000	925,000
Subordinated debentures	43,897	39,368	56,255
Total Equity Capital	454,782	430,620	417,307

Total Assets

Total assets were $5.4 billion at September 30, 2024, an increase from $4.8 billion at December 31, 2023. The $627.5 million increase in total assets from year end 2023 was primarily driven by higher net loans and loans held for sale, which increased by $623.5 million over the same period.

Total assets were $4.8 billion at December 31, 2023, and increase from $4.4 billion at December 31, 2022. The year-over-year increase was primarily due to higher net loans and loans held for sale, which increased by $306.6 million over the same period.

Loan Portfolio

The following table presents the balance and associated percentage of each major loan type within our portfolio, including net deferred fees and costs, as of the dates indicated:

	September 30, 2024		December 31, 2023		December 31, 2022	
(Dollars in thousands)	Amount	% of Total Gross Loans	Amount	% of Total Gross Loans	Amount	% of Total Gross Loans
Residential:						
Construction	$ 86,300	1.8%	$ 141,326	3.4%	$ 148,757	3.9%
All-in-One (AIO)[1]	581,728	12.2%	506,035	12.2%	323,321	8.5%
Other Consumer / Home Equity[1]	99,648	2.1%	106,650	2.6%	103,350	2.7%
Residential Mortgage[2]	1,972,468	41.5%	1,862,325	45.1%	1,648,012	43.1%
Commercial	1,088	0.0%	18,037	0.4%	14,774	0.4%
Mortgage Warehouse (MPP)	1,671,829	35.1%	1,146,826	27.7%	791,919	20.7%
Total Loans Held for Investment:	4,412,061	92.7%	3,781,199	91.5%	3,030,133	79.3%
Retail	345,024	7.3%	352,443	8.5%	520,649	13.6%
Correspondent	—	0.0%	—	0.0%	270,315	7.1%
Loans Held for Sale:	345,024	7.3%	352,443	8.5%	790,964	20.7%
Total Gross Loans (HFI and HFS)	$4,757,085	100.0%	$4,133,642	100.0%	$3,821,097	100.0%

(1) AIO and Other Consumer / Home Equity are aggregated into Home equity lines of credit loans within the tables in our consolidated financial statements.

(2) Residential Mortgage loans consist of Closed end first liens, Closed end second liens, and Land development loans.

Our loan portfolio includes both loans held for investment and loans held for sale. Our loans held for investment portfolio typically comprises over 85% of our total assets and provides higher yields than other categories of earnings assets. As evidence of our strong underwriting and diligent risk controls, our largest loan category, residential mortgages, has experienced very low net charge-offs throughout our history, and our second largest loan category, MPP loans, has not experienced any charge-offs since we began this lending program in 2010.

MPP loans are loans to independent mortgage banking companies located around the country. These are floating rate, short term loans that are collateralized by single-family mortgage loans that these mortgage banks are preparing to be delivered to the secondary mortgage market. In most cases, mortgage loans sit in the mortgage banking company's warehouse for less than 30 days after the loan is funded.

Residential mortgage loans include fixed or adjustable-rate residential real estate loans collateralized by 1 – 4 family properties. Our portfolio is geographically diversified across the United States. To mitigate interest rate risk, most of the loans we choose to hold in our portfolio are floating rate loans. The majority of our residential mortgage loans are first liens, with a weighted average LTV of 78% and FICO score of 749. As of September 30, 2024, the weighted average FICO was 613 for GNMA, 753 for FNMA, 757 for FHLMC, and 758 for FHLB.

AIO Loans are floating rate, first mortgage revolving purchase facilities that include a checking account linked to the revolving purchase facility.

We also have a smaller portfolio of construction loans, home equity lines of credit, and commercial loans, which represented less than 4% of the overall loan portfolio as of September 30, 2024.

As of September 30, 2024, our loans net of allowance for credit losses was $4.7 billion compared to $4.1 billion on December 31, 2023 and $3.8 billion at December 31, 2022. This loan growth was primarily attributable to the strong growth in MPP loans, which grew by an annualized rate of 61% since December 31, 2023. This growth represents the strength of scalable technology, long-standing strong relationships built by account executives since inception, as well as our ability to capitalize on recent market disruption within the business line. Another key driver of our overall loan growth is growth in our AIO Loan product, which grew by 15.0% to $581 million as of September 30, 2024, from $506 million at December 31, 2023, and grew by 79.9% from December 31, 2022. Prudently growing this portfolio and the associated loan customer relationships is a strategic priority for the Company.

As of September 30, 2024, residential mortgage comprised 41.5% of our total loan portfolio compared to 35.1% for MPP and 12.2% for AIO Loans.

Contractual Maturities and Rate Structures of Loan Portfolio

The following table sets forth the contractual maturities and rate structures on September 30, 2024 and year end 2023:

Contractual Loan Maturities as of September 30, 2024

(Dollars in thousands)	Due in 1 Year or less		Due after 1 Year through 5 years		Due after 5 Years through 15 years		Due after 15 years		Total
	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	
Residential									
Construction	$21,089	—	—	—	—	—	$ 64,387	$ 824	$ 86,300
All-in-One (AIO)[1]	—	—	—	—	—	—	—	581,728	581,728
Other Consumer / Home Equity[1]	—	100	—	0	—	203	—	98,345	99,648
Residential Mortgage[2]	161	35	338	620	16,188	13,896	417,472	1,523,758	1,972,468
Commercial	177	172	138	237	119	84	161	—	1,088
Mortgage Warehouse (MPP)	—	1,671,829	—	—	—	—	—	—	1,671,829
Total Loans Held for Investment:	21,427	1,672,136	476	857	16,307	14,183	482,020	2,204,655	4,412,061
Retail Loans Held for Sale:	—	—	—	—	105	—	337,513	7,406	345,024
Total Gross Loans (HFI and HFS)	**$21,427**	**$1,672,136**	**$476**	**$ 857**	**$16,412**	**$ 14,183**	**$819,533**	**$2,212,061**	**$4,757,086**

(1) AIO and Other Consumer / Home Equity are aggregated into Home equity lines of credit loans within the tables in our consolidated financial statements.

(2) Residential Mortgage loans consist of Closed end first liens, Closed end second liens, and Land development loans.

Contractual Loan Maturities as of December 31, 2023

(Dollars in thousands)	Due in 1 Year or less		Due after 1 Year through 5 years		Due after 5 Years through 15 years		Due after 15 years		Total
	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	
Residential									
Construction	$25,986	$ —	4,148	—	—	—	110,113	1,079	141,326
All-in-One (AIO)[1]	—	—	—		—	—	—	$ 506,035	$ 506,035
Other Consumer / Home Equity[1]	—	186	—	—	—	204	—	106,260	106,650
Residential Mortgage[2]	515	53	337	843	12,447	13,879	276,889	1,557,362	1,862,325
Commercial	89	16,738	331	262	175	278	164	—	18,037
Mortgage Warehouse (MPP)	—	1,146,826	—	—	—	—	—	—	1,146,826
Total	26,590	1,163,803	4,816	1,105	12,622	14,361	387,166	2,170,736	3,781,199
Retail Loans Held for Sale:	—	—	—	—	2,694	—	332,135	17,614	352,443
Total Gross Loans (HFI and HFS)	**$ 9,107**	**$1,163,803**	**$4,816**	**$ 1,105**	**$15,316**	**$ 14,361**	**$719,301**	**$2,188,350**	**$4,133,642**

(1) AIO and Other Consumer / Home Equity are aggregated into Home equity lines of credit loans within the tables in our consolidated financial statements.

(2) Residential Mortgage loans consist of Closed end first liens, Closed end second liens, and Land development loans.

Our mortgage loan portfolio has ARMs which reset annually after the initial fixed rate period, which ranges from one to 10 years. AIO adjustable rate loans reset monthly. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

As of September 30, 2024, 35.6% of our total loan portfolio had a contractual maturity of less than one year, up from 28.8% at year-end 2023. The increase was primarily due to growth in our MPP loans over this period. Our MPP loans are all floating rate loans and generally have terms of 30 days or less given that is the time period that a funded mortgage stays in our mortgage banking clients warehouse prior to the sale of the mortgage in the secondary market. Very few of our loans have intermediate contractual maturities of between one and fifteen years. As of September 30, 2024, 63.7% of total loans had contractual maturities of longer than 15 years, compared to 70.3% at year-end 2023. For our two largest categories of long duration loans as of September 30, 2024, 78.4% of residential mortgage and 100% of our AIO Loans were floating rate.

Nonperforming Assets

The following table provides details of our nonperforming and restructured assets as of the dates presented and certain other related information:

(Dollars in thousands)	September 30, 2024	December 31, 2023	December 31, 2022
Nonaccrual Loans[1]:			
Commercial	—	—	20
Construction	1,674	2,201	223
Land Development	2,488	2,201	588
Home Equity Lines of Credit	6,231	3,598	619
First Lien Mortgage	21,953	12,501	9,379
First Lien Mortgage Wholly or Partially Guaranteed by the U.S Government	37,064	12,524	5,095
Junior Lien Mortgage	1,295	726	422
Mortgage Warehouse (MPP)	—	—	—
	70,705	33,751	16,346
Loans Past Due 90 Days or More and Still Accruing[1]:			
Commercial	—	—	—
Construction	—	—	—
Land Development	—	—	—
Home Equity Lines of Credit	235	497	—
First Lien Mortgage	8,264	2,785	1,432
First Lien Mortgage Wholly or Partially Guaranteed by the U.S Government	171	25,171	3,214
Junior Lien Mortgage	542	—	80
Mortgage Warehouse (MPP)	—	—	—
	9,212	28,453	4,726
Total Nonperforming Loans	79,917	62,204	21,072
Other Real Estate Owned	1,990	24	551
Total Nonperforming Assets	81,907	62,228	21,623
Nonaccrual Loans to Total Loans	1.49%	0.82%	0.43%
Nonperforming Loans to Total Loans	1.68%	1.50%	0.55%

(Dollars in thousands)	September 30, 2024	December 31, 2023	December 31, 2022
Nonperforming Assets to Total Assets	1.52%	1.31%	0.49%
Allowance for Credit Losses to Nonaccrual Loans	17.28%	36.43%	38.94%
Ratios Excluding Loans Wholly or Partially Guaranteed by the U.S Government			
Nonaccrual Loans to Total Loans	0.71%	0.51%	0.29%
Nonperforming Loans to Total Loans	0.90%	0.60%	0.33%
Nonperforming Assets to Total Assets	0.84%	0.52%	0.30%
Allowance for Credit Losses to Nonaccrual Loans	36.32%	57.92%	56.57%

(1) Includes loans which are reported at fair value (see Note 18 of our consolidated financial statements)

At September 30, 2024, nonperforming assets were $81.9 million compared to $62.2 million at year end 2023 and $21.6 million at year end 2022. The increase in nonperforming assets relative to December 31, 2023, was primarily driven by an increase in nonperforming residential first lien mortgages. The increase in nonperforming assets relative to December 31, 2022, was primarily driven by increases in nonperforming residential first lien mortgages, with over half of the increase in loans wholly or partially guaranteed by the U.S Government. Nonperforming assets as a percent of total assets was 1.52%, 1.31% and 0.49%, respectively, at the end of each of these periods. Excluding the portion of our loans that are wholly or partially guaranteed by the U.S. Government, nonperforming loans to total assets declined to 0.84% at September 30, 2024, compared to 0.52% at year-end 2023 and 0.30% at year-end 2022. Approximately 54% of our nonperforming loans have a form of government guarantee. Loans that have been sold and are insured or guaranteed by Government National Mortgage Association ("GNMA") are described in more detail in Note 3 of the Notes to Consolidated Financial Statements included elsewhere in this prospectus.

The Company uses a risk grading system for our loans to aid us in evaluating the overall credit of our loan portfolio and assessing the adequacy of our allowance for credit losses. All loans are categorized into a risk category at the time of origination. Loans are re-evaluated for proper risk grading as new information such as payment patterns, collateral condition and other relevant information comes to our attention.

The Company categorized each loan into credit risk categories based on current financial information, overall debt service coverage, comparison against industry averages, collateral coverage, historical payment experience, and current economic trends. The Company uses the following definitions for credit risk ratings:

A) *Performing*. Residential real estate credits not covered by the non-performing definition below.

B) *Non-performing.* Residential real estate loans classified as non-performing are generally loans on nonaccrual status.

C) *Pass*. Commercial credits not covered by the definitions below are pass credits, which are not considered to be adversely rated.

D) *Special Mention (Watch).* Loans classified as special mention, or watch credits, have a potential weakness or weaknesses that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

E) *Substandard*. Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution may sustain some loss if the deficiencies are not corrected.

F) *Doubtful*. These are loans in which the collection or liquidation of the entire debt is highly questionable or improbable. Typically, the possibility of loss is extremely high. The losses on these loans are deferred until all pending factors have been addressed.

Our classified assets are described in more detail in Note 3 of the Notes to Consolidated Financial Statements included elsewhere in this prospectus.

Allowance for Credit Losses and Net Charge-Offs

The allowance for credit losses is established through a provision for credit losses charged to operations. Loans are charged against the allowance for credit losses when management believes that the collectability of the principal is unlikely. Subsequent recoveries of previously charged off amounts, if any, are credited to the allowance for credit losses. The allowance for credit losses is evaluated on a regular basis by management and is based on management's periodic review of the collectability of the loans considering historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. While the entire allowance for credit losses is available to absorb losses from all loans, the following table represents management's allocation of our allowance for credit losses by loan category, and the percentage of allowance for credit losses in each category, for the periods indicated:

	September 30, 2024		December 31, 2023		December 31, 2022	
(Dollars in thousands)	Dollars	% of Total	Dollars	% of Total	Dollars	% of Total
Collectively Allocated for Impairment:						
Commercial & Other	$ 20	0.2%	$ 52	0.4%	$ 53	0.8%
Construction	553	4.5%	488	4.0%	98	1.5%
Land Development	1,128	9.2%	1,607	13.1%	581	9.1%
Home Equity Lines of Credit	2,113	17.3%	2,039	16.6%	1,119	17.6%
First Lien Mortgage	5,013	41.0%	5,246	42.7%	2,065	32.4%
Junior Lien Mortgage	1,859	15.2%	2,211	18.0%	1,226	19.3%
Mortgage Warehouse (MPP)	669	5.5%	458	3.7%	317	5.0%
	11,355	92.9%	12,101	98.4%	5,459	85.8%
Individually Allocated for Impairment	863	7.1%	150	1.2%	844	13.3%
Unallocated	2	0.0%	44	0.4%	62	1.0%
	865	7.1%	194	1.6%	906	14.2%
Total Allowance for Credit Losses	$12,220	100.0%	$12,295	100.0%	$6,365	100.0%

The following table provides an analysis of the activity in our allowance for the periods indicated:

	For the nine months ended September 30, 2024		For the Years Ended December 31, 2023		For the Years Ended December 31, 2022	
(Dollars in thousands)	Activity	% of Loans Held for Investment[1]	Activity	% of Loans Held for Investment	Activity	% of Loans Held for Investment
Loans held for investment	$4,412,061		$3,781,199		$3,030,133	
Beginning allowance for credit losses	12,295		6,365		3,886	
Net (charge-offs) recoveries:						
Commercial & Other	116	4.75%	55	1.07%	101	2.12%
Construction	(178)	-0.16%	(482)	-0.23%	12	0.01%
Land Development	—	0.00%	—	0.00%	—	0.00%
Home Equity Lines of Credit	(1,045)	-0.24%	(183)	-0.04%	—	0.00%
First Lien Mortgage	(27)	0.00%	(156)	-0.01%	150	0.01%
Junior Lien Mortgage	(152)	-0.23%	(42)	-0.05%	—	0.00%

(Dollars in thousands)	For the nine months ended September 30, 2024		For the Years Ended December 31, 2023		December 31, 2022	
	Activity	% of Loans Held for Investment[1]	Activity	% of Loans Held for Investment	Activity	% of Loans Held for Investment
Mortgage Warehouse (MPP)	—	0.00%	—	0.00%	—	0.00%
Total net (charge-offs) recoveries	(1,286)		(808)		263	
Provision for credit losses	1,211		(2,569)		2,216	
Impact of Adopting ASC 326	—		9,307		—	
Ending allowance for credit losses	$ 12,220		$ 12,295		$ 6,365	
Allowance for credit losses to loans held for investment	0.28%		0.33%		0.21%	
Net charge-offs (recoveries) to Average Loans[1]	-0.04%		-0.02%		0.01%	

(1) Net charge-offs annualized for interim period

The allowance for credit losses was 0.28% of total loans as of September 30, 2024 compared to 0.33% for year end 2023 and 0.21% for year-end 2022. Management estimates the allowance by using relevant available information from internal and external sources related to historical loss experience, current borrower risk characteristics, current economic conditions, reasonable and supportable forecasts, and other relevant factors. The allowance is measured on a collective or pool basis when similar risk characteristics exist or on an individual basis when loans have unique risk characteristics which differentiate them from other loans within the loan segment. The process for estimating credit losses incorporates methodologies and procedures specific to the residential and commercial loan portfolios, each of which has unique risk characteristics. Our allowance for credit losses methodology is described in more detail in Note 2 of the Notes to Consolidated Financial Statements included elsewhere in this prospectus.

Our allowance for credit losses, and associated percentage of total loans, reflect the relative credit risk of our loan portfolio. These include the seasoning of the portfolio, LTV, FICO score, debt to income ratio ("DTI") and collateral coverage. Given these risk characteristics, and the stark contrast to other financial institutions with a commercial heavy loan portfolio, our allowance and associated ratios will be much lower than those of bank peers with similar asset size. This nuance is also evidenced by the low level of charge-offs we have incurred. Since 2019, our cumulative charge-offs, net of recoveries, totaled $1.2 million. The annualized net charge-off rate was 0.04% for the nine months ended September 30, 2024, compared to 0.00% for the nine months ended September 30, 2023. The annualized net charge-off rate was 0.02% for year ended 2023 and a recovery of (0.01)% for the year ended 2022.

Mortgage Servicing Rights

Mortgage servicing rights are the contractual agreement to service existing mortgage loans held by other investors. Mortgage servicing rights were most typically created on mortgages that were originated by the Company but sold to third parties. Additionally, a small portion of our mortgage servicing rights were acquired from other mortgage originators. The mortgage servicing asset represents future cash flows the Company expects to receive from the mortgage for which it has the contractual right to service. Mortgage servicing rights totaled $11.7 million at September 30, 2024, a substantial decrease from $95.3 million at year end 2023 and $101.8 million at year end 2022. The decrease in 2024 was due to the Company's strategic decision to sell the majority of its mortgage servicing rights portfolio.

Investment Portfolio

The Company has historically maintained a very small debt securities portfolio relative to other banking institutions preferring to invest in highly liquid loans or hold its liquidity in cash or cash equivalents.

As of September 30, 2024, debt securities totaled $8.4 million, or 0.16% of total assets. The total debt securities portfolio was $14.7 million at year end 2023 and $14.9 million at year end 2022.

The following table presents the carrying value of our investment portfolio as of the dates indicated:

	September 30, 2024		December 31, 2023		December 31, 2022	
(Dollars in thousands)	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
Available for sale securities:						
Corporate Debt	8,411	100.0%	14,727	100.0%	9,087	61.0%
Total available for sale securities	8,411	100.0%	14,727	100.0%	9,087	61.0%
Held to maturity securities:						
Corporate Debt	—	0.0%	—	0.0%	5,814	39.0%
Total held to maturity securities	—	0.0%	—	0.0%	5,814	39.0%
Total investment securities	8,411	100.0%	14,727	100.0%	14,901	100.0%

The following table presents the par value of our debt securities by their stated maturities, as well as the weighted average yields for each maturity range as of the dates indicated:

	Due in 1 Year or Less		Due after 1 Year through 5 Years		Due after 5 Years through 10 Years		Due after 10 Years		Total	
(Dollars in thousands)	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]
September 30, 2024										
Available for sale securities:										
Corporate Debt	—	—	—	—	$9,000	6.63%	—	—	$9,000	6.63%
Total available for sale securities	—	—	—	—	9,000	6.63%	—	—	9,000	6.63%
Held to maturity securities:										
Corporate Debt	—	—	—	—	—	—	—	—	—	—
Total held to maturity securities	—	—	—	—	—	—	—	—		—
Total investment securities	—	—	—	—	$9,000	6.63%	—	—	$9,000	6.63%

	Due in 1 Year or Less		Due after 1 Year through 5 Years		Due after 5 Years through 10 Years		Due after 10 Years		Total	
December 31, 2023	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]
Available for sale securities:										
Corporate Debt	—	—	$5,000	6.00%	$5,000	6.00%	$5,500	5.40%	$15,500	5.79%
Total available for sale securities	—	—	5,000	6.00%	5,000	6.00%	5,500	5.40%	15,500	5.79%
Held to maturity securities:										
Corporate Debt	—	—	—	—	—	—	—	—	—	—
Total held to maturity securities	—	—	—	—	—	—	—	—		—
Total investment securities	—	—	$5,000	6.00%	$5,000	6.00%	$5,500	5.40%	$15,500	5.79%

December 31, 2022	Due in 1 Year or Less		Due after 1 Year through 5 Years		Due after 5 Years through 10 Years		Due after 10 Years		Total	
	Par Value	Weighted Avg Yield[(1)]	Par Value	Weighted Avg Yield[(1)]	Par Value	Weighted Avg Yield[(1)]	Par Value	Weighted Avg Yield[(1)]	Par Value	Weighted Avg Yield[(1)]
Available for sale securities:										
Corporate Debt	—	—	$5,000	6.00%	$5,000	6.00%	$5,500	5.40%	$15,500	5.79%
Total available for sale securities	—	—	5,000	6.00%	5,000	6.00%	5,500	5.40%	15,500	5.79%
Held to maturity securities:										
Corporate Debt	—	—	—	—	—	—	—	—	—	—
Total held to maturity securities	—	—	—	—	—	—	—	—		—
Total investment securities	—	—	$5,000	6.00%	$5,000	6.00%	$5,500	5.40%	$15,500	5.79%

(1) Weighted-average yields on investment securities are computed based on par value and exclude any premiums or discounts recorded. There are no tax-exempt securities in the portfolio.

Deposits

Deposits are the primary source of funding our business operations. As of September 30, 2024, total deposits were $3.5 billion compared to $2.9 billion at both years ends 2023 and 2022. The $606.3 million, or 20.7%, increase in our deposits from year end 2023 to September 23, 2024 reflects higher time deposits and demonstrates our ability to quickly scale up our deposit base to respond to market opportunities through brokered, rateboard and retail CDs.

The following table summarizes our deposit composition by average deposits and average rates paid for the periods indicated:

(Dollars in thousands)	September 30, 2024			December 31, 2023			December 31, 2022		
	Average Amount	Weighted Avg Rate Paid	Percent of Total Deposits	Average Amount	Weighted Avg Rate Paid	Percent of Total Deposits	Average Amount	Weighted Avg Rate Paid	Percent of Total Deposits
Noninterest bearing demand	$ 251,850	0.00%	8%	$ 286,569	0.00%	10%	$ 385,919	0.00%	14%
Interest bearing demand	395,765	4.93%	12%	233,199	5.13%	8%	400,482	1.30%	15%
Savings & money market	395,580	4.43%	12%	434,395	3.62%	14%	548,484	1.58%	20%
Time	2,131,676	5.26%	67%	2,044,351	4.71%	68%	1,344,343	1.95%	50%
Total deposits	$3,174,871	4.70%	100%	$2,998,514	4.13%	100%	$2,679,228	1.50%	100%

The following tables set forth the maturity of time deposits for the periods indicated:

(Dollars in thousands) September 30, 2024	Three Months or Less	Three to Six Months	Six to Twelve Months	After Twelve Months	Total
Brokered CDs	$ 2,186,208	$ —	$ —	$ 87,330	$2,273,538
All other CDs	68,431	40,479	90,522	123,387	322,819
Total Time deposits	$ 2,254,639	$ 40,479	$ 90,522	$ 210,717	$2,596,357

December 31, 2023	Three Months or Less	Three to Six Months	Six to Twelve Months	After Twelve Months	Total
Brokered CDs	$ 1,381,776	$ —	$ —	$ 87,330	$1,469,106
All other CDs	84,987	17,964	71,341	60,477	234,769
Total Time deposits	$ 1,466,763	$ 17,964	$ 71,341	$ 147,807	$1,703,875

December 31, 2022	Three Months or Less	Three to Six Months	Six to Twelve Months	After Twelve Months	Total
Brokered CDs	$ 1,053,919	$ 352,902	$ 277,301	$ —	$1,684,122
All other CDs	21,038	24,346	118,746	142,413	306,543
Total Time deposits	$ 1,074,957	$ 377,248	$ 396,047	$ 142,413	$1,990,665

Total uninsured deposits were $236.1 million at September 30, 2024.

The following table shows the portion of time deposits that are uninsured, by remaining time until maturity, at September 30, 2024:

(Dollars in thousands)	As of September 30, 2024
3 months or less	$ 3,324
Over 3 through 6 months	3,389
Over 6 through 12 months	10,666
Over 12 months	6,185
Total:	**$ 23,565**

FHLB Advances

Another key source of funding for the Company are collateralized borrowings from the FHLB. At both September 30, 2024 and December 31, 2023, our total FHLB borrowings were $1.3 billion, up from $925 million at December 31, 2022. At September 30, 2024, we had $1.0 billion in additional borrowing capacity at the FHLB.

The following table is a summary of our outstanding FHLB Advances for the periods indicated:

(Dollars in thousands)	September 30, 2024	December 31, 2023	December 31, 2022
Period ending balance	$ 1,308,750	$ 1,275,000	$ 925,000
Average balance during period	1,308,988	1,150,342	1,024,309
Maximum outstanding at any month end	1,371,422	1,275,000	1,197,325
Weighted Avg Rate Paid	3.81%	3.36%	2.94%

Subordinated Debentures and Subordinated Debentures Issued through Trusts

At September 30, 2024, we had $40.0 million in outstanding subordinated debenture notes. These notes were issued to investors in two separate private placements, one in 2018 and one in 2024. The two outstanding subordinated notes totaling $40.0 million qualify as Tier 2 capital at our Bank entity.

At September 30, 2024, we had $5.0 million in subordinated debentures issued through trusts due in March 17, 2034, but callable on December 17, 2024, which qualify as Tier 1 capital at our Bank entity.

The following tables provide a summary of our outstanding subordinated notes and subordinated debentures issued through trusts for the periods indicated:

Subordinated Notes and Subordinated Debentures issued through Trusts as of September 30, 2024

(Dollars in thousands)	Issuance Date	Amount of Notes	Current Coupon	Next Call Date	Maturity Date
Subordinated Notes:					
Fixed to Floating due 2028 (NPB)	September 28, 2018	$ 15,000	9.38% (3 mo SOFR + 4.03)%	October 1, 2024	October 1, 2028
Fixed to Floating due 2034 (NPBI)	August 22, 2024	25,000	9.00% (fixed)	September 1, 2029	September 1, 2034
Subordinated Debentures Issued Through Trusts:					
Trust Preferred due 2034 (NPBI)	March 17, 2004	5,000	8.39% (3 mo SOFR + 2.79)%	December 17, 2024	March 17, 2034
		45,000			
Unamortized Issuance Costs		(1,103)			
		$ 43,897			

Subordinated Notes and Subordinated Debentures issued through Trusts as of December 31, 2023

(Dollars in thousands)	Issuance Date	Amount of Notes	Current Coupon	Next Call Date	Maturity Date
Subordinated Notes:					
Fixed to Floating due 2028 (NPB)	September 28, 2018	$ 15,000	9.29% (3 mo SOFR + 4.03)%	January 1, 2024	October 1, 2028
Fixed to Floating due 2029 (NPBI)	September 19, 2019	20,000	6.00% (fixed)	September 30, 2024	September 30, 2029
Subordinated Debentures Issued Through Trusts:					
Trust Preferred due 2034 (NPBI)	March 17, 2004	5,000	8.42% (3 mo SOFR + 2.79)%	March 15, 2024	March 17, 2034
		40,000			
Unamortized Issuance Costs		(632)			
		$ 39,368			

Off-balance Sheet Arrangements

In the normal course of business, we enter into lending commitments that are not on our consolidated balance sheet. The largest component is lending commitments to our mortgage warehouse loan customers, which the Company has a unilateral right not to fund. The remainder are undrawn revolving loan commitments on our AIO Loans and undrawn commitments on home equity lines of credit. While these commitments represent contractual cash requirements, a portion of these commitments to extend credit are expected to expire without being drawn upon. Therefore, future commitments do not necessarily represent future cash requirements.

The following is a summary of our off-balance commitments outstanding as of the dates presented.

(Dollars in thousands)	September 30, 2024	December 31, 2023	December 31, 2022
Commitments to fund loans held for investment	$ 2,451,906	$ 3,373,318	$ 2,870,488
Unused Commitments	325,381	293,128	218,378

Qualitative and Quantitative Disclosures About Market Risk

Our primary business activities include gathering retail deposits, non-brokered rateboard time deposits, brokered CDs, and funding from the FHLB and other smaller facilities, which are used to invest in cash and loans. These activities involve interest rate risk, which arises from factors such as timing and volume differences in the repricing of our rate-sensitive assets and liabilities, changes in credit spreads, fluctuations in the general level of market interest rates, and shifts in the shape and level of market yield curves. Changes in interest rates can affect our current and prospective earnings, through volatility in our net interest income and the level of other interest rate-sensitive revenues and operating expenses. Interest rate fluctuations can also influence the underlying economic value of our assets, liabilities and off-balance sheet items. This is driven by the fact that the present values of future cash flows, and potentially the cash flows themselves, may change when interest rates materially move up or down depending on the economic environment.

Interest rate risk is generally considered a significant market risk for financial institutions. The ALCO of our board of directors establishes broad policy limits with respect to interest rate risk. We have established a system for monitoring our net interest rate sensitivity positions. Our ALCO meets monthly to monitor the level of interest rate risk sensitivity to ensure compliance with the risk and policy limits. Effective management of interest rate risk begins with understanding the dynamic characteristics of assets and liabilities and determining the appropriate interest rate risk posture given business forecasts, management objectives, market expectations, and policy constraints. However, it's important to note that despite these measures, significant changes in interest rates could potentially impact our earnings, liquidity and capital positions.

An asset sensitive position refers to a balance sheet position in which an increase in short-term interest rates is expected to generate higher net interest income, as rates earned on our interest-earning assets would reprice upward more quickly than rates paid on our interest-bearing liabilities, thus expanding our net interest margin. Conversely, a liability sensitive position refers to a balance sheet position in which an increase in short-term interest rates is expected to generate lower net interest income, as rates paid on our interest-bearing liabilities would reprice upward more quickly than rates earned on our interest-earning assets, thus compressing our net interest margin.

We use interest rate risk models and rate shock simulations to assess the interest rate risk ("IRR") sensitivity of net interest income and the economic value of equity ("EVE") over a variety of parallel and non-parallel rate scenarios. A number of assumptions are used to calculate the impact of interest rate fluctuations on our net interest income, including asset prepayment speeds, non-maturity deposit price sensitivity, and decay rates. Due to the inherent use of estimates and assumptions in the model, our actual results may, and most likely will, differ from our simulated results. Any key model or input changes are reported to ALCO monthly. Management engages a third-party to review its IRR assumptions on an annual basis. Key findings are presented to ALCO.

Potential changes to our net interest income in hypothetical rising and declining rate scenarios are calculated as of September 30, 2024, December 31, 2023, and December 2022, and are presented in the table below:

	Net Interest Income Sensitivity			
	12 Month Projection			
(Shock in basis points)	**-200**	**-100**	**+100**	**+200**
September 30, 2024	-9.65%	-4.90%	4.56%	9.03%
December 31, 2023	-2.49%	-1.89%	1.87%	3.23%
December 31, 2022	-10.00%	-5.13%	5.32%	10.42%

We also model the impact of interest rate changes on our EVE. We base the modeling of EVE on interest rate shocks as shocks are considered more appropriate for EVE, which accelerates future interest rate risk into current capital via a present value calculation of all future cashflows from our Bank's existing inventory of assets and liabilities. The results from our EVE modeling reflect only assets and liabilities that exist on our balance sheet in that period, and do not incorporate the large increases to noninterest income

we generate when industry residential loan originations are significantly higher, such as in 2020 and 2021. The results of the model are presented in the table below:

	Economic Value of Equity Sensitivity			
(Shock in basis points)	-200	-100	+100	+200
September 30, 2024	-1.30%	0.50%	-1.80%	-4.80%
December 31, 2023	5.90%	4.70%	-5.60%	-11.90%
December 31, 2022	8.20%	4.90%	-4.80%	-9.70%

Liquidity

Liquidity refers to our capacity to meet our cash obligations at a reasonable cost. Our cash obligations require us to have cash flow that is adequate to fund loan growth and maintain on-balance sheet liquidity while meeting present and future obligations of deposit withdrawals, borrowing maturities and other contractual cash obligations. In managing our cash flows, management regularly confronts situations that can give rise to increased liquidity risk. These include funding mismatches, market constraints in accessing sources of funds and the ability to convert assets into cash. Changes in economic conditions or exposure to credit, market, operational, legal and reputational risks also could affect our Bank's liquidity risk profile and are considered in the assessment of liquidity management. The Company is a corporation separate and apart from our Bank and, therefore, must provide for its own liquidity, including liquidity required to meet its debt service requirements on its senior notes and junior subordinated debentures. The Company's main source of cash flow is dividends declared and paid to it by our Bank.

There are statutory and regulatory limitations that affect the ability of our Bank to pay dividends to the Company. See the section entitled "Market for Common Stock and Dividend Policy" elsewhere in this prospectus for more information. We believe that these limitations will not impact our ability to meet our ongoing short-term cash obligations. For contingency purposes, the Company typically maintains a minimum level of cash to fund two year's projected operating cash flow needs and trust preferred debt service. We continually monitor our liquidity position to ensure that our assets and liabilities are managed in a manner to meet all reasonably foreseeable short-term, long-term and strategic liquidity demands. Management has established a comprehensive management process for identifying, measuring, monitoring and controlling liquidity risk.

Because of its critical importance to the viability of our Bank, liquidity risk management is fully integrated into our risk management processes. Critical elements of our liquidity risk management include: effective corporate governance consisting of oversight by the board of directors and active involvement by management; appropriate strategies, policies, procedures and limits used to manage and mitigate liquidity risk; comprehensive liquidity risk measurement and monitoring systems including stress tests that are commensurate with the complexity of our business activities; active management of intraday liquidity and collateral; an appropriately diverse mix of existing and potential future funding sources; adequate levels of highly liquid marketable securities free of legal, regulatory, or operational impediments, that can be used to meet liquidity needs in stressful situations; comprehensive contingency funding plans that sufficiently address potential adverse liquidity events and emergency cash flow requirements; and internal controls and internal audit processes sufficient to determine the adequacy of our Bank's liquidity risk management process.

The Company considers the maintenance of adequate liquidity to be an important part of managing risk. Consistent with our balance sheet strategy, we have intentionally kept our liquidity primarily in cash and interest-bearing deposits rather than investing heavily in investment securities, which typically includes significant unrealized gains or losses.

Our liquidity position is supported by management of our liquid assets and liabilities and access to alternative sources of funds. Our liquidity requirements are met primarily through our deposits, FHLB advances and the principal and interest payments we receive on loans and investment securities. Cash on hand, cash at third-party banks, and maturing or prepaying balances in our loan portfolios are our most liquid assets. Additionally, the Company has a unilateral right not to fund its mortgage warehouse loans, which it could exercise within 30 days, if needed or as necessary, to generate additional liquidity. Other sources of liquidity that are routinely available to us include funds from retail and wholesale deposits, advances

from the FHLB and proceeds from the sale of loans. See "FHLB Advances" above for more information regarding FHLB advances that are available to us. Less commonly used sources of funding include other borrowings and lines of credit. We believe we have ample liquidity resources to fund future growth and meet other cash needs as necessary.

Capital Adequacy

We and our Bank are subject to various regulatory capital requirements administered by the federal and state banking regulators. Our capital management consists of providing equity to support our current operations and future growth. Failure to meet minimum regulatory capital requirements may result in mandatory and possible additional discretionary actions by regulators that, if undertaken, could have a direct material effect on our consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, our Bank must meet specific capital guidelines that involve quantitative measures of our assets, liabilities and off-balance sheet items as calculated under regulatory accounting policies. As of September 30, 2024, we and our Bank exceeded all applicable minimum regulatory capital requirements, including the capital conservation buffer applicable to our Bank, and our Bank qualified as "well-capitalized" for purposes of the FDIC's prompt corrective action regulations.

The following table presents our regulatory capital ratios as of the dates presented, as well as the regulatory capital ratios that are required by FDIC regulations for our Bank to maintain "well-capitalized" status:

Regulatory Capital Ratios

	Actual		Required for Capital Adequacy Purposes		Required to be Well Capitalized Under PCA	
(Dollars in thousands)	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
Northpointe Bancshares Inc.						
As of September 30, 2024						
Total capital to RWA	$504,818	11.36%	$ 355,637	8.00%	N/A	N/A
Tier 1 capital to RWA	$461,095	10.37%	$ 266,728	6.00%	N/A	N/A
Common Equity Tier 1 to RWA	$352,522	7.93%	$ 200,046	4.50%	N/A	N/A
Tier 1 capital to average assets (leverage)	$461,095	8.77%	$ 210,342	4.00%	N/A	N/A
As of December 31, 2023						
Total capital to RWA	$476,512	11.43%	$ 333,530	8.00%	N/A	N/A
Tier 1 capital to RWA	$438,611	10.52%	$ 250,147	6.00%	N/A	N/A
Common Equity Tier 1 to RWA	$317,454	7.61%	$ 187,611	4.50%	N/A	N/A
Tier 1 capital to average assets (leverage)	$438,611	9.19%	$ 190,958	4.00%	N/A	N/A
Northpointe Bank						
As of September 30, 2024						
Total capital to RWA	$498,802	11.22%	$ 355,622	8.00%	$ 444,527	10.00%
Tier 1 capital to RWA	$479,193	10.78%	$ 266,716	6.00%	$ 355,622	8.00%
Common Equity Tier 1 to RWA	$479,193	10.78%	$ 200,037	4.50%	$ 288,942	6.50%
Tier 1 capital to average assets (leverage)	$479,193	9.11%	$ 210,341	4.00%	$ 262,926	5.00%
As of December 31, 2023						
Total capital to RWA	$469,422	11.26%	$ 333,528	8.00%	$ 416,909	10.00%
Tier 1 capital to RWA	$451,147	10.82%	$ 250,145	6.00%	$ 333,528	8.00%
Common Equity Tier 1 to RWA	$451,147	10.82%	$ 187,609	4.50%	$ 270,991	6.50%
Tier 1 capital to average assets (leverage)	$451,147	9.45%	$ 190,969	4.00%	$ 238,712	5.00%

BUSINESS

Our Business

Our Company Overview

We are a bank holding company headquartered in Grand Rapids, Michigan and registered under the Bank Holding Company Act of 1956, as amended. We operate our business primarily through our wholly-owned banking subsidiary, Northpointe Bank. We emphasize to our employees and clients that our specialized business lines differentiate us as a business that has the added benefit of being a bank. Our Bank was founded in 1999 as a focused mortgage portfolio lender primarily operating in the midwestern states of Michigan, Ohio and Indiana. Since then, we have evolved, and our business now offers a nationwide mortgage purchase program, residential mortgage loans, digital deposit banking to our retail customers and custodial deposit services to our loan servicing clients, which we believe is unique for a bank. We believe we are recognized in the market for the methods we utilize to acquire new borrowers and for our ability to provide simple, fast, and trusted digital solutions to borrowers in the mortgage banking marketplace. Our delivery systems are primarily digital and are available to clients nationwide; and we provide our staff with loan production offices across 23 cities in 15 states and support them through our centralized operating center in Grand Rapids, Michigan. Our nationwide presence has enabled us to have clients in all 50 states and the District of Columbia. As of September 30, 2024, we had $5.4 billion in assets, $4.8 billion in gross loans, including HFI and HFS, $3.5 billion of deposits and $454.8 million of stockholders' equity. We have originated more than $190 billion in home loan financings over the last 10 years.

In the large and fragmented mortgage marketplace, we believe we are well-positioned as a specialty bank that uses a widely accepted and growing digitally-enabled platform to serve the borrowing and payment needs of increasingly sophisticated mortgage warehouse MPP clients and the rapidly evolving demands of professional mortgage originators and retail borrowers. Our strategy is to primarily operate four major business channels that offer products which we believe requires differentiated expertise in order to originate, hold and service those products. We believe our specialized credit, technology and payment processing expertise allows us to successfully compete and achieve the desired profitability in the channels in which we operate. We have expertise in the below businesses, which are reflected in our two primary business channels:

1) **Mortgage Warehouse, or Mortgage Purchase Program** (MPP) — our mortgage warehouse revolving purchase facility, which we refer to as MPP, utilizes proprietary software and payment technology which is integrated with our credit underwriting process to manage the high velocity of credit extension draws and repayments that result from extensive use by our MPP clients of their revolving purchase facilities. We process approximately $2.2 billion in funding draws/repayments per month; and have experienced no charge-offs in our 15-year history of MPP lending.

2) **Retail Banking, including Residential Lending and our All-in-One Loan**— are a rapidly growing category of specialized first mortgage revolving (HELOC-styled) loans, linked by one account to a demand deposit bank account of the borrower. An AIO account requires us to accurately process a high frequency of payments, including changes in payment amounts associated with variable rate structures, revolving loan features and constantly changing balances of contractually linked demand deposit accounts.

    a. **Specialized Mortgage Loan & Deposit Account Servicing**— requires highly developed operating skills and a customized platform capable of: (a) being approved and rated by major agencies to handle subservicing AIO-style loans, (b) being a well-capitalized FDIC-insured depository institution able to accept deposits, and (c) documenting significant compliance requirements. We believe very few financial institutions have been able to offer and successfully conduct the servicing of the variable rate, varying balance and higher velocity of payments related to such linked loan and deposit accounts. We further believe we are the largest of the limited number of entities that originate, hold and service these types of loans for their own balance sheet, as well as being rated and approved for servicing such products for other issuers.

b. **Digital Deposit Banking** — requires delivery of easy to use, real-time branchless banking to retail deposit customers nationwide with a technologically competitive delivery framework. While many financial institutions offer digital banking, our digital-only focus has allowed us to remain contemporary without being "a bleeding edge" provider. We provide our digital banking services along with attractive rates to a focused digital banking customer subset that fit our specific balance sheet strategy.

We have strategically built our primary business channels to provide us with synergies across our lines of business. We believe this approach offers us substantial insulation from cyclical economic changes, credit swings and rate volatility. Within our lines of business, we pursue very focused strategies that we believe have (1) historically proven to be well received by borrowers, (2) allowed us to differentiate ourselves from the competition and (3) resulted in strong financial performance during high volume cycles and durable performance during low volume cycles. We believe our platform has been able to dynamically and profitably scale up and down with the changes in volume in the mortgage industry. We have demonstrated an ability to generate and scale revenues while proactively managing variable costs and containing fixed costs, resulting in attractive financial results. As evidence of our platform's proactive adaptability, we completed our strategic repositioning efforts over 23 months starting in 2022, which included the following: (i) quickly exiting the correspondent lending business as margins declined in the sector, (ii) entering into private-labelled subservicing agreements for non-specialized mortgage products, such as conforming agency mortgage loans, and (iii) remixing our available lending capacities by (a) increasing MPP clients and balances as other lenders exited the sector and (b) holding more specialized residential loan products, such as our AIO Loans. These actions resulted in long-term cost reductions that outpaced revenue reduction which, in combination with increased yields on assets, delivered strong performance metrics and substantial growth in profitability for the first nine months of 2024 compared to the first nine months of 2023. These strategic actions are consistent with our rate, liquidity and credit risk strategies. We believe we are well positioned to continue to deliver strong balance sheet and profitability growth even if the relatively soft national mortgage origination market continues. Additionally, we believe we are even better positioned to take advantage of opportunities for substantial growth if the national loan origination volumes return to levels we experienced during the 2020 to 2021 time period.

Our historical success is evidenced by the significant growth in our platform, growing assets at a CAGR of 27% since inception and over 25% since the Great Financial Crisis that ended in 2011. Since 2018,we have raised over $38.0 million in common equity and $220 million of preferred equity and debt capital to fund such growth and originations. We have delivered TBV per share growth plus dividend distributions of 30% since the end of 2019. See the section entitled "Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures" for a reconciliation of non-GAAP measures to their most comparable GAAP measures. Going forward, our focus will be on driving increased profitability combined with continued strong growth through our lines of business. We believe our platform and capital structure are well-positioned for the mortgage industry's anticipated growth in the upcoming years.

(1) Mortgage Purchase Program (MPP) — We offer residential mortgage warehouse facilities to over 100 independent mortgage banking platforms nationwide. Our MPP clients' utilization during the last 12 months ending September 30, 2024 totaled over $21.6 billion. Our core product is based upon a collateralized mortgage purchase facility, marketed to small to mid-size independent mortgage bankers. These facilities enable our MPP clients to close and fund their mortgages and during a relatively short period (typically less than 30 days), the originated loans are sold into the secondary market via government agencies (Fannie Mae, Freddie Mac or Ginnie Mae) or institutional investors (banks, large mortgage companies, insurance companies, mortgage REIT's) or are securitized. Approximately 52% of our MPP loans are backed by high quality, agency eligible collateral (approximately 27% conventional collateral and 25% government collateral). Our MPP facilities provide a key source of liquidity to the residential mortgage marketplace. We believe more than half of all residential mortgage originations are funded via warehouse facilities. Our ability to help our purchase program clients build and prosper through the various mortgage cycles, while developing long lasting relationships is our brand. We believe our proprietary, state of the art warehouse technology and team of experienced warehouse lending professionals sets us apart in the industry. Our relationship management team has, on average, over 25 years of banking and mortgage warehouse funding

experience. That experience has been instrumental in attracting and growing our client base. Based on data through September 13, 2024 published by Inside Mortgage Finance, our MPP platform is ranked within the top eight for warehouse lending providers in the country. By leveraging such experience, our management team has implemented best practices and safeguards into the MPP, which has helped us achieve zero charge-offs in the program's history of over 419,000 mortgage loans totaling over $128 billion in funding. In addition, we have developed a participation program where we directly participate in some of our MPP facilities and act as the lead-agent bank.

(2) Retail Banking, including Residential Lending and our All-in-One Loan— Our residential lending division provides a comprehensive range of financing options for home purchases and refinancing, serving borrowers nationwide through two main channels: Consumer Direct and Traditional Retail. These channels combine the convenience of online, self-service platforms with the personalized service of traditional, referral-based interactions. The heart of Northpointe's loan process is internally branded as HOME, our Bank's proprietary POS platform that streamlines the application experience. Through HOME, borrowers can easily apply for loans, upload documents, speak with loan officers, track progress, and make payments — all from one secure, user-friendly interface. Northpointe offers a broad spectrum of loan programs, including conventional, government, and non-QM loans, catering to a wide variety of borrowers' needs. As a direct seller/servicer to Fannie Mae, Freddie Mac, and Ginnie Mae, we ensure competitive rates and efficient processing. With a focus on speed, quality, and client satisfaction, we leverage our customized technology in our underwriting process, leading to faster decisions and document delivery. This commitment to excellence is reflected in an impressive 96% NPS and a customer satisfaction rating of 4.86 out of 5 as of September 30, 2024. During the 12 months ending September 30, 2024, Northpointe has originated over $2.0 billion in loans, with a mission to deliver value, innovation, and exceptional service, positioning itself as a fulfillment leader in the residential lending industry.

One of our quickly growing products is the licensed and trade-marked **All-in-One Loan®**. AIO Loan combines the benefits of a revolving equity line of credit, a market rate cost of a first mortgage and the sweep benefits of a deposit account. The primary benefit to the borrower is a reduced amount of interest charged on the credit line as a result of the daily sweep from the linked bank checking account. The combined functionality of a first mortgage with a revolving line of credit and deposit account is to: (a) allow borrowers immediate access to funds (real-time through a full-functioning deposit debit card, online or ATM) when needed and (b) the sweep of funds to paydown credit when funds are deposited or are not needed. The ease of use and the comprehensive nature of the product allow our AIO borrowers to use the linked-account as their primary bank account because it has convenient features such as debit card, direct deposit acceptance and bill-payment services. Additionally, an AIO borrower would use the linked-account as their primary bank checking account because they are able to use any funds deposited into the linked-account to pay down the principal balance of the loans through the daily sweep function and therefore pay interest on a lower outstanding principal balance until the funds are actually needed by the borrower to cover expenses. For example, AIO borrowers typically use the linked- account to pay their normal expenses through a combination of debit card, physical checks, and online bill pay transactions and so an AIO borrower's available liquidity, up to the maximum line of credit of the borrower's home equity loan, would automatically sweep to cover such checking account transactions. The initial maximum line of credit is fully available to redraw as many times as needed during the first 10 years after origination of the loan. Resultingly, rather than having their funds sitting in a low or no interest-bearing checking account, funds deposited into an AIO borrower's linked-account would reduce the borrower's interest expense at the interest rate of the home equity loan. An AIO Loan is not structured as a traditional higher rate, second-lien or HELOC (subordinate credit to the first mortgage lien holder). Rather, AIO Loans are typically market rate, first-lien mortgage revolving line of credit, which have variable payments based upon average daily balances, rather than fixed monthly payments of a traditional mortgage. AIO Loans require an interest-only monthly payment, and the expected contractual maturity term is 30 years.We believe our borrowers choose the AIO Loan product as it allows them to (i) pay off the mortgage more quickly and easily, (ii) create non-traditional income payment schedules, (iii) consolidate total household debt more economically, and (iv) navigate retirement finances more easily. We have compounded growth rates of 89% and 96% since 2019 and 2021, respectively, on total AIO Loan balances, with total outstanding drawn balances of $581.7 million and undrawn available lines of credit of approximately $260 million as of September 30, 2024. With over 1,600 AIO Loans during the nine months ended September 30, 2024, we believe the success of our AIO Loan product is due to a rapidly growing segment of borrowers that desire a revolving equity-line-of-credit linked to a dynamic bank account.

Our digitized processes for borrowers and origination professionals give access to our proprietary Apps and POS support, respectively, with support features to quickly, intelligently, and securely gather personal and loan information. Borrowers also have access to account advisors to help borrowers on their journey when they need human assistance. We believe our processes have allowed us to improve upon traditional mortgage offering with products advancements such as: Lock & Shop, Temporary Buydown, TrueApproval, Delayed Financing, and Rate Refresh along with Jumbo, Renovation, traditional HELOC, VA Loans and our AIO Loan. We offer more than just the generalized App-based or online loan calculators, rent versus buy decisioning, purchase-power and loan qualifier tools. Our products are coupled with digital delivery and real-person interaction, which allow borrowers to pursue their home purchase with advantages of price, surety, speed and clarity. Surveys of our mortgage origination professionals indicate that they have joined Northpointe because of the breadth of our products, the speed of delivery and the benefits of us also being a bank, including the state-level mortgage licensing exemption.

(a) Digital Deposit Banking — Our automated account opening, direct to customer deposit platform and product suite provide our depositors with effective, competitive, modern digital banking services and provide us with reliable access to deposit funding. Our strategy is to fund a portion of our assets with core deposits; and to do so dynamically and according to our needs in any given period throughout a week, month, quarter, year and cycle. We offer and utilize the full spectrum of deposit products, including noninterest-bearing accounts, savings, money-market demand accounts; but we focus upon term CDs. Our digital platform (supported by one central branch) offers very competitive rates that allow us to attract deposits at an attractive all-in cost to us. Historically, the majority of our time deposits were term CDs that were structured with intermediate (close to one year) maturities and priced at rates that are in the top 25 of average nationwide industry deposit rates for similar maturities. If we need higher levels of funding to support stronger balance sheet growth, we will increase deposit rates to be within the top five average nationwide industry deposit rates. The maturity and rates of our deposit platform have been germane to our overall interest rate risk and balance sheet strategy. Beyond term and rate, we successfully compete with other digital-only banks by offering a simple online account opening experience, friendly features such as ATM fee rebates, no/low overdraft fees and a dynamic mobile banking solution. In addition to retail deposits, we offer commercial deposits which are primarily noninterest bearing custodial deposits related to our loan servicing business. As of September 30, 2024, our deposit balances were $3.5 billion, of which $221.9 million were non-interest bearing accounts, primarily comprised of servicing-related custodial deposits and deposits from our MPP clients. Custodial deposits and deposits from our MPP clients are both contractually obligated to remain at Northpointe unless we are not well-capitalized.

(b) Specialized Servicing of Residential Loans & Deposit Accounts— We service and sub-service specialized loans on behalf of our borrowers and investors, which includes a monthly fee paid by the investor of $30.00 compared to the typical $6.50 to $7.50 for agency loans. These specialized loans are primarily loans and deposits accounts that we have originated for borrowers. Servicing the specialized loans that we originate provides logical continuity for us and our borrowers and investors, and provides us with attractive financial and operating synergies. In 2024, we refined our servicing strategy to focus solely on in-house servicing of select loan types such as AIO Loans; and the private label outsourcing of non-specialized mortgage servicing to a scaled sub-servicer. We will continue to use our origination platform to provide a self-sustaining replenishment of our specialized servicing portfolio while continuing the flow of non-specialized servicing to a sub-servicer under a private label sub-servicing agreement. Servicing a specialized, revolving purchase product like AIO Loans requires sophisticated servicing systems and operational skills. Investors in mortgage loans with a revolving purchase facility require three major factors: (i) being approved and rated by a major rating agency, (ii) access to licensed deposit acceptance, and (iii) significant documentation of compliance of the servicing platforms (i.e., SOC 1 Type 2 Reports, Regulation AB and USAP attestations issued by third-party auditors). Based on publicly available licensing data, we are one of two rated servicers of specialized servicers of AIO-styled loans. Our servicing duties include handling the recording, acceptance, and remittance of principal and interest payments from borrowers, holding FDIC-insured deposits, calculating variable rate interest payments, as well as the administration of taxes, insurance and escrow payments, as applicable; and may also include negotiations of loan workouts and modifications upon default or other proceedings. We currently service for ourselves and investors AIO-styled loans with approximately $3.0 billion of available credit against equity and which have $1.97 billion in outstanding UPB. Critical to the success of our servicing platform is being an approved seller/servicer for the largest

government-related mortgage agencies (FNMA, FNMA, FHLMC, FHLB) as well as being rated by a third-party rating agency (Fitch) as a qualified servicer for investor-owned securitizations and other non-agency products.

Technology Coupled with Attentive Service Create Differentiation— We continuously adapt and evolve as the mortgage industry evolves and borrowers demand more, better and faster fulfillment. We have been consistently innovating for over two decades to maximize client convenience by bringing refinement to our end-to-end fulfillment. Our digital solutions provide automated data input and retrieval, advancements in underwriting and more capabilities to tailor products as well as terms that allow our team members to put our ICARE pledge (described below) to use and deliver the advantages of our bank-based operations to demonstrable and repeatable use. Our technology extends beyond a simple App as we have integrated our digital solutions with our client-facing team members. Our technologies bring industry standard mortgage origination, underwriting, closing and servicing procedures into our custom-curated and proprietary environment that allows more effective connectivity, speed and control. In addition to our client-facing technology, our sales support functionality builds off the technology we have purchased, developed and implemented to make our employees more productive by enhancing workflow and internal and external reporting and reducing manual errors. We have woven together proven core processing capabilities that we believe can support our growth plans as well as allow us to address and navigate the required cybersecurity risks our industry encounters. We are using the same core system stacks that we relied upon in processing our previous record volumes, and have no major pending or anticipated conversion or major upgrade of these core systems.

Substantially all of our applications are cloud-based or SaaS; and our technology environment is on-premises in our Bank's active-active data centers. We have an integrated platform that links (1) Native Data Systems of various third-party vendors (appraisal, fraud, tax, document-prep, fact-sets, and agency requirements) with (2) our Custom Integration pathways (modules for CRM, analytics, POS portals, data extraction, hedging, and pre-funding) which then inform (3) our Core Systems (Byte-Pro and FiServ; which collectively handle loan application, underwriting, closing, post-closing and specialty servicing). The use of Artificial Intelligence (AI) is not new to the mortgage industry given its useful and successful application examples in areas such as compliance, valuation, verification and fraud detection. As such, we are carefully monitoring the opportunities and concerns associated with the use of AI by our vendors.

The digitization of the mortgage marketplace has been and continues to be operationally and economically burdensome for many traditional banks and the less-nimble mortgage companies. But digitization has benefited our Bank, our processes, our clients, our employees and our stockholders. As a specialty bank, our annual tech-spend is particularly focused rather than spread too broadly across other platform requirements, because we believe broad, unfocused annual spending compromises the effectiveness of any tech-spend. Our core strategy of technology adoption typically has been to buy, customize and integrate rather than build. We have only two major in-house developed and built systems — our POS and Warehouse platforms. We attempt to adhere to the philosophy of being "leading edge" while avoiding "bleeding edge" mistakes. As part of our technology management strategies, we attempt to improve key metrics such as efficiency of our operations, time-to-close a loan and processing capacity per production member.

Bank Charter Brings Strategic Advantages — As a bank offering FDIC insured deposits, we believe we have seven distinct capabilities, operating licenses and regulatory authorizations that provide us with competitive advantages over non-bank originators. We are able to:

1) Fund our loan origination with deposits and Federal Home Loan Bank borrowings which provide cost-of-fund advantages over other non-bank funding;

2) Fund conforming/non-conforming mortgages with our own balance sheet and not rely on loan sales to third-party purchasers when market conditions are not providing adequate liquidity or competitive pricing for such loan products;

3) Offer and efficiently service AIO styled-loans that have an imbedded deposit account that support the revolving HELOC features;

4) Accept low-cost commercial custodial deposits related to our loan servicing agreements which non-bank servicers are prohibited from accepting;

5) Use national preemption rights that allow our Bank to originate loans in all 50 states and in some instances, avoid the patchwork of certain differing state license requirement for mortgage loan origination platforms and professionals. Without the preemption rights, we would be subject to significant time, cost and oversight burdens;

6) Offer a more attractive and stable employment platform for mortgage professionals given the cost of funds advantage and avoidance of state-by-state licensing requirements; and

7) Diversify our risk exposures as a network of participating banks provide correspondent relationships and flows of assets that can help stabilize our platform in periods of higher volatility, volume fluctuations and rate movements.

We recognize that owning and operating a bank charter does burden us with specific costs of regulatory oversight, capital and liquidity levels and limitations on some types of lending products we can offer. However, we believe the benefits to our stakeholders materially outweigh these costs and limitations.

Growth with Strong Operating Performance to Create Stockholder Value— We have demonstrated a track record of creating value through profitable growth. We establish the trust of our borrowing clients by empowering our experienced and motivated employees to provide timely, technologically-enabled, and attractively priced mortgage products and services. This trust has enabled us to grow organically at attractive levels. Our operating performance in high mortgage volume years has allowed us to retain earnings, achieve high earnings growth, continue to build our Bank as well as perform adequately in low mortgage volume years. Our founding stockholders and other stockholders have continued to own and invest in our Bank since inception and have realized attractive returns on their investment as set forth below. We have measured our stockholder value creation by the accumulation of TBV through our retention of earnings plus the value of dividends we have paid to stockholders. Such returns are illustrated below under various periods:

	TBV /shr + Dividend IRR(%)	EPS Growth (%)	Avg ROA (%)	Avg ROATCE (%)
3yr	9%	18%	0.81	9.5
5yr	30%	51%	1.77	26.6
10yr	%	%		
Trough to Peak: 2011 – 2020	%	%		

See the section entitled “Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures” for a reconciliation of non-GAAP measures to their most comparable GAAP measures.

Positioned for Forecasted Growth within a Highly Fragmented Industry — While there is no way to predict where market rates will move, we believe we are well positioned to capitalize on the ongoing shift in market demographics, consumer demands and interest rate changes that affect the mortgage market. According to Fannie Mae, there is approximately $2.0 – $2.4 trillion of single-family mortgage origination volume anticipated in 2024 and 2025, respectively, which is 19% – 44% higher than the expected $1.6 trillion of volume in 2024. Our volume of retail mortgage originations and MPP fundings increased by 32% during the first nine months of 2024 compared to the same period of 2023. While recent periods of rising and elevated rates have dampened consumer demand for refinancing of existing mortgages, the mortgage industry believes there are many widely-used forecasts indicating rates will fall and commentary on pent-up-demand. If the U.S. Treasury lowers rates as forecasted, the average mortgage rates will likely fall below the 6.0% threshold that is usually correlated with increased origination volume. The mortgage industry is highly fragmented with the top 250 participants comprising only 57% market share; with the biggest participants having between 1.6% – 3.5%. We have historically gathered market share of 0.15% – 0.23% of the annual single-family volumes. As technology continues to create significant differentiation in the

competitive landscape for mortgage origination, we believe there will be ongoing opportunities for scalable platforms that combine a superior client experience with faster speed to close to increase originators' market share.

Sustainable Business Model — During the past 10 years, the combination of our leadership, technology, banking platform and operating performance has allowed us to originate or fund approximately 635,000 mortgages. We believe that being a specialty bank has allowed us to better identify pain points for borrowers and create scaled, technology-enhanced solutions to improve customer experience. Over the past 10 years, the mortgage industry has witnessed record high and cyclical low origination volumes. Even with such volatility and while others were exiting mortgage origination, we continued to proactively manage our business model. We realized record profitability (ROA averaging 2.64%) in peak volume periods (2019 – 2021) as rates were low and realized admirable profitability (ROA averaging 1.26%) in the lower volume periods (2021 – 2023). Our dynamic model has allowed us to quickly address both our volume related expenses and fixed expense base. The ability to utilize our deposit funding during low volume periods has allowed our model to continue to originate and hold mortgages when others were unable to fund the rate and structural changes required by consumers. We believe our platform is durable and scalable.

Market Opportunity

According to LendingTree, the U.S. mortgage market today has over 85 million single-family mortgages with over $12.5 trillion in aggregate outstanding unpaid balance. It is one of the largest and most important markets in the world; and a single-family mortgage is often the most significant financial product in the adult life of a consumer. The wide fragmentation of the mortgage originators universe is well documented and the separation between the branch-lite digitized platforms and the legacy brick-and-mortar, decentralized models is widening. Digitized platforms continue to gain market share from the legacy models. In contrast to other financial product categories, such as credit cards, there are no category-killers in the mortgage market. According to S&P (SNL), there were 119 banks and credit unions represented in the top 250 originators of mortgages. In the United States, we are the only single-family mortgage dedicated commercial bank and will be the only publicly traded, mortgage dedicated bank after this offering.

We have found that most mortgage borrowers and nearly all non-bank mortgage originators expect a technology-based user experience and efficient process for their transactions. FNMA's annual National Housing Survey demonstrated that the submission of financial documents for mortgages was the strongest preference for borrowers as evidence of their increasing desire to have the convenience of speed and simplicity in their mortgage journey. The experience afforded by proven, easy-to-use digital solutions and supported by access to a specifically informed, mortgage origination professional at various moments during the origination journey have been the most satisfying pathway. The shift to digital was massively accelerated by the impact of the COVID-19 pandemic. Furthermore, millennials are expanding as a larger subset within homeowners, and their propensity to use digital apps and online platforms will continue to increase not only the digital delivery pathway, but improvements in the pathway. We have and will continue to anticipate these demands through our comprehensive strategy that includes the consideration of emerging market trends, disruptive technologies, and industry shifts towards new mortgage products.

According to Home Mortgage Disclosure Act data, at market peaks, there were over 11,000 institutions that originated mortgages and $4.5 trillion in mortgage originations — which contrasts to only, approximately 5,000 institutions that originated $1.5 trillion in volume in 2023. The exodus of mortgage originating institutions is primarily attributed to the recent rising rate environment which led to low volumes, falling gain-on-sale margins and materially weakened unit economics. This exodus has led to continued consolidation, which has benefited the surviving institutions that have strengthened their platforms according to Fitch Ratings. See the section entitled "Risk Factors — Risks Related to Our Business — Decreased residential mortgage origination, competition, and changes in interest rates may adversely affect our profitability." Our platform is thriving in the existing market conditions (still elevated rates, still relatively muted mortgage volumes) as evidenced by our most recent financial performance metrics. And we are positioned to prosper in the increasing volume cycle that is being forecasted by many sources such as Moody's, S&P, the MBA and others.

Our **Market Opportunity Strategy** is to (1) continue to operate as generally configured and perform well in the current rate environment while remaining as rate neutral as possible and (2) expand our available

funding resource beyond our existing capacity in the event the forecasted rate environment creates significantly more demand and requires **Scalable Growth** from us. We have taken measures to prepare for Scalable Growth. We are currently experiencing sufficient client growth demands such that we have $200 – $400 million of MPP facilities syndicated to our network of participating banks. In the event we are successful in this offering, we anticipate that we could immediately (within 30 – 45 days) bring the additional $200 – $400 million of MPP loan facilities onto our balance sheet and fund the incremental growth with a mix of new capital, new deposits, and existing available liquidity. In addition, if we are successful in this offering, we would have the capital to increase our HFI portfolio of retail AIO Loan originated assets and fund those with deposits and/or additional FHLB borrowings. We believe our funding platform has the ability to fund new loans at a no less than a 6-to-1 ratio relative to any net new capital we issue in this offering.

Our MPP clients recognize that we have supported them for decades while other providers have either exited the business or not been providing credit consistently though the cycles, including the most recent challenging period. We provided our MPP clients uninterrupted warehouse facilities and worked collaboratively to make technology-based fulfillment changes that improve their businesses. As volumes increase for our MPP clients, we anticipate being prepared to increase our facility sizes. We believe our ability to achieve Scaled Growth is not dependent on new MPP clients being on-boarded nor will it require a significant hiring initiative. Our people and platform previously handled the peak volume without compromising our standards of fulfillment and profitability goals.

Our Operating Strategies; Competitive Advantages and Growth Opportunities

Our strategy is to focus on our four areas of expertise — (1) providing mortgage warehouse facilities to institutional originators (MPP), (2) funding retail mortgage borrowers, including AIO Loans, (3) gathering deposits from consumers to fund our HFI loans and (4) servicing specialized loans we originate or that are originated by others. In pursuing these areas, we originate and sell conforming and non-conforming mortgage loans. Our strategy is to have origination production be a balance between conforming and non-conforming loans (currently 50% / 50%). We sell a majority of the mortgage loans we originate. The loans sold are either servicing retained or released depending upon investor pricing and our servicing portfolio needs during a given cycle. The loans we do not sell are typically high-quality, non-agency eligible loans that we desire to hold in our HFI loan portfolio. A majority of HFI loans are funded with core, consumer related, digitally-sourced deposits or Federal Home Loan Bank advances. In addition to direct mortgages, we provide revolving MPP (warehouse) advances to non-bank originating companies (MPP clients) to fund their production. We keep a super-majority of the funded MPP mortgage loans on our Bank's balance sheet. We believe our Bank's digital deposit funding is a source of all-in-cost advantage over other non-deposit and wholesale funding alternatives. We utilize a dynamic just-in-time funding model that sources deposits, including brokered CDs, non-brokered rateboard time deposits, retail time and savings deposits, and access to FHLB borrowings and other smaller facilities, that satisfy our daily, weekly, monthly and quarterly funding needs of our loan production pipeline. We have a successful history of managing our funding risks and avoiding the pitfalls of rate mismatches and volatile funding sources that have disrupted and plagued many mortgage banks. Keeping our Bank well-capitalized, striving for rate neutrality and remaining in good standing with the regulators is a core strategy. We believe the strength of our Bank is a competitive advantage. We further believe our strategies have led to compelling risk adjusted returns on our capital. Each of these four areas of expertise have more specific business unit strategies and advantages that we attempt to leverage as set forth below.

Our **Mortgage Purchase Program (MPP) / Warehouse Lending** business has advantages that include operating on a national level and supporting over 100 non-bank originating companies. We are currently funding approximately $2.2 billion of monthly utilization on $3.4 billion of available MPP facilities authorized, and have funded over $20 billion in volume in the past 12 months. Our MPP platform has significantly higher volume capacity than is currently being utilized, and we believe we could increase our utilization of the platform by using a portion of the proceeds from this offering. The proceeds from this offering would be used in part to increase our on-balance sheet hold of MPP loans. We were the eighth largest mortgage warehouse lender in the U.S. during the past 12 months according to industry publication Inside Mortgage Finance dated September 13, 2024. The platform is state-of-the-art, proprietary, highly efficient and has been financially sound and has historically demonstrated a low risk of loss. We have a robust

underwriting and risk management framework supporting the MPP business such that we have had no charge-offs since inception while having funded over $125 billion in loans during that period. Our MPP platform provides attractive yielding assets due to its mix of agency eligible and non-agency eligible loans. Agency eligible loans with high quality collateral represent approximately 52% of the total collateral.

For the nine months ended September 30, 2024, our MPP program earned $85.8 million in interest and fees. During this period, our MPP platform had an average deposit of $72.9 million and the average utilization rates of the committed purchase program operating system was 60%. Additionally, for the nine months ended September 30, 2024, our weighted average yields (including rates and fees) on MPP facilities was 8.5% annualized; which compares favorably to average loan yields available in other high quality residential mortgage or commercial loans. The weighted average yields (including rates and fees) on MPP facilities was 8.2% in 2023, 4.9% in 2022, 4.2% in 2021, 5.9% in 2020, and 7.8% in 2019. We review every loan and manage our portfolio exposure on a daily basis.

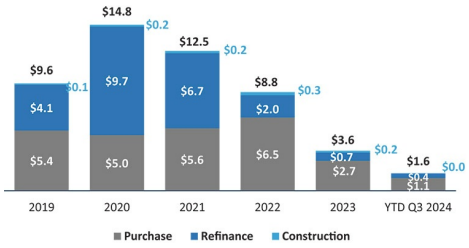
Our client base is typically a smaller or regional non-bank originator that relies primarily on our facility to conduct its business. No single MPP client represents more than 12.5% of our MPP portfolio and the top 10 clients represent 55.4% of our MPP portfolio. Part of our dynamic balance sheet and risk management techniques are to use the selling of MPP loan participations to a group of approximately 15 other banks with which we have strong relationships. Selling loan participations provides a fee income stream through loan administration and servicing fees, approximately 16 bps of total unpaid principal balance year to date. Our MPP facilities are funding loans that are ultimately sold to third-party buyers such as FNMA, GNMA, FHLMC as well as other institutional investors. The mortgage loans funded by our MPP facilities are typically sold into permanent structures within 30 days of our MPP facility funding the mortgage's primary closing. For the nine months ended September 30, 2024, MPP loans earned a total of $86 million in interest and fee income, with $114 million annualized. MPP loans also earned $81 million in 2023, $39 million in 2022, $45 million in 2021, $29 million in 2020, and $20 million in 2019.

Northpointe's ongoing commitment to the MPP business in combination with our Bank's strengths and resilience has provided us the growth opportunity set we are pursuing, which includes: (a) increasing our share of wallet with existing clients by increasing exposure, (b) on-boarding new strategic relationships and accepting larger strategic exposures forecasted in our pipeline, (c) expanding the product set to include a wider array of non-agency loan programs, and (d) accepting larger loan balances from existing and new clients currently experiencing shut-down or de-emphasis impacts of their current warehouse providers. We believe that the MPP channel is readily scalable and needs little additional staffing and fixed expense to process significant growth.

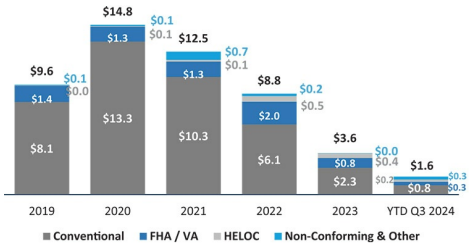
Our **Residential Lending** business is important to our strategic plan. Improving the fulfillment experience and developing new products (such as an AIO Loan's revolver and deposit functionality) are advancements borrowers seek and have created advantages for us. Other advantages include being an approved origination and servicing platform by FNMA, GNMA, FHLMC as well as the FHLB. Our status with these agencies is an important advantage as we can be originator, seller and servicer in all 50 states and the District of Columbia. Over 80% of our historical production is sold into the secondary market to the agencies and private investors. Our originations support our Specialized Loan Servicing business as a source of replenishment. Since we have invested in being technologically advanced and highly communicative with our borrowers, we have been able to appropriately scale to deliver attractive returns in low and high-volume environments. Our continuous funding of conforming and non-conforming loans (such as first-time buyer programs, jumbo mortgage, and tailored solutions) during a challenging rate environment has allowed us to maintain and expand our presence. Our banking charter and 23 loan production centers have created a more stable employment platform that has attracted the types of regional high quality origination professionals that we desire. Our 132 loan production officers have demonstrated track records of relationship-based success in growing demographic markets. We offer consumers and retail originating mortgage professionals speed and cost benefits across a full array of loan products, including conventional, government, purchase, construction, fixed-rate, variable rate, hybrid ARMs, AIO and second mortgage loans, all of which are designed to provide our customer with a straightforward, high value solution that fit their needs. Over the past 24 months, we have exited the lower margin correspondent mortgage business. Our latest 12 months of retail production was $2.1 billion, which is below our peak of $7.4 billion realized in 2021. Our peak correspondent mortgage business was $7.5 billion realized in 2020. However, we have demonstrated

strong profitability in our last 12 months despite a more muted origination environment. Our ability to re-enter the correspondent business would be low cost given low barriers to entry. The breakout of our residential loan portfolio by mortgage type and purpose since 2019 are shown below.

Funded Production by Purpose



Funded Production by Mortgage Type



Excluding MPP loans, we have $2.7 billion in loans in our HFI portfolio, of which $2.1 billion, or approximately 77%, are in conventional mortgages and $581.7 million are in AIO Loans; and is distributed throughout the United States with the largest concentrations in Florida (13.1%), Colorado (12.5%), California (11.9%), North Carolina (6.0%) and Georgia (4.8%). For our AIO Loans, we had an outstanding balance of $506 million in 2023, $323 million in 2022, $92 million in 2021, $81 million in 2020, and $28 million in 2019. The revenue from AIO Loans was $37 million in 2023, $12 million in 2022, $3 million in 2021, $3 million in 2020, and $2 million in 2019. With respect to regional performance, for the nine months ended September 30, 2024, the originations for consumer direct was $314 million (20.2%), while the Midwest was $421 million (27%), the Southeast was $367 million (23.6%), the Mountain West was $254 million (16.3%), the Northeast and Mid-Atlantic was $158 million (10.1%), and the West was $46 million (3%).

Our capacity to continue to originate HFI non-conforming loans will continue to be an advantage in the retail sector. We have unleveraged liquidity that would allow us to fund more HFI loans as configured, and that amount will expand significantly if we are successful in adding capital from this offering. In addition, our investments in technology in the retail systems and our ability to scale without significant further investments strongly positions us for the normalized mortgage market volume that is forecasted. We see opportunity to continue to expand our product offerings within the retail channel as customer needs evolve.

Our **Specialized Servicing of Residential Mortgage Loans** strategy provides us with the advantage of recurring, relatively stable fee income from borrowers and investors in mortgages. We believe that servicing income is a natural hedge to origination income and that total revenues are more diversified when origination volumes are low. Our strategic advantage is being both a strong originator and an approved servicer of mortgages, which supplements and diversifies our sources of revenue. Investors in mortgage securitizations have found it beneficial and are willing to use our platform because we are an FDIC-insured bank that accepts custodial deposits and are a rating agency-approved servicer. More specifically, the advantage is being able to service loans that have either (a) the option to hold related custodial deposits, or (b) an imbedded deposit account such as the AIO Loans. As of September 30, 2024, including loans we service for our own HFI portfolio, we service or sub-service approximately 53,000 mortgages with nearly $7.1 billion of UPB and a related $72.8 million of custodial deposits. We also serviced or sub-serviced nearly $13.4 billion in 2023, $13.2 billion in 2022, $21.4 billion in 2021, $17.8 billion in 2020, and $11.2 billion in 2019. We are able to manage our exposure to primary and sub-servicing through active portfolio management and readily available market for MSRs. We believe there is real advantage in continuing to retain a touch-point in the borrower relationship that servicing and sub-servicing allow. Although we do not hold a relatively large number of MSRs, we still have the advantage of being an approved mortgage sub-servicer, which means when interest rates go up, we have the ability to more easily navigate the capital constraints that MSRs typically carry when it is a bank-owned asset. On any MSRs held, we continue to focus on MSRs with underlying loans that have higher FICO scores, are agency paper, are within the 2020-2023 origination vintages, have lower loan-to-value ratios and that have demonstrated lower rates of delinquency and forbearance frequency — which we believe lead to lower all-in-cost to service and more stable servicing income. We are

not, by design, a large-scale participant in the overall MSR market nor are we focused on higher margin work-out loan servicing. However, our profitable growth opportunities are driven by our Specialized Servicing strategy.

Our **Digital Deposit Banking** is also core to our strategy because the platform provides the advantage of having a substantial amount of reliable funding coming directly from consumers and deposit brokers and are sourced nationwide rather than from a narrower geography. The deposits are a source of strength, as we believe digital deposits are a more nimble and lower all-in-cost of funding than traditional, branch-based retail deposits. Our experience has demonstrated an ability to fund as needed and with duration and cost of deposit that is consistent with our asset and liability risk appetite. Our ability to fund HFI loans with deposits has allowed us to build a platform when others have been retreating or abandoning the mortgage sector. According to SNL Financial, there are over 9,000 insured banks and credit unions offering deposit services and most offer an online or App-based deposit platform, but we are a top 15 institution ranked by assets that are single-branch platforms. Our strategy targets a specific granularity within our deposit customer base. Our typical retail depositor has average balances of $38,200 and 96.2% have balances under $250,000. Our deposit strategy is unique, as we do not have or seek large balance commercial or public fund deposits due to withdrawal flight-risk, nor do we seek small balance demand accounts that have high operating costs and burden our customer service resources. In the 2023 banking liquidity crisis, we did not experience any significant outflows beyond natural seasonality. Our demand deposits grew in every quarter during 2023 and our total deposits were slightly higher in 2023 than 2022. Our total deposits in 2021 were $2,935 million, much higher than 2020 and 2019, which had $1,657 million and $1,317 million, respectively. Central to our asset and liability strategy is to have term deposits that match the duration of our HFI assets. We prefer term deposits over demand accounts as the known cost and duration of term funding best matches against our asset durations. Evidence of our success is that we have added deposits as we have desired and at rates that are consistent with or below the national pricing platform rates. We recognize our deposit model does attract more rate sensitive depositors and our interest-bearing deposits are typically over 90% of our deposits with a weighted average maturity of approximately seven and a half months; however, we believe these are cheaper and more reliable than other non-deposit sources of funding. Our deposits provide funding for substantially all of our HFI loan assets which creates a stable net interest income that serves as a strength and advantage over many of our competitors. Finally, our deposit gathering platform and FDIC insured deposit accounts allow us to hold institutional custodial deposits. We have opportunities to grow deposits to handle continued growth in loan fundings, such as continuing to strengthen our brand recognition throughout our major loan origination markets.

Our **Balance Sheet Strategy** has proven to be an advantage by allowing us to hold a relatively simple set of assets and liabilities that have delivered a stable financial banking platform during periods of uncharted rate volatility. We specifically focus on remaining as interest rate and average life neutral as possible by match funding our assets and liabilities. Due to our strategy, we have been able to avoid adverse volatility in our earnings, GAAP capital and regulatory capital that the rapid rise in rates inflicted on the market value of many banking assets (as measured by negative AOCI and fair value losses imbedded in HTM assets that hit the industry). Our strategy continues to simply match our originated primarily variable rate HFI loans with similar duration funding — sourced as needed and from our depositors and FHLB advances. We specifically avoid long-term fixed rate mortgages in our HFI portfolio strategy. 81% of them are adjustable rate and over half will re-price within two years. We are not like most traditional branch and demand deposit focused banks that have more complex asset and liability challenges. Many demand deposit focused banks attempt to deploy their deposits (which have high liquidity requirements) into portfolio strategies that blend (a) short-lived, lower yielding assets to meet liquidity requirements balanced with (b) longer-lived, higher yielding, less liquid assets to achieve desired returns. Such mismatching of asset and liability repricing is an important risk we mitigate through our funding strategy and policies. We believe our liquidity profile is an advantage due to existing deposit platform, access to FHLB and Fed Funds in addition to the fact that our MPP loans are short-term facilities that can be curtailed immediately and typically have natural liquidation within 30 days.

We believe the **Strength of Our Bank** centers upon our strategy to (a) remain a well-capitalized bank and have appropriate liquidity under federal regulatory definitions, (b) adhere to strong operating guidelines, including strict policies on interest rate-risk and credit-risk tolerances, (c) perform well in frequent banking regulatory exams, (d) provide full and detailed financial banking disclosures not necessarily available from

other non-bank mortgage companies, and (e) comply with federal banking and consumer laws as well as following mortgage agency requirements. As a bank, we operate sophisticated and dynamic risk management systems that monitor rate, prepayment, credit, forward liquidity needs and other risks of our businesses. Additionally, our strong underwriting is supported by our use of financial tools such as loan syndication and participations, hedging- and other financial instruments to maintain our risk exposures within our policy limits. For these reasons, we believe that relative to more commercial-focused banks, our loan portfolios have lower credit risk — our largest loan category, residential mortgages, has experienced very low net charge-offs throughout our history, and our second largest loan category, MPP loans, has not experienced any charge-offs since we began this lending program in 2010. The strength of our Bank positions us to remain a strongly Rated Originator and Specialty Servicer by third-party ratings agencies that are required by the mortgage agencies and institutional investors.

Our leadership and management team has effectively operated a regulated bank through multiple rate and credit cycles. Strong historical credit quality has contributed to the strength of our Bank. We have recognized only $2.8 million in cumulative net charge-offs (NCO) since 2014 (averaging approximately 0.04% NCO/Loans per year). Between 2019 and 2022, the net charge-offs (recoveries) incurred were $(0.9) million compared to $0.8 million for 2023. Our low loss history exists because we have had no charge-offs in our MPP warehouse lending business since inception. Our specific MPP client selection, credit structure, documentation, underwriting and closing criteria were formulated following lessons learned in the massive industry fallout caused by the Great Financial Crisis (2007 – 2009). We were able to start our MPP platform, with our standards, during an advantageous void in the market. Furthermore, we have specifically avoided or de-emphasized higher risk categories such as commercial real estate, construction and other consumer credit.

These four areas of focused expertise are complementary and have delivered **Compelling Risk Adjusted Returns** to our stockholders (see the section entitled "— Performance and Returns"). These same four areas are highly scalable platforms operating on state-of-the-art systems. Such returns have been attributable to the strength of our Bank and its ability to leverage our common equity capital nearly 10-to-1 while holding low-risk mortgage loans that are funded by relatively stable, insured deposits with lower costs than non-deposit sources. We do not position ourselves as a supermarket for all-things-mortgage; and do not intend to (a) focus on mortgage insurance, (b) offer real estate brokerage, or (c) offer consumer finance solutions like credit cards or debt consolidation. We are a specialty platform that focuses on the marginal improvements in our four business lines to create distinct strengths and advantages in a sector that has been suppressed by market conditions for the past few years.

Strong Leadership, Distinct Culture and Insider Ownership

Founder and current Chairman and Chief Executive Officer Charles "Chuck" Williams had the vision of creating a specialty bank with material and available advantages in the mortgage sector. Mr. Williams established the **ICARE Pledge** as the backbone of our culture, managed the evolution of custom-curated and proprietary technological advantages and built our Bank into a nationally recognized mortgage lender and specialty servicer that has delivered the scaled and profitable organic growth it has experienced to date. Our culture has been defined by and instilled in our Bank by Mr. Williams. We use the guiding principles of the ICARE Pledge to act as a blueprint and foundation of how we act individually and corporately. "ICARE" is an acronym for pledge to **I**nnovate, **C**lient Focus, **A**ct with **i**ntegrity, **R**eal Value and **E**mpower. We innovate to provide superior products and services. We focus on borrowers and treat them like friends and family. We build trusted relationships because we act with integrity. We believe we deliver real value add through our collaborative, high performance culture and we empower every employee to make decisions benefiting borrowers.

Our executive leadership team is comprised of established industry veterans with a track record of profitable organic growth, achieving operating efficiencies and instilling strong risk management disciplines. In addition to the executives, named below, we have an organizational structure that includes supporting senior officers with long and focused careers that have primary responsibilities in the areas of Direct Lending, Specialty Servicing, Depository Banking, Compliance and Reporting, Legal, Treasury and the ALCO, Risk Management, Marketing, and Bank Technology Innovation, Installment and Deployment. In addition to our executive and senior leadership teams, we believe that we are supported by a deep and talented

bench of business professionals, many of whom have been with the Company for many years. We believe our executive leadership team has the experience to continue to execute on our strategic vision.

Charles A. Williams — *Founder, Chairman and Chief Executive Officer*. Mr. Williams has over 42 years of experience in the banking industry and founded our Bank with the vision of what our Bank is today. He has provided steady leadership during our Bank's entire 25 year history.

Kevin J. Comps — *President*. Mr. Comps has over 20 years of experience in the financial services industry and joined our Bank in 2012 for three years and again in 2017. He is responsible for overseeing Residential Lending, Deposit Banking, Loan Servicing, Information Technology, Compliance, Legal, Administration, Facilities, and Human Resources.

David J. Christel — *President of Mortgage Purchase Program (MPP).* Mr. Christel has over 25 years of mortgage warehouse lending and commercial banking experience and joined our Bank in 2010. He is responsible for overseeing the MPP.

Amy Butler — *Executive Vice President, National Sales* Ms. Butler has over 25 years of experience in the mortgage industry and joined our Bank in 2020. She is responsible for overseeing the retail mortgage sales efforts.

Brad T. Howes — *Executive Vice President, Chief Financial Officer.* Mr. Howes has over 22 years of experience in the financial services industry and joined our Bank in 2023. He is responsible for overseeing the finance and accounting functions.

See the section entitled "Management" for further information on our board of directors and executive management team.

Each member of our executive leadership team is a participant in our ownership program and collectively have a meaningful ownership investment in our Bank. As of October 31, 2024, our board of directors and executive officers own or otherwise control 21.4% of our outstanding common stock. Our board of directors has decades of combined business experience from a variety of backgrounds. Collectively, our non-executive board of director members also own or control significant ownership in our Bank.

Performance and Returns

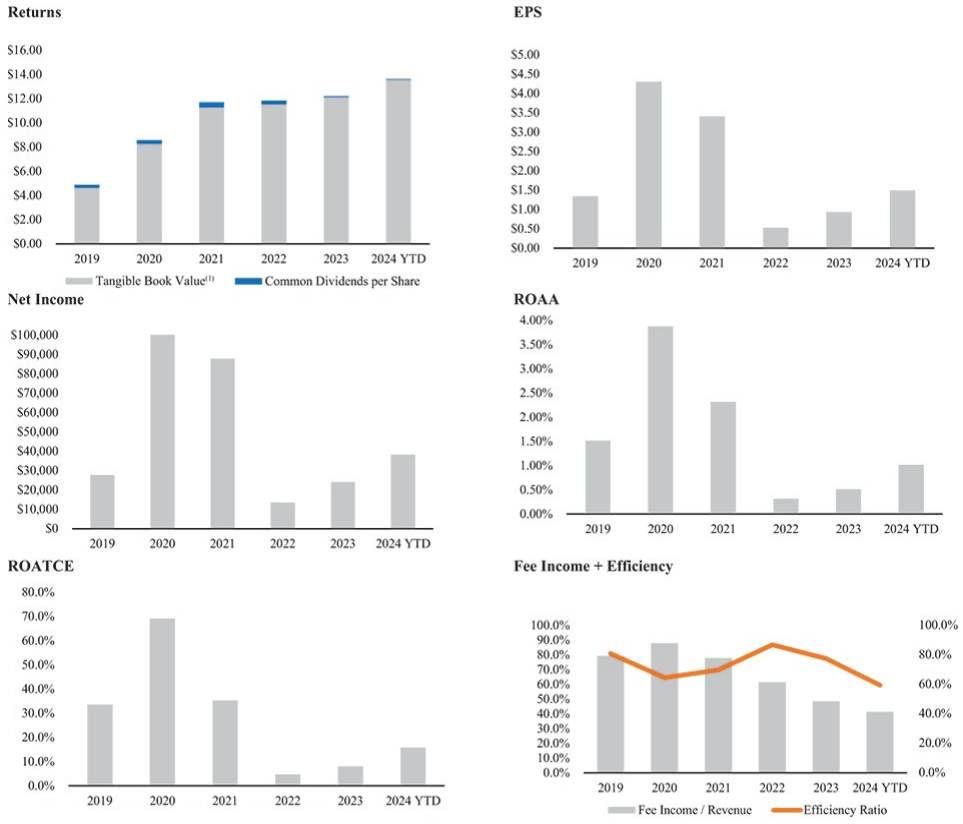
The key performance and return metrics that we have primarily focused upon are: (1) TBV per share and its growth combined with (2) return of capital to our stockholders (dividends paid). See the section entitled "Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures" for a reconciliation of non-GAAP measures to their most comparable GAAP measures. We believe we have delivered outstanding operating performance that has resulted in attractive returns for our stockholders. The accumulated returns measured by growth in our TBV per share plus our dividends per share distributed to stockholders have delivered a 30% internal rate of return since the end of 2019.

We also monitor performance metrics such as (3) Net Income or EPS and its growth, (4) Return on Assets, (5) Return on Tangible Common Equity in addition to (6) Revenue Mix and (7) the Efficiency Ratio, which measures the ratio revenue realized relative to the cost expended to generate the revenue. See the section entitled "Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures" for a reconciliation of non-GAAP measures to their most comparable GAAP measures. The performance metrics demonstrate our outsized success in the higher relative volume cycles, such as 2020 and 2021, where our ROA was 3.88% and 2.52%, respectively, and our ROATCE was 69.08% and 35.25%, respectively. In these periods, we believe our performance was superior to nearly all traditional banks and in-line or better than the specialty consumer credit providers and true mortgage banks. During relatively lower volume cycle periods, such as 2022 and 2023, we still delivered positive and respectable returns by quickly and proactively managing expenses. As part of the success of our strategic repositioning efforts during 2022 and into 2023, we experienced very strong balance sheet growth in MPP loans, which has helped diversify revenues and bolster our operating performance during lower retail mortgage origination cycles.

As a result, in 2022 and 2023, we averaged, over such two years on a combined basis, a 0.63% ROAA. Furthermore, our ROA was 1.17% for the first nine months of 2024, an increase from 0.92% over the same

period of 2023. We believe our attractive Efficiency Ratio is a strong indicator of our operating skills and reflects the benefits of our Bank's advantages; and it compares favorably to, and is lower than, nearly all mortgage dedicated banks and non-banks who we consider peers.

In the charts below, we show the growth in TBV per share as impacted by our EPS and the individual and cumulative dividends we have paid since 2019.



(1) See the section entitled "Summary Historical Consolidated Financial Information and Other Data — Non-GAAP Financial Measures" for a reconciliation of non-GAAP measures to their most comparable GAAP measures.

Competition

We compete in a number of areas, including deposit banking, residential mortgages, and mortgage warehouse lending. These industries are highly competitive, and our Bank faces strong direct competition for loans and deposits. We compete with other nondepository financial institutions and community banks, thrifts and credit unions. In addition, we compete with large banks and other financial intermediaries, such as consumer finance companies, mortgage banking companies, and online banks. We believe that the range and quality of products that we offer, the knowledge of our personnel and our emphasis on building long-lasting relationships sets us apart from our competitors.

Risk Management

We believe that effective risk management and control processes are critical to our safety and soundness, our ability to predict and manage the challenges that we face and, ultimately, our long-term corporate success.

Risk management refers to the activities by which we identify, measure, monitor, evaluate and manage the risks we face in the course of our banking activities. These include liquidity, interest rate, credit, operational, compliance, regulatory, strategic, financial and reputational risk exposures. Our board of directors, both directly and through its committees, is responsible for overseeing our risk management processes, including routinely conducting enterprise risk management assessments, cyber, BSA/anti-money laundering and third-party risk assessments, with each of the committees of our board of directors assuming a different and important role in overseeing the management of the risks we face.

The Audit Committee of our board of directors is responsible for overseeing risks associated with financial matters (particularly financial reporting, accounting practices and policies, disclosure controls and procedures and internal control over financial reporting). The Compensation Committee of our board of directors has primary responsibility for risks and exposures associated with our compensation policies, plans and practices, regarding both executive compensation and our compensation structure generally. In particular, our Compensation Committee, in conjunction with our President and Chief Executive Officer and other members of our management, as appropriate, reviews our incentive compensation arrangements to ensure these programs are consistent with applicable laws and regulations, including safety and soundness requirements, and do not encourage imprudent or excessive risk-taking by our employees. The Governance and Nominating Committee of our board of directors oversees risks associated with the independence of our board of directors and potential conflicts of interest.

Our senior management is responsible for implementing our risk management processes, including by assessing and managing the risks we face, including strategic, operational, regulatory, investment and execution risks, on a day-to-day basis, and reporting to our board of directors regarding our risk management processes. Our senior management is also responsible for creating and recommending to our board of directors for approval appropriate risk appetite metrics reflecting the aggregate levels and types of risk we are willing to accept in connection with the operation of our business and pursuit of our business objectives.

The role of our board of directors in our risk oversight is consistent with our leadership structure, with our President and Chief Executive Officer and the other members of senior management having responsibility for assessing and managing our risk exposure, and our board of directors and its committees providing oversight in connection with those efforts. We believe this division of risk management responsibilities presents a consistent, systemic and effective approach for identifying, managing and mitigating risks throughout our operations.

Properties

Our principal executive office is located at 3333 Deposit Drive Northeast, Grand Rapids, Michigan 49546. In addition to our principal executive office, we operate loan production offices across 23 cities in 15 states that are supported through our centralized operating center in Grand Rapids, Michigan.

Human Capital

To facilitate talent attraction and retention, we strive to create an inclusive, safe and healthy workplace with opportunities for our employees to grow and develop in their careers, supported by strong compensation, benefits and health and welfare programs.

Employee Profile

As of September 30, 2024, we had 531 full-time employees and 10 part-time employees. None of our employees are covered by a collective bargaining agreement. We consider our relationship with our employees to be good and have not experienced interruptions of operations due to labor disagreements.

Compensation and Benefits

We provide a competitive compensation and benefits program to help meet the needs of our employees. In addition to salaries, these programs include annual bonus opportunities, a 401(k) plan with an employer matching contribution, healthcare and insurance benefits, flexible spending accounts, paid time off and family leave and an employee assistance program.

Learning and Development

We invest in the growth and development of our employees by providing a multi-dimensional approach to learning that empowers, intellectually grows, and professionally develops our colleagues. In particular, we facilitate the educational and professional development of our employees through support to attend conferences and obtain degrees, licenses and certifications while employed by us.

Legal Proceedings

From time to time, we are a party to various litigation matters incidental to the conduct of our business. We do not believe that any currently pending legal proceedings will have a material adverse effect on our business, financial condition or results of operations.

Corporate Information

Our principal executive offices are located at 3333 Deposit Drive Northeast, Grand Rapids, Michigan 49546, and our telephone number at that address is (616) 940-9400. Our website address is *www.northpointe.com*. This reference to our website is included for the convenience of investors only and our website and the information contained therein or limited thereto is not incorporated into this prospectus or the registration statement of which it forms a part.

SUPERVISION AND REGULATION

We are extensively regulated under federal and state law. The following is a brief summary that does not purport to be a complete description of all regulations that affect us or all aspects of those regulations. This discussion is qualified in its entirety by reference to the particular statutory and regulatory provisions described below and is not intended to be an exhaustive description of the statutes or regulations applicable to the Company's and our Bank's business. In addition, proposals to change the laws and regulations governing the banking industry are frequently raised at both the state and federal levels. The likelihood and timing of any changes in these laws and regulations, and the impact such changes may have on us and our Bank, are difficult to predict. Regulatory agencies may issue enforcement actions, policy statements, interpretive letters, and similar written guidance applicable to us or to our Bank. Changes in applicable laws, regulations, or regulatory guidance, or their interpretation by regulatory agencies or courts may have a material adverse effect on our and our Bank's business, operations, and earnings.

We, our Bank, and in some cases, our nonbank affiliates, must undergo regular examinations by the appropriate regulatory agency, which will examine for adherence to a range of legal and regulatory compliance responsibilities. A bank regulator conducting an examination has complete access to the books and records of the examined institution. The results of the examination are confidential. Supervision and regulation of banks, their holding companies, and affiliates is intended primarily for the protection of depositors and clients, the DIF of the FDIC, and the U.S. banking and financial system rather than holders of our securities.

Regulation of the Company

We are registered as a bank holding company with the Federal Reserve under the BHC Act. As such, we are subject to comprehensive supervision and regulation by the Federal Reserve and are subject to its regulatory reporting requirements. Federal law subjects bank holding companies, such as the Company, to restrictions on the types of activities in which they may engage, and to a range of supervisory requirements. Various federal and state bodies regulate and supervise our non-bank activities including our trust and insurance agency activities.

Violations of laws and regulations, or other unsafe and unsound practices, may result in regulatory agencies imposing fines or penalties, cease and desist orders, or taking other enforcement actions. Under certain circumstances, these agencies may enforce remedies directly against officers, directors, employees, and other parties participating in the affairs of a bank or bank holding company. Under federal and state laws and regulations pertaining to the safety and soundness of insured depository institutions, state banking regulators, the Federal Reserve, and separately the FDIC as the insurer of bank deposits have the authority to compel or restrict certain actions on our part if they determine that we have insufficient capital or other resources, or are otherwise operating in a manner that may be deemed to be inconsistent with safe and sound banking practices. Under this authority, our regulators can require us or our subsidiaries to enter into informal or formal supervisory agreements, including board resolutions, memoranda of understanding, written agreements, and consent or cease and desist orders pursuant to which we would be required to take identified corrective actions to address cited concerns and to refrain from taking certain actions.

If we become subject to and are unable to comply with the terms of any regulatory actions or directives, supervisory agreements or orders, then we could become subject to additional, heightened supervisory actions and orders, possibly including prompt corrective action restrictions and/or other regulatory actions, including prohibitions on the payment of dividends on our common stock and preferred stock. If our regulators were to take such supervisory actions, then we could, among other things, become subject to significant restrictions on our ability to develop any new business, as well as restrictions on our existing business, and we could be required to raise additional capital, dispose of certain assets and liabilities within a prescribed period of time, or both. The terms of any such action could have a material negative effect on our business, reputation, operating flexibility, financial condition, and the value of our common stock and preferred stock.

Activity Limitations

Bank holding companies are generally restricted to engaging in the business of banking, managing or controlling banks and certain other activities determined by the Federal Reserve to be closely related to banking. In addition, the Federal Reserve has the power to order a bank holding company or its subsidiaries to terminate any nonbanking activity or terminate its ownership or control of any nonbank subsidiary when it has reasonable cause to believe that continuation of such activity or such ownership or control constitutes a serious risk to the financial safety, soundness, or stability of any bank subsidiary of that bank holding company.

Source of Strength Obligations

A bank holding company, such as us, is required to act as a source of financial and managerial strength to its subsidiary bank. The term "source of financial strength" means the ability of a company, such as us, that directly or indirectly owns or controls an insured depository institution, such as our Bank, to provide financial assistance to such insured depository institution in the event of financial distress. The appropriate federal banking agency for the depository institution (in the case of our Bank, this agency is the FDIC) may require reports from us to assess our ability to serve as a source of strength and to enforce compliance with the source of strength requirements by requiring us to provide financial assistance to our Bank in the event of financial distress. If we were to enter bankruptcy or become subject to the orderly liquidation process established by the Dodd-Frank Act, any commitment by us to a federal bank regulatory agency to maintain the capital of our Bank would be assumed by the bankruptcy trustee or the FDIC, as appropriate, and entitled to a priority of payment. In addition, the FDIC provides that any insured depository institution generally will be liable for any loss incurred by the FDIC in connection with the default of, or any assistance provided by the FDIC to, a commonly controlled insured depository institution. Our Bank is an FDIC-insured depository institution and thus subject to these requirements.

Acquisitions

The BHC Act permits acquisitions of banks by bank holding companies, such that we and any other bank holding company, whether located in Michigan or elsewhere, may acquire a bank located in any other state, subject to certain deposit-percentage, age of bank charter requirements, and other restrictions. The BHC Act requires that a bank holding company obtain the prior approval of the Federal Reserve before (i) acquiring direct or indirect ownership or control of more than 5% of the voting shares of any additional bank or bank holding company, (ii) taking any action that causes an additional bank or bank holding company to become a subsidiary of the bank holding company, or (iii) merging or consolidating with any other bank holding company. The Federal Reserve may not approve any such transaction that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in any section of the United States, or the effect of which may be substantially to lessen competition or to tend to create a monopoly in any section of the country, or that in any other manner would be in restraint of trade unless the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served. The Federal Reserve is also required to consider: (i) the financial and managerial resources of the companies involved, including pro forma capital ratios; (ii) the risk to the stability of the United States banking or financial system; (iii) the convenience and needs of the communities to be served, including performance under the CRA; and (iv) the effectiveness of the company in combatting money laundering.

Change in Control

Federal law restricts the amount of voting stock of a bank holding company or a bank that a person may acquire without the prior approval of banking regulators. Under the Change in Bank Control Act and the regulations thereunder, a person or group must give advance notice to the Federal Reserve before acquiring control of any bank holding company, such as the Company, or to the appropriate regulator before acquiring control of any FDIC-insured bank, such as our Bank. Upon receipt of such notice, the regulator may approve or disapprove the acquisition. The Change in Bank Control Act creates a rebuttable presumption of control if a person or group acquires the power to vote 10% or more of our outstanding

common stock. The overall effect of such laws is to make it more difficult to acquire a bank holding company and a bank by tender offer or similar means than it might be to acquire control of another type of corporation. Consequently, stockholders of the Company may be less likely to benefit from the rapid increases in stock prices that may result from tender offers or similar efforts to acquire control of other companies. Investors should be aware of these requirements when acquiring shares of our stock.

Repurchase or Redemption of Shares

A BHC is generally required to give the Federal Reserve prior written notice of any purchase or redemption of its own then-outstanding equity securities if the gross consideration for the purchase or redemption, when combined with the net consideration paid for all such purchases or redemptions during the preceding twelve months, is equal to 10.0% or more of the company's consolidated net worth. The Federal Reserve may disapprove such a purchase or redemption if it determines that the proposal would constitute an unsafe and unsound practice, or would violate any law, regulation, Federal Reserve order or directive, or any condition imposed by, or written agreement with, the Federal Reserve. The Federal Reserve has adopted an exception to this approval requirement for BHCs that meet certain "well-capitalized" and "well-managed" standards and are not the subject of any unresolved supervisory issue.

Incentive Compensation

The Dodd-Frank Act required the federal banking agencies and the SEC to establish joint rules or guidelines for financial institutions with more than $1 billion in assets, such as us and our Bank, which prohibit incentive compensation arrangements that the agencies determine to encourage inappropriate risks by the institution. The federal banking agencies issued proposed rules in 2011 and previously issued guidance on sound incentive compensation policies. In 2016, the federal banking agencies and the SEC proposed rules that would, depending upon the assets of the institution, directly regulate incentive compensation arrangements and would require enhanced oversight and recordkeeping. As of December 20, 2024, these rules have not been implemented, although the SEC did adopt final rules implementing the clawback provisions of the Dodd-Frank Act in 2022. We and our Bank have undertaken efforts to ensure that our incentive compensation plans do not encourage inappropriate risks, consistent with three key principles — that incentive compensation arrangements should appropriately balance risk and financial rewards, be compatible with effective controls and risk management, and be supported by strong corporate governance.

Capital Requirements

We and our Bank are required under federal law to maintain certain minimum capital levels based on ratios of capital to total assets and capital to risk-weighted assets. The required capital ratios are minimums, and the regulators may determine that a banking organization based on its size, complexity, or risk profile must maintain a higher level of capital in order to operate in a safe and sound manner. Risks such as concentration of credit risks and the risk arising from non-traditional activities, as well as the institution's exposure to a decline in the economic value of its capital due to changes in interest rates, and an institution's ability to manage those risks, are important factors that are to be taken into account in assessing an institution's overall capital adequacy. The following is a brief description of the relevant provisions of these capital rules and their potential impact on our capital levels.

We and our Bank are subject to the following risk-based capital ratios: a CET1 risk-based capital ratio, a Tier 1 risk-based capital ratio, which includes CET1 and additional Tier 1 capital, and a total risk-based capital ratio, which includes Tier 1 and Tier 2 capital. CET1 is primarily comprised of the sum of common stock instruments and related surplus net of treasury stock plus retained earnings less certain adjustments and deductions, including with respect to goodwill, intangible assets, mortgage servicing assets, and deferred tax assets subject to temporary timing differences. Additional Tier 1 capital is primarily comprised of noncumulative perpetual preferred stock. Tier 2 capital consists of instruments disqualified from Tier 1 capital, including qualifying subordinated debt and a limited amount of loan loss reserves up to a maximum of 1.25% of risk-weighted assets, subject to certain eligibility criteria. The capital rules also define the risk-weights assigned to assets and off-balance sheet items to determine the risk-weighted asset components of the

risk-based capital rules, including, for example, certain “high volatility” commercial real estate, past due assets, structured securities, and equity holdings.

The leverage capital ratio, which serves as a minimum capital standard, is the ratio of Tier 1 capital to quarterly average total consolidated assets net of goodwill, certain other intangible assets, and certain required deduction items. The required minimum leverage ratio for all banks and bank holding companies is 4%.

In addition, effective January 1, 2019, the capital rules required a capital conservation buffer of 2.5% above each of the minimum risk-based capital ratio requirements (CET1, Tier 1, and total capital), which is designed to absorb losses during periods of economic stress. These buffer requirements must be met for a bank or bank holding company to be able to pay dividends, engage in share buybacks, or make discretionary bonus payments to executive management without restriction.

The Federal Deposit Insurance Corporation Improvement Act (the “FDICIA”), among other things, requires the federal bank regulatory agencies to take “prompt corrective action” regarding depository institutions that do not meet minimum capital requirements. FDICIA establishes five regulatory capital tiers: “well capitalized”, “adequately capitalized”, “undercapitalized”, “significantly undercapitalized”, and “critically undercapitalized.” A depository institution’s capital tier will depend upon how its capital levels compare to various relevant capital measures and certain other factors, as established by regulation. FDICIA generally prohibits a depository institution from making any capital distribution (including payment of a dividend) or paying any management fee to its holding company if the depository institution would thereafter be undercapitalized. The FDICIA imposes progressively more restrictive restraints on operations, management, and capital distributions depending on the category in which an institution is classified. Undercapitalized depository institutions are subject to restrictions on borrowing from the Federal Reserve System. In addition, undercapitalized depository institutions may not accept brokered deposits absent a waiver from the FDIC, are subject to growth limitations, and are required to submit capital restoration plans for regulatory approval. A depository institution’s holding company must guarantee any required capital restoration plan up to an amount equal to the lesser of 5% of the depository institution’s assets at the time it becomes undercapitalized or the amount of the capital deficiency when the institution fails to comply with the plan. Federal banking agencies may not accept a capital plan without determining, among other things, that the plan is based on realistic assumptions and is likely to succeed in restoring the depository institution’s capital. If a depository institution fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized.

To be well-capitalized, our Bank must maintain at least the following capital ratios:

- 6.5% CET1 to risk-weighted assets;
- 8.0% Tier 1 capital to risk-weighted assets;
- 10.0% Total capital to risk-weighted assets; and
- 5.0% leverage ratio.

The Federal Reserve has not yet revised the well-capitalized standard for bank holding companies to reflect the higher capital requirements imposed under the current capital rules applicable to banks. For purposes of the Federal Reserve’s Regulation Y, including determining whether a bank holding company meets the requirements to be a financial holding company, bank holding companies, such as the Company, must maintain a Tier 1 risk-based capital ratio of 6.0% or greater and a total risk-based capital ratio of 10.0% or greater to be well-capitalized. Also, the Federal Reserve may require bank holding companies, including the Company, to maintain capital ratios substantially in excess of mandated minimum levels depending upon general economic conditions and a bank holding company’s particular condition, risk profile, and growth plans.

Failure to be well-capitalized or to meet minimum capital requirements could result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have an adverse material effect on our operations or financial condition. Failure to meet minimum capital requirements could also result in restrictions on the Company’s or our Bank’s ability to pay dividends or otherwise distribute capital or to receive regulatory approval of applications or other restrictions on its growth.

Payment of Dividends

We are a legal entity separate and distinct from our Bank and our other subsidiaries. The primary sources of funds for our payment of dividends to our stockholders are cash on hand and dividends from our Bank and our non-bank subsidiaries. Various federal and state statutory provisions and regulations limit the amount of dividends that our Bank may pay. Under Michigan law, banks may not declare dividends out of capital or surplus. Our Bank may only declare dividends on its common stock out of net income on hand, after deducting losses and bad debts, and provided the bank will have a surplus of 20.0% or more of its capital after payment of the proposed dividend. Moreover, a bank must transfer to surplus at least 10.0% of its net income (a) for the prior six months, in the case of quarterly or semiannual dividends or (b) for the two prior six-month periods, in the case of annual dividends.

In addition, we and our Bank are subject to various general regulatory policies and requirements relating to the payment of dividends, including requirements to maintain adequate capital above regulatory minimums. The FDIC has indicated that paying dividends that deplete a bank's capital base to an inadequate level would be an unsafe and unsound banking practice. The Federal Reserve has indicated that holding companies should generally pay dividends only out of current operating earnings.

Under a Federal Reserve policy adopted in 2009, the board of directors of a bank holding company must consider different factors to ensure that its dividend level is prudent relative to maintaining a strong financial position and is not based on overly optimistic earnings scenarios, such as potential events that could affect its ability to pay, while still maintaining a strong financial position. As a general matter, the Federal Reserve has indicated that the board of directors of a bank holding company should consult with the Federal Reserve and eliminate, defer, or significantly reduce the bank holding company's dividends if:

- its net income available to stockholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends;
- its prospective rate of earnings retention is not consistent with its capital needs and overall current and prospective financial condition; or
- it will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios.

Regulation of our Bank

Our Bank is subject to comprehensive supervision and regulation by the FDIC, and is subject to its regulatory reporting requirements, as well as supervision and regulation by the DIFS.

Broadly, regulations applicable to our Bank include limitations on loans to a single borrower and to its directors, officers, and employees; restrictions on the opening and closing of branch offices; the maintenance of required capital ratios; the granting of credit under equal and fair conditions; the disclosure of the costs and terms of such credit; requirements to maintain reserves against deposits and loans; limitations on the types of investment that may be made by our Bank; and requirements governing risk management practices. Subject to FDIC approval and certain state filing requirements, our Bank is permitted under federal law to branch on a de novo basis across state lines wherever the laws of that state would permit a bank chartered by that state to establish a branch.

Transactions with Affiliates and Insiders

Our Bank is subject to restrictions on extensions of credit and certain other transactions between our Bank and the Company or any nonbank affiliate as defined. Generally, these covered transactions with either the Company or any affiliate are limited to 10% of our Bank's capital and surplus, and all such transactions between our Bank and the Company and all of its nonbank affiliates combined are limited to 20% of our Bank's capital and surplus. Loans and other extensions of credit from our Bank to the Company or any affiliate generally are required to be secured by eligible collateral in specified amounts. In addition, any transaction between our Bank and the Company or any affiliate are required to be on an arm's length basis. Federal banking laws also place similar restrictions on certain extensions of credit by insured banks, such as our Bank, to their directors, executive officers, and principal stockholders.

FDIC Insurance Assessments and Depositor Preference

Our Bank's deposits are insured by the FDIC's DIF up to the limits under applicable law, which currently are set at $250,000 per depositor, per insured bank, for each account ownership category. Our Bank is subject to FDIC assessments for its deposit insurance. The FDIC calculates quarterly deposit insurance assessments based on an institution's average total consolidated assets less its average tangible equity and applies one of four risk categories determined by reference to its capital levels, supervisory ratings, and certain other factors. The assessment rate schedule can change from time to time, at the discretion of the FDIC, subject to certain limits.

As of June 30, 2020, the DIF reserve ratio fell to 1.30%, below the statutory minimum of 1.35%. The FDIC, as required under the Federal Deposit Insurance Act, established a plan on September 15, 2020 to restore the DIF reserve ratio to meet or exceed the statutory minimum of 1.35% within eight years. On October 18, 2022, the FDIC adopted an amended restoration plan to increase the likelihood that the reserve ratio would be restored to at least 1.35% by September 30, 2028. The FDIC's amended restoration plan increases the initial base deposit insurance assessment rate schedules uniformly by 2 bps, beginning in the first quarterly assessment period of 2023. The FDIC could further increase the deposit insurance assessments for certain insured depository institutions, including our Bank, if the DIF reserve ratio is not restored as projected.

In November 2023, the FDIC approved a final rule to implement a special assessment to recover the loss to the DIF associated with several bank failures that occurred during early 2023. The assessment base for the special assessment is equal to estimated uninsured deposits reported as of December 31, 2022, adjusted to exclude the first $5 billion, to be collected at an annual rate of approximately 13.4 basis points for an anticipated total of eight quarterly assessment periods, beginning the first quarterly assessment period of 2024.

Insurance of deposits may be terminated by the FDIC upon a finding that the institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order or condition imposed by a bank's federal regulatory agency. In addition, the Federal Deposit Insurance Act provides that, in the event of the liquidation or other resolution of an insured depository institution, the claims of depositors of the institution, including the claims of the FDIC as subrogee of insured depositors, and certain claims for administrative expenses of the FDIC as a receiver, will have priority over other general unsecured claims against the institution, including those of the parent bank holding company.

Standards for Safety and Soundness

The Federal Deposit Insurance Act requires the federal bank regulatory agencies to prescribe, by regulation or guideline, operational and managerial standards for all insured depository institutions relating to: (i) internal controls; (ii) information systems and audit systems; (iii) loan documentation; (iv) credit underwriting; (v) interest rate risk exposure; and (vi) asset quality. The federal banking agencies have adopted regulations and Interagency Guidelines Establishing Standards for Safety and Soundness to implement these required standards. These guidelines set forth the safety and soundness standards used to identify and address problems at insured depository institutions before capital becomes impaired. Under the regulations, if a regulator determines that a bank fails to meet any standards prescribed by the guidelines, the regulator may require the bank to submit an acceptable plan to achieve compliance, consistent with deadlines for the submission and review of such safety and soundness compliance plans.

Anti-Money Laundering

A continued focus of governmental policy relating to financial institutions in recent years has been combating money laundering and terrorist financing. The USA PATRIOT Act broadened the application of anti-money laundering regulations to apply to additional types of financial institutions such as broker-dealers, investment advisors, and insurance companies, and strengthened the ability of the U.S. government to help prevent, detect and prosecute international money laundering and the financing of terrorism. The principal provisions of Title III of the USA PATRIOT Act require that regulated financial institutions, including state banks: (i) establish an anti-money laundering program that includes training and

audit components; (ii) comply with regulations regarding the verification of the identity of any person seeking to open an account; (iii) take additional required precautions with non-U.S. owned accounts; and (iv) perform certain verification and certification of money laundering risk for their foreign correspondent banking relationships. Failure of a financial institution to comply with the USA PATRIOT Act's requirements could have serious legal and reputational consequences for the institution. Our Bank has augmented its systems and procedures to meet the requirements of these regulations and will continue to revise and update its policies, procedures, and controls to reflect changes required by law.

FinCEN has adopted rules that require financial institutions to obtain beneficial ownership information with respect to legal entities with which such institutions conduct business, subject to certain exclusions and exemptions. Bank regulators are focusing their examinations on anti-money laundering compliance, and we continue to monitor and augment, where necessary, our anti-money laundering compliance programs. Banking regulators will consider compliance with the USA PATRIOT Act's money laundering provisions in acting upon merger and acquisition proposals. Bank regulators routinely examine institutions for compliance with these obligations and have been active in imposing cease and desist and other regulatory orders and civil money penalties against institutions found to be violating these obligations. Sanctions for violations of the USA PATRIOT Act can be imposed in an amount equal to twice the sum involved in the violating transaction, up to $1 million.

Economic Sanctions

The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") is responsible for helping to ensure that U.S. entities do not engage in transactions with certain prohibited parties, as defined by various executive orders and acts of Congress. OFAC publishes, and routinely updates, lists of names of persons and organizations suspected of aiding, harboring, or engaging in terrorist acts, including the Specially Designated Nationals and Blocked Persons List. If we find a name on any transaction, account, or wire transfer that is on an OFAC list, we must undertake certain specified activities, which could include blocking or freezing the account or transaction requested, and we must notify the appropriate authorities.

Concentrations in Lending

During 2006, the federal bank regulatory agencies released guidance on "Concentrations in Commercial Real Estate Lending" (the "Guidance") and advised financial institutions of the risks posed by CRE lending concentrations. The Guidance requires that appropriate processes be in place to identify, monitor, and control risks associated with real estate lending concentrations. Higher allowances for loan losses and capital levels may also be required. The Guidance is triggered when CRE loan concentrations exceed either:

- total reported loans for construction, land development, and other land of 100% or more of a bank's total risk-based capital; or
- total reported loans secured by multifamily and nonfarm nonresidential properties and loans for construction, land development, and other land of 300% or more of a bank's total risk-based capital.

The Guidance also applies when a bank has a sharp increase in CRE loans or has significant concentrations of CRE secured by a particular property type. We have always had exposures to loans secured by CRE due to the nature of our markets and the borrowing needs of both consumer and commercial clients. We believe our long-term experience in CRE lending, underwriting policies, internal controls, and other policies currently in place, as well as our loan and credit monitoring and administration procedures, are generally appropriate in managing our concentrations as required under the Guidance.

Community Reinvestment Act

Our Bank is subject to the provisions of the CRA, which imposes a continuing and affirmative obligation, consistent with safe and sound operation, to help meet the credit needs of entire communities where the bank accepts deposits, including low- and moderate-income neighborhoods. The FDIC's assessment of our Bank's CRA record is made available to the public. CRA agreements with private parties must be disclosed and annual CRA reports must be made to the FDIC. Federal CRA regulations require, among other

things, that evidence of discrimination against applicants on a prohibited basis and illegal or abusive lending practices be considered in the CRA evaluation. Our Bank has a rating of "Satisfactory" in its most recent CRA evaluation.

On October 24, 2023, the Office of the Comptroller of the Currency ("OCC"), Federal Reserve, and FDIC issued a final rule to modernize their respective CRA regulations. The revised rules substantially alter the methodology for assessing compliance with the CRA, with material aspects taking effect January 1, 2026 and revised data reporting requirements taking effect January 1, 2027. Among other things, the revised rules evaluate lending outside traditional assessment areas generated by the growth of non-branch delivery systems, such as online and mobile banking, apply a metrics-based benchmarking approach to assessment, and clarify eligible CRA activities. The revised CRA regulations have been subject to an injunction since March 29, 2024. The effective dates will be extended for each day the injunction remains in place, pending the resolution of the lawsuit.

Anti-Tying Restrictions

In general, a bank may not extend credit, lease, sell property, or furnish any services or fix or vary the consideration for them on the condition that (i) the client obtain or provide some additional credit, property, or services from or to the bank or bank holding company or their subsidiaries or (ii) the client not obtain some other credit, property, or services from a competitor, except to the extent reasonable conditions are imposed to assure the soundness of the credit extended. A bank may, however, offer combined-balance products and may otherwise offer more favorable terms if a client obtains two or more traditional bank products. The law also expressly permits banks to engage in other forms of tying and authorizes the Federal Reserve Board to grant additional exceptions by regulation or order. Also, certain foreign transactions are exempt from the general rule.

Consumer Financial Services

The structure of federal consumer protection regulation applicable to all providers of consumer financial products and services changed significantly on July 21, 2011, when the CFPB commenced operations to oversee and enforce consumer protection laws. The CFPB has broad rulemaking authority for a wide range of consumer protection laws that apply to all providers of consumer products and services, including our Bank, as well as the authority to prohibit "unfair, deceptive or abusive" acts and practices. The CFPB has examination and enforcement authority over insured depository institutions and their holding companies with more than $10 billion in assets. (The CFPB has similar authority over certain nonbanking organizations.) Banks and savings institutions with $10 billion or less in assets, like our Bank, will continue to be examined by their primary federal regulators, which can be expected to nonetheless look to the rulings and enforcement actions of the CFPB as they carry out their supervision of larger institutions.

Because abuses in connection with residential mortgages were a significant factor contributing to the financial crisis, many new rules issued by the CFPB and required by the Dodd-Frank Act address mortgage and mortgage-related products, their underwriting, origination, servicing and sales. The Dodd-Frank Act significantly expanded underwriting requirements applicable to loans secured by 1-4 family residential real property and augmented federal law combating predatory lending practices. In addition to numerous disclosure requirements, the Dodd-Frank Act imposed new standards for mortgage loan originations on all lenders, including banks and savings associations, in an effort to strongly encourage lenders to verify a borrower's ability to repay, while also establishing a presumption of compliance for certain "qualified mortgages." In addition, the Dodd-Frank Act generally required lenders or securitizers to retain an economic interest in the credit risk relating to loans that the lender sells, and other asset-backed securities that the securitizer issues, if the loans do not comply with the ability-to-repay standards described below. The risk retention requirement generally is 5.0%, but the statute and its implementing regulations, exempt certain transactions from the requirement. The CFPB's rules have impacted our operations, and have resulted in higher compliance costs for our Bank.

Consumer Laws

Numerous federal, state and local consumer protection laws impose substantive requirements upon mortgage lenders, servicers and holders of mortgage loans in connection with the origination, servicing and enforcement of mortgage loans.

Our Bank must comply with many federal laws including:

- the Truth in Lending Act ("TILA") and Regulation Z promulgated thereunder, which (among other things) require specific disclosures to the borrowers regarding the terms of the mortgage loans and inclusion of certain terms in an originator's underwriting guidelines;
- the Consumer Financial Protection Act, enacted as part of the Dodd-Frank Act, which (among other things) created the CFPB and gave it broad rulemaking, supervisory and enforcement jurisdiction over mortgage lenders and servicers, and proscribes any unfair, deceptive or abusive acts or practices in connection with any consumer financial product or services;
- the Equal Credit Opportunity Act and Regulation B promulgated thereunder, which (among other things) prohibit discrimination on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act, in the extension of credit; and
- the Fair Credit Reporting Act, as amended by the Fair and Accurate Transactions Act, which (among other things) regulates the use and reporting of information related to the borrower's credit experience.

Other federal laws also may apply, including but not limited to, the Alternative Mortgage Transactions Parity Act, BSA, Electronic Funds Transfer Act, Fair Debt Collection Practices Act, Fair Housing Act, Federal Trade Commission Act, Flood Disaster Protection Act of 1998, Gramm-Leach-Bliley Act, Home Mortgage Disclosure Act, Real Estate Settlement Procedures Act ("RESPA"), Right to Financial Privacy Act, SAFE Mortgage Licensing Act, and the Servicemembers Civil Relief Act.

Our mortgage lending activities are also subject to applicable state and local laws that regulate among other things, interest rates and other charges, require specific disclosure, regulate specific practices and require licensing of various participants in the transaction. In addition, other state and local laws, public policy and general principles of equity relating to the protection of consumers, unfair and deceptive practices and debt collection practices may apply to the origination, ownership, servicing or collection of mortgage loans.

The CFPB, state and federal banking regulatory agencies, state attorneys general offices, the Federal Trade Commission, the U.S. Department of Justice, the U.S. Department of Housing and Urban Development and state and local governmental authorities continue to monitor lending practices. State, local and federal governmental agencies have imposed sanctions on originators for practices including, but not limited to, charging borrowers excessive fees, steering borrowers to loans with higher costs or more onerous terms, imposing higher interest rates than the borrower's credit risk warrants, failing to adequately disclose the material terms of loans to the borrowers and otherwise engaging in discriminatory lending practices or unfair, deceptive or abusive acts or practices.

S.A.F.E. Act

Regulations issued under the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the "S.A.F.E. Act") require residential mortgage loan originators who are employees of institutions regulated by the foregoing agencies to meet the registration requirements of the S.A.F.E. Act. The S.A.F.E. Act requires residential mortgage loan originators who are employees of regulated financial institutions to register with the Nationwide Mortgage Licensing System and Registry, a database created by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators to support the licensing of mortgage loan originators by the states. The S.A.F.E. Act generally prohibits employees of regulated financial institutions from originating residential mortgage loans unless they obtain and annually maintain registration as a registered mortgage loan originator.

Our Bank conducts all its mortgage origination and warehouse finance activities directly from our Bank itself, and is exempt from most state, but not all, licensing requirements by virtue of being a state-chartered bank. Our Bank is licensed to originate and service loans in Maine, Maryland, New Mexico and Utah, and has filed an exemption registration in Nevada. Other states may require our Bank to obtain mortgage or servicer licenses in their respective jurisdictions.

Loan Originator Compensation

On January 20, 2013, the CFPB issued a final rule under the Truth in Lending Act (Regulation Z) which imposed several requirements and restrictions on the compensation of mortgage loan originators. These compensation rules are intended to prevent originators from steering consumers into higher cost mortgages.

The California Homeowner Bill of Rights

The California Homeowner Bill of Rights, which became effective on January 1, 2013 and was amended effective January 1, 2019, among other measures (i) prohibits "dual track" foreclosures (servicers will be required to halt the foreclosure process while any modification is being considered), (ii) creates a single point of contact for homeowners while negotiating a loan modification, (iii) expands upon notice requirements to a borrower before taking action on a loan modification application or pursuing foreclosure and (iv) allows for injunctions against foreclosure until violations are corrected and permits civil penalties (including monetary damages) against servicers that file multiple inaccurate mortgage documents or otherwise violate California law. The California Homeowner Bill of Rights is likely to extend foreclosure times in California and lead to increased litigation of the foreclosure process.

Homeowner Association Super Priority Liens May Take Priority Over the Mortgage Liens

In some states it is possible that the first lien of the mortgages may be extinguished by super priority liens of homeowner associations ("HOA"), potentially resulting in a loss of the mortgage loan's outstanding principal balance. In at least 20 states, and the District of Columbia, HOA or condominium association assessment liens can take priority over first lien mortgages under certain circumstances. The number of these so called "super lien" states has increased in the past few decades and may increase further. Rulings by the highest courts of Nevada and the District of Columbia have held that the "super lien statute" provides the HOA or condominium association with a true lien priority rather than a payment priority from the proceeds of the sale, creating the ability to extinguish the senior mortgage and greatly increasing the risk of losses on mortgage loans secured by homes whose owners fail to pay HOA or condominium fees.

The laws of these "super lien" states that provide for HOA super liens vary in terms of (a) the duration of the priority period (with many at six months and some with no limitations); (b) the assessments secured by the HOA lien (charges can include not only unpaid HOA assessments, but also late charges, collection costs, attorneys' fees, foreclosure costs, fines, and interest); (c) whether the HOA must give lenders with liens encumbering the mortgaged property notice of the homeowner's failure to pay the assessment; and (d) the statute of limitations on HOA foreclosure rights.

Predatory Lending Laws/High Cost Loans

Various federal, state and local laws have been enacted to discourage predatory lending practices. The federal Home Ownership and Equity Protection Act of 1994 ("HOEPA"), amends TILA to prohibit inclusion of certain provisions in mortgage loans that have mortgage rates or origination costs in excess of prescribed levels, and require that borrowers be given certain disclosures prior to the origination of mortgage loans. Some states have enacted, similar laws or regulations, which in some cases impose restrictions and requirements greater than those in HOEPA.

In addition, under federal law and the anti-predatory lending laws of some states, the origination of certain mortgage loans (including loans that are not classified as "high cost" loans under applicable law) must satisfy a net tangible benefits test with respect to the related borrower. This test may be highly subjective and open to interpretation. As a result, a court may determine that a mortgage loan does not meet the test even if the related originator reasonably believed that the test was satisfied,

Failure to comply with these laws, to the extent applicable to any of the mortgage loans, could subject the originator and its assignees to monetary penalties and could result in the voiding or rescission of the affected mortgage loans. Lawsuits have been brought in various states making claims against assignees of high-cost loans for violations of state law. Named defendants in these cases have included numerous participants within the secondary mortgage market, including some securitization trusts.

All of the Mortgage Loans Originated by our Bank Are Subject to the "Know Before You Owe" TRID Disclosures

All of our mortgage loans are subject to the CFPB's Know Before You Owe TRID rule, which became effective for mortgage loans whose applications were received on or after October 3, 2015. The purpose of the TRID rule was to reconcile overlapping disclosure obligations under TILA and RESPA and to provide for integrated closing disclosure and loan estimate forms that would satisfy those requirements under both TILA and RESPA.

Regular instances of potential non-compliance with the TRID rule have been reported in the marketplace since it became effective. Certain TILA-based disclosure provisions of the TRID rule carry assignee liability. Violations of TILA-based disclosure provisions of the TRID rule are limited in individual actions to actual damages, statutory damages for certain violations of not more than $4,000 per mortgage loan plus attorney's fees and court costs, and can potentially result in liability for assignees where the violation is apparent on the face of the disclosure and the assignment was voluntary. While the statute of limitations under TILA is generally one year from the date of origination for most TRID violations, mortgagors may raise a violation of the TRID rules as a matter of defense by recoupment or set-off to an action to collect the debt beyond the one-year period, if permitted by state law. Further, for certain mortgage loans, while not changed by TRID requirements, TILA's right of rescission may be extended to three years from consummation if there are errors in certain "material disclosures" such as the required disclosures of finance charges and payment schedule, which are contained within the TRID closing disclosure.

Risks Associated with Ability to Repay Laws

TILA provides that subsequent purchasers of mortgage loans originated in violation of certain requirements specified in TILA that require lenders to consider consumers' "ability to repay" before extending them credit may have liability for such violations. The CFPB issued implementing regulations, which became effective January 10, 2014 for mortgage loans for which the application from the related mortgagor was taken on or after January 10, 2014, specifying the standards for a "qualified mortgage" that would have the benefit of a safe harbor from such liability if certain requirements are satisfied, or a rebuttable presumption of compliance with respect to such liability if certain requirements are satisfied and the annual percentage rate of the loan exceeds certain thresholds. The regulations apply to mortgage loans made for a personal, family, or household purpose secured by a one-to-four unit dwelling for which the application from the related mortgagor was taken on or after January 10, 2014.

Revised QM Rules

On December 10, 2020, the CFPB, issued the revised qualified mortgage rules (the "QM Rules") that replaced Appendix Q and the strict 43.0% DTI underwriting threshold with a priced-based "Qualified Mortgage Loan" definition. The revised QM Rules also terminated the "QM Patch," under which certain loans eligible for purchase by Fannie Mae and Freddie Mac do not have to be underwritten to Appendix Q or satisfy the capped 43.0% DTI requirement. In order to qualify for QM status, the mortgage loan must continue to meet the statutory requirements regarding the 3.0% points and fees limits, and must not contain negative amortization, a balloon payment (except in the existing limited circumstances), or a term exceeding 30 years. Compliance with the revised QM rules became mandatory on October 1, 2022.

On the same day, the CFPB also issued a final "Seasoned QM" rulemaking that creates a pathway to "safe harbor" QM status for performing non-QM and "rebuttable presumption" QM first lien loans that meet certain performance criteria portfolio requirements over a seasoning period of at least 36 months and that satisfy certain product restrictions, points and fees limits, and underwriting requirements prior to consummation. The "Seasoned QM" rule became effective with respect to applications received on or after March 1, 2021.

Under the revised QM rules, for first-lien transactions, a loan receives a conclusive presumption that the consumer had the ability to repay (and hence receives the safe harbor presumption of QM compliance) if the annual percentage rate does not exceed the average prime offer rate ("APOR") for a comparable transaction by 1.5 percentage points or more as of the date the interest rate is set. A first-lien loan receives a "rebuttable presumption" that the consumer had the ability to repay if the APR exceeds the APOR for a

comparable transaction by 1.5 percentage points or more but by less than 2.25 percentage points. The revised QM rules provide for higher thresholds for loans with smaller loan amounts, for subordinate-lien transactions, and for certain manufactured housing loans.

To qualify for QM status, the mortgage loan must continue to meet the statutory requirements regarding the 3.0% points and fees limits, and it must not contain negative amortization, a balloon payment (except in the existing limited circumstances), or a term exceeding 30 years.

CFPB Mortgage Servicing Rules

In February 2012, the Department of Justice, the Department of Housing and Urban Development and 49 States' Attorneys General reached a settlement with five leading bank mortgage servicers that requires those servicers to implement comprehensive reforms to their mortgage servicing practices. Consent judgments implementing the agreement were filed in the U.S. District Court in Washington, D.C. in March 2012. The servicing standards outlined in the settlement agreement include (i) preventing mortgage servicers from engaging in robo-signing and other improper foreclosure practices, (ii) requiring servicers to offer loss mitigation alternatives to borrowers before pursuing foreclosure, (iii) increasing the transparency of the loss mitigation process, (iv) imposing timelines for servicers to respond to borrowers and (v) restricting the practice of "dual tracking," where foreclosure is initiated despite the borrower's engagement in a loss mitigation process.

The CFPB Servicing Rules, among other things, incorporate many of the provisions of the servicing settlement discussed above, targets early intervention with borrowers following initial delinquency and imposes detailed requirements applicable in each step of the Servicer's loss mitigation process. These rules, for example, prohibit the Servicer from commencing a foreclosure until a mortgage loan is more than 120 days delinquent and require the Servicer to provide certain notices and follow specific procedures relating to loss mitigation and foreclosure alternatives. The CFPB Servicing Rules therefore could result in increased delays in foreclosure or the inability to foreclose, which could in turn result in delays in payments on, or losses in respect of, the mortgage loans originated by our Bank.

On August 4, 2016, the CFPB announced amendments to certain of the CFPB Servicing Rules ("2016 Final Servicing Rule Amendments") relating to force-placed insurance notices, delinquency and early intervention, loss mitigation, periodic monthly statements, and successors-in-interest to borrowers that could further impact servicing and delay foreclosures. Portions of the 2016 Final Servicing Rule Amendments became effective on August 19, 2017, and the remaining provisions became effective on April 19, 2018. On March 8, 2018, the CFPB issued a final rulemaking to amend certain sections of the 2016 Final Servicing Rule Amendments relating to the timing for servicers providing periodic statements and coupon books in connection with borrowers' bankruptcy cases. As with the 2016 Final Servicing Rule Amendments, this final rule became effective on April 19, 2018. The 2016 Final Servicing Rule Amendments could result in increased delays in foreclosure or the inability to foreclose, which could in turn result in delays in payments on, or losses in respect of, the mortgage loans originated by our Bank.

On October 30, 2020, the CFPB issued a final rule to restate and clarify prohibitions on harassment and abuse, false or misleading representations, and unfair practices by debt collectors when collecting consumer debt. The rule focuses on debt collection communications and gives consumers more control over how often and through what means debt collectors can communicate with them regarding their debts. The rule also clarifies how the protections of the Fair Debt Collection Practices Act, which was passed in 1977, apply to newer communication technologies, such as email and text messages.

The final rule also contains provisions on disputes, and record retention, among other topics. The rule took effect on November 21, 2020. The CFPB issued a second debt collection final rule focused on consumer disclosures in December 2020. The second rule, issued in December 2020, clarifies disclosures debt collectors must provide to consumers at the beginning of collection communications. The second rule also prohibits debt collectors from suing or threatening to sue consumers on time barred debt. Additionally, the second rule requires debt collectors to take specific steps to disclose the existence of a debt to consumers before reporting information about the debt to a consumer reporting agency. Both rules took effect on November 30, 2021.

On July 10, 2024, the CFPB proposed a rule to amend provisions of the CFPB Servicing Rules to significantly revamp requirements relating to borrowers experiencing payment difficulties (the "Proposed Rule"). The Proposed Rule includes a number of key changes to the servicing requirements in Regulation X (12 C.F.R. Part 1024), and would streamline existing requirements when borrowers seek payment assistance in times of distress, add safeguards when borrowers seek help, and revise existing requirements with respect to borrower assistance. The Proposed Rule would also require servicers to provide certain communications in languages other than English, such as when a borrower is seeking payment assistance with their mortgage. While many of the key concepts were anticipated by the industry, the proposed provisions go much further than expected. The CFPB accepted comments on the Proposed Rule through September 9, 2024.

Privacy, Credit Reporting, and Data Security

The GLB generally prohibits disclosure of non-public consumer information to non-affiliated third parties unless the consumer has been given the opportunity to object and has not objected to such disclosure. Financial institutions are further required to disclose their privacy policies to clients annually. Financial institutions, however, will be required to comply with state law if it is more protective of consumer privacy than the GLB. The GLB also directed federal regulators to prescribe standards for the security of consumer information. Our Bank is subject to such standards, as well as standards for notifying clients in the event of a security breach. Our Bank utilizes credit bureau data in underwriting activities. Use of such data is regulated under the Fair Credit Reporting Act and Regulation V on a uniform, nationwide basis, including credit reporting, prescreening, and sharing of information between affiliates and the use of credit data. The Fair and Accurate Credit Transactions Act, which amended the Fair Credit Reporting Act, permits states to enact identity theft laws that are not inconsistent with the conduct required by the provisions of that Act. Clients must be notified when unauthorized disclosure involves sensitive client information that may be misused. On November 18, 2021, the federal banking agencies issued a new rule effective in 2022 that requires banks to notify their primary federal regulator within 36 hours of a "computer-security incident" that rises to the level of a "notification incident."

The federal banking regulators regularly issue guidance regarding cybersecurity intended to enhance cyber risk management standards among financial institutions. As a result, financial institutions, like us and our Bank, are expected to establish multiple lines of defense and to ensure their risk management processes address the risk posed by potential threats to the institution. A financial institution's management is expected to maintain sufficient processes to effectively respond and recover the institution's operations after a cyber-attack. A financial institution is also expected to develop appropriate processes to enable recovery of data and business operations if a critical service provider of the institution falls victim to this type of cyber-attack. Our information security protocols are designed in part to adhere to the requirements of this guidance.

State regulators have also been increasingly active in implementing privacy and cybersecurity standards and regulations. Recently, several states have adopted regulations requiring certain financial institutions to implement cybersecurity programs and providing detailed requirements with respect to these programs, including data encryption requirements. Many states have also recently implemented or modified their data breach notification and data privacy requirements. We expect this trend of state-level activity in those areas to continue and are continually monitoring developments in the states in which our clients are located.

MANAGEMENT

Board of Directors

Our board of directors currently consists of seven members, all of whom will be elected annually at the annual meeting of stockholders and serve one-year terms, until their successors are duly elected and qualified. Pursuant to our Amended and Restated Bylaws, our board of directors is authorized to have not less than two nor more than 25 directors, unless changed by resolution of our board of directors. All directors of the Company also serve as directors of our Bank.

The following table sets forth certain summary information about our current directors, including their names, ages, classes, and year in which they began serving as a director. No current director has any family relationship, as defined in Item 401 of Regulation S-K, with any other director or with any of our executive officers. There are no arrangements or understandings between any of the directors and any other person pursuant to which he or she was selected as a director except as disclosed below. See the section entitled "Certain Relationships and Related Party Transactions — Transactions with Castle Creek — Board Representation and Observer Rights."

Name	Age	Position	Director Since
Charles A. Williams	62	Founder, Chairman and Chief Executive Officer	1998
Carrie L. Boer	63	Director	2020
Robert W. De Vlieger II	68	Director	1999
R. Jeffery Dean	66	Director	1999
Bruce L. Edger	73	Director	2005
John M. Eggemeyer III	78	Director	2019
David S. Hooker	65	Director	1999

Charles A. Williams. Mr. Williams is the Founder, Chairman, Chief Executive Officer, and director of the Company and the Chief Executive Officer and director of our Bank. Mr. Williams has over 42 years of experience in the banking industry. Prior to becoming Chief Executive Officer of the Company and our Bank in 1998, Mr. Williams served as a Senior Vice President, Senior Lending Officer, and Director of First National Bank of America (formerly named First National Bank of Michigan), where he was employed from 1988 through 1997. His responsibilities included originating, negotiating, approving, and administering loans similar to those originated and made by our Bank. At First National Bank of America, Mr. Williams served on the executive committee of the board of directors and participated on all major senior management committees. Mr. Williams has a degree from the Graduate School of Banking at the University of Wisconsin. We believe that Mr. Williams' knowledge of the Company, experience building and leading the Company, extensive banking experience in the Midwest, and his first-hand knowledge of our lines of business and corporate strategy provide our board of directors a valuable resource for understanding the day-to-day operations and strategic direction of the Company and the industry.

Carrie L. Boer. Mrs. Boer is a director of the Company and our Bank. Since 2000, Mrs. Boer has served as the director of Investments for Cook Holdings, a family investment office, and as a director and the Treasurer of the Peter C. & Emajean Cook Foundation, a family charitable foundation. Under direction from the Peter C. & Emajean Cook Foundation's board of directors, Mrs. Boer is responsible for oversight of investment and philanthropic activity. Previously, Mrs. Boer was an auditor for BDO and held various positions with Mazda Great Lakes, including VP of Finance. Mrs. Boer received her bachelor's degree in Accounting from Michigan State University in 1982, and earned her Certified Public Accountant credential in 1985. Mrs. Boer's extensive accounting experience coupled with her investment management expertise and financial acumen enhances our board of directors' knowledge in these areas.

Robert W. De Vlieger II. Mr. De Vlieger II is a director of the Company and our Bank. Mr. De Vlieger II is also the president of Bond Corporation, a consumer mortgage financing and general management firm, where he has been employed from 1993 to the present. Mr. De Vlieger II was previously employed with Manufacturers Hanover Bank, Beneficial Finance Corporation, and GE Capital Corporation.

Mr. De Vlieger II is also presently on the board of Advantage Leasing Corporation, which leases commercial equipment nationwide. Mr. De Vlieger II holds a double major with a liberal arts degree from Hope College in Mathematics and Business Administration. Mr. De Vlieger II's extensive management and oversight experience and expertise in consumer mortgage financing, commercial equipment leasing and his background in the markets in which we serve provides our board of directors with significant insight.

R. Jeffery Dean. Mr. Dean is a director of the Company and our Bank. Mr. Dean is the President and Owner of Tallgrass Properties, a commercial real estate development company, and JCMD Leasing, an industrial equipment leasing company, a position he has held since 2010 and 1994, respectively. He was formerly a President of Evolution Insurance Company, and Chief Executive Officer and President of The Armada Group in Grand Rapids, Michigan. Prior to Armada, Mr. Dean held positions with General Electric, Price Waterhouse, and BDO Seidman. He is a Certified Public Accountant, with Certified Management Accountant and Certified in Production and Inventory Management certificates, and graduated with Bachelor of Science degree in finance from Michigan State University. Mr. Dean's commercial real estate expertise and considerable experience in accounting provides the board of directors with a meaningful perspective and valuable insight.

Bruce L. Edger. Mr. Edger is a director of the Company and our Bank. Since 1990, he has served as a Registered Securities Principal with Beaconsfield Financial Services, Inc., a full service brokerage firm, and an Investment Advisor Representative with Summit Advisors, LLC, a portfolio management company for individuals and small businesses. In this capacity, Mr. Edger provides investment advisory and wealth management services for clients, including a number of stockholders of Northpointe Bancshares. Previously, Mr. Edger was the Chief Executive Officer and co-owner of Pension Systems, LLC, a firm providing retirement plan services to employers. Mr. Edger served as Controller and General Manager of Reclamet, Incorporated and prior to that, served as a Loan Officer with Hastings City Bank. Mr. Edger holds a bachelor's degree in Business from Davenport College. Mr. Edger offers expertise in financial services and a unique understanding of our markets, operations and competition, all of which provides our board of directors with a valuable resource and perspective.

John M. Eggemeyer III. Mr. Eggemeyer is a director of the Company and our Bank. Mr. Eggemeyer is a Founder and Managing Partner of Castle Creek Capital LLC, which has been an investor in the banking industry since 1990. Mr. Eggemeyer has over 40 years of experience in the banking industry. In 2006, the American Banker honored Mr. Eggemeyer as "Community Banker of the Year" for his success as a builder of community banking companies. Prior to founding Castle Creek, Mr. Eggemeyer spent nearly 20 years as a senior executive with some of the largest banking organizations in the U.S. with responsibilities across a broad spectrum of banking activities. Mr. Eggemeyer served on the board of directors of Pacwest Bancorp, a public company that owns Pacific Western Bank, from 2000 until 2023 and The Bancorp, Inc., a public company and parent company of The Bancorp Bank, from 2016 to 2024. Mr. Eggemeyer serves on the board of Primis Financial Corp., a public company and parent company of Primis Bank, where he serves as chairman of the enterprise risk committee. In addition, Mr. Eggemeyer serves on the board of Banc of California, Inc., a public company and parent company of Banc of California, where he serves as chair of the board and is a member of the Compensation, Nominating and Corporate Governance Committee and the Finance Committee. Mr. Eggemeyer holds a Bachelor of Science degree from Northwestern University and a Master of Business Administration from the University of Chicago. With his wide-ranging professional and investing background in the banking industry, Mr. Eggemeyer brings a wealth of business and management experience to our board of directors.

David S. Hooker. Mr. Hooker is a director of the Company and our Bank. Mr. Hooker is the Chief Executive Officer and Manager of Greenville Partners, and the Executive Manager of Greenville Asset Management, positions he has held since 2023. Greenville Partners and Greenville Asset Management are private investment management firms. Previously he served as President & CEO of Frederik Meijer Gardens & Sculpture Park, a private non-profit Michigan corporation serving the public, from 2008 to 2023. Mr. Hooker is also President and Managing Member of C&H Holdings, a real estate and automotive investment company. From 2004 to 2006, he was a Partner in DaVinci Capital, a private equity capital firm that assisted new, emerging and growing companies secure financing. Mr. Hooker currently serves on the board of Mary Free Bed Rehabilitation Hospital, the Gerald R. Ford Presidential Foundation and Beer City Dog Biscuits. He previously served as a Trustee to Grand Valley State University. Mr. Hooker holds a

bachelor's degree in Economics from Kenyon College and a master's in business administration degree from the University of Michigan. Mr. Hooker's extensive experience and leadership, along with his business acumen and management experience well qualify him to serve on our board of directors.

Corporate Governance Principles and Board Matters

We are committed to having sound corporate governance principles, which are essential to running our business efficiently and maintaining our integrity in the marketplace. In connection with this initial public offering, our board of directors will adopt corporate governance guidelines that will become effective upon the consummation of this offering, which will set forth the framework within which our board of directors, assisted by its committees, will direct the affairs of our Company. Our corporate governance guidelines will address, among other things, the composition and functions of our board of directors, director independence, compensation of directors, management succession and review, board committees and selection of new directors. Upon completion of this offering, these corporate governance guidelines will be available on our website at www.northpointe.com.

Director Qualifications

We believe that our directors should have the highest professional and personal ethics and values, consistent with our longstanding values and standards. They should have broad experience at the policy-making level in business, government or civic organizations. They should be committed to enhancing stockholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on their own unique experience. Each director must represent the interests of all stockholders. When considering potential director candidates, our board of directors also considers the candidate's independence, character, judgment, diversity, age, skills, including financial literacy, and experience in the context of our needs and those of our board of directors. Our board of director's priority in selecting board members is the identification of persons who will further the interests of our stockholders through his or her record of professional and personal experiences and expertise relevant to our growth strategy.

Board Leadership Structure

The boards of directors of the Company and our Bank are comprised of the same individuals. All such meetings are led by our chairman of the board, Mr. Charles A. Williams, who is also our Chief Executive Officer. Mr. Williams' primary duties are to lead our board of directors in establishing our overall vision and strategic plan and to lead our management in carrying out that plan. Our board of directors does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the board. Our board of directors endorses the view that one of its primary functions is to protect stockholders' interests by providing independent oversight of management, including the Chief Executive Officer. However, the board of directors does not believe that mandating a particular structure, such as designating an independent lead director or having a separate Chairman of the board and Chief Executive Officer, is necessary to achieve effective oversight. As a result, our board of directors has not designated an independent lead director nor has it designated a separate Chairman of the board and Chief Executive Officer. Six of the board's seven directors have been determined by our board of directors to be independent under the listing standards of the NYSE. All directors, including the Chairman of the board, are bound by fiduciary obligations imposed by law, to serve the best interests of the stockholders. Accordingly, separating the offices of Chairman of the board and Chief Executive Officer would not serve to materially enhance or diminish the fiduciary duties of any director.

To further strengthen the oversight of the full board of directors, our independent directors may hold executive sessions at which only independent directors are present.

Board Role in Risk Oversight

The board of directors has ultimate authority and responsibility for overseeing our risk management. The board does not view risk in isolation and considers risk in virtually every business decision and as part of the Company's overall business strategy. The board of directors monitors, reviews and reacts to material enterprise risks identified by management. The board receives specific reports from executive management on financial, credit, liquidity, interest rate, capital, operational, legal compliance and reputation risks and the

degree of exposure to those risks. The board helps ensure that management is properly focused on risk by, among other things, reviewing and discussing the performance of senior management and business line leaders. Board committees have responsibility for risk oversight in specific areas. The Audit Committee oversees risks related to financial reporting, internal controls over financial reporting, valuation of investment securities, internal and independent audit functions, capital adequacy, legal matters, tax matters, credit matters, and reputational risks relating to these areas. The Compensation Committee oversees risks related to incentive compensation, executive and director compensation, executive succession planning, talent retention, human capital, and reputational risks relating to these areas. The Corporate Governance and Nominating Committee is tasked with overseeing the nomination and evaluation of the board and our corporate governance principles. In addition, the Corporate Governance and Nominating Committee will oversee ESG-related risks and corporate governance-related risks, such as board composition and effectiveness, board succession planning, corporate governance policies, related party transactions, ethics, and reputational risks relating to these areas.

As part of the risk governance process, the head of the Company's enterprise risk management also provides a quarterly report and updates on risk management to the board of directors. The Company believes that its enterprise risk framework, including the active engagement of management with the board in the risk oversight function, supports the risk oversight function of the board.

Director Independence

The NYSE listing standards provide that a director does not qualify as independent unless the board of directors affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with Northpointe Bancshares). The board of directors has established categorical standards of independence to assist it in determining director independence which conform to the independence requirements in the NYSE listing standards. The categorical standards of independence are incorporated within our Corporate Governance Guidelines, which will be available in the Corporate Governance section of our website at *www.northpointe.com*.

In addition, the NYSE rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent. Audit committee members must also satisfy the additional independence criteria set forth in Rule 10A-3 under the Exchange Act and the rules of the NYSE. Compensation committee members must also satisfy the additional independence criteria set forth in Rule 10C-1 under the Exchange Act and the NYSE rules.

In order to be considered independent for purposes of Rule 10A-3 under the Exchange Act and under the rules of the NYSE, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the committee, the board of directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

To be considered independent for purposes of Rule 10C-1 under the Exchange Act and under the rules of the NYSE, the board of directors must affirmatively determine that the member of the compensation committee is independent, including a consideration of all factors specifically relevant to determining whether the director has a relationship to the company which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to: (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the company to such director; and (ii) whether such director is affiliated with the company, a subsidiary of the company or an affiliate of a subsidiary of the company.

The board of directors has affirmatively determined that a majority of its members are independent as defined by the listing standards of the NYSE and the categorical standards of independence set by the board of directors. Our board of directors has determined that, as of October 31, 2024, the following six directors are independent: Carrie L. Boer, R. Jeffery Dean, Robert W. De Vlieger II, Bruce L. Edger, John M. Eggemeyer III, and David S. Hooker. Please see the section entitled "Certain Relationships and Related Party Transactions" for a discussion of certain relationships between the Company and its independent directors. These relationships have been considered by the board of directors in determining a director's

independence from the Company under the Company's Corporate Governance Guidelines and the NYSE listing standards and were determined to be immaterial.

Code of Business Conduct and Ethics

In connection with this initial public offering, our board of directors will adopt a Code of Business Conduct and Ethics that will be effective upon the consummation of this offering and that is designed to ensure that our directors, executive officers and associates meet the highest standards of ethical conduct. The Code of Business Conduct and Ethics will require that our directors, executive officers and associates avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in our best interest. Upon completion of this offering, a copy of our Code of Conduct will be available free of charge on our website at www.northpointe.com. We expect that any amendments to such code and guidelines, or any waivers of their requirements with respect to our directors or executive officers, will be disclosed on our corporate website or by such other means as may be required by applicable NYSE rules.

Board Committees

Our board of directors currently has three principal standing committees, an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee, and each committee will have a written charter adopted by the board of directors that complies with the applicable listing standards of the NYSE pertaining to corporate governance.

Audit Committee

Our Audit Committee currently consists of R. Jeffery Dean (chair), Carrie L. Boer, Robert W. De Vlieger II, Bruce L. Edger, John M. Eggemeyer III, and David S. Hooker, all of whom are independent directors. Our board of directors has affirmatively determined that each member of the Audit Committee also satisfies the additional independence standards under the NYSE rules and applicable SEC rules for audit committee service and has the ability to read and understand fundamental financial statements.

The board of directors has determined that R. Jeffery Dean has: (i) an understanding of generally accepted accounting principles and financial statements; (ii) an ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (iii) an experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by our financial statements, or experience actively supervising one or more persons engaged in such activities; (iv) an understanding of internal control over financial reporting; and (v) an understanding of audit committee functions.

Therefore, the board determined that R. Jeffery Dean meets the definition of "audit committee financial expert" under the applicable rules and regulations of the SEC and is "financially sophisticated" as defined by the applicable rules and regulations of the NYSE. The designation of a person as an audit committee financial expert does not result in the person being deemed an expert for any purpose, including under Section 11 of the Securities Act. The designation does not impose on the person any duties, obligations or liability greater than those imposed on any other audit committee member or any other director and does not affect the duties, obligations or liability of any other member of the Audit Committee or board of directors.

In connection with this initial public offering, our Audit Committee will adopt a written charter that sets forth the committee's duties and responsibilities. The charter of the Audit Committee will be available on our website at www.northpointe.com upon completion of this offering. As will be described in its charter, our Audit Committee will have the responsibility for, among other things:

- monitoring the integrity of the Company's financial statements, the Company's systems of internal controls, and the Company's compliance with regulatory and legal requirements;

- overseeing the risks relating to financial reporting, litigation, credit, cybersecurity, reputation and related matters;
- reviewing and discussing with the Company's management and the independent auditor the Company's financial statements and related information, including non-GAAP financial information, critical audit matters, and other disclosures included in the Company's earnings releases and quarterly and annual reports on Form 10-Q and Form 10-K prior to filing or furnishing with the SEC;
- monitoring the independence, qualifications, and performance of the Company's independent auditor and internal audit function, including with respect to appointment, compensation, retention and termination of the independent auditor;
- providing an avenue of communication among the independent auditor, management, internal audit, and the board of directors;
- approving or, as required, pre-approving, all audit and all permissible non-audit services, other than de minimis non-audit services, to be performed by the independent auditor; and
- performing such other duties and responsibilities as may be directed by the board of directors or required by applicable laws, rules or regulations.

Compensation Committee

Our Compensation Committee currently consists of Bruce L. Edger (chair), R. Jeffery Dean, Carrie L. Boer, Robert W. De Vlieger II, John M. Eggemeyer III, and David S. Hooker, all of whom are independent directors. Our board of directors has affirmatively determined that each member of the Compensation Committee also satisfies the additional independence standards under the NYSE rules and applicable SEC rules for compensation committee service.

In connection with this initial public offering, our Compensation Committee will adopt a written charter, that sets forth the committee's duties and responsibilities. The charter of the Compensation Committee will be available on our website at www.northpointe.com upon completion of this offering. As will be described in its charter, our Compensation Committee will have the responsibility for, among other things:

- approving and overseeing the Company's executive compensation program;
- reviewing and approving annual corporate goals and objectives for the Chief Executive Officer (CEO), evaluating the CEO's performance in light of those goals and objectives, and determining the CEO's compensation level based on such evaluation;
- approving non-CEO executive compensation, including base salary and short-term and long-term compensation;
- overseeing all compensation and benefit programs in which broad-based employees of the Company are eligible to participate;
- reviewing the Company's incentive compensation arrangements to confirm that incentive pay does not encourage unnecessary risk-taking and reviewing and discussing, at least annually, the relationship between risk management and incentive compensation;
- review and approve any compensation-related matters to be considered by stockholders at the annual meeting, including those proposed by management or stockholders, and recommend any actions to be taken by the board with respect to these proposals;
- review and approve the Compensation Committee's annual report that is to be included in the Company's proxy statement in accordance with applicable SEC rules and regulations;
- developing and recommending to the board of directors compensation for non-employee directors;
- monitoring and reviewing the talent management and succession planning processes for the CEO and the Company's other key executives;

- providing oversight of the Company's broader talent management and diversity, equity, and inclusion processes and initiatives;
- assisting the board of directors in its oversight of all other human capital management strategies, practices, and risks; and
- coordinating as necessary with the Corporate Governance and Nominating Committee in its oversight role of ESG.

Information regarding the Compensation Committee's processes and procedures for considering and determining executive officer compensation is provided in the section entitled "Executive and Director Compensation." Except to the extent prohibited by law or regulation, the Compensation Committee may delegate matters within its power and responsibility to individuals or subcommittees when it deems appropriate.

In addition, the Compensation Committee has the authority under its charter to retain outside advisors to assist the Compensation Committee in the performance of its duties.

Corporate Governance and Nominating Committee.

Our Corporate Governance and Nominating Committee currently consist of Bruce L. Edger (chair), R. Jeffery Dean, Carrie L. Boer, Robert W. De Vlieger II, John M. Eggemeyer III, and David S. Hooker, all of whom are independent directors. Our board of directors has affirmatively determined that each member of the Corporate Governance and Nominating Committee also satisfies independence standards under the applicable rules and regulations of the SEC and rules of the NYSE.

In connection with this initial public offering, our Corporate Governance and Nominating Committee will adopt a written charter that sets forth the committee's duties and responsibilities. The charter of the Corporate Governance and Nominating Committee will be available on our website at www.northpointe.com upon completion of this offering. As will be described in its charter, our Corporate Governance and Nominating Committee will have the responsibility for, among other things:

- identifying qualified individuals to become members of the board of directors of the Company;
- recommending to the board of directors the director nominees for each annual meeting of stockholders and director nominees to be elected by the board of directors to fill interim director vacancies;
- recommending to the board of directors the leadership structure of the board of directors and the composition and leadership of board of directors' committees;
- overseeing the annual review and evaluation of the performance of the board of directors and its committees;
- developing and recommending to the board of directors updates to our corporate governance documents;
- reviewing and assessing stockholders' feedback related to our governance practices and stockholder engagement process; and
- overseeing the Company's ESG strategy, initiatives, and policies.

The information contained on our website is not a part of, or incorporated by reference into, this prospectus.

Compensation Committee Interlocks and Insider Participation

No member of our Compensation Committee (i) is or has ever been an employee of ours, (ii) was, during the last completed fiscal year, a participant in any related party transaction requiring disclosure under "Certain Relationships and Related Party Transactions," except with respects to loans made to such committee members in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with unrelated parties or (iii) had, during the last completed fiscal year, any other interlocking relationship requiring disclosure under applicable SEC rules.

Executive Officers

The following table sets forth certain summary information regarding our executive officers, including their names, ages and positions.

Name	Age	Position
Charles A. Williams	62	Founder and Chief Executive Officer
Kevin J. Comps	43	President and Secretary
Brad T. Howes	45	Executive Vice President, Chief Financial Officer
David J. Christel	59	President of MPP
Amy M. Butler	48	Executive Vice President, National Sales

The business experience of each of the executive officers documented in the table above is set forth below, except for Charles A. Williams, as his business experiences are described above in the board of directors section. No executive officer has any family relationship, as defined in Item 401 of Regulation S-K, with any other executive officer or any of our current directors. There are no arrangements or understandings between any of the officers and any other person pursuant to which he or she was selected as an officer.

Kevin J. Comps. Mr. Comps is the President and Secretary of Northpointe Bancshares and our Bank. Mr. Comps joined our Bank in 2012 for three years and again in 2017, and is responsible for overseeing Residential Lending, Deposit Banking, Loan Servicing, Information Technology, Compliance, Legal, Administration, Facilities, and Human Resources. Mr. Comps has over 20 years of experience in the financial services industry including various roles in executive management including Director of Finance and Accounting, Controller and Chief Financial Officer. Prior to joining Northpointe Bancshares, Mr. Comps held leadership roles at Capitol National Bank, Flagstar Bank, Michigan Commerce Bank, and Capitol Bancorp Limited. Mr. Comps has a Bachelor of Science degree in Business Administration from the Central Michigan University and also a degree from the Graduate School of Banking at the University of Wisconsin.

Brad T. Howes. Mr. Howes is the Executive Vice President and Chief Financial Officer of Northpointe Bancshares and our Bank. Since joining Northpointe Bancshares in 2023, Mr. Howes has been responsible for overseeing the finance and accounting functions. From 2021 until 2023, Mr. Howes was the Chief Financial Officer at West Shore Bank. Mr. Howes has over 22 years of experience in the financial services industry. That includes various senior finance roles including Director of Investor Relations, Senior Finance Manager of Financial Planning & Analysis and Chief Financial Officer. Prior to joining Northpointe Bancshares, Mr. Howes held leadership roles at Comerica Bank, Flagstar Bank, Umpqua Bank, TCF Bank and West Shore Bank. Mr. Howes has a Bachelor of Science degree in business administration from Central Michigan University and a Juris Doctorate from the University of Detroit Mercy School of Law.

David J. Christel. Mr. Christel is the President of MPP. Since joining our Bank in 2010, Mr. Christel has been responsible for overseeing the company's MPP business. Mr. Christel has over 25 years of mortgage warehouse lending and commercial banking experience. Prior to Joining Northpointe Bank, Mr. Christel served as president of NattyMac, a nationwide warehouse lender from 2004 to 2010. Mr. Christel has also held Senior Level Management positions with Citigroup from 2000 to 2004, Republic Bank from 1996 to 2000, and HSBC form 1988 to 1996. Mr. Christel holds a Bachelor of Science degree in business administration from the University of Buffalo.

Amy M. Butler. Ms. Butler joined our Bank in 2020, where she currently serves as the Executive Vice President, National Sales, overseeing the Retail Mortgage Sales efforts. From 2018 until 2020, Ms. Butler was a Builder Services Manager at Ameris Bank and Fidelity Bank (prior to being acquired by Ameris Bank). With over 23 years of experience in the mortgage industry, Ms. Butler has held several leadership positions, including Strategic Accounts Vice President, Regional Vice President of Sales, and Senior Vice President of Sales. Before joining our Bank from Ameris Bank, she held prominent roles at United Guaranty and Arch Mortgage Insurance.

EXECUTIVE AND DIRECTOR COMPENSATION

As an emerging growth company under the JOBS Act, we have opted to comply with the executive compensation disclosure rules applicable to "smaller reporting companies" as such term is defined in the rules promulgated under the Securities Act, which permit us to limit reporting of executive compensation to our principal executive officer, our two other most highly compensated executive officers and one former executive offer whose compensation would have been in such top two, who are referred to as our named executive officers, or NEOs. For our fiscal year ended December 31, 2023, our NEOs were Charles A. Williams, our Chief Executive Officer and Chairman, David J. Christel, our President of Warehouse Lending, Kevin J. Comps, our President, and Brian Kuelbs, our former Chief Financial Officer.

Summary Compensation Table

The following table sets forth information concerning the compensation paid to our NEOs during our fiscal year ended December 31, 2023.

Name and Principal Position	Year	Salary ($)	Bonus ($)[1]	Non-Equity Incentive Plan Compensation ($)[2]	All Other Compensation ($)[3]	Total ($)
Charles A. Williams *Founder, Chief Executive Officer and Chairman*	2023	437,749.92	—	2,287,957.61	411,700.00	3,137,407.53
David J. Christel *President of Warehouse Lending*	2023	175,000.08	—	841,280.22	411,700.00	1,427,980.30
Kevin J. Comps *President*	2023	292,239.17	200,000.00	—	248,220.00	740,459.17
Brian Kuelbs[4] *Former Chief Financial Officer*	2023	501,923.07	—	—	1,975,550.01	2,477,473.08

(1) Reflects a discretionary bonus.

(2) Reflects amounts paid under our annual cash bonus program.

(3) Reflects: (a) for each of Messrs. Williams and Christel, the amount realized upon the automatic exercise of their cash-settled stock appreciation rights ("Cash-Settled SARs") granted in 2018 (the "2023 SAR Payment"); (b) for Mr. Comps, his 2023 SAR Payment ($247,020) and a mobile device allowance ($1,200); and (c) for Mr. Kuelbs, a lump sum severance payment paid in connection with his termination of employment.

(4) Mr. Kuelbs terminated employment on October 20, 2023.

Material Components of Compensation Program

Annual Bonus Program

The Company did not maintain a formal bonus program during 2023. Annual cash bonuses are discretionary in nature and earned based on the Compensation Committee's subjective review of company performance and employee performance during the fiscal year.

Cash-Settled SARs

The Company has previously granted to the NEOs and certain other employees Cash-Settled SARs, which vest and are automatically exercised on the earliest to occur of (i) the five year anniversary of the grant date, (ii) a change in control, (iii) the holder's death, and (iv) the holder's separation from service at any time after he has reached the age of 62. The holder is entitled to receive, on the vesting and automatic exercise date, the value of the Cash-Settled SAR, which value is equal to (1) the excess, if any, of (i) the fair

market value of one share of Company common stock on the date of exercise, over (ii) the base price of the Cash-Settled SAR; plus (2) the aggregate amount of cash dividends payable with respect to one share of Company common stock for all dividend record dates occurring at any time on or after the grant date but prior to the date of exercise of the SAR, without interest. Effective as of December 19, 2024, the Company cancelled the outstanding Cash-Settled SARs held by the NEOs.

Employment Agreements with Named Executive Officers

During 2023, we were party to employment agreements with each of our NEOs, which provide for severance and change in control payments in certain scenarios. The material terms of the employment agreements are summarized below.

Term. Each agreement has an initial term of five years, in the case of Messrs. Williams and Comps, or one year, in the case of Mr. Christel. The terms automatically renew on each anniversary thereafter for additional one-year periods.

Termination for Disability. If the Company terminates the NEOs in connection with his disability, then, subject to the conditions of their respective employment agreement: (A) Messrs. Williams and Christel will receive (i) on a monthly basis for the remainder of the then current term of the employment agreement plus six months, in the case of Mr. Williams (the "Williams Severance Period"), and twelve months, in the case of Mr. Christel (the "Christel Severance Period"), 70% of his then current base salary and continued participation in the Company's health plans, and (ii) for the remainder of the then current term of the employment agreement, 70% of any incentive compensation that would have been otherwise payable; and (B) Mr. Comps will receive (i) payment for any outstanding accrued earned time off pay, (ii) on a monthly basis for the remainder of the then current year plus three months, 40% of his then current base salary, (iii) for the remainder of the then current year, 40% of incentive compensation otherwise payable, and (iv) continued health care coverage for six months.

Resignation without Good Reason; Termination for Cause. If the NEO's employment is terminated by the Company for "cause" or the NEO resigns without "good reason" (as such terms are defined in the employment agreements), then the Company's only obligation will be to pay all compensation and benefits accrued through the date of termination. Mr. Comps will also receive payment for any accrued earned time off.

Termination without Cause. If the NEO's employment is terminated by the Company without cause, or if the NEO's employment terminates in connection with the Company's failure to renew the employment agreement, then, subject to the conditions of his employment agreement, the NEO will be entitled to receive: (i) continued payment of his then current base salary for the Williams Severance Period or Christel Severance Period, as applicable, or, in the case of Mr. Comps, twelve months; (ii) an amount equal to the greater of the annual incentive payment that he would have earned for the year of termination if his employment had not terminated or the most recent annual incentive payment earned by him prior to his termination (the "Most Recent Earned Annual Incentive Payment"), in the case of Messrs. Williams and Christel, or an amount equal to the Most Recent Earned Annual Incentive Payment, in the case of Mr. Comps, payable during the respective severance period; and (iii) continued provision of certain benefits provided in the employment agreement for the Williams Severance Period or Christel Severance Period, as applicable, or, in the case of Mr. Comps, six months.

Resignation for Good Reason. If Messrs. Comp or Christel resigns for good reason prior to a change in control, then, subject to the conditions of his employment agreement, he will be entitled to receive the same benefits as described above under Termination without Cause.

Termination in Connection with a Change in Control

Charles A. Williams. If Mr. Williams' employment is terminated by the Company without cause within two years prior to a change in control, then, subject to the conditions of his employment agreement, he will be entitled to receive a lump sum payment equal to 299% of the sum of (x) his then current base salary plus (y) his Most Recent Earned Annual Incentive Payment (the "Williams CIC Severance Payment"). In the event the change in control subsequently occurs during the remaining term of the agreement plus

six months, Mr. Williams will receive continued health care coverage for thirty-six months. If Mr. Williams' employment if terminated by the Company without cause within two years following a change in control, or if he voluntarily resigns for any reason within six months following a change in control, then, subject to the conditions of his employment agreement, he will be entitled to receive (i) the Williams CIC Severance Payment; and (ii) continued health care coverage for thirty-six months.

Kevin J. Comps. If Mr. Comps' employment is terminated by the Company without cause or he resigns for good reason, in either case within six months prior to or within one year following a change in control, then, subject to the conditions of his employment agreement, he will be entitled to receive: (i) a lump sum payment equal to 100% of his then current base salary and his Most Recent Earned Annual Incentive Payment, payable over twelve months, and (ii) continued health care coverage for eighteen months.

David J. Christel. If Mr. Christel's employment is terminated by the Company without cause within six months prior to a change in control, then, subject to the conditions of his employment agreement, he will be entitled to receive: (i) a lump sum payment equal to 150% of the sum of (x) his then current base salary plus (y) his Most Recent Earned Annual Incentive Payment (the "Christel CIC Severance Payment"); and (ii) if a change in control occurs during the remaining term of the agreement plus 12 months, continued health care coverage for eighteen months. If Mr. Christel's employment is terminated by the Company without cause within twelve months following a change in control, then, subject to the conditions of his employment agreement, he will be entitled to receive: (i) a lump sum payment equal to the Christel CIC Severance Payment; and (ii) continued health care coverage for eighteen months.

Restrictive Covenants. Each of the employment agreements includes covenants regarding non-competition and non-solicitation of customers and employees that apply for one year following termination of employment, in the case of Mr. Williams and Mr. Comps, or two years, in the case of Mr. Christel.

Outstanding Equity Awards at 2023 Fiscal Year End

The table below sets forth information regarding outstanding equity awards held by our NEOs as of December 31, 2023. Mr. Kuelbs did not have any SARs outstanding as of December 31, 2023.

	Option Awards[1]				
Name	Grant Date[2]	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Exercise Price ($)	Expiration Date[2]
Charles A. Williams	2019	—	50,000	5.12	4/1/2024
	2020	—	50,000	5.60	4/1/2025
	2021	—	50,000	12.40	4/1/2026
	2022	—	50,000	13.60	4/1/2027
	2023	—	50,000	10.839	4/1/2028
David J. Christel	2016	5,000	—	2.45	1/1/2026
	2019	—	50,000	5.12	4/1/2024
	2020	—	50,000	5.60	4/1/2025
	2021	—	50,000	12.40	4/1/2026
	2022	—	50,000	13.60	4/1/2027
	2023	—	50,000	10.839	4/1/2028
Kevin J. Comps	2019	—	42,500	5.12	4/1/2024
	2020	—	42,500	5.60	4/1/2025
	2021	—	42,500	12.40	4/1/2026
	2022	—	42,500	13.60	4/1/2027
	2023	—	50,000	10.839	4/1/2028

* Share and per share amounts are presented to reflect the ten-for-one stock split effected on December 30, 2024.

(1) Reflects Cash-Settled SARs.

(2) The Cash-Settled SARS vest and are automatically exercised on the earliest to occur of (a) the five year anniversary of the grant date, (b) a change in control, (c) the holder's death, and (d) the holder's separation from service at any time after he has reached the age of 62.

2023 Director Compensation

The table below sets forth information regarding non-employee director compensation for the fiscal year ended December 31, 2023.

Name	Fees Earned or Paid in Cash ($)[1]	Total ($)
Carrie L. Boer	76,600.00	76,600.00
Robert W. De Vlieger II	76,600.00	76,600.00
R. Jeffery Dean	81,800.00	81,800.00
Bruce L. Edger	77,200.00	77,200.00
John M. Eggemeyer III	76,600.00	76,600.00
David S. Hooker	77,200.00	77,200.00

For calendar year 2023, each non-employee director received an annual cash retainer of $40,000, plus fees for attendance at meetings as follows: (i) $1,750 per director, or $2,000 for the Chairman, for monthly board meetings; (ii) $600 per director for Executive Loan Committee and ALCO Committee meetings; (iii) $600 per director, or $1,000 for the Chairman, for Audit Committee meetings; and (iv) $600 per director for Compensation Committee meetings.

Compensation Program Following Offering

In connection with this offering, our board of directors and stockholders approved the Northpointe Bancshares, Inc. Omnibus Incentive Plan, or the Omnibus Plan.

Permissible Awards

The Omnibus Plan authorizes the granting of awards in any of the following forms:

- options to purchase shares of our common stock, which may be designated under the tax code as nonstatutory stock options (which may be granted to all participants) or incentive stock options (which may be granted to officers and employees but not to consultants or non-employee directors);
- SARs, which give the holder the right to receive the difference (payable in cash or stock, as specified in the award agreement) between the fair market value per share of our common stock on the date of exercise over the base price of the award;
- restricted stock, which is subject to restrictions on transferability and subject to forfeiture on terms set by our compensation committee;
- restricted stock units, or RSUs, which represent the right to receive shares of our common stock (or an equivalent value in cash or other property, as specified in the award agreement) in the future, based upon the attainment of stated vesting criteria;
- deferred stock units, or DSUs, which represent the right granted to receive shares of our common stock (or an equivalent value in cash or other property, as specified in the award agreement) at a future time as determined by our compensation committee, or as determined by the recipient within guidelines established by our compensation committee in the case of voluntary deferral elections;
- performance awards, which are awards payable in cash or stock upon the attainment of specified performance goals (any award that may be granted under the Omnibus Plan may be granted in the form of a performance award);

- other stock-based awards in the discretion of our compensation committee, including unrestricted stock grants; and
- cash-based awards, including annual bonuses.

Dividend equivalent rights, which entitle the participant to payments in cash or property calculated by reference to the amount of dividends paid on the shares of stock underlying an award, may be granted with respect to awards other than options or SARs.

Authorized Shares

Subject to adjustment as provided in the Omnibus Plan, the aggregate number of shares of our common stock reserved and available for issuance pursuant to awards granted under the Omnibus Plan is 4,500,000. In the event of a nonreciprocal transaction between us and our stockholders that causes the per share value of our common stock to change (including, without limitation, any stock dividend, stock split, spin-off, rights offering, or large nonrecurring cash dividend), the share authorization limits under the Omnibus Plan will be adjusted proportionately, and our compensation committee must make such adjustments to the Omnibus Plan and awards as it deems necessary, in its sole discretion, to prevent dilution or enlargement of rights immediately resulting from such transaction.

Limit on Compensation Payable to Non-Employee Directors

With respect to any one calendar year, the aggregate compensation that may be granted to any non-employee director, including all meeting fees, cash retainers and retainers granted in the form of awards, may not exceed $400,000, or $550,000 in the case of a non-employee Chairman of the board of directors or Lead Director. For purposes of such limit, the value of awards will be determined based on the aggregate grant date fair value of all awards issued to the director in such year (computed in accordance with applicable financial accounting rules).

Limitations on Transfer

No award will be assignable or transferable by a participant other than by will or the laws of descent and distribution; provided, however, that our compensation committee may permit other transfers (other than transfers for value) where our compensation committee concludes that such transferability does not result in accelerated taxation, does not cause any option intended to be an incentive stock option to fail to qualify as such, and is otherwise appropriate and desirable, taking into account any factors deemed relevant, including without limitation, any state or federal tax or securities laws or regulations applicable to transferable awards.

Treatment of Awards Upon a Change in Control

Unless otherwise provided in an award certificate or any special plan document governing an award, upon the occurrence of a change in control of our company in which awards are not assumed by the surviving entity or otherwise equitably converted or substituted in connection with the change in control in a manner approved by our compensation committee or our board of directors: (i) all outstanding options, SARs and other awards in the nature of rights that may be exercised will become fully exercisable; (ii) all time-based vesting restrictions on outstanding awards will lapse; and (iii) the payout opportunities attainable under all outstanding performance-based awards will vest based on target performance and the awards will pay out on a pro rata basis, based on the time elapsed prior to the change in control.

With respect to awards assumed by the surviving entity or otherwise equitably converted or substituted in connection with a change in control, if within two years after the effective date of the change in control, a participant's employment is terminated without Cause or the participant resigns for Good Reason (as such terms are defined), then: (i) all of that participant's outstanding options, SARs and other awards in the nature of rights that may be exercised will become fully exercisable; (ii) all time-based vesting restrictions on that participant's outstanding awards will lapse; and (iii) the payout opportunities attainable under all of that participant's outstanding performance-based awards will vest based on target performance and the awards will pay out on a pro rata basis, based on the time elapsed prior to the date of termination.

Discretionary Acceleration

Our compensation committee may, in its discretion, accelerate the vesting and/or payment of any awards for any reason. Our compensation committee may discriminate among participants or among awards in exercising such discretion.

Certain Transactions

Upon the occurrence or in anticipation of certain corporate events or extraordinary transactions, our compensation committee may also make discretionary adjustments to awards, including settling awards for cash, providing that awards will become fully vested and exercisable, providing for awards to be assumed or substituted, or modifying performance targets or periods for awards.

Termination and Amendment

The Omnibus Plan will terminate on December 19, 2034, the tenth anniversary of the date our board of directors first approved the Omnibus Plan. Our board of directors or compensation committee may, at any time and from time to time, terminate or amend the Omnibus Plan, but if an amendment to the Omnibus Plan would constitute a material amendment requiring stockholder approval under applicable listing requirements, laws, policies or regulations, then such amendment will be subject to stockholder approval. No termination or amendment of the Omnibus Plan may adversely affect any award previously granted under the Omnibus Plan without the written consent of the participant. Without the prior approval of our stockholders, and except as otherwise permitted by the anti-dilution provisions of the Omnibus Plan, the Omnibus Plan may not be amended to directly or indirectly reprice, replace or repurchase "underwater" options or SARs.

Our compensation committee may amend or terminate outstanding awards. However, such amendments may require the consent of the participant and, unless approved by our stockholders or otherwise permitted by the anti-dilution provisions of the Omnibus Plan, (i) the exercise price or base price of an option or SAR may not be reduced, directly or indirectly, (ii) an option or SAR may not be cancelled in exchange for cash, other awards, or options or SARS with an exercise price or base price that is less than the exercise price or base price of the original option or SAR, or otherwise, (iii) we may not repurchase an option or SAR for value (in cash or otherwise) from a participant if the current fair market value of the shares of our common stock underlying the option or SAR is lower than the exercise price or base price per share of the option or SAR, and (iv) the original term of an option or SAR may not be extended.

Prohibition on Repricing

As indicated above under "Termination and Amendment," outstanding stock options and SARs cannot be repriced, directly or indirectly, without the prior consent of our stockholders. The exchange of an "underwater" option or stock appreciation right (i.e., an option or stock appreciation right having an exercise price or base price in excess of the current market value of the underlying stock) for cash or for another award would be considered an indirect repricing and would, therefore, require the prior consent of our stockholders.

Certain Federal Income Tax Effects

The U.S. federal income tax discussion set forth below is intended for general information only and does not purport to be a complete analysis of all of the potential tax effects of the Omnibus Plan. It is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change. State and local income tax consequences are not discussed and may vary from locality to locality.

Nonstatutory Stock Options

There will be no federal income tax consequences to the optionee or to us upon the grant of a nonstatutory stock option under the Omnibus Plan. When the optionee exercises a nonstatutory option, however, he or she will recognize ordinary income in an amount equal to the excess of the fair market value of our common stock received upon exercise of the option at the time of exercise over the exercise price,

and we will be allowed a corresponding federal income tax deduction. Any gain that the optionee realizes when he or she later sells or disposes of the option shares will be short-term or long-term capital gain, depending on how long the shares were held.

Incentive Stock Options

There typically will be no federal income tax consequences to the optionee or to us upon the grant or exercise of an incentive stock option. If the optionee holds the acquired option shares for the required holding period of at least two years after the date the option was granted and one year after exercise, the difference between the exercise price and the amount realized upon sale or disposition of the option shares will be long-term capital gain or loss, and we will not be entitled to a federal income tax deduction. If the optionee disposes of the option shares in a sale, exchange or other disqualifying disposition before the required holding period ends, he or she will recognize taxable ordinary income in an amount equal to the excess of the fair market value of the option shares at the time of exercise over the exercise price, and we will be allowed a federal income tax deduction equal to such amount. While the exercise of an incentive stock option does not result in current taxable income, the excess of the fair market value of the option shares at the time of exercise over the exercise price will be an item of adjustment for purposes of determining the optionee's alternative minimum taxable income.

SARs

A participant receiving a SAR under the Omnibus Plan will not recognize income, and we will not be allowed a tax deduction, at the time the award is granted. When the participant exercises a SAR, the amount of cash and the fair market value of any shares of common stock received will be ordinary income to the participant, and we will be allowed a corresponding federal income tax deduction at that time.

Restricted Stock

Unless a participant makes an election to accelerate recognition of the income to the date of grant as described below, a participant will not recognize income, and we will not be allowed a tax deduction, at the time a restricted stock award is granted, provided that the award is nontransferable and is subject to a substantial risk of forfeiture. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of our common stock as of that date (less any amount he or she paid for the stock), and we will be allowed a corresponding federal income tax deduction at that time. If the participant files an election under Section 83(b) of the tax code within 30 days after the date of grant of the restricted stock, he or she will recognize ordinary income as of the date of grant equal to the fair market value of the stock as of that date (less any amount paid for the stock), and we will be allowed a corresponding federal income tax deduction at that time. Any future appreciation in the stock will be taxable to the participant at capital gains rates. However, if the stock is later forfeited, the participant will not be able to recover the tax previously paid pursuant to the Section 83(b) election.

Restricted or Deferred Stock Units

A participant will not recognize income, and we will not be allowed a tax deduction, at the time a stock unit award is granted. When the participant receives or has the right to receive shares of common stock (or the equivalent value in cash or other property) in settlement of a stock unit award, a participant will recognize ordinary income equal to the fair market value of our common stock or other property as of that date (less any amount he or she paid for the stock or property), and we will be allowed a corresponding federal income tax deduction at that time.

Equity Awards in Connection with this Offering

In connection with this offering, our compensation committee approved one-time restricted stock unit awards (the "Special RSU Awards") to our named executive officers, as follows: Mr. Williams, 257,690; Mr. Christel, 257,690; and Mr. Comps, 239,090. The Special RSU Awards granted to each of Messrs. Christel and Comps vest on each of the first three anniversaries of the date of grant, subject to the executive officer's continued employment with the Company on each respective vesting date. The Special RSU Award granted to Mr. Williams vests to 49,560 shares on April 1, 2025, 49,560 shares on April 1, 2026, 49,560 shares on April 1, 2027, 49,560 shares on April 1, 2028, and 59,450 shares on April 1, 2029. The Special RSU Awards were granted under the Omnibus Plan and the award agreement evidencing the grant thereof.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Loans to Officers, Directors and Affiliates

We offer loans in the ordinary course of business to our insiders, including our executive officers and directors, their related interests and immediate family members and other employees. Applicable law and our written credit policies require that loans to insiders be on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties, and must not involve more than the normal risk of repayment or present other unfavorable features. Loans to non-insider employees and other non-insiders are subject to the same requirements and underwriting standards and meet our normal lending guidelines, except that non-insider employees and other non-insiders may receive preferential interest rates and fees as an employee benefit. Loans to individual employees, directors and executive officers must also comply with our Bank's statutory lending limits and regulatory requirements regarding lending limits and collateral. All extensions of credit to the related parties must be reviewed and approved by our Bank's board of directors, and directors with a personal interest in any loan application are excluded from the consideration of such loan application.

We have made loans to directors and executive officers. The loans to such persons (i) complied with our Regulation O policies and procedures, (ii) were made in the ordinary course of business, (iii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related us, and (iv) did not involve more than a normal risk of collectability or did not present other features unfavorable to the Company.

Related Party Transaction Policy

Transactions by us with related parties are subject to a formal written policy, as well as regulatory requirements and restrictions. These requirements and restrictions include Sections 23A and 23B of the Federal Reserve Act and the Federal Reserve's Regulation W, which governs certain transactions by us with our affiliates, and the Federal Reserve's Regulation O, which governs certain loans by us to executive officers, directors and principal stockholders. We have adopted policies to comply with these regulatory requirements and restrictions.

In addition, prior to completion of this offering, our board of directors will adopt a written policy governing the approval of related party transactions that complies with all applicable requirements of the SEC and the NYSE concerning related party transactions. Related party transactions are transactions in which we are a participant, the amount involved exceeds $120,000 and a related party has or will have a direct or indirect material interest. Our related parties include our directors (including nominees for election as directors), executive officers, 5% stockholders and the immediate family members of these persons. Our President, in consultation with counsel, as appropriate, will review potential related party transactions to determine if they are subject to the policy. If so, the transaction will be referred to our board of directors or Audit Committee for approval. In determining whether to approve a related party transaction, our board of directors or Audit Committee may consider such factors as it deems appropriate, which factors may include, without limitation, the related party's interest in the related party transaction, the approximate dollar value of the amount involved in the related party transaction, the approximate dollar value of the amount of the related party's interests in the related party transaction without regard to the amount of any profit or loss, whether the related party transaction was undertaken in the ordinary course of business, whether the related party transaction with the related party is proposed to be, or was, entered into on terms no less favorable to the Company than terms that could have been reached with an unrelated third party, the purpose of, and the potential benefits to the Company of, the related party transaction, the fairness of the proposed transaction, the direct or indirect nature of the related party's interest in the transaction, the appearance of an improper conflict of interests for any director or executive officer, whether the transaction would impair an outside director's independence, the acceptability of the transaction to our regulators, the potential violations of other corporate policies, and any other information regarding the related party transaction or the related party in the context of the proposed related party transaction that would be material to investors in light of the circumstances of the particular related party transaction. Upon completion of this offering, our Related Person Transaction Policy will be available on our website at www.northpointe.com.

Other than the compensation arrangements with directors and executive officers described in the section entitled "Executive Compensation" and the ordinary banking relationships described above, none of our directors, executive officers or beneficial holders of more than 5% of our capital stock, or their immediate family members or entities affiliated with them, had or will have a direct or indirect material interest, in any transactions to which we have been a party in which the amount involved exceeded or will exceed $120,000.

Transactions with Castle Creek

On May 30, 2019, we sold 1,841,780 shares of our voting common stock and 3,972,180 shares of our non-voting common stock to Castle Creek VII. Additionally, on December 24, 2019, we sold 2,600,000 shares of our non-voting common stock to Castle Creek VI. In connection with each of those transactions, we entered into Securities Purchase Agreements, dated as of May 30, 2019 and December 24, 2019, respectively, with each Castle Creek VI and Castle Creek VII. Under these agreements, we have agreed to comply with certain continuing obligations with respect to Castle Creek which are described in more detail below.

Board Representation and Observer Rights

We have agreed to nominate one person designated by Castle Creek to our board of directors, subject to satisfaction of the legal and governance requirements regarding service as a member of our board of directors and to the reasonable approval of the Company, and to the board of directors of Northpointe Bank. We have also agreed that we will recommend to our stockholders that the Castle Creek representative is elected to our board of directors at all of the Company's meetings of stockholder as which members of the board of directors are to be elected. In addition, subject to limited exceptions, we have agreed that, if at any time Castle Creek does not have a representative on our board of directors, to invite one person designated by Castle Creek to attend all meetings of our board of directors and all meetings of the board of directors of Northpointe Bank.

The above-described board representation and board observation rights will continue with respect to Castle Creek for so long as Castle Creek, together with its affiliates, continues to hold 4.9% or more of our issued and outstanding voting common stock. If Castle Creek ceases to hold the required ownership percentage, Castle Creek will no longer have any further board representation rights, and Castle Creek will use all reasonable best efforts to cause its board representative to promptly resign from our board of directors and from the board of directors of Northpointe Bank. Currently, John M. Eggemeyer III serves on our board of directors as the representative of Castle Creek.

Indemnification

We have agreed that we will be the indemnitor of "first resort" with respect to any claims against the director designated by Castle Creek for indemnification claims that are indemnifiable by both us and Castle Creek. To the extent that indemnification is permissible under applicable law, we will have full liability for such claims, including for the advancement of any expenses.

Information and Access Rights

We have also agreed to certain ongoing financial reporting obligations. In particular, we have agreed to provide Castle Creek with: (1) our unaudited quarterly financial statements, (2) our audited annual financial statements, and (3) for so long as Castle Creek and its affiliates continue hold 4.9% or more of our issued and outstanding voting common stock, all documents and information provided to members of our board of directors in connection with monthly meetings, subject to certain exceptions. In addition, we have agreed to grant Castle Creek reasonable access to inspect our properties and corporate and financial records and to discuss our business with key personnel.

Preemptive Rights

We have agreed that, for so long as Castle Creek holds 4.9% or more of the voting common stock of the Company, Castle Creek will generally have the right to purchase its pro rata share of any securities that we may issue in the future. Such rights do not apply to certain transactions such as a mergers or issuances

pursuant to an equity incentive plan approved by the board of directors (subject to certain limitations). The purchase right would be triggered as a result of this offering, although Castle Creek has waived its purchase rights in connection with this offering.

Registration Rights

In connection with the transactions above, we entered into the Registration Rights Agreements providing for demand and piggyback registration rights. Pursuant to its demand registration rights, after May 30, 2024 and December 24, 2024, respectively, Castle Creek had the right to require the Company to file a registration statement with the SEC so that Castle Creek may resell its shares of common stock. The Company must file such registration statement with the SEC within 90 days of its receipt of such request and use its reasonable best efforts to cause such registration statement to become effective. If the Company is unable to file a registration statement or cause the registration statement to become effective within specified timeframes, the Company must, subject to certain limitations, pay Castle Creek an amount in cash equal to 2.0% of their aggregate original purchase price of the voting and non-voting common stock held Castle Creek each month until the default is cured. Such payment will bear interest of 1.0% per month on an annualized basis if such payment is not made within 10 business days of the due date.

If the Company files a registration statement for a primary or secondary offer of its securities (other than a registration statement related to equity compensation plans or mergers and acquisitions), the Company must give notice to Castle Creek at least 10 business days' prior to the anticipated registration statement filing date, and Castle Creek may elect to have their securities included in a piggyback registration statement for resale. The Company must effect registration of all securities that Castle Creek requests to be included in the piggyback registration within 5 business days following the notice given by the Company. However, if this offering is underwritten, the number of shares to be sold by the Company may be reduced upon recommendation of the managing underwriters.

In any of the foregoing registration statements, the Company will pay the fees and expenses of such registration statements, including all registration and filing fees, printing expenses, trading market fees, fees and disbursements of counsel for the Company and fees and expenses of the Company reasonably incurred, including up to $50,000 of the expense that each of Castle Creek VI and Castle Creek VII actually and reasonably incur.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table presents certain information with respect to the beneficial ownership of our common stock as of October 31, 2024, and as adjusted to reflect the sale of our common stock offered by us and the selling stockholders in this offering, assuming no exercise of the underwriters' option to purchase additional shares of our common stock, by:

- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group;
- each stockholder known by us to be a beneficial owner of more than 5% of our outstanding shares of our common stock; and
- each selling stockholder.

We have determined beneficial ownership in accordance with the rules of the SEC. Unless otherwise indicated below, to our knowledge, based on information furnished to us, the persons and entities named in the table have sole voting and investment power with respect to all shares that they beneficially own, subject to applicable community property laws. Shares of our common stock subject to stock options that are currently exercisable or exercisable within 60 days of October 31, 2024 are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

We have based our calculation of the percentage ownership of our common stock before this offering on 25,619,560 shares of our common stock outstanding on October 31, 2024, and giving effect to the grant of restricted stock units to our executive officers on December 19, 2024, which will occur immediately prior to the completion of this offering. Percentage ownership of our common stock after this offering also assumes the sale by us and the selling stockholders of shares of our common stock in this offering.

	Shares Beneficially Owned Prior to this Offering		Shares Beneficially Owned After this Offering			
			Assuming No Exercise of the Underwriters' Option[1]		Assuming Full Exercise of the Underwriters' Option	
Name of Beneficial Owner	Number	Percentage	Number	Percentage	Number	Percentage
5% or greater stockholders						
Castle Creek Capital Partners VII, LP[2]	5,813,960	22.7%		%		%
Charles A Williams TR Charles A Williams Trust[3]	2,680,370	10.5%		%		%
Second Rewrittwen Trust Indenture of the John S Simoni Living Trust[4]	2,642,620	10.3%		%		%
Castle Creek Capital Partners VI, LP[5]	2,600,000	10.2%		%		%
Anne Gainey[6]	2,350,000	9.2%				
Directors and Named Executive Officers						
Directors						
Charles A. Williams	—	*		%		%
Carrie L. Boer	—	*		%		%
Robert W. De Vlieger II[7]	909,630	3.6%		%		%
R. Jeffery Dean[8]	614,790	2.4%		%		%
Bruce L. Edger[9]	223,830	*		%		%
John M. Eggemeyer III	—	*		%		%
David S. Hooker[10]	912,040	3.6%		%		%

	Shares Beneficially Owned Prior to this Offering		Shares Beneficially Owned After this Offering			
			Assuming No Exercise of the Underwriters' Option[1]		Assuming Full Exercise of the Underwriters' Option	
Name of Beneficial Owner	Number	Percentage	Number	Percentage	Number	Percentage
Non-Director NEOs				%		%
David J. Christel	100,000	*		%		%
Kevin J. Comps	1,000	*		%		%
Brian Kuelbs[11]	50,000	*		%		%
All executive officers and directors as a group (11 persons)	5,491,660	21.4%				

Share and per share amounts are presented to reflect the ten-for-one stock split effected on December 30, 2024.

* Less than 1%

(1) The underwriters have the option to purchase up to an additional shares from us at the initial public offering price less the underwriting discount within 30 days of the date of this prospectus.

(2) Consists of (a) 1,841,780 shares of voting common stock and (b) 3,972,180 of non-voting common stock, held by Castle Creek VII. Mr. Eggemeyer III, the founder and managing principal of Castle Creek Capital VII LLC, the general partner of Castle Creek VII, has no voting and shared investment power with respect to the shares held by Castle Creek VII. The address of Castle Creek VII is 11682 El Camino Road, Suite 320, San Diego, California 92130. The natural persons who have or share voting and/or dispositive powers over the shares held are the managing principals of Castle Creek VII.

(3) Mr. Williams, the trustee of the Charles A Williams TR Charles A Williams Trust (the "Williams Trust"), holds voting and investment power with respect to the shares held by the Williams Trust.

(4) John S. Simoni, the trustee of the Second Rewritten Trust Indenture of the John S Simoni Living Trust (the "Simoni Trust"), holds voting and investment power with respect to the shares held by the Simoni Trust.

(5) Mr. Eggemeyer III, the founder and managing principal of Castle Creek Capital VI LLC, the general partner of Castle Creek VI, has no voting and shared investment power with respect to the shares held by Castle Creek VI. The address of Castle Creek VI is 11682 El Camino Road, Suite 320, San Diego, California 92130. The natural persons who have or share voting and/or dispositive powers over the shares held are the managing principals of Castle Creek VI.

(6) Consists of (a) 809,920 shares of common stock held in the name of Harvey N. Gainey, of which Mrs. Gainey is the surviving spouse and holds voting and investment power with respect to the shares held by Harvey N. Gainey, (b) 533,330 shares of common stock held by the Carl Oosterhouse TR Annie E Gainey Marital Trust (the "Annie E. Gainey Marital Trust"), of which Mrs. Gainey has no voting power, but does have investment power, with respect to the shares held by the Annie E. Gainey Marital Trust, (c) 500,000 shares of common stock held by the Carl Oosterhouse TR UA 12/30/2020 Annie E Gainey Eight Year Trust (the "Annie E. Eight Year Trust"), of which Mrs. Gainey has no voting power, but does have investment power, with respect to the shares held by the Annie E. Gainey Eight Year Trust, (d) 343,750 shares of common stock held by the Carl Oosterhouse TR UA 12/30/2020 Harvey N Gainey Twelve Year Trust (the "Harvey N. Gainey Twelve Year Trust), of which Mrs. Gainey has no voting power, but does have investment power, with respect to the shares held by the Harvey N. Gainey Twelve Year Trust, and (e) 163,000 shares of common stock held by the Carl Oosterhouse TR UA 12/27/2019 Harvey Newton Gainey Irrevocable Trust (the "Harvey Newton Gainey Irrevocable Trust"), of which Mrs. Gainey has no voting power, but does have investment power, with respect to the shares held by the Harvey Newton Gainey Irrevocable Trust.

(7) Consists of 909,630 shares of common stock held by the Robert De Vlieger II UA 12/12/2007 Robert W. De Vlieger II Descendents Trust (the "De Vlieger II Trust"), of which Mr. De Vlieger II is the trustee and holds voting and investment power with respect to the shares held by the De Vlieger II Trust.

(8) Consists of 614,790 shares of common stock held by the Jill M Dean U/A/D November 16 2007 Trust (the "Dean Trust"), of which Mr. Dean is the trustee and holds voting and investment power with respect to the shares held by the Dean Trust.

(9) Consists of 223,830 shares of common stock held by the Bruce L Edger Trust (the "Edger Trust"), of which Mr. Edger is the trustee and holds voting and investment power with respect to the shares held by the Edger Trust.

(10) Consists of (a) 900,040 shares of common stock held by the David S. Hooker Trust (the "David Hooker Trust") and (b) 12,000 shares of common stock held by the Tanis S. Hooker Discretionary Trust (the "Tanis Hooker Trust"), for each of which Mr. Hooker is the trustee and holds voting and investment power with respect to the shares held by the David Hooker Trust and the Tanis Hooker Trust.

(11) Consists of 50,000 shares of common stock held by the Brian P. Kuelbs + Elizabeth C. Kuelbs Trust UA 07/30/2010 Kuelbs Family Trust (the "Kuelbs Trust"), of which Mr. Kuelbs is the trustee and holds voting and investment power with respect to the shares held by the Kuelbs Trust. Mr. Kuelbs was our Chief Financial Officer until October 20, 2023. See the section entitled "Executive and Director Compensation."

The following table provides information regarding the beneficial ownership of our common stock as of October 31, 2024, and as adjusted to reflect the completion of this offering, for each of our selling stockholders. The percentage of beneficial ownership is based on 25,619,560 shares of our common stock outstanding as of October 31, 2024 and shares to be outstanding after the completion of this offering, assuming the underwriters do not exercise their option to purchase additional shares, and shares to be outstanding after the completion of this offering, assuming full exercise of the underwriters' option to purchase additional shares of our common stock.

				Shares Beneficially Owned After this Offering			
	Shares Beneficially Owned Prior to this Offering		Shares Offered	Assuming No Exercise of the Underwriters Options		Assuming Full Exercise of the Underwriters Option	
Name of Beneficial Owner	Number	Percentage	Number	Number	Percentage	Number	Percentage
Selling Stockholders							

DESCRIPTION OF CAPITAL STOCK

The following is a summary of the material terms of our capital stock, as they will be in effect upon the completion of this offering. The following description of our capital stock does not purport to be complete so you should refer to our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws, which we have included as exhibits to the registration statement of which this prospectus is a part. We urge you to read these documents for a more complete understanding of the information contained in this section.

General

Our authorized capital stock consists of 101,500,000 shares, of which 94,500,000 shares are voting common stock, no par value per share ("voting common stock") and 7,000,000 shares are non-voting common stock, no par value per share ("non-voting common stock," and together with voting common stock, "common stock"), and 5,000,000 shares are preferred stock, no par value ("preferred stock"). As of September 30, 2024, and giving effect to a ten-for-one stock split, 25,689,560 shares of our common stock were outstanding and 107,000 shares of our preferred stock were designated or outstanding.

An aggregate of 849,530 shares of common stock are expected to be reserved for issuance under the Omnibus Incentive Plan.

If all shares are sold in this offering, we anticipate that there will be shares of our common stock and no shares of preferred stock outstanding upon the completion of this offering.

All of our outstanding shares of common stock are, and the shares of our common stock issued in this offering will be, fully paid and nonassessable.

Each share of our common stock has the same relative rights as, and is identical in all respects with, each other share of our common stock.

Voting Rights; Majority Written Consent

Following the completion of this offering, it is expected that holders of our voting common stock will be entitled to one vote per share on all matters requiring stockholder action, including the election of directors. Any shares sold by Castle Creek as a selling stockholder in this offering will be or will become voting common stock in the hands of the underwriters and purchasers from the underwriters. Our Amended and Restated Bylaws provide that a majority of the shares entitled to vote at a stockholders' meeting, represented in person or by proxy, constitute a quorum. When a quorum is present, the affirmative vote of a majority of the shares represented at the meeting and entitled to vote, such affirmatively voting shares constituting at least a majority of the required quorum, will be required to take action, unless otherwise specified by law or our Amended and Restated Articles of Incorporation and except for the election of directors, which will be determined by a plurality vote. There will not be cumulative voting rights.

Except as otherwise required by law, any action required or permitted to be taken by any of our stockholders must be effected at a duly called annual or special meeting of such stockholders and may not be effected by any consent in writing by such stockholders.

Liquidation Rights

In the event of the liquidation, dissolution or winding up of the Company, subject to the rights of the holders of all other securities of the Company that, by their respective terms, are senior to the non-voting common stock or the voting common stock, the holders of our non-voting common stock and voting common stock will be entitled to receive a distribution ("Liquidation Distribution") equal to (i) any authorized and declared, but unpaid, dividends with respect to such share of non-voting common stock at the time of such liquidation, dissolution, or winding up, and (ii) the amount the holder of such share of non-voting common stock would receive in respect of such share if such share had been converted into shares of voting common stock at the then-applicable conversion rate at the time of such liquidation, dissolution, or winding up (assuming the conversion of all shares of non-voting common stock at such time, without regard to any limitations on conversion of the non-voting common stock). All Liquidation Distributions to the holders of

the non-voting common stock and voting common stock set forth in clause (ii) above will be made pro rata to the holders thereof. Except to the extent a Liquidation Distribution may be deemed to be a redemption, there are no redemption or sinking fund provisions applicable to our non-voting common stock or voting common stock.

Dividends

The payment of dividends is subject to the restrictions set forth in the Michigan Business Corporation Act ("MBCA"). The MBCA provides that neither a company nor any of its subsidiaries shall make any distribution to its stockholders unless: (i) the amount of retained earnings of the company immediately prior to the distribution equals or exceeds the sum of (a) the amount of the proposed distribution plus (b) the preferential dividends arrears amount (as calculated pursuant to Section 500(b) of the MBCA), or (ii) following the distribution, the value of the company's assets would equal or exceed the sum of its total liabilities plus the preferential rights amount (as calculated pursuant to Section 500(b) of the MBCA).

Holders of our common stock may receive dividends when, as and if declared by our board of directors out of funds legally available for the payment of dividends, subject to any restrictions imposed by regulatory authorities and the payment of any preferential amounts to which any class of preferred stock may be entitled. Our future dividend policy will be subject to the discretion of our board of directors and will depend upon a number of factors, including future earnings, financial condition, liquidity, and general business conditions. Our ability to pay dividends is subject to statutory and regulatory limitations applicable to us and our Bank.

Conversion Rights

Subject to the restrictions and requirements provided in our Amended and Restated Articles of Incorporation, a holder of non-voting common stock shall be permitted to convert, or upon the written request of the Company shall convert, shares of non-voting common stock into shares of voting common stock at any time or from time to time, provided that upon such conversion the holder, together with all affiliates of the holder, will not own or control in the aggregate more than 9.9% of the Company's voting common stock (or of any class of voting securities issued by the Company). Additionally, subject to the restrictions provided in our Amended and Restated Articles of Incorporation, each share of non-voting common stock will automatically convert into one (1) share of voting common stock, without any further action on the part of any holder, subject to adjustment as provided in our Amended and Restated Articles of Incorporation, on the date a holder of non-voting common stock transfers any shares of non-voting common stock to a non-affiliate of the holder in a transfer permitted under the Amended and Restated Articles of Incorporation. Such permitted transfers of non-voting common stock are limited to transfers: (i) to the Company; (ii) in a widely-distributed public offering of voting common stock or non-voting common stock; (iii) that is part of an offering that is not a widely-distributed public offering of voting common stock or non-voting common stock but is one in which no one transferee (or group of associated transferees) acquires the rights to receive two percent (2%) or more of any class of the voting securities of the Company then outstanding (including pursuant to a related series of transfers); (iv) that is part of a transfer of voting common stock or non-voting common stock to an underwriter for the purpose of conducting a widely-distributed public offering; or (v) to a transferee that controls more than fifty percent (50%) of the voting securities of the Company without giving effect to such transfer.

Restrictions on Ownership of Company Common Stock

The ability of a third party to acquire our stock is also limited under applicable U.S. banking laws, and regulatory approval for the acquisition of our stock may be required under certain circumstances. The BHC Act requires any BHC to obtain the approval of the Federal Reserve prior to acquiring more than 5% of our outstanding common stock. Any corporation or other company that becomes a holder of 25% or more of our outstanding common stock, or otherwise is deemed to control us under the BHC Act, would be subject to regulation as a BHC under the BHC Act. In addition, any person other than a BHC may be required to obtain prior approval of the Federal Reserve to acquire 10% or more of our outstanding common stock under the Change in Bank Control Act, or CBCA. See the section entitled "Supervision and Regulation — Regulation of the Company" for additional description of these federal law restrictions on

ownership of our common stock. Further, prior approval of the DFPI is required for any person to acquire control of us, and control for these purposes is presumed to exist when a person owns 10% or more of our outstanding common stock.

Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals

Our Amended and Restated Bylaws provide that stockholders must provide advance notice of any proposal or nomination for election as a director which a stockholder desires to bring before a meeting of stockholders. Such requirements are in addition to any requirements under SEC Rule 14a-8 for stockholder proposals sought to be included in the Company's proxy materials.

Preferred Stock

Our Amended and Restated Articles of Incorporation authorizes the issuance of up to 5,000,000 shares of preferred stock. The shares of preferred stock may be divided into and issued in one or more series, with such relative rights, preferences, and limitations as determined by the board of directors in its discretion. The board of directors is hereby authorized to establish one or more series of preferred stock and to cause shares of preferred stock to be issued from time to time. Having shares of preferred stock available for issuance gives us flexibility in that it would allow us to avoid the expense and delay of calling a meeting of stockholders at the time the contingency or opportunity arises. Any issuance of preferred stock with voting rights or which is convertible into voting shares could adversely affect the voting power of the holders of common stock. Furthermore, the issuance of preferred stock could adversely affect the likelihood that such holders will receive dividend payments and payments upon liquidation. The shares of preferred stock that may be issued in the future may have other rights, including economic rights senior to our common stock, and, as a result, could have an adverse effect on the market value of our common stock.

Any of these actions could have an anti-takeover effect and discourage a transaction that some or a majority of our stockholders might believe to be in their best interests or in which our stockholders might receive a premium for their shares over our then-market price.

Series A Preferred Stock

The board of directors will designate a series of preferred stock, comprised of 100,000 shares of the preferred stock, no par value per share, as the 8.25% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series A (the "Series A Preferred Stock"). Such shares shall have a liquidation preference of $1,000 per share.

Ranking

Shares of the Series A Preferred Stock rank, with respect to the payment of dividends and distributions upon liquidation, dissolution, or winding-up:

- senior to common stock and to any class or series of capital stock the Company may issue that is not expressly stated to be on parity with or senior to the Series A Preferred Stock;
- on parity with, or equally to, any class or series of capital stock expressly stated to be on parity with the Series A Preferred Stock, including the Series A Preferred Stock and the Series B Preferred Stock; and
- junior to any class or series of capital stock expressly stated to be senior to the Series A Preferred Stock.

Dividends

Dividends on shares of the Series A Preferred Stock are discretionary and will not be cumulative. Holders of the Series A Preferred Stock will be entitled to receive, if, when, and as declared by the board of directors or a duly authorized committee of board of directors, out of legally available assets, non-cumulative cash dividends quarterly in arrears on March 30, June 30, September 30, and December 30 of

each year, beginning on March 30, 2021 (each such date being referred to herein as a "dividend payment date") based on a liquidation preference of $1,000 per share (equivalent to $25 per depositary share).

If declared by board of directors or a duly authorized committee of board of directors, dividends will accrue from and including the original issue date to, but excluding, December 30, 2025 or the date of earlier redemption (the "fixed rate period"), at a rate of 8.25% per annum. If declared by board of directors or a duly authorized committee of board of directors, dividends will accrue from and including December 30, 2025 to, but excluding, the date of earlier redemption (the "floating rate period"), at a floating rate per annum equal to the Benchmark rate (which is expected to be Three-Month Term SOFR) plus a spread of 799 basis points. Notwithstanding the foregoing, if the Benchmark rate is less than zero, the Benchmark rate shall be deemed to be zero.

Dividends on shares of the Series A Preferred Stock are not cumulative. Accordingly, if board of directors or a duly authorized committee of board of directors does not declare a full dividend on the Series A Preferred Stock payable in respect of any dividend period before the related dividend payment date, such dividend will not accrue and the Company will have no obligation to pay a dividend for that dividend period on the dividend payment date or at any future time, whether or not dividends on the Series A Preferred Stock are declared for any future dividend period.

Priority of Dividends

The Series A Preferred Stock will rank junior as to payment of dividends to any class or series of the preferred stock that the Company may issue in the future that is expressly stated to be senior to the Series A Preferred Stock. If at any time the Company does not pay, on the applicable dividend payment date, accrued dividends on any shares that rank in priority to the Series A Preferred Stock with respect to dividends, the Company may not pay any dividends on the Series A Preferred Stock or repurchase, redeem, or otherwise acquire for consideration any shares of Series A Preferred Stock until the Company has paid, or set aside for payment, the full amount of the unpaid dividends on the shares that rank in priority with respect to dividends that must, under the terms of such shares, be paid before the Company may pay dividends on, repurchase, redeem, or otherwise acquire for consideration, the Series A Preferred Stock. As of the date hereof, there are no other shares of preferred stock issued and outstanding.

So long as any share of Series A Preferred Stock remains outstanding, unless the full dividends for the most recently completed dividend period have been declared and paid, or set aside for payment, on all outstanding shares of Series A Preferred Stock:

- no dividend or distribution shall be declared, paid, or set aside for payment on any junior stock (other than (i) a dividend payable solely in junior stock or (ii) a dividend in connection with the implementation of a stockholders' rights plan, or the issuance of rights, stock, or other property under any such plan, or the redemption or repurchase of any rights under any such plan);
- no junior stock shall be repurchased, redeemed, or otherwise acquired for consideration by the Company, directly or indirectly (other than (i) as a result of a reclassification of junior stock for or into other junior stock, (ii) the exchange or conversion of shares of junior stock for or into other shares of junior stock, (iii) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock, (iv) purchases, redemptions, or other acquisitions of shares of the junior stock in connection with any employment contract, benefit plan, or other similar arrangement with or for the benefit of employees, officers, directors, or consultants, (v) purchases of shares of junior stock pursuant to a contractually binding requirement to buy junior stock existing prior to the most recently completed dividend period, including under a contractually binding stock repurchase plan, or (vi) the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged) nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities; and
- no parity stock shall be repurchased, redeemed, or otherwise acquired for consideration by the Company, directly or indirectly (other than (i) pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series A Preferred Stock and any parity stock, (ii) as a result of a reclassification of any parity stock for or into other parity stock, (iii) the exchange or conversion of any parity stock for or into other parity stock or junior stock, (iv) through the use of the proceeds of a substantially

contemporaneous sale of other shares of parity stock, (v) purchases of shares of parity stock pursuant to a contractually binding requirement to buy parity stock existing prior to the most recently completed dividend period, including under a contractually binding stock repurchase plan, or (vi) the purchase of fractional interests in shares of parity stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged) nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities.

Notwithstanding the foregoing, if dividends are not paid in full, or set aside for payment in full, on any dividend payment date upon the shares of the Series A Preferred Stock and any shares of parity stock, all dividends declared upon the Series A Preferred Stock and all such parity stock payable on such dividend payment date shall be declared pro rata in proportion to the respective amounts of undeclared and unpaid dividends on the Series A Preferred Stock and all parity stock payable on such dividend payment date. To the extent a dividend period with respect to any parity stock coincides with more than one dividend period with respect to the Series A Preferred Stock for purposes of the immediately preceding sentence, the Company's board of directors will treat such dividend period as two or more consecutive dividend periods, none of which coincides with more than one dividend period with respect to the Series A Preferred Stock, or shall treat such dividend period(s) with respect to any parity stock and dividend period(s) with respect to the Series A Preferred Stock for purposes of the immediately preceding sentence in any other manner that it deems to be fair and equitable in order to achieve ratable payments on such dividend parity stock and the Series A Preferred Stock. To the extent a dividend period with respect to the Series A Preferred Stock coincides with more than one dividend period with respect to any parity stock, for purposes of the first sentence of this paragraph, the board of directors shall treat such dividend period as two or more consecutive dividend periods, none of which coincides with more than one dividend period with respect to such parity stock, or shall treat such dividend period(s) with respect to the Series A Preferred Stock and dividend period(s) with respect to any parity stock for purposes of the first sentence of this paragraph in any other manner that it deems to be fair and equitable in order to achieve ratable payments of dividends on the Series A Preferred Stock and such parity stock. For the purposes of this paragraph, the term "dividend period" as used with respect to any parity stock means such dividend periods as are provided for in the terms of such parity stock.

Subject to the foregoing, dividends (payable in cash, stock, or otherwise) may be declared and paid on junior stock, which includes common stock, from time to time out of any assets legally available for such payment, and the holders of Series A Preferred Stock or parity stock shall not be entitled to participate in any such dividend.

Redemption Rights

The Series A Preferred Stock is perpetual and has no maturity date and is not subject to any mandatory redemption, sinking fund, or other similar provisions. The holders of the Series A Preferred Stock will not have any right to require the redemption or repurchase of their shares of Series A Preferred Stock.

The Company may, at its option, redeem the Series A Preferred Stock (i) in whole or in part, from time to time, on December 30, 2025, or on any dividend payment date on or after December 30, 2025, or (ii) in whole but not in part at any time within 90 days following a "regulatory capital treatment event," in each case at a redemption price equal to $1,000 per share (equivalent to $25 per depositary share), plus the per share amount of any declared and unpaid dividends, without accumulation of any undeclared dividends, on the Series A Preferred Stock to, but excluding, the date fixed for redemption (the "redemption date"). Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the applicable dividend record date will not be paid to the holder entitled to receive the redemption price on the redemption date, but rather will be paid to the holder of record of the redeemed shares on such record date relating to the applicable dividend payment date. Investors should not expect the Company to redeem the Series A Preferred Stock on or after the date it becomes redeemable at the Company's option.

If shares of the Series A Preferred Stock are to be redeemed, the notice of redemption shall be given to the holders of record of the Series A Preferred Stock to be redeemed, by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the Company's stock register not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (provided that, if the shares of Series A Preferred Stock are held in book-entry form

through The Depository Trust Company ("DTC") may give such notice in any manner permitted by DTC). Each notice of redemption will include a statement setting forth:

- the redemption date;
- the number of shares of the Series A Preferred Stock to be redeemed and, if less than all of the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder;
- the redemption price; and
- that dividends on the shares to be redeemed will cease to accrue on the redemption date.

If notice of redemption of any shares of Series A Preferred Stock has been duly given and if the funds necessary for such redemption have been set aside by us for the benefit of the holders of any shares of Series A Preferred Stock so called for redemption, then, on and after the redemption date, dividends will cease to accrue on such shares of Series A Preferred Stock, such shares of Series A Preferred Stock shall no longer be deemed outstanding, and all rights of the holders of such shares will terminate, except the right to receive the redemption price, without interest.

In case of any redemption of only part of the shares of the Series A Preferred Stock at the time outstanding, the shares to be redeemed shall be selected pro rata, by lot, or in such other manner as the Company may determine to be equitable and permitted by DTC and the rules of any national securities exchange on which the Series A Preferred Stock is listed.

Liquidation Rights

In the event that the Company voluntarily or involuntarily liquidates, dissolves, or winds up its affairs, holders of the Series A Preferred Stock are entitled to receive out of the Company's assets available for distribution to stockholders, after satisfaction of liabilities and obligations to creditors, if any, and subject to the rights of holders of any shares of capital stock then outstanding ranking senior to or on parity with the Series A Preferred Stock with respect to distributions upon the voluntary or involuntary liquidation, dissolution, or winding-up of the Company's business and affairs, including the Series A Preferred Stock, and before the Company makes any distribution or payment out of its assets to the holders of common stock or any other class or series of capital stock ranking junior to the Series A Preferred Stock with respect to distributions upon liquidation, dissolution, or winding-up, an amount per share equal to the liquidation preference of $1,000 per share plus any declared and unpaid dividends prior to the payment of the liquidating distribution (but without any amount in respect of dividends that have not been declared prior to the date of payment of the liquidating distribution). After payment of the full amount of the liquidating distribution described above, the holders of the Series A Preferred Stock shall not be entitled to any further participation in any distribution of the Company's assets.

In any such distribution, if the Company's assets are not sufficient to pay the liquidation preference in full to all holders of Series A Preferred Stock and all holders of any shares of capital stock ranking as to any such liquidating distribution on parity with the Series A Preferred Stock, including the Series A Preferred Stock, the amounts paid to the holders of Series A Preferred Stock and to such other shares will be paid pro rata in accordance with the respective aggregate liquidation preferences of those holders. In any such distribution, the "liquidation preference" of any holder of preferred stock means the amount otherwise payable to such holder in such distribution (assuming no limitation on the Company's assets available for such distribution), including any declared but unpaid dividends (and, in the case of any holder of stock other than the Series A Preferred Stock and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable). If the liquidation preference per share of Series A Preferred Stock has been paid in full to all holders of Series A Preferred Stock and the liquidation preference per share of any other capital stock ranking on parity with the Series A Preferred Stock as to liquidation rights has been paid in full, the holders of common stock or any other capital stock ranking, as to liquidation rights, junior to the Series A Preferred Stock will be entitled to receive all of the remaining assets according to their respective rights and preferences.

The Series A Preferred Stock may be fully subordinate to interests held by the U.S. government in the event the Company's enters into a receivership, insolvency, liquidation, or similar proceeding, including a proceeding under the "orderly liquidation authority" provisions of the Dodd-Frank Act.

Neither the sale, conveyance, exchange, or transfer of all or substantially all of the Company's assets or business, nor the consolidation or merger by the Company with or into any other entity or by another entity with or into the Company, whether for cash, securities, or other property, individually or as part of a series of transactions, will constitute a liquidation, dissolution, or winding-up of its affairs.

Because the Company is a holding company, the rights and the rights of the Company's creditors and stockholders, including the holders of the Series A Preferred Stock, to participate in any distribution of assets of any of the Company's subsidiaries upon that subsidiary's liquidation, dissolution, reorganization or winding-up or otherwise would be subject to the prior claims of that subsidiary's creditors, except to the extent that the Company is a creditor with recognized claims against the subsidiary.

Holders of the Series A Preferred Stock are subordinate to all of the Company's indebtedness and to other non-equity claims on the Company and its assets, including in the event that the Company enters into a receivership, insolvency, liquidation or similar proceeding. In addition, holders of the Series A Preferred Stock (and of depositary shares representing the Series A Preferred Stock) may be fully subordinated to interests held by the U.S. government in the event that the Company enters into a receivership, insolvency, liquidation or similar proceeding.

Voting Rights

Except as provided below and as determined by the Company's board of directors or a duly authorized committee of board of directors or as otherwise expressly required by law, the holders of the Series A Preferred Stock will have no voting rights.

Whenever dividends on any shares of the Series A Preferred Stock, or any parity stock upon which similar voting rights have been conferred ("special voting preferred stock"), shall have not been declared and paid in an aggregate amount equal to the amount of dividends payable on the Series A Preferred Stock for the equivalent of six or more quarterly dividend periods, whether or not consecutive (which refer to as a "nonpayment"), the holders of the Series A Preferred Stock, voting together as a class with holders of any special voting preferred stock then outstanding, will be entitled to vote (based on respective liquidation preferences) for the election of a total of two additional members of board of directors (which referred to as the "preferred directors"); provided that board of directors shall at no time include more than two preferred directors; provided, further, that the election of any such preferred directors may not cause the Company to violate any corporate governance requirement of any exchange on which the Company's securities may be listed. In that event, the number of directors on board of directors shall automatically increase by two and, at the request of any holder of Series A Preferred Stock, a special meeting of the holders of Series A Preferred Stock and such special voting preferred stock, including the Series A Preferred Stock, for which dividends have not been paid shall be called for the election of the two directors (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), followed by such election at each subsequent annual meeting. These voting rights will continue until full dividends have been paid (or declared and a sum sufficient for the payment of such dividends has been set aside for payment) on the Series A Preferred Stock and such special voting preferred stock for four dividend periods following the nonpayment.

If and when full dividends have been paid (or declared and a sum sufficient for the payment of such dividends has been set aside for payment) for at least four dividend periods following a nonpayment on the Series A Preferred Stock and such special voting preferred stock, the holders of the Series A Preferred Stock and such special voting preferred stock shall be divested of the foregoing voting rights (subject to revesting in the event of each subsequent nonpayment) and the term of office of each preferred director so elected shall terminate and the number of directors on the Company's board of directors shall automatically decrease by two.

Any preferred director may be removed at any time without cause by the holders of a majority of the outstanding shares of the Series A Preferred Stock and such special voting preferred stock, voting together as a class, when they have the voting rights described above. So long as a nonpayment shall continue, any vacancy in the office of a preferred director (other than prior to the initial election of the preferred directors) may be filled by the written consent of the preferred director remaining in office, or if none remains in office,

by a vote of the holders of a majority of the outstanding shares of Series A Preferred Stock and such special voting preferred stock, voting together as a class, to serve until the next annual meeting of stockholders; provided that the filling of any such vacancy may not cause the Company to violate any corporate governance requirement of any exchange on which the Company's securities may be listed. The preferred directors shall each be entitled to one vote per director on any matter on which the Company's directors are entitled to vote.

Under regulations adopted by the Federal Reserve, if the holders of one or more series of preferred stock are or become entitled to vote for the election of directors, such series entitled to vote for the same director(s) will be deemed a class of voting securities and a company holding 25% or more of the series, or 10% or more if it otherwise exercises a "controlling influence" over the Company, will be subject to regulation as a bank holding company under the BHC Act. In addition, if the series is/are deemed to be a class of voting securities, any other bank holding company will be required to obtain the prior approval of the Federal Reserve under the BHC Act to acquire or retain more than 5% of that series. Any other person (other than a bank holding company) will be required to obtain the non-objection of the Federal Reserve under the Change in Bank Control Act of 1978, as amended, to acquire or retain 10% or more of that series. While the Company does not believe the shares of Series A Preferred Stock are considered "voting securities" currently, holders of such stock should consult their own counsel with regard to regulatory implications. A holder or group of holders may also be deemed to control the Company if they own one-third or more of the Company's total equity.

So long as any shares of Series A Preferred Stock remain outstanding, in addition to any other vote or consent of stockholders required by law or the Company's Amended and Restated Articles of Incorporation, the affirmative vote or consent of the holders of at least two-thirds of all of the then-outstanding shares of Series A Preferred Stock entitled to vote thereon, voting separately as a single class, shall be required to:

- authorize, create, issue, or increase the authorized amount of any class or series of the Company capital stock ranking senior to the Series A Preferred Stock with respect to payment of dividends or as to distributions upon the Company's liquidation, dissolution, or winding-up, or issue any obligation or security convertible into or exchangeable for, or evidencing the right to purchase, any such class or series of the Company's capital stock;
- amend, alter, or repeal the provisions of the Company's Amended and Restated Articles of Incorporation, including the certificate of designation, whether by merger, consolidation, or otherwise, so as to materially and adversely affect the special powers, preferences, privileges, or rights of the Series A Preferred Stock, taken as a whole; or
- consummate a binding share exchange or reclassification involving the Series A Preferred Stock, or complete the sale, conveyance, exchange, or transfer of all or substantially all of the Company's assets or business or consolidate with or merge into any other corporation, unless, in each case, the shares of the Series A Preferred Stock (i) remain outstanding or (ii) are converted into or exchanged for preference securities of the surviving entity or any entity controlling such surviving entity and such new preference securities have powers, preferences, privileges, and rights that are not materially less favorable to the holders thereof than the powers, preferences, privileges, and rights of the Series A Preferred Stock, taken as a whole.

When determining the application of the voting rights described in this section, the authorization, creation, and issuance, or an increase in the authorized or issued amount, of junior stock or any class or series of capital stock that by its terms expressly provides that it ranks on parity with the Series A Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and as to distributions upon the Company's liquidation, dissolution, or winding-up, or any securities convertible into or exchangeable or exercisable for junior stock or any class or series of capital stock, shall not be deemed to materially and adversely affect the special powers, preferences, privileges, or rights, and shall not require the affirmative vote or consent of, the holders of any outstanding shares of Series A Preferred Stock.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series A Preferred

Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Company for the benefit of the holders of the Series A Preferred Stock to effect such redemption.

Conversion Rights

The holders of shares of the Series A Preferred Stock shall not have any rights to convert such shares into shares of any other class or series of securities of the Company.

Preemptive Rights

The holders of shares of the Series A Preferred Stock will have no preemptive rights with respect to any shares of the Company's capital stock or any of its other securities convertible into or carrying rights or options to purchase or otherwise acquire any such capital stock or any interest therein, regardless of how any such securities may be designated, issued, or granted.

Depositary Shares — Series A Preferred Stock

General

Each depositary share represents a 1/40th interest in a share of the Series A Preferred Stock and will be evidenced by depositary receipts. Subject to the terms of the deposit agreement, the depositary shares will be entitled to all of the powers, preferences, and special rights of the Series A Preferred Stock, as applicable, in proportion to the applicable fraction of a share of Series A Preferred Stock those depositary shares represent. As of September 30, 2024, there were 3,280,000 depositary shares issued in respect of the Series A Preferred Stock.

Dividends and Other Distributions

Each dividend payable on a depositary share will be in an amount equal to 1/40th of the dividend declared and payable on each share of Series A Preferred Stock.

The depositary will distribute all dividends and other cash distributions received on the Series A Preferred Stock to the holders of record of the depositary receipts in proportion to the number of depositary shares held by each holder. If the Company makes a distribution other than in cash, the depositary will distribute property received by it to the holders of record of the depositary receipts in proportion to the number of depositary shares held by each holder, unless the depositary determines that this distribution is not feasible, in which case the depositary may, with the Company's approval, adopt a method of distribution that it deems practicable, including the sale of the property and distribution of the net proceeds of that sale to the holders of the depositary receipts.

If the calculation of a dividend or other cash distribution results in an amount that is a fraction of a cent, then the depositary will disregard that fractional amount and it will be added to and be treated as part of the next succeeding distribution.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Series A Preferred Stock.

The amount paid as dividends or otherwise distributable by the depositary with respect to the depositary shares or the underlying Series A Preferred Stock will be reduced by any amounts required to be withheld by the Company or the depositary on account of taxes or other governmental charges. The depositary may refuse to make any payment or distribution, or any transfer, exchange, or withdrawal of any depositary shares or the shares of the Series A Preferred Stock, until such taxes or other governmental charges are paid.

Liquidation Preference

In the event of liquidation, dissolution, or winding-up, a holder of depositary shares will receive the fraction of the liquidation preference accorded each share of underlying Series A Preferred Stock represented by the depositary shares.

Neither the sale, conveyance, exchange, or transfer of all or substantially all of the Company's assets or business, nor the consolidation or merger by the Company with or into any other entity or by another entity with or into the Company, whether for cash, securities, or other property, individually or as part of a series of transactions, will constitute a liquidation, dissolution, or winding-up of the Company's affairs.

Redemption of Depositary Shares

If the Company redeems the Series A Preferred Stock, in whole or in part, depositary shares also will be redeemed with the proceeds received by the depositary from the redemption of the Series A Preferred Stock held by the depositary. The redemption price per depositary share will be 1/40th of the redemption price per share payable with respect to the Series A Preferred Stock (or $25 per depositary share), plus 1/40th of the per share amount of any declared and unpaid dividends, without accumulation of any undeclared dividends, on the Series A Preferred Stock to, but excluding, the redemption date.

If the Company redeems shares of the Series A Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing those shares of the Series A Preferred Stock so redeemed. If the Company redeems less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected either pro rata or by lot or in such other manner as the Company may determine to be fair and equitable. The depositary will provide notice of redemption to record holders of the depositary receipts not less than 30 days and not more than 60 days prior to the date fixed for redemption of the Series A Preferred Stock and the related depositary shares.

Voting

Because each depositary share represents a 1/40th ownership interest in a share of Series A Preferred Stock, holders of depositary receipts will be entitled to vote 1/40th of a vote per depositary share under those limited circumstances in which holders of the Series A Preferred Stock are entitled to vote.

When the depositary receives notice of any meeting at which the holders of the Series A Preferred Stock are entitled to vote, the depositary will, if requested in writing and provided with all necessary information, provide the information contained in the notice to the record holders of the depositary shares relating to the Series A Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series A Preferred Stock, may instruct the depositary to vote the amount of the Series A Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote or cause to be voted the amount of the Series A Preferred Stock represented by depositary shares in accordance with the instructions it receives. The Company will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series A Preferred Stock, it will abstain from voting with respect to such shares (but may, at its discretion, appear at the meeting with respect to such shares unless directed to the contrary).

Depositary

Computershare Inc. and Computershare Trust Company, N.A. are currently acting as the joint depositary for the depositary shares. We may terminate such appointment and may appoint a successor depositary at any time and from time to time, provided that we will use our best efforts to ensure that there is, at all relevant times when the Series A Preferred Stock is outstanding, a person or entity appointed and serving as such depositary.

Series B Preferred Stock

The board of directors will designate a series of preferred stock, comprised of 100,000 shares of the preferred stock, no par value per share, as the 7.25% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series B (the "Series B Preferred Stock"). Such shares shall have a liquidation preference of $1,000 per share.

Ranking

Shares of the Series B Preferred Stock rank, with respect to the payment of dividends and distributions upon liquidation, dissolution, or winding-up:

- senior to common stock and to any class or series of capital stock the Company may issue that is not expressly stated to be on parity with or senior to the Series B Preferred Stock;
- on parity with, or equally to, any class or series of capital stock expressly stated to be on parity with the Series B Preferred Stock, including the Series A Preferred Stock and the Series B Preferred Stock; and
- junior to any class or series of capital stock expressly stated to be senior to the Series B Preferred Stock.

Dividends

Dividends on shares of the Series B Preferred Stock are discretionary and will not be cumulative. Holders of the Series B Preferred Stock will be entitled to receive, if, when, and as declared by the board of directors or a duly authorized committee of board of directors, out of legally available assets, non-cumulative cash dividends quarterly in arrears on March 30, June 30, September 30, and December 30 of each year, beginning on March 30, 2022 (each such date being referred to herein as a "dividend payment date") based on a liquidation preference of $1,000 per share (equivalent to $25 per depositary share).

If declared by board of directors or a duly authorized committee of board of directors, dividends will accrue from and including the original issue date to, but excluding, December 30, 2026 or the date of earlier redemption (the "fixed rate period"), at a rate of 7.25% per annum. If declared by board of directors or a duly authorized committee of board of directors, dividends will accrue from and including December 30, 2026 to, but excluding, the date of earlier redemption (the "floating rate period"), at a floating rate per annum equal to the Benchmark rate (which is expected to be Three-Month Term SOFR) plus a spread of 799 basis points. Notwithstanding the foregoing, if the Benchmark rate is less than zero, the Benchmark rate shall be deemed to be zero.

Dividends on shares of the Series B Preferred Stock are not cumulative. Accordingly, if board of directors or a duly authorized committee of board of directors does not declare a full dividend on the Series B Preferred Stock payable in respect of any dividend period before the related dividend payment date, such dividend will not accrue and the Company will have no obligation to pay a dividend for that dividend period on the dividend payment date or at any future time, whether or not dividends on the Series B Preferred Stock are declared for any future dividend period.

Priority of Dividends

The Series B Preferred Stock will rank junior as to payment of dividends to any class or series of the preferred stock that the Company may issue in the future that is expressly stated to be senior to the Series B Preferred Stock. If at any time the Company does not pay, on the applicable dividend payment date, accrued dividends on any shares that rank in priority to the Series B Preferred Stock with respect to dividends, the Company may not pay any dividends on the Series B Preferred Stock or repurchase, redeem, or otherwise acquire for consideration any shares of Series B Preferred Stock until the Company has paid, or set aside for payment, the full amount of the unpaid dividends on the shares that rank in priority with respect to dividends that must, under the terms of such shares, be paid before the Company may pay dividends on, repurchase, redeem, or otherwise acquire for consideration, the Series B Preferred Stock. As of the date hereof, there are no other shares of preferred stock issued and outstanding.

So long as any share of Series B Preferred Stock remains outstanding, unless the full dividends for the most recently completed dividend period have been declared and paid, or set aside for payment, on all outstanding shares of Series B Preferred Stock:

- no dividend or distribution shall be declared, paid, or set aside for payment on any junior stock (other than (i) a dividend payable solely in junior stock or (ii) a dividend in connection with the

implementation of a stockholders' rights plan, or the issuance of rights, stock, or other property under any such plan, or the redemption or repurchase of any rights under any such plan);

- no junior stock shall be repurchased, redeemed, or otherwise acquired for consideration by the Company, directly or indirectly (other than (i) as a result of a reclassification of junior stock for or into other junior stock, (ii) the exchange or conversion of shares of junior stock for or into other shares of junior stock, (iii) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock, (iv) purchases, redemptions, or other acquisitions of shares of the junior stock in connection with any employment contract, benefit plan, or other similar arrangement with or for the benefit of employees, officers, directors, or consultants, (v) purchases of shares of junior stock pursuant to a contractually binding requirement to buy junior stock existing prior to the most recently completed dividend period, including under a contractually binding stock repurchase plan, or (vi) the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged) nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities; and
- no parity stock shall be repurchased, redeemed, or otherwise acquired for consideration by the Company, directly or indirectly (other than (i) pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series B Preferred Stock and any parity stock, (ii) as a result of a reclassification of any parity stock for or into other parity stock, (iii) the exchange or conversion of any parity stock for or into other parity stock or junior stock, (iv) through the use of the proceeds of a substantially contemporaneous sale of other shares of parity stock, (v) purchases of shares of parity stock pursuant to a contractually binding requirement to buy parity stock existing prior to the most recently completed dividend period, including under a contractually binding stock repurchase plan, or (vi) the purchase of fractional interests in shares of parity stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged) nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities.

Notwithstanding the foregoing, if dividends are not paid in full, or set aside for payment in full, on any dividend payment date upon the shares of the Series B Preferred Stock and any shares of parity stock, all dividends declared upon the Series B Preferred Stock and all such parity stock payable on such dividend payment date shall be declared pro rata in proportion to the respective amounts of undeclared and unpaid dividends on the Series B Preferred Stock and all parity stock payable on such dividend payment date. To the extent a dividend period with respect to any parity stock coincides with more than one dividend period with respect to the Series B Preferred Stock for purposes of the immediately preceding sentence, the Company's board of directors will treat such dividend period as two or more consecutive dividend periods, none of which coincides with more than one dividend period with respect to the Series B Preferred Stock, or shall treat such dividend period(s) with respect to any parity stock and dividend period(s) with respect to the Series B Preferred Stock for purposes of the immediately preceding sentence in any other manner that it deems to be fair and equitable in order to achieve ratable payments on such dividend parity stock and the Series B Preferred Stock. To the extent a dividend period with respect to the Series B Preferred Stock coincides with more than one dividend period with respect to any parity stock, for purposes of the first sentence of this paragraph, the board of directors shall treat such dividend period as two or more consecutive dividend periods, none of which coincides with more than one dividend period with respect to such parity stock, or shall treat such dividend period(s) with respect to the Series B Preferred Stock and dividend period(s) with respect to any parity stock for purposes of the first sentence of this paragraph in any other manner that it deems to be fair and equitable in order to achieve ratable payments of dividends on the Series B Preferred Stock and such parity stock. For the purposes of this paragraph, the term "dividend period" as used with respect to any parity stock means such dividend periods as are provided for in the terms of such parity stock.

Subject to the foregoing, dividends (payable in cash, stock, or otherwise) may be declared and paid on junior stock, which includes common stock, from time to time out of any assets legally available for such payment, and the holders of Series B Preferred Stock or parity stock shall not be entitled to participate in any such dividend.

Redemption Rights

The Series B Preferred Stock is perpetual and has no maturity date and is not subject to any mandatory redemption, sinking fund, or other similar provisions. The holders of the Series B Preferred Stock will not have any right to require the redemption or repurchase of their shares of Series B Preferred Stock.

The Company may, at its option, redeem the Series B Preferred Stock (i) in whole or in part, from time to time, on December 30, 2026, or on any dividend payment date on or after December 30, 2026, or (ii) in whole but not in part at any time within 90 days following a "regulatory capital treatment event," in each case at a redemption price equal to $1,000 per share (equivalent to $25 per depositary share), plus the per share amount of any declared and unpaid dividends, without accumulation of any undeclared dividends, on the Series B Preferred Stock to, but excluding, the date fixed for redemption (the "redemption date"). Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the applicable dividend record date will not be paid to the holder entitled to receive the redemption price on the redemption date, but rather will be paid to the holder of record of the redeemed shares on such record date relating to the applicable dividend payment date. Investors should not expect the Company to redeem the Series B Preferred Stock on or after the date it becomes redeemable at the Company's option.

If shares of the Series B Preferred Stock are to be redeemed, the notice of redemption shall be given to the holders of record of the Series B Preferred Stock to be redeemed, by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the Company's stock register not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (provided that, if the shares of Series B Preferred Stock are held in book-entry form through DTC may give such notice in any manner permitted by DTC). Each notice of redemption will include a statement setting forth:

- the redemption date;
- the number of shares of the Series B Preferred Stock to be redeemed and, if less than all of the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder;
- the redemption price; and
- that dividends on the shares to be redeemed will cease to accrue on the redemption date.

If notice of redemption of any shares of Series B Preferred Stock has been duly given and if the funds necessary for such redemption have been set aside by us for the benefit of the holders of any shares of Series B Preferred Stock so called for redemption, then, on and after the redemption date, dividends will cease to accrue on such shares of Series B Preferred Stock, such shares of Series B Preferred Stock shall no longer be deemed outstanding, and all rights of the holders of such shares will terminate, except the right to receive the redemption price, without interest.

In case of any redemption of only part of the shares of the Series B Preferred Stock at the time outstanding, the shares to be redeemed shall be selected pro rata, by lot, or in such other manner as the Company may determine to be equitable and permitted by DTC and the rules of any national securities exchange on which the Series B Preferred Stock is listed.

Liquidation Rights

In the event that the Company voluntarily or involuntarily liquidates, dissolves, or winds up its affairs, holders of the Series B Preferred Stock are entitled to receive out of the Company's assets available for distribution to stockholders, after satisfaction of liabilities and obligations to creditors, if any, and subject to the rights of holders of any shares of capital stock then outstanding ranking senior to or on parity with the Series B Preferred Stock with respect to distributions upon the voluntary or involuntary liquidation, dissolution, or winding-up of the Company's business and affairs, including the Series B Preferred Stock, and before the Company makes any distribution or payment out of its assets to the holders of common stock or any other class or series of capital stock ranking junior to the Series B Preferred Stock with respect to distributions upon liquidation, dissolution, or winding-up, an amount per share equal to the liquidation preference of $1,000 per share plus any declared and unpaid dividends prior to the payment of the liquidating distribution (but without any amount in respect of dividends that have not been declared prior to the date of payment of the liquidating distribution). After payment of the full amount of the liquidating distribution described above, the holders of the Series B Preferred Stock shall not be entitled to any further participation in any distribution of the Company's assets.

In any such distribution, if the Company's assets are not sufficient to pay the liquidation preference in full to all holders of Series B Preferred Stock and all holders of any shares of capital stock ranking as to any such liquidating distribution on parity with the Series B Preferred Stock, including the Series B Preferred Stock, the amounts paid to the holders of Series B Preferred Stock and to such other shares will be paid pro rata in accordance with the respective aggregate liquidation preferences of those holders. In any such distribution, the "liquidation preference" of any holder of preferred stock means the amount otherwise payable to such holder in such distribution (assuming no limitation on the Company's assets available for such distribution), including any declared but unpaid dividends (and, in the case of any holder of stock other than the Series B Preferred Stock and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable). If the liquidation preference per share of Series B Preferred Stock has been paid in full to all holders of Series B Preferred Stock and the liquidation preference per share of any other capital stock ranking on parity with the Series B Preferred Stock as to liquidation rights has been paid in full, the holders of common stock or any other capital stock ranking, as to liquidation rights, junior to the Series B Preferred Stock will be entitled to receive all of the remaining assets according to their respective rights and preferences.

The Series B Preferred Stock may be fully subordinate to interests held by the U.S. government in the event the Company's enters into a receivership, insolvency, liquidation, or similar proceeding, including a proceeding under the "orderly liquidation authority" provisions of the Dodd-Frank Act.

Neither the sale, conveyance, exchange, or transfer of all or substantially all of the Company's assets or business, nor the consolidation or merger by the Company with or into any other entity or by another entity with or into the Company, whether for cash, securities, or other property, individually or as part of a series of transactions, will constitute a liquidation, dissolution, or winding-up of its affairs.

Because the Company is a holding company, the rights and the rights of the Company's creditors and stockholders, including the holders of the Series B Preferred Stock, to participate in any distribution of assets of any of the Company's subsidiaries upon that subsidiary's liquidation, dissolution, reorganization or winding-up or otherwise would be subject to the prior claims of that subsidiary's creditors, except to the extent that the Company is a creditor with recognized claims against the subsidiary.

Holders of the Series B Preferred Stock are subordinate to all of the Company's indebtedness and to other non-equity claims on the Company and its assets, including in the event that the Company enters into a receivership, insolvency, liquidation or similar proceeding. In addition, holders of the Series B Preferred Stock (and of depositary shares representing the Series B Preferred Stock) may be fully subordinated to interests held by the U.S. government in the event that the Company enters into a receivership, insolvency, liquidation or similar proceeding.

Voting Rights

Except as provided below and as determined by the Company's board of directors or a duly authorized committee of board of directors or as otherwise expressly required by law, the holders of the Series B Preferred Stock will have no voting rights.

Whenever dividends on any shares of the Series B Preferred Stock, or any parity stock upon which similar voting rights have been conferred (including the Series A Preferred Stock) ("special voting preferred stock"), shall have not been declared and paid in an aggregate amount equal to the amount of dividends payable on the Series B Preferred Stock for the equivalent of six or more quarterly dividend periods, whether or not consecutive (which refer to as a "nonpayment"), the holders of the Series B Preferred Stock, voting together as a class with holders of any special voting preferred stock then outstanding, will be entitled to vote (based on respective liquidation preferences) for the election of a total of two additional members of board of directors (which referred to as the "preferred directors"); provided that board of directors shall at no time include more than two preferred directors; provided, further, that the election of any such preferred directors may not cause the Company to violate any corporate governance requirement of any exchange on which the Company's securities may be listed. In that event, the number of directors on board of directors shall automatically increase by two and, at the request of any holder of Series B Preferred Stock, a special meeting of the holders of Series B Preferred Stock and such special voting preferred stock, including the Series B Preferred Stock, for which dividends have not been paid shall be called for the election of the two

directors (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), followed by such election at each subsequent annual meeting. These voting rights will continue until full dividends have been paid (or declared and a sum sufficient for the payment of such dividends has been set aside for payment) on the Series B Preferred Stock and such special voting preferred stock for four dividend periods following the nonpayment.

If and when full dividends have been paid (or declared and a sum sufficient for the payment of such dividends has been set aside for payment) for at least four dividend periods following a nonpayment on the Series B Preferred Stock and such special voting preferred stock, the holders of the Series B Preferred Stock and such special voting preferred stock shall be divested of the foregoing voting rights (subject to revesting in the event of each subsequent nonpayment) and the term of office of each preferred director so elected shall terminate and the number of directors on the Company's board of directors shall automatically decrease by two.

Any preferred director may be removed at any time without cause by the holders of a majority of the outstanding shares of the Series B Preferred Stock and such special voting preferred stock, voting together as a class, when they have the voting rights described above. So long as a nonpayment shall continue, any vacancy in the office of a preferred director (other than prior to the initial election of the preferred directors) may be filled by the written consent of the preferred director remaining in office, or if none remains in office, by a vote of the holders of a majority of the outstanding shares of Series B Preferred Stock and such special voting preferred stock, voting together as a class, to serve until the next annual meeting of stockholders; provided that the filling of any such vacancy may not cause the Company to violate any corporate governance requirement of any exchange on which the Company's securities may be listed. The preferred directors shall each be entitled to one vote per director on any matter on which the Company's directors are entitled to vote.

Under regulations adopted by the Federal Reserve, if the holders of one or more series of preferred stock are or become entitled to vote for the election of directors, such series entitled to vote for the same director(s) will be deemed a class of voting securities and a company holding 25% or more of the series, or 10% or more if it otherwise exercises a "controlling influence" over the Company, will be subject to regulation as a bank holding company under the BHC Act. In addition, if the series is/are deemed to be a class of voting securities, any other bank holding company will be required to obtain the prior approval of the Federal Reserve under the BHC Act to acquire or retain more than 5% of that series. Any other person (other than a bank holding company) will be required to obtain the non-objection of the Federal Reserve under the Change in Bank Control Act of 1978, as amended, to acquire or retain 10% or more of that series. While the Company does not believe the shares of Series B Preferred Stock are considered "voting securities" currently, holders of such stock should consult their own counsel with regard to regulatory implications. A holder or group of holders may also be deemed to control the Company if they own one-third or more of the Company's total equity.

So long as any shares of Series B Preferred Stock remain outstanding, in addition to any other vote or consent of stockholders required by law or the Company's Amended and Restated Articles of Incorporation, the affirmative vote or consent of the holders of at least two-thirds of all of the then-outstanding shares of Series B Preferred Stock entitled to vote thereon, voting separately as a single class, shall be required to:

- authorize, create, issue, or increase the authorized amount of any class or series of the Company capital stock ranking senior to the Series B Preferred Stock with respect to payment of dividends or as to distributions upon the Company's liquidation, dissolution, or winding-up, or issue any obligation or security convertible into or exchangeable for, or evidencing the right to purchase, any such class or series of the Company's capital stock;
- amend, alter, or repeal the provisions of the Company's Amended and Restated Articles of Incorporation, including the certificate of designation, whether by merger, consolidation, or otherwise, so as to materially and adversely affect the special powers, preferences, privileges, or rights of the Series B Preferred Stock, taken as a whole; or
- consummate a binding share exchange or reclassification involving the Series B Preferred Stock, or complete the sale, conveyance, exchange, or transfer of all or substantially all of the Company's assets

or business or consolidate with or merge into any other corporation, unless, in each case, the shares of the Series B Preferred Stock (i) remain outstanding or (ii) are converted into or exchanged for preference securities of the surviving entity or any entity controlling such surviving entity and such new preference securities have powers, preferences, privileges, and rights that are not materially less favorable to the holders thereof than the powers, preferences, privileges, and rights of the Series B Preferred Stock, taken as a whole.

When determining the application of the voting rights described in this section, the authorization, creation, and issuance, or an increase in the authorized or issued amount, of junior stock or any class or series of capital stock that by its terms expressly provides that it ranks on parity with the Series B Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and as to distributions upon the Company's liquidation, dissolution, or winding-up, or any securities convertible into or exchangeable or exercisable for junior stock or any class or series of capital stock, shall not be deemed to materially and adversely affect the special powers, preferences, privileges, or rights, and shall not require the affirmative vote or consent of, the holders of any outstanding shares of Series B Preferred Stock.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series B Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Company for the benefit of the holders of the Series B Preferred Stock to effect such redemption.

Conversion Rights

The holders of shares of the Series B Preferred Stock shall not have any rights to convert such shares into shares of any other class or series of securities of the Company.

Preemptive Rights

The holders of shares of the Series B Preferred Stock will have no preemptive rights with respect to any shares of the Company's capital stock or any of its other securities convertible into or carrying rights or options to purchase or otherwise acquire any such capital stock or any interest therein, regardless of how any such securities may be designated, issued, or granted.

Depositary Shares — Series B Preferred Stock

General

Each depositary share represents a 1/40th interest in a share of the Series B Preferred Stock and will be evidenced by depositary receipts. Subject to the terms of the deposit agreement, the depositary shares will be entitled to all of the powers, preferences, and special rights of the Series B Preferred Stock, as applicable, in proportion to the applicable fraction of a share of Series B Preferred Stock those depositary shares represent. As of September 30, 2024, there were 1,000,000 depositary shares issued in respect of the Series B Preferred Stock.

Dividends and Other Distributions

Each dividend payable on a depositary share will be in an amount equal to 1/40th of the dividend declared and payable on each share of Series B Preferred Stock.

The depositary will distribute all dividends and other cash distributions received on the Series B Preferred Stock to the holders of record of the depositary receipts in proportion to the number of depositary shares held by each holder. If the Company makes a distribution other than in cash, the depositary will distribute property received by it to the holders of record of the depositary receipts in proportion to the number of depositary shares held by each holder, unless the depositary determines that this distribution is not feasible, in which case the depositary may, with the Company's approval, adopt a method of distribution

that it deems practicable, including the sale of the property and distribution of the net proceeds of that sale to the holders of the depositary receipts.

If the calculation of a dividend or other cash distribution results in an amount that is a fraction of a cent, then the depositary will disregard that fractional amount and it will be added to and be treated as part of the next succeeding distribution.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Series B Preferred Stock.

The amount paid as dividends or otherwise distributable by the depositary with respect to the depositary shares or the underlying Series B Preferred Stock will be reduced by any amounts required to be withheld by the Company or the depositary on account of taxes or other governmental charges. The depositary may refuse to make any payment or distribution, or any transfer, exchange, or withdrawal of any depositary shares or the shares of the Series B Preferred Stock, until such taxes or other governmental charges are paid.

Liquidation Preference

In the event of liquidation, dissolution, or winding-up, a holder of depositary shares will receive the fraction of the liquidation preference accorded each share of underlying Series B Preferred Stock represented by the depositary shares.

Neither the sale, conveyance, exchange, or transfer of all or substantially all of the Company's assets or business, nor the consolidation or merger by the Company with or into any other entity or by another entity with or into the Company, whether for cash, securities, or other property, individually or as part of a series of transactions, will constitute a liquidation, dissolution, or winding-up of the Company's affairs.

Redemption of Depositary Shares

If the Company redeems the Series B Preferred Stock, in whole or in part, depositary shares also will be redeemed with the proceeds received by the depositary from the redemption of the Series B Preferred Stock held by the depositary. The redemption price per depositary share will be 1/40th of the redemption price per share payable with respect to the Series B Preferred Stock (or $25 per depositary share), plus 1/40th of the per share amount of any declared and unpaid dividends, without accumulation of any undeclared dividends, on the Series B Preferred Stock to, but excluding, the redemption date.

If the Company redeems shares of the Series B Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing those shares of the Series B Preferred Stock so redeemed. If the Company redeems less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected either pro rata or by lot or in such other manner as the Company may determine to be fair and equitable. The depositary will provide notice of redemption to record holders of the depositary receipts not less than 30 days and not more than 60 days prior to the date fixed for redemption of the Series B Preferred Stock and the related depositary shares.

Voting

Because each depositary share represents a 1/40th ownership interest in a share of Series B Preferred Stock, holders of depositary receipts will be entitled to vote 1/40th of a vote per depositary share under those limited circumstances in which holders of the Series B Preferred Stock are entitled to vote.

When the depositary receives notice of any meeting at which the holders of the Series B Preferred Stock are entitled to vote, the depositary will, if requested in writing and provided with all necessary information, provide the information contained in the notice to the record holders of the depositary shares relating to the Series B Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series B Preferred Stock, may instruct the depositary to vote the amount of the Series B Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote or cause to be voted the amount of the Series B Preferred Stock represented by depositary shares in accordance with the instructions it receives. The Company will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as

instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series B Preferred Stock, it will abstain from voting with respect to such shares (but may, at its discretion, appear at the meeting with respect to such shares unless directed to the contrary).

Depositary

Computershare Inc. and Computershare Trust Company, N.A. are currently acting as the joint depositary for the depositary shares. We may terminate such appointment and may appoint a successor depositary at any time and from time to time, provided that we will use our best efforts to ensure that there is, at all relevant times when the Series B Preferred Stock is outstanding, a person or entity appointed and serving as such depositary.

Registration Rights for Preferred Stock

We have entered into registration rights agreements dated December 30, 2020 and December 30, 2021, respectively, with holders of our Series A Preferred Stock and Series B Preferred Stock, respectively. Subject to certain exceptions, such registration rights agreements generally require us to file registration statements covering the Series A Preferred Stock and Series B Preferred Stock within 90 days following the completion of a public offering of our common stock. Additionally, we would be required no later than 90 days following the completion of a public offering of our common stock to submit an initial listing application or equivalent application to list the shares of Series A Preferred Stock and Series B Preferred Stock for trading on a nationally recognized securities exchange.

Anti-Takeover Provisions

Provisions of our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws, and the MBCA and federal banking regulations applicable to us, may be deemed to have anti-takeover effects and may delay, defer or prevent a change of control of the Company and/or limit the price that certain investors may be willing to pay in the future for shares of our common stock. See the section entitled “Supervision and Regulation — Regulation of the Company” for a description of the federal banking regulations applicable to us that may be deemed to have anti-takeover effects.

Authorized but Unissued Shares

The corporate laws and regulations applicable to us will enable our board of directors to issue, from time to time and at its discretion, but subject to the rules of any applicable securities exchange, any authorized but unissued shares of our common stock or preferred stock. Any such issuance of shares could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The ability of our board of directors to issue authorized but unissued shares of our common stock or preferred stock at its sole discretion may enable our board of directors to sell shares to individuals or groups who the board of directors perceives as friendly with management, which may make more difficult unsolicited attempts to obtain control of our organization. In addition, the ability of our board of directors to issue authorized but unissued shares of our capital stock at its sole discretion could deprive the stockholders of opportunities to sell their shares of common stock or preferred stock for prices higher than prevailing market prices.

Preferred Stock

Our Amended and Restated Articles of Incorporation contains provisions that will permit our board of directors to issue, without any further vote or action by the stockholders, shares of preferred stock in one or more series and, with respect to each such series, to fix the number of shares constituting the series and the designation of the series, the voting rights (if any) of the shares of the series, and the powers, preferences and relative, participation, optional and other special rights, if any, and any qualifications, limitations or restrictions, of the shares of such series.

Board Size and Vacancies

Pursuant to our Amended and Restated Bylaws, our board of directors are authorized to have not less than two nor more than 25 directors, unless changed by resolution of our board of directors. Our board of

directors will be able to increase the size of the board of directors between annual meetings and fill the vacancies created by the increase by a majority of the remaining directors.

No Cumulative Voting

Our Amended and Restated Bylaws do not permit cumulative voting in the election of directors. In the absence of cumulative voting, the holders of a majority of the shares of our common stock may elect all of the directors standing for election, if they should so choose.

Special Meetings of Stockholders

For a special stockholders' meeting to be called, our Amended and Restated Bylaws require the Chairman of the board of directors, the Company's President, or any two directors to call it pursuant to resolution therefor by the board of directors.

Advance Notice Procedures for Director Nominations and Stockholder Proposals

Our Amended and Restated Bylaws includes an advance notice procedure with regard to business to be brought before an annual or special meeting of stockholders and with regard to the nomination of candidates for election as directors, other than by or at the direction of the board of directors. Although this procedure does not give our board of directors any power to approve or disapprove stockholder nominations for the election of directors or proposals for action, it may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if the established procedure is not followed, and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its proposal without regard to whether consideration of the nominees or proposals might be harmful or beneficial to our stockholders and us.

Amending our Amended and Restated Bylaws

Our board of directors may amend our Amended and Restated Bylaws, other than a bylaw specifying or changing a fixed number of directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa, without stockholder approval.

Approval of Merger

Under the MBCA, most business combinations, including mergers, consolidations and sales of substantially all of the assets of a Michigan corporation, must be approved by the vote of the holders of at least a majority of the outstanding shares of common stock and any other affected class of stock of such corporation. The articles of incorporation or bylaws of a Michigan corporation may, but are not required to, set a higher standard for approval of such transactions. Our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws do not set higher limits.

Michigan Law and Federal Banking Laws

We are subject to the provisions of Sections 775, *et seq.*, of the MBCA, which contain provisions that may have the effect of deterring hostile takeovers or delaying or preventing changes in control in which our stockholders could receive a premium for their shares or other changes in our management. Prior to entering into any "business combination," we must obtain an advisory statement from our board of directors and approval of (a) at least 90% of the votes of each class of stock entitled to vote and (b) at least two-thirds of the votes of each class of stock entitled to vote, other than those beneficially owned by the "interested stockholder." A "business combination" broadly encompasses various forms of sale or merger to which an "interested stockholder" or their affiliate is a party. Michigan law considers a person to be an "interested stockholder" if the person directly or indirectly beneficially owns 10% or more of the subject entity's voting stock or is an affiliate of the subject entity and, at any time during the prior two-year period, directly or indirectly beneficially owned 10% or more of the subject entity's voting stock. Accordingly, the MBCA could make it significantly more difficult for a third party to acquire control of our Company by preventing a possible acquirer from cashing out minority stockholders or selling substantially all of our assets to a related party and therefore could discourage a hostile bid, or delay, prevent or deter entirely a merger,

acquisition or tender offer in which our stockholders could receive a premium for their shares, or effect a proxy contest for control of us or other changes in our management.

Furthermore, the BHC Act, and CBCA, and Michigan Financial Code impose notice, application and approvals and ongoing regulatory requirements on any stockholder or other party that seeks to acquire direct or indirect control of BHCs or banks, as applicable. These laws could delay or prevent an acquisition.

Other Matters

Under our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws, the holders of our common stock have no preemptive or other subscription rights (except as otherwise disclosed herein) and there are no redemption, sinking fund or conversion privileges applicable to our common stock.

Listing

We intend to apply to list our common stock on the NYSE under the symbol “NPB.”

Transfer Agent

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no established public market for our common stock. Although we intend to apply to list our common stock on the NYSE, we cannot assure you that a significant public market for our common stock will develop or be sustained. Future sales of substantial amounts of our common stock (including shares issued on the exercise of options) in the public market, or the perception that such sales could occur, could adversely affect prevailing market prices as well as our ability to raise equity capital in the future.

Upon completion of this offering, based on the number of shares of our capital stock outstanding as of September 30, 2024, we will have shares of common stock issued and outstanding (or shares if the underwriters exercise their option to purchase additional shares in full). Of these shares, all shares sold by us and the selling stockholders in this offering will be freely tradable without further restriction or registration under the Securities Act, except for any shares purchased by our "affiliates" as that term is defined in Rule 144 under the Securities Act. Shares purchased by our affiliates would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

The remaining outstanding shares of our common stock will be deemed "restricted securities" as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. As a result of the lock-up agreements and market standoff provisions described below and subject to the provisions of Rule 144 or Rule 701, shares will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all of the shares of our common stock sold in this offering, which includes shares of our common stock to be sold in this offering by the selling stockholders, will be immediately available for sale in the public market;
- beginning on the date of this prospectus, shares of our common stock, assuming no exercise of outstanding options, will be immediately available for sale in the public market;
- beginning days after the date of this prospectus, additional shares of our common stock will become eligible for sale in the public market, of which shares will be held by affiliates and subject to the volume and other restrictions of Rule 144, as described below; provided that , such additional shares shall become eligible for sale in the public market; and
- the remainder of the shares of our common stock will be eligible for sale in the public market from time to time thereafter upon subject to vesting and, in some cases, to the volume and other restrictions of Rule 144, as described below.

Lock-Up Agreements and Market Standoff Provisions

All our directors, executive officers and of our outstanding common stock are subject to lock-up agreements or market standoff provisions that, subject to certain exceptions described under the section entitled "Underwriting," prohibit them from (i) offering, pledging, selling, contracting to sell, granting any option, right or warrant for the sale of, or otherwise disposing of any shares of our common stock or any securities convertible into or exchangeable or exercisable for our common stock, whether now owned or hereafter acquired or with respect to which such person has or hereafter acquires the power of disposition, or exercise any right with respect to the registration thereof, or file or cause to be filed any registration statement under the Securities Act, with respect to any of the foregoing; (ii) entering into any swap, hedge or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economics of ownership of the shares of our common stock or such other securities, whether any such swap or transaction is to be settled by delivery of shares of our common stock or other securities, in cash or otherwise; or (iii) publicly disclosing the intention to make any such offer, pledge, sale or disposition, or entering into any such swap, hedge, transaction or other arrangement. for a period of at least 180 days following the date of this prospectus, without the prior written consent of ; provided that . These agreements are subject to certain customary exceptions. For additional information, see the section entitled "Underwriting — Lock-Up Agreements." As a result of these contractual restrictions, shares of our common stock subject to lock-up agreements will not be eligible for sale until these agreements expire or the restrictions are waived by the underwriters.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144 and the requirements of the lock-up and market standoff agreements, as described above. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares (subject to the requirements of the lock-up and market standoff agreements, as described above) without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon expiration of the lock-up and market standoff provisions described above, within any three-month period, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 under the Securities Act generally applies to stockholders who purchased our capital stock pursuant to a written compensatory plan or other written agreement and who is not deemed to have been an affiliate during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. before the issuer becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options. All holders of Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701. Moreover, all Rule 701 shares are subject to lock-up agreements and or market standoff agreements as described under the section entitled “Underwriting” and will not become eligible for sale until the expiration of those agreements.

Registration Statement on Form S-8

In connection with this offering, we intend to file one or more registration statements on Form S-8 under the Securities Act registering shares of our common stock subject to outstanding stock options and the shares of common stock reserved for issuance under our equity incentive plans. We expect to file this registration statement as soon as permitted under the Securities Act. However, the shares registered on Form S-8 may be subject to the volume limitations and the manner of sale, notice and public information requirements of Rule 144 and will not be eligible for resale until expiration of the lock-up and market standoff agreements to which they are subject, as described under the section entitled “Underwriting.”

Registration Rights

See the section entitled “Certain Relationships and Related Party Transactions — Transactions with Castle Creek — Registration Rights.”

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS

The following is a summary of the material United States federal income tax consequences relevant to non-U.S. holders, as defined below, of the purchase, ownership and disposition of our common stock. The following summary is based on the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the applicable United States federal income tax regulations promulgated under the Code (the "Treasury Regulations") and judicial and administrative authority as of the date hereof, all of which are subject to change, possibly with retroactive effect. We have not sought and do not plan to seek any ruling from the Internal Revenue Service (the "IRS") with respect to the statements made and the conclusions reached in the following discussion, and we cannot assure you that the IRS or a court will agree with our statements and conclusions. This summary does not consider the consequences related to state, local, gift, estate, or foreign tax or the Medicare tax on certain investment income, nor does it address tax consequences to special classes of investors, including, but not limited to, tax-exempt organizations, insurance companies, banks or other financial institutions, partnerships or other entities classified as partnerships for United States federal income tax purposes, dealers in securities, persons liable for the alternative minimum tax, regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, United States expatriates or United States expatriated entities, those who are subject to the United States anti-inversion rules, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, persons who have acquired our common stock as compensation or otherwise in connection with the performance of services, or persons that will hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction," synthetic security or other integrated investment or risk reduction transaction. Tax consequences may vary depending upon the particular status of an investor. The summary is limited to non-U.S. holders who will hold our common stock as capital assets (generally, property held for investment) within the meaning of section 1221 of the Code. Each potential non-U.S. investor should consult its own tax advisor as to the United States federal, state, local, foreign and any other tax consequences of the purchase, ownership and disposition of our common stock.

You are a "non-U.S. holder" if you are a beneficial owner of our common stock for United States federal income tax purposes that is:

- a nonresident alien individual, other than certain former citizens and residents of the United States subject to U.S. tax as expatriates;
- a corporation (or other entity that is taxable as a corporation for United States federal income tax purposes) not created or organized in the United States or under the laws of the United States or of any State (or the District of Columbia);
- an estate other than an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or
- a trust other than a trust: (A) the administration of which is subject to the primary supervision of a United States court and which has one or more "United States persons" (as defined in Section 7701(a)(30) of the Code) who have the authority to control all substantial decisions of the trust; or (B) that has a valid election in effect under appropriate Treasury Regulations to be treated as a United States person.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are treated as a partner in such an entity or arrangement holding our common stock, you should consult your tax advisor as to the United States federal income tax consequences applicable to you.

Distributions

Distributions of cash or property (other than certain stock distributions) with respect to our common stock will be treated as dividends when paid to the extent of our current and accumulated earnings and profits as determined for United States federal income tax purposes as of the end of the taxable year of the distribution. To the extent any such distributions exceed both our current and accumulated earnings and

profits, such excess amount will be allocated ratably among each share of common stock with respect to which the distribution is paid and will first be treated as a tax-free return of capital reducing your adjusted tax basis in our common stock, but not below zero, and thereafter will be treated as gain from the sale or other taxable disposition of such stock, the treatment of which is discussed below under "Gain on Disposition of Shares of Common Stock." Your adjusted tax basis in a share of our common stock is generally your purchase price for such share, reduced (but not below zero) by the amount of such prior tax-free returns of capital.

Except as described below, if you are a non-U.S. holder of our common stock, dividends paid to you are subject to withholding of United States federal income tax at a 30% gross rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. We may withhold up to 30% of the gross amount of the entire distribution, even if greater than the amount constituting a dividend (as described in the paragraph above), to the extent provided for in the Treasury Regulations. If tax is withheld on the amount of a distribution in excess of the amount constituting a dividend, then a refund of any such excess amounts may be obtained if a refund claim is timely filed with the IRS.

Even if you are eligible for a lower treaty rate, we and other payors will generally be required to withhold at a 30% gross rate (rather than the lower treaty rate) on dividends paid to you, unless you have furnished to us or our paying agent:

- a valid IRS Form W-8BEN, W-8BEN-E or an acceptable substitute form upon which you certify, under penalties of perjury, your status as a non-U.S. person and your entitlement to the lower treaty rate with respect to such payments, or
- if our common stock is held through certain foreign intermediaries or foreign partnerships, other documentary evidence establishing your entitlement to the lower treaty rate in accordance with Treasury Regulations.

This valid certification must be provided to us or our paying agent prior to the payment to you of any dividends and must be updated periodically, including upon a change in circumstances that makes any information on such certificate incorrect.

If you are eligible for a reduced rate of U.S. withholding tax under a tax treaty, you may obtain a refund of any amounts withheld in excess of that rate by timely filing a refund claim with the IRS.

If dividends paid to you are "effectively connected" with your conduct of a trade or business within the United States, and, if required by a tax treaty, the dividends are attributable to a permanent establishment that you maintain in the United States, we generally are not required to withhold tax from such dividends, provided that you have furnished to us or our paying agent a valid IRS Form W-8ECI or an acceptable substitute form upon which you represent, under penalties of perjury, that:

- you are a non-U.S. person; and
- the dividends are effectively connected with your conduct of a trade or business within the United States and are includible in your gross income.

"Effectively connected" dividends, although not subject to withholding tax, are taxed on a net income basis at applicable graduated individual or corporate tax rates in generally the same manner as if the non-U.S. holder were a United States person, unless an applicable income tax treaty provides otherwise. If you are a corporate non-U.S. holder, "effectively connected" dividends that you receive may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% gross rate, or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Gain on Disposition of Shares of Common Stock

Subject to the discussions below regarding backup withholding and FATCA, if you are a non-U.S. holder, you generally will not be subject to United States federal income or withholding tax on gain realized on the sale, exchange or other disposition of our common stock unless (i) you are an individual who is present in the United States for 183 or more days in the taxable year of the sale or other disposition and certain other conditions exist, (ii) the gain is "effectively connected" with your conduct of a trade or business

in the United States, and the gain is attributable to a permanent establishment that you maintain in the United States, if that is required by an applicable income tax treaty as a condition to subjecting you to United States taxation on a net income basis; or (iii) we are or have been a U.S. real property holding corporation ("USRPHC") for United States federal income tax purposes at any time during the shorter of the five-year period ending on the date of the disposition or the period that you held shares of our common stock, and certain other conditions are met.

If you are an individual described in (i) above, you will be subject to a 30% tax (or such lower rate as may be specified by an applicable income tax treaty) on the net gain derived from the sale, which may be offset by certain United States source capital losses, if any, recognized in the taxable year of the disposition of our common stock. If you are a non-U.S. holder described in (ii) above, gain recognized on the sale will generally be subject to United States federal income tax at graduated United States federal income tax rates on a net income basis and in generally the same manner as if the non-U.S. holder were a United States person, unless an applicable income tax treaty provides otherwise. Additionally, a non-U.S. holder that is a corporation may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits, subject to certain adjustments, or at such lower rate as may be specified by an applicable income tax treaty. We believe, although we have not made a determination, that we are not currently and will not become a USRPHC. If, however, we are or become a USRPHC, so long as our common stock continues to be regularly traded on an established securities market, only a non-U.S. holder who holds, or held (at any time during the shorter of the five-year period ending on the date of disposition or the non-U.S. holder's holding period) more than 5% of our common stock will be subject to United States federal income tax on the disposition of the common stock. Non-U.S. holders should consult their own tax advisors about the consequences if we are, or become, a USRPHC.

Non-U.S. holders should consult their tax advisors regarding any applicable tax treaties that may provide different results.

Information Reporting and Backup Withholding

Payment of dividends, and the tax withheld on those payments, are subject to information reporting requirements. These information reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty. Under the provisions of an applicable income tax treaty or agreement, copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides. U.S. backup withholding will generally apply on payment of dividends to non-U.S. holders unless such non-U.S. holders furnish to the payor a Form W-8BEN or Form W-8BEN-E (or other applicable form), or otherwise establish an exemption and the payor does not have actual knowledge or reason to know that the holder is a United States person that is not an exempt recipient or that the conditions of any other exemption are not, in fact, satisfied.

Payment of the proceeds of a sale or other disposition of our common stock within the United States or conducted through certain U.S.-related entities and financial intermediaries is subject to information reporting and, depending on the circumstances, backup withholding, unless the non-U.S. holder, or beneficial owner thereof, as applicable, certifies that it is a non-U.S. holder on Form W-8BEN, W-8BEN-E (or other applicable form), or otherwise establishes an exemption and the payor does not have actual knowledge or reason to know the holder is a United States person that is not an exempt recipient or that the conditions of any other exemption are not, in fact, satisfied.

Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules from a payment to a non-U.S. holder may be allowed as a refund or a credit against the non-U.S. holder's United States federal income tax liability, provided that the non-U.S. holder timely provides the required information to the IRS. Moreover, certain penalties may be imposed by the IRS on a non-U.S. holder who is required to furnish information but does not do so in the proper manner. Non-U.S. holders should consult their tax advisors regarding the application of backup withholding in their particular circumstances and the availability of and procedure for obtaining an exemption from backup withholding under current Treasury Regulations.

FATCA Withholding

The Foreign Account Tax Compliance Act, or FATCA, imposes a 30% withholding tax on certain types of payments made to "foreign financial institutions," or "FFIs," and certain other non-U.S. entities unless certain due diligence, reporting, withholding, and certification requirements are satisfied.

As a general matter, FATCA imposes a 30% withholding tax on dividends on our common stock if paid to a foreign entity unless (i) the foreign entity is an FFI that undertakes certain due diligence, reporting, withholding, and certification obligations, or in the case of an FFI that is a resident in a jurisdiction that has entered into an intergovernmental agreement to implement FATCA, the entity complies with the diligence and reporting requirements of such an agreement; (ii) the foreign entity is not an FFI and either certifies that it does not have any "substantial" U.S. owners or furnishes identifying information regarding each substantial U.S. owner, or (iii) the foreign entity qualifies for an exemption from these rules. In certain cases, a "substantial" United States owner can mean an owner of any interest in the foreign entity.

On December 13, 2018, the IRS and the Treasury Department issued proposed regulations that provide certain guidance and relief from the regulatory burden associated with FACTA, or the Proposed Regulations. The Proposed Regulations provide that the gross proceeds from a disposition of stock, such as our common stock, is no longer subject to the 30% withholding tax under FATCA. With limited exceptions, the IRS and the Treasury Department provide that taxpayers can generally rely on the Proposed Regulations until final regulations are issued.

If withholding is required under FATCA on a payment related to our common stock, investors that otherwise would be exempt from withholding (or that otherwise would be entitled to a reduced rate of withholding) generally will be required to seek a refund or credit from the IRS to obtain the benefit of such exemption or reduction (provided that such benefit is available).

Non-U.S. holders are encouraged to consult with their tax advisors regarding the possible implications of FATCA on their investment in our common stock.

This summary is for general information only and is not intended to constitute a complete description of all U.S. federal income tax consequences for non-U.S. holders relating to the purchase, ownership, and disposition of shares of our common stock. If you are considering the purchase of shares of our common stock, you should consult with your tax advisor concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of shares of our common stock, as well as the consequences to you arising under U.S. tax laws other than the federal income tax law discussed in this summary or under the laws of any other applicable taxing jurisdiction in light of your particular circumstances.

UNDERWRITING

We and the selling stockholders are offering the shares of our common stock described in this prospectus in an underwritten offering in which we, the selling stockholders and Keefe, Bruyette & Woods, Inc., as representative for the underwriters named below, are entering into an underwriting agreement with respect to the shares of our common stock being offered hereby. Subject to certain conditions, each underwriter has severally agreed to purchase, and we and the selling stockholders have severally and not jointly agreed to sell, the respective number of shares of common stock indicated in the following table.

	Number of Shares
Keefe, Bruyette & Woods	
Total	

This is a firm commitment underwritten offering. The underwriters are offering the shares of our common stock subject to a number of conditions, including (among other things) that the representations and warranties made by us and the selling stockholders to the underwriters in the underwriting agreement are true, that there is no material adverse change in the financial markets, that we and the selling stockholders deliver customary closing documents and legal opinions to the underwriters and receipt and acceptance of our common stock by the underwriters. The obligations of the underwriters to pay for and accept delivery of the shares offered by this prospectus are subject to these conditions. The underwriting agreement further provides that if any underwriter defaults, the purchase commitments of the non-defaulting underwriters may be increased or this offering may be terminated.

In connection with this offering, the underwriters or securities dealers may distribute offering documents to investors electronically. See the section entitled "— Electronic Distribution."

Underwriting Discount

Shares of our common stock sold by the underwriters to the public will be offered at the initial public offering price set forth on the cover page of this prospectus. Any shares of our common stock sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. If all of the shares of our common stock are not sold at the initial public offering price, the representatives may change the offering price and the other selling terms. Sales of shares of our common stock made outside of the U.S. may be made by affiliates of the underwriters. The underwriters reserve the right to reject an order for the purchase of shares, in whole or in part.

The following table shows the initial public offering price, underwriting discounts and proceeds before expenses to us and to the selling stockholders. The information assumes either no exercise or full exercise by the underwriters of their option to purchase an additional shares of our common stock from us, discussed below:

	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts			
Proceeds to us, before Expenses			
Proceeds to selling stockholders, before expense			

We and the selling stockholders estimate the expenses of this offering, not including the underwriting discounts, to be approximately $, and such expenses are payable by us. We also have agreed to reimburse the underwriters for their expenses incurred in connection with this offering in an amount up to $.

Option to Purchase Additional Shares

We have granted the underwriters an option to purchase up to additional shares of our common stock, at the initial public offering price, less the underwriting discount. The underwriters may exercise this option, in whole or in part, from time to time for a period of 30 days from the date of this prospectus. We will be obligated to sell these shares to the underwriters to the extent the overallotment option is exercised. Furthermore, if the underwriters exercise this option, each underwriter will be obligated, subject to the conditions in the underwriting agreement, to purchase a number of additional shares of common stock from us proportionate to the number of shares reflected next to such underwriter's name in the table above relative to the total number of shares reflected in such table.

Lock-Up Agreements

We, our executive officers, directors, the selling stockholders and certain holders of our currently outstanding shares of common stock, holding, in the aggregate, shares of our common stock as of , 2025 (representing approximately % of our outstanding common stock as of such date), are entering into lock-up agreements with the underwriters. Under these agreements, we and each of these persons may not, without the prior written approval of the representative and subject to certain exceptions:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer any shares of our common stock or any securities convertible into or exchangeable or exercisable for our common stock, whether now owned or hereafter acquired or with respect to which such person has or hereafter acquires the power of disposition, or exercise any right with respect to the registration thereof, or file or cause to be filed any registration statement under the Securities Act, with respect to any of the foregoing;
- enter into any swap, hedge, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the shares of our common stock or such other securities, whether any such swap or transaction is to be settled by delivery of shares of our common stock or other securities, in cash or otherwise; or
- publicly disclose the intention to make any such offer, pledge, sale or disposition, or to enter into any such swap, hedge, transaction or other arrangement.

These restrictions are subject to customary exceptions and will be in effect for a period of days after the date of this prospectus. At any time and without public notice, the representative may, in their sole discretion, waive or release all or some of the securities from these lock-up agreements. However, as to any of our executive officers or directors, the representative has agreed to notify us at least three business days before the effective date of any release or waiver, and we have agreed to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver.

These restrictions also apply to securities convertible into or exchangeable or exercisable for or repayable with our common stock to the same extent as they apply to our common stock. They also apply to common stock owned now or later acquired by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

Pricing of this Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representative of the underwriters. In addition to prevailing market conditions, among the factors to be considered in determining the initial public offering price of our common stock will be our historical performance, estimates of our business potential and our earnings prospects, an assessment of our management, and the consideration of the above factors in relation to market valuation of companies in related businesses. The initial public offering price range set forth on the cover page of this prospectus is subject to change as a result of market conditions and other factors. An active trading market for the shares of our common stock may not develop. It is also possible that

the shares of our common stock will not trade in the public market at or above the initial public offering price following the completion of this offering.

Exchange Listing

We intend to apply to list our common stock on the NYSE under the symbol "NPB."

Indemnification and Contribution

We and the selling stockholders have agreed to indemnify the underwriters and their affiliates, selling agents, and controlling persons against certain liabilities, including under the Securities Act. If we are unable to provide this indemnification, we will contribute to the payments the underwriters and their affiliates, selling agents, and controlling persons may be required to make in respect of those liabilities.

Price Stabilization, Short Positions, and Penalty Bids

To facilitate this offering and in accordance with Regulation M under the Exchange Act, or Regulation M, the underwriters may engage in transactions that stabilize, maintain, or otherwise affect the price of our common stock, including:

- stabilizing transactions;
- short sales; and
- purchase to cover positions created by short sales.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of our common stock while this offering is in progress. These transactions may also include making short sales of our common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering. Short sales may be "covered short sales," which are short positions in an amount not greater than the underwriters' purchase option referred to above, or may be "naked short sales," which are short positions in excess of that amount.

The underwriters may close out any covered short position either by exercising their purchase option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which they may purchase shares through the purchase option described above. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market that could adversely affect investors who purchased in this offering.

As an additional means of facilitating our initial public offering, the underwriters may bid for, and purchase, shares of our common stock in the open market. The underwriting syndicate also may reclaim selling concessions allowed to an underwriter or a dealer for distributing shares of our common stock in this offering, if the syndicate repurchases previously distributed shares of our common stock to cover syndicate short positions or to stabilize the price of our common stock.

As a result of these activities, the price of our common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time without notice. The underwriters may carry out these transactions on the NYSE, in the over-the-counter market or otherwise.

Passive Market Making

In connection with this offering, the underwriters may engage in passive market making transactions in our common stock on the NYSE in accordance with Rule 103 of Regulation M during a period before the commencement of offers or sales of our common stock and extending through the completion of the distribution of this offering. A passive market maker must generally display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the

passive market maker's bid, the passive market maker may continue to bid and effect purchases at a price exceeding the then highest independent bid until specified purchase limits are exceeded, at which time such bid must be lowered to an amount no higher than the then highest independent bid. Passive market making may cause the price of our common stock to be higher than the price that otherwise would exist in the open market in the absence of those transactions. The underwriters engaged in passive market making are not required to engage in passive market making and may end passive market making activities at any time.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or on the websites or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters' websites and any information contained on any other website maintained by any of the underwriters is not part of this prospectus, has not been approved and/or endorsed by the underwriters or us, and should not be relied upon by investors.

Affiliations

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment advisory, investment research, principal investment, hedging, financial, loan referrals, valuation, and brokerage activities. From time to time, the underwriters and/or their respective affiliates have directly and indirectly engaged, and may in the future engage, in various financial advisory, investment banking loan referrals, and commercial banking services with us and our affiliates, for which they received or paid, or may receive or pay, customary compensation, fees, and expense reimbursement. In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and those investment and securities activities may involve securities and/or instruments of ours. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of those securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in those securities and instruments.

Selling Restrictions

Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area

In relation to each Member State of the European Economic Area, or Member State, no shares have been offered or will be offered pursuant to the offering to the public in that Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the underwriters for any such offer;
- to investors who acquire shares for a total consideration of at least EUR 100,000 per investor, for each separate offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

In relation to the United Kingdom, no shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares which has been approved by the Financial Conduct Authority, except that it may make an offer to the public in the United Kingdom of any shares at any time under the following exemptions under the UK Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Section 86 of the FSMA, provided that no such offer of the shares shall require the Company or any of the underwriters to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares and the expression "UK Prospectus Regulation" means the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in Article 2 of the UK Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the

Order (all such persons together we refer to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the shares in the United Kingdom within the meaning of the FSMA. This prospectus supplement must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity, to which this prospectus supplement relates, is only available to, and will be engaged in with, relevant persons.

LEGAL MATTERS

The validity of the shares of our common stock offered hereby will be passed upon for us by Alston & Bird LLP, Atlanta, Georgia. Certain legal matters will be passed upon for the underwriters by Squire Patton Boggs (US) LLP, Cincinnati, Ohio.

EXPERTS

The consolidated balance sheets of Northpointe Bancshares, Inc. as of December 31, 2023 and 2022, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, included in this registration statement, have been so included in reliance on the report of RSM US LLP, independent auditors, given on the authority of that firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the related exhibits therewith. For further information about us and our common stock offered hereby, we refer you to the complete registration statement and the exhibits filed therewith. Statements or summaries in this prospectus as to the contents of any contract or other document that is filed as an exhibit to the registration statement are not necessarily complete and, in each instance, we refer you to the copy of such contract or other document filed as an exhibit to the registration statement. The SEC maintains a website that contains reports, proxy, and information statements and other information regarding registrants that file electronically with the SEC. You may read a copy the registration statement of which this prospectus forms a part, including the exhibits and schedules to such registration statement, on the SEC's website at *www.sec.gov*.

Upon completion of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with those requirements, will file periodic and current reports, proxy statements and other information with the SEC. These periodic and current reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. We also maintain a website at *www.northpointe.com*. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The inclusion of our website address in this prospectus is an inactive textual reference only. The information contained in or accessible through our website is not part of this prospectus or the registration statement of which this prospectus forms a part, and investors should not rely on such information in making a decision to purchase our common stock in this offering.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Northpointe Bancshares, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Northpointe Bancshares, Inc. and its subsidiary (the Company) as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Pronouncement

As discussed in Note 2 to the financial statements, the Company has changed its method of accounting for credit losses on financial instruments in 2023 due to the adoption of Accounting Standards Update No. 2016-13, *Financial Instruments — Credit Losses (Topic 326: Measurement of Credit Losses on Financial Instruments (Credit Losses)*.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/RSM US LLP

We have served as the Company's auditor since 2022.

Philadelphia, Pennsylvania
December 20, 2024

Northpointe Bancshares, Inc.

Consolidated Balance Sheets
December 31, 2023 and 2022
(Dollars in thousands)

	2023	2022
Assets		
Cash and cash equivalents	$ 351,890	$ 274,233
Equity securities	1,318	1,300
Debt securities available for sale (Note 19)	14,727	9,087
Debt securities held to maturity, fair value of $6,276 as of December 31, 2022	—	5,814
Other securities	67,487	73,531
Loans held for sale, at fair value	352,443	790,964
Loans, net of allowance for credit losses of $12,295 and $6,365 as of December 31, 2023 and 2022, respectively Note 3)	3,768,904	3,023,768
Mortgage servicing rights (Note 5)	95,339	101,792
Intangible assets, net	4,541	5,699
Premises and equipment (Note 4)	29,296	29,573
Other assets (Note 6)	72,534	84,585
Total Assets	**$4,758,479**	**$4,400,346**
Liabilities and Stockholders' Equity		
Liabilities		
Deposits: (Note 7)		
Noninterest-bearing	$ 253,143	$ 342,585
Interest-bearing	2,672,415	2,578,715
Total Deposits	2,925,558	2,921,300
Borrowings (Note 8)	1,275,000	925,000
Subordinated debentures (Note 11)	34,368	51,255
Subordinated debentures issues through trusts (Note 12)	5,000	5,000
Deferred tax liability	24,132	28,419
Other liabilities	63,801	52,065
Total Liabilities	4,327,859	3,983,039
Stockholders' Equity		
Preferred Stock Non-Cumulative – No Par Value; 5,000,000 shares authorized		
Series A – 95,000 shares issued and outstanding at 2023 and 2022 with a liquidation preference of $95,000		
Series B – 25,000 shares issued and outstanding at 2023 and 2022 with a liquidation preference of $25,000		
Common Stock – No Par Value		
Authorized – 101,500,000; shares issued and outstanding – 25,689,560 and 25,745,560 shares at 2023 and 2022, respectively		
Additional paid in capital	180,046	180,662
Retained earnings	251,375	237,331
Accumulated other comprehensive loss	(801)	(686)
Total Stockholders' Equity	430,620	417,307
Total Liabilities and Stockholders' Equity	**$4,758,479**	**$4,400,346**

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Income
Years Ended December 31, 2023 and 2022
(Dollars in thousands)

	2023	2022
Interest Income		
Loans – Including fees	$237,396	$156,704
Investment securities – Taxable	923	805
Other	29,063	8,615
Total interest income	267,382	166,124
Interest Expense		
Deposits	123,905	40,055
Subordinated debentures	4,562	3,876
Borrowings	37,696	22,756
Total interest expense	166,163	66,687
Net Interest Income	101,219	99,437
(Credit) Provision for Credit Losses	(1,485)	2,216
Net Interest Income after (Credit) Provision for Credit Losses	102,704	97,221
Noninterest Income		
Service charges on deposits and other fees	2,669	3,759
Loan servicing fees	15,146	83,880
Mortgage purchase program loan fees	3,584	3,659
Net gain on sale of loans held for sale	73,135	69,921
Sold loan fees	223	2,635
Unrealized gain (loss) on equity securities	18	(170)
Net gain (loss) on sale of assets	292	(5,565)
Total noninterest income	95,067	158,119
Noninterest Expense		
Salaries and employee benefits	104,286	159,876
Occupancy and equipment	6,924	7,242
Data processing expense	11,107	12,658
Professional fees	4,879	9,689
Other taxes and insurance	6,976	4,408
Other	18,912	27,773
Total noninterest expense	153,084	221,646
Income – Before Income Taxes	44,687	33,694
Income Tax Expense	10,925	10,455
Net Income	33,762	23,239
Preferred Stock Dividends	9,650	9,658
Net Income available to common stockholders	**$ 24,112**	**$ 13,581**
Basic Earnings Per Common Share	**$ 0.94**	**$ 0.53**
Diluted Earnings Per Share	**$ 0.93**	**$ 0.52**

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Comprehensive Income
Years Ended December 31, 2023 and 2022
(Dollars in thousands)

	2023	2022
Net Income	$33,762	$23,239
Other Comprehensive Loss		
Change in unrealized loss on securities, net of tax of $49 and $284 at 2023 and 2022, respectively	(115)	(891)
Total other comprehensive loss	(115)	(891)
Comprehensive Income	**$33,647**	**$22,348**

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2023 and 2022
(Dollars in thousands)

	Preferred Stock, Series A Shares	Preferred Stock, Series B Shares	Common Stock, Number of Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance – January 1, 2022	**95,000**	**25,000**	**25,824,610**	**$181,915**	**$231,503**	**$ 205**	**$413,623**
Net Income	—	—	—	—	23,239	—	23,239
Other comprehensive loss	—	—	—	—	—	(891)	(891)
Dividends declared ($0.30 per share)	—	—	—	—	(7,753)	—	(7,753)
Treasury stock – repurchase	—	—	(110,000)	(1,496)	—	—	(1,496)
Stock options exercised	—	—	15,950	39	—	—	39
Stock issued	—	—	15,000	204	—	—	204
Preferred stock dividends	—	—	—	—	(9,658)	—	(9,658)
Balance – December 31, 2022	**95,000**	**25,000**	**25,745,560**	**$180,662**	**$237,331**	**$ (686)**	**$417,307**
Net Income	—	—	—	—	33,762	—	33,762
Adoption of ASC 326, Credit Losses	—	—	—	—	(7,495)	—	(7,495)
Other comprehensive loss	—	—	—	—	—	(115)	(115)
Dividends declared ($0.10 per share)	—	—	—	—	(2,573)	—	(2,573)
Treasury stock – repurchase	—	—	(56,000)	(616)	—	—	(616)
Preferred stock dividends	—	—	—	—	(9,650)	—	(9,650)
Balance – December 31, 2023	**95,000**	**25,000**	**25,689,560**	**$180,046**	**$251,375**	**$ (801)**	**$430,620**

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022
(Dollars in thousands)

	2023	2022
Cash Flows from Operating Activities		
Net Income	$ 33,762	$ 23,239
Adjustments to reconcile consolidated net income to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation	2,996	2,998
(Credit) provision for credit losses	(1,485)	2,216
Intangible asset impairment	137	—
Amortization of intangible asset	1,021	1,021
Amortization of bond premium	10	7
Amortization of debt issuance costs	363	176
Net gain on sale of loans held for sale	(73,135)	(69,921)
Proceeds from sales of loans held for sale	3,342,689	8,084,915
Origination of mortgage loans held for sale	(2,814,414)	(6,653,764)
Net gain on sales of other real estate	(46)	(42)
Net loss on disposal of premises and equipment	90	184
Net loss on sale of mortgage servicing rights	—	5,405
Capitalized mortgage servicing rights and change in fair value	9,176	(58,108)
Deferred tax expense	(1,884)	8,036
Change in fair value of equity securities	(18)	170
Change in mortgage banking derivatives	2,614	14,104
Net change in:		
Other assets	5,731	(6,526)
Accrued and other liabilities	(3,439)	(2,476)
Net cash and cash equivalents provided by operating activities	504,168	1,351,634
Cash Flows from Investing Activities		
Purchase of FHLB stock	(2,064)	—
Redemption of FHLB stock	8,108	5,399
Purchase of available for sale debt securities	—	(5,821)
Purchase of mortgage servicing rights	(2,723)	(1,704)
Proceeds from sales of other real estate	790	1,287
Purchases of premises and equipment	(2,809)	(3,392)
Net increase in portfolio loans	(752,092)	(1,198,726)
Contributions from Lender Risk Account	(1,572)	(817)
Proceeds from Lender Risk Account	1,682	2,527
Proceeds from sale of mortgage servicing rights	—	26,000
Net cash and cash equivalents used in investing activities	(750,680)	(1,175,247)
Cash Flows from Financing Activities		
Net change in deposits	4,258	(14,093)
Cash dividends paid on common stock	(2,573)	(7,753)
Subordinated debt call and repayment	(17,250)	—
Advances of FHLB borrowings	350,000	1,265,000
Repayment of FHLB borrowings	—	(1,587,000)
Proceeds from issuance of common stock	—	204
Preferred stock dividend	(9,650)	(9,658)
Stock repurchased	(616)	(1,496)
Proceeds from exercised stock options	—	39
Net cash and cash equivalents provided by (used in) financing activities	324,169	(354,757)
Net Increase (Decrease) in Cash and Cash Equivalents	77,657	(178,370)
Cash and Cash Equivalents – Beginning of year	274,233	452,603
Cash and Cash Equivalents – End of year	**$ 351,890**	**$ 274,233**
Supplemental Cash Flow Information		
Cash paid for:		
Interest	$ 164,197	$ 63,511
Income taxes	3,275	2,270
Non-cash supplemental information:		
Rebooked GNMA loans over 90 days	19,966	5,475
Loans transferred to other real estate	217	1,590
Loans transferred from loans held for sale to portfolio loans	241,556	61,708
Loans transferred from portfolio to loans held for sale	119,344	—
Adoption of ASC 326	7,495	—

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Note 1 — Nature of Operations

Northpointe Bancshares, Inc.'s (the "Company") primary lending focus is the origination of residential mortgages throughout the United States. The majority of these loans are sold in the secondary market through a network of investors. The Company has also developed a mortgage advance program which provides funding to pre-approved mortgage bankers who originate and sell individual conforming and non-qualified loan products in the secondary market. The Company continues to service loans which were originated and sold to investors as well as loans held in its portfolio which were originated and selectively held in portfolio.

Note 2 — Significant Accounting Policies

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of Northpointe Bancshares, Inc. and its wholly owned subsidiary, Northpointe Bank (the "Bank"), and its wholly owned subsidiary, Northpointe Insurance Agency, Inc. (the "Insurance Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

Significant Group Concentrations of Credit Risk

The Company's only banking branch is located in Michigan, but the Company markets its banking products to deposit customers located throughout the United States. The Company is also active nationwide in mortgage lending through a network of mortgage bankers and other financial institutions. Note 3 discusses the types of lending in which the Company engages. The Company's primary concentration is in real estate lending, including the origination and sale of 1 – 4 family real estate mortgages to the secondary market to Government Sponsored Entities ("GSEs").

Change in Presentation due to Stock Split

On December 19, 2024, the stockholders approved a 10-for-1 stock split whereby each holder of common stock received nine additional shares of common stock for each share owned as of the record date of December 19, 2024. Such shares were distributed on December 30, 2024. All share and per share amounts set forth in the consolidated financial statements of the Company have been retroactively restated to reflect the stock split as if it had occurred as of the earliest period presented.

Revenue Recognition

Net gain on sale of loans held for sale includes all components related to the origination and sale of mortgage loans, including (1) net gain on sale of loans, which represents the premium received in excess of the loan principal amount and certain fees charged by investors upon sale of loans into the secondary market, (2) loan origination fees (credits), points and certain costs, (3) provision for or benefit from investor reserves, (4) the change in fair value of interest rate locks, loans held for sale, and held for investment, (5) the gain or loss on forward commitments hedging loans held for sale and interest rate lock commitments (IRLCs), and (6) the fair value of Lender Risk Account ("LRA"). An estimate of the net gain on sale of loans, net is recognized at the time an IRLC is issued, net of a pull-through factor. Subsequent changes in the fair value of IRLCs and mortgage loans held for sale are recognized in current period earnings. When the mortgage loan is sold into the secondary market, any difference between the proceeds received and the current fair value of the loan is recognized in current period earnings in net gain on sale of loans held for sale.

Loan servicing (loss) income, net includes income from (1) servicing, (2) sub-servicing and ancillary fees, and is recorded to income as earned, which is upon collection of payments from borrowers, (3) the fair value of originated MSRs, which represents the estimated fair value of MSRs related to loans which we have sold and retained the right to service.

Northpointe Bancshares, Inc.

Note 2 — Significant Accounting Policies (continued)

Interest income, net includes interest earned on held for investment loans, held for sale loans, warehouse lines and securities net of the interest expense paid on our deposit and borrowing facilities. Interest income is recorded as earned and interest expense is recorded as incurred.

ASC 606, Revenue Recognition ("Topic 606"), (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets, such as other real estate owned. The majority of the Company's revenue is from interest income, including loans and securities, which are outside the scope of the standard. The services that fall within the scope of the standard are presented within noninterest income on the consolidated statement of income and are recognized as revenue as the Company satisfies its obligations to the customer. The revenue that falls within the scope of Topic 606 is primarily related to service charges on deposit accounts, debit/credit card and ATM fees, and sales of other real estate owned, when applicable.

Cash and Cash Equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents include cash on hand, cash items in process of collection, balances due from other financial institutions and federal funds sold which mature within 90 days. The carrying amount of these instruments is considered a reasonable fair value. The Company maintains its cash in deposits accounts, the balance of which, at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes that the Company is not exposed to any significant credit risk on cash and cash equivalents.

Securities

Debt securities are classified as available for sale or held to maturity. Securities classified as available for sale are recorded at fair value with unrealized gains and losses excluded from earnings and reported in other comprehensive (loss) income. Securities classified as held to maturity are to be carried at cost only if the Company has the positive intent and ability to hold these securities to maturity. Equity securities include investments in mutual funds and are recorded at fair value with unrealized gains and losses included in noninterest income in the accompanying consolidated statements of income. Purchase premiums and discounts on debt securities are recognized in interest income using the interest method. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

For available for sale securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the securities before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For debt securities available for sale that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any credit losses that has not been recorded through an allowance for credit losses is recognized in other comprehensive (loss) income. Accrued interest receivable on available for sale debt securities totaled $195 thousand at December 31, 2023 and is excluded from the estimate of credit losses.

Other securities, totaling $67.5 million and $73.5 million at December 31, 2023 and 2022, respectively, consist of restricted Federal Home Loan Bank stock, which is carried at cost and periodically evaluated for credit losses. Both cash and stock dividends are reported as other interest income.

Note 2 — Significant Accounting Policies (continued)

Loans Held for Sale

Loans originated and intended for sale in the secondary market are carried at fair value in accordance with the fair value option. Net unrealized gains and losses are recognized in net gain on sale of loans held for sale in the accompanying consolidated statements of income. Fair value is determined on an aggregate basis based on commitments from investors to purchase such loans and upon prevailing market rates. See Note 18 for a description of the methods used to determine fair value at December 31, 2023 and 2022.

Originated government guaranteed loans are pooled and sold as Ginnie Mae MBS. Pursuant to Ginnie Mae servicing guidelines, the Company has the unilateral right to repurchase loans securitized in Ginnie Mae pools that are due, but unpaid, for three consecutive months (typically referred to as 90 days past due). As a result, once the delinquency criteria have been met, regardless of whether the repurchase option has been or intends to be exercised, the loan is required to be re-recognized on the balance sheet by the MSR owner. These loans, totaling $22.8 million as of December 31, 2023 and totaling $2.8 million as of December 31, 2022, are recorded in loans held for sale and a corresponding liability to repurchase the loans is recorded in accrued and other liabilities on the consolidated balance sheets.

Warehouse Lending

The Company has developed a program whereby it provides lending facilities to pre-approved mortgage bankers. Individual advances under the facility are reviewed and approved by the Company and are secured by specific 1 – 4 family mortgage loans, which the mortgage banker intends to sell and deliver to the secondary market within 60 days. The Company, from time to time, also participates out portions of the individual advances (“the participating interest”) through participation agreements with other financial institutions. Cash flows associated with the individual advances are shared on a pro-rata basis with the participating banks.

The Company charges the mortgage banker an administrative fee up to $125 per loan and earns interest while the loan is owned by the Company. Fee income is included in mortgage purchase program loan fee income on the consolidated statements of income. There were no delinquent loans and no credit losses recorded during 2023 or 2022 on the warehousing lending loans.

Extended dwell line of purchase facilities may be issued to the mortgage bankers to facilitate loans that may not be delivered to the secondary market within the terms of the original advance. At December 31, 2023 and 2022, the Bank had outstanding balances on these facilities of $28.3 million and $39.4 million, respectively.

Participations of the individual advances referenced above are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of the right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Mortgage Servicing Rights

Servicing assets are recognized as separate assets when rights are acquired through purchase or through sale of financial assets with servicing retained. The Company has adopted the fair value method of accounting for capitalized mortgage loan servicing rights pursuant to FASB Accounting Standards Codification topic 860 — “Transfers and Servicing”.

Management obtains a third-party valuation on the servicing assets portfolio on a monthly basis. Fair value is determined using prices for similar assets with similar characteristics, when available, or based upon discounted cash flows using market-based assumptions. Changes in the fair value of mortgage servicing

Note 2 — Significant Accounting Policies (continued)

rights are reported on the consolidated statements of income in Loan servicing fees. See Note 18 for a description of the methods used to determine fair value at December 31, 2023 and 2022.

Mortgage Banking Derivatives and Financial Instruments

The Company enters into various derivative contracts and holds financial instruments to manage risk associated with the loans originated with the intention to sell on the secondary market. The Company has not designated any of the derivatives as hedging instruments. All derivatives are recorded at fair value with the change in fair value impacting net gain on sale of loans held for sale. Derivatives include commitments to originate loans and forward sales commitments; commitment to originate loans intended to be sold whereby the interest rate on the loan is determined prior to funding; forward sales commitments whereby the Company has a mandatory commitment to deliver loans at a future date. The fair value of both rate lock commitments and mandatory forward sales commitments is based on the estimated cash flows associated with delivering a pool of assets at the prevailing market rates and pull through rate.

To further mitigate the risk associated with the loans originated with the intention to sell on the secondary market, the Company has elected to account for other financial instruments at fair value. This includes contracts to deliver mortgages entered into on a “best efforts” basis, which otherwise do not meet the criteria of a derivative. The Company has elected to record at fair value the best efforts contracts under the fair value option with the change in fair value impacting net gain on sale of loans held for sale. The fair values of the best efforts contracts are based on the estimated price to deliver a pool of assets at the prevailing market interest rates. See Note 18 for a description of the methods used to determine fair value at December 31, 2023 and 2022.

Lender Risk Account

A Lender Risk Account (“LRA”) has been established for loans sold by the Company to the Federal Home Loan Bank of Indianapolis (“FHLB”). The LRA is funded and maintained by the FHLB at 1.20 percent of the loan balance and is used to offset credit losses over the life of the loans sold by the Company to the FHLB. If the LRA has not been depleted by losses, funds are returned to the Company over time, beginning after five years and continuing through 25 years. As of December 31, 2023 and 2022, the Company had on deposit with the FHLB $56.0 million and $52.4 million, respectively, in these LRA’s. Additionally, as of December 31, 2023 and 2022, the Company estimated the guaranty account to be $2.3 million and $1.3 million, respectively. The Company carries the asset at fair value on the accompanying consolidated balance sheets in other assets with changes in the fair value included in the consolidated statements of income with net gain on sale of loans held for sale. See Note 18 for a description of the methods used to determine fair value at December 31, 2023 and 2022.

Loans

The Company grants mortgage and commercial loans to customers. The ability of the Company’s debtors to honor their contracts is dependent upon the real estate and general economic conditions in the markets where the Company has originated portfolio loans.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off and where the fair value option has not been elected are reported at their outstanding unpaid principal balances adjusted for charge-offs, the allowance for credit losses, and any deferred fees or costs on originated loans. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield using the interest method.

Accrued interest receivable for loans is included in other assets on the Company’s consolidated balance sheet. The Company elected not to measure an allowance for accrued interest receivable and instead elected

Note 2 — Significant Accounting Policies (continued)

to reverse accrued interest income on loans that are placed on nonaccrual status. Accrued interest on loans totaled $20.9 million as of December 31, 2023.

The accrual of interest on loans is discontinued at the time the loan is delinquent (120 days for mortgages and 90 days for commercial) unless the credit is well secured and in process of collection. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Credit Losses ("Allowance")

Management estimates the allowance by using relevant available information from internal and external sources related to historical loss experience, current borrower risk characteristics, current economic conditions, reasonable and supportable forecasts, and other relevant factors. The allowance is measured on a collective or pool basis when similar risk characteristics exist or on an individual basis when loans have unique risk characteristics which differentiate them from other loans within the loan segment. The process for estimating credit losses incorporates methodologies and procedures specific to the residential and commercial loan portfolios, each of which has unique risk characteristics. Each of these portfolios is further disaggregated into loan segments, which are discussed in more detail below.

A loss given default methodology is utilized to estimate losses on the residential loan portfolio, which makes up substantially all held-for-investment loans. This methodology is used to project a default rate, prepayment rate, and severity factor for each loan in the portfolio to arrive at the lifetime credit loss for the construction and land development, home equity loans, and closed end, first and second liens. The accumulated expected credit losses are impacted by changes in borrower delinquencies, changes in loan to values, and changes in FICO scores. Lifetime credit losses are also adjusted by reasonable and supportable economic forecasts. As of December 31, 2023, the Moody's Baseline December U.S. Macroeconomic Outlook was utilized.

For the majority of the commercial loan portfolio, a discounted cash flow methodology adjusted for peer group benchmarks on probability of default, prepayment speeds, and curtailment rate is used. For warehouse lending, as the Company has not experienced any losses, the accumulated expected credit losses are currently derived based on qualitative factors described below. Within these portfolios, management utilizes an internal loan grading system and assigns each loan a grade of pass, special mention, substandard, or doubtful, which are more fully explained in Note 3. The amount of credit losses, if any, is measured by a comparison of the loan's carrying value to the net present value of future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected to solely from the collateral.

Loans that do not share risk characteristics are evaluated on an individual basis and are not included in the collective evaluation. Factors considered by management in determining credit losses include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as individually evaluated. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Credit losses are individually analyzed by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

Note 2 — Significant Accounting Policies (continued)

Qualitative Factors

Each quarter, management also considers the need to adjust historical loss rates as determined to reflect the extent to which current conditions and reasonable and supportable economic forecasts are expected to differ or where specific risks and uncertainties are not fully captured by the quantitative model. These qualitative adjustments may increase or decrease the estimate of expected future credit losses. The qualitative factors include economic forecast uncertainty, underwriting and collection trends, changes in nature and volume of portfolio, changes in the volume and severity of past due loans, collateral trends, concentration risk, quality of loan review, changes in personnel, external factors, and other considerations.

Residential Loan Segments

Construction and land development: Construction and land development loans consist of loans to individuals for the construction of their primary residences. Loans to individuals for the construction of their residences typically run for up to 12 or 18 months and then convert to permanent loans. These construction loans have rates and terms comparable to one-to-four family loans. During the construction phase, the borrower pays interest only. The maximum loan-to-value ratio of owner-occupied single-family construction loans is 80%. Residential construction loans are generally underwritten pursuant to the same guidelines used for originating permanent residential loans.

Construction loans generally are made for relatively short terms. However, to the extent construction loans are not made to owner-occupants of single-family homes, they are more vulnerable to changes in economic conditions and the concentration of credit with a limited number of borrowers. Further, the nature of these loans is such that they are more difficult to evaluate and monitor. The risk of loss on a construction loan is dependent largely upon the accuracy of the initial estimate of the property's value upon timely completion of the project and the estimated cost (including interest) of the project.

Home equity lines of credit: Home equity lines of credit mainly consist of variable-rate home equity lines-of-credit secured by a lien on the borrower's primary residence. Home equity products are limited to 90% of the property value less any other mortgages if the first loan is with the Bank. Home equity products in a secondary lien position are limited to 85% of the property value less any superior liens. The Company uses the same underwriting standards for home equity lines-of-credit as it uses for one-to-four family residential mortgage loans. Home equity lines-of-credit provide for an initial draw period of up to ten years. Home equity loans are susceptible to weakening general economic conditions and increase in unemployment rates and declining real estate values.

Closed end, first and second liens: Closed end, first and second liens consist of one-to-four family residential loans consist primarily of loans secured by first or second liens or mortgages on primary residences. We originate adjustable-rate and fixed-rate, one-to-four-family residential real estate loans for the construction, purchase or refinancing of a mortgage. These loans are collateralized by owner-occupied properties located in the Company's market area. Loans on one-to-four-family residential real estate are generally originated in amounts of up to 90% for owner-occupied one-to-four family homes and up to 85% for non-owner occupied homes. Mortgage title insurance and hazard insurance are normally required. Such loans are susceptible to weakening general economic conditions and increases in unemployment rates and declining real estate values.

Commercial Loan Segments

Commercial: Commercial business loans and lines of credit consist of loans to small- and medium-sized companies in the Company's market area. Commercial business loans are generally used for working capital purposes. Risk to this category include declining valuation of collateral and weakening general economic conditions.

Warehouse lending: The Company has developed a program whereby it provides lending facilities to pre-approved mortgage bankers. Individual advances under the facility are reviewed and approved by the

Note 2 — Significant Accounting Policies (continued)

Company and are secured by specific 1 – 4 family mortgage loans, which the mortgage banker intends to sell and deliver to the secondary market within 60 days. Warehouse lending loans are susceptible to weakening general economic conditions and increases in unemployment rates and declining real estate values.

Unfunded Loan Commitments

The Company is also required to consider expected credit losses associated with loan commitments over the contractual period in which it is exposed to credit risk on the underlying commitments unless the obligation is unconditionally cancellable by the Company. Any allowance for off balance sheet credit exposure is reported in other liabilities on the Company's consolidated balance sheets and is increased or decreased by provision for credit losses on the Company's consolidated statement of income. The calculation uses the same methodology, inputs, and assumptions as the funded portion of the loans at the segment level applied to the amount of commitments expected to be funded.

Off-balance-sheet Instruments

In the ordinary course of business, the Company may enter into commitments under commercial letters of credit and standby letters of credit. Such financial instruments are recorded when they are funded. There were no letters of credit commitments as of December 31, 2023 and 2022.

Other Real Estate Owned

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value (less costs to sell) at the date of the foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less costs to sell. Related revenue, expenses, and changes in the valuation allowance are included in other expenses. Total other real estate owned included in other assets at December 31, 2023 and 2022 was approximately $24 thousand and $550 thousand, respectively. The Company had real estate in the process of foreclosure totaling $2.5 million as of December 31, 2023, and $372 thousand as of December 31, 2022.

Bank Premises and Equipment, net

Premises and equipment are carried at cost, less accumulated depreciation and amortization. Depreciation, computed on the straight-line method, is charged to Occupancy and equipment over the estimated useful lives of the assets ranging from 1 to 40 years. Leasehold improvements are amortized over the terms of their respective leases or the estimated useful lives of the improvements, whichever is shorter. Interest costs incurred during the construction period of new facilities are capitalized as part of the cost of the building and depreciated over the estimated useful life of the asset.

Use of Estimates

In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated balance sheets and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses, the fair value of financial instruments, including mortgage banking derivatives, mortgage servicing rights, lender risk account, loans held for sale, and loans held for investment fair value option.

Repurchase Reserve

The Company sells residential mortgage loans to investors in the normal course of business. Residential mortgage loans sold to investors are predominantly conventional residential first lien mortgages originated

Note 2 — Significant Accounting Policies (continued)

under our usual underwriting procedures and are sold on a nonrecourse basis. The Company's agreements to sell residential mortgage loans usually require general representations and warranties on the underlying loans sold, related to credit information, loan documentation, collateral, and insurability, which if subsequently untrue or breached, could require the Company to indemnify or repurchase certain loans affected. The balance in the repurchase reserve at the balance sheet date reflects the estimated amount of potential loss the Company could incur from repurchasing a loan, as well as loss reimbursements, indemnification, and other "make whole" settlement resolutions. The Company's repurchase reserve was approximately $4.6 million and $3.6 million, as of December 31, 2023 and 2022, respectively, and is included in accrued and other liabilities on the consolidated balance sheet.

Stock Compensation Plans

The Company recognizes compensation cost for equity-based compensation for all new or modified grants. The recognized costs are based on the fair value of the option granted and are recognized over the vesting period.

Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the equity section of the consolidated balance sheets, such items, along with net income, are components of comprehensive income.

Income Taxes

Deferred income tax assets and liabilities are determined using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is determined based on the tax effects of the various temporary differences between the book and tax bases of the various balance sheet assets and liabilities and gives current recognition to changes in tax rates and laws.

The Company records uncertain tax positions in accordance with ASC Topic 740 "Income Taxes" on the basis of a two-step process whereby (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company evaluates the realization of the deferred tax assets based on future taxable income, among other things. In the event that the deferred tax asset has been determined to not be realizable, a valuation allowance is established.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of the right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Intangible Assets

Intangible assets subject to amortization are amortized over the estimated life, using a method that approximates the time the economic benefits are realized by the Company. Intangible assets are reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

Note 2 — Significant Accounting Policies (continued)

The Company acquired certain retail lending offices from an unaffiliated company during 2018. This merger enabled the Company to expand its geographical footprint of retail lending offices. The acquired retail lending offices included $0.3 million of acquired tangible assets. The fair value of customer-related intangible assets was $11.2 million less the expected payout of $732 thousand for a net value of $10.5 million.

Amortization of the intangible asset was $1.0 million in 2023 and 2022. Decreases in loan production, margin, or other changes in the secondary market may impact the carrying value of the recorded intangible asset. As a result of projected decreases in loan production and margins, an impairment of $137 thousand was recorded in 2023. Amortization is expected to be approximately $1.0 million per year through 2028.

The results of operations due to the acquisition have been included in the Company's results since the acquisition date.

Earnings Per share

Basic earnings per share represent net income available to common stockholders divided by the weighted-average number of common shares outstanding during each period. Diluted earnings per share reflect additional potential shares that would have been outstanding if dilutive potential common stock had been issued, as well as any adjustment to income that would result from the assumed issuance. Potential common stock that may be issued by the Company is determined using the treasury stock method.

Emerging Growth Company Status

The Company is an "emerging growth company" ("EGC") as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Section 107 of the JOBS Act provides that an EGC can take advantage of the extended transition period when complying with new or revised accounting standards. This allows an EGC to delay adoption of certain accounting standards until those standards apply to private companies; however, the EGC can still early adopt new or revised accounting standards. We have elected to take advantage of this extended transition period, which means these financial statements, as well as financial statements we file in the future will be subject to all new or revised accounting standards generally applicable to private companies, unless stated otherwise. This decision will remain in effect until the Company loses its EGC status.

Recently Adopted Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, in response to the scheduled discontinuation of LIBOR. Since the issuance of this guidance, cessation of U.S. Dollar LIBOR was extended and went to into effect on June 30, 2023. The amendments in this update provide optional guidance designed to provide relief from the accounting analysis and impacts that may otherwise be required for modifications to agreements (e.g. loans, debt securities, derivatives, borrowings, among others) necessitated by reference rate reform. The following optional expedients for applying the requirements of certain ASC Topics or Industry Subtopics in the Codification are permitted for contracts that are modified because of reference rate reform and that meet certain scope guidance: 1) modifications of contracts within the scope of ASC Topic 310, Receivables, and ASC Topic 470, Debt, should be accounted for by prospectively adjusting the effective interest rate; 2) modifications of contracts within the scope of ASC Topic 842, Leases, should be accounted for as a continuation of the existing contracts with no reassessments of the lease classification and the discount rate or remeasurements of lease payments that otherwise would be required under this ASC Topic for modifications not accounted for as separate contracts; 3) modifications of contracts do not require an entity to reassess its original conclusion about whether that contract contains an embedded derivative that is clearly and closely related to the economic characteristics and risks of the host contract under Subtopic ASC 815-15, Derivatives and Hedging-Embedded Derivatives; and 4) for other ASC Topics or Industry Subtopics in the Codification, the amendments in this update also include a general principle that permits an entity to consider contract modifications due to reference rate reform to be an event that does not require

Note 2 — Significant Accounting Policies (continued)

contract remeasurement at the modification date or reassessment of a previous accounting determination. In January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope, in order to clarify that certain optional expedients and exceptions in ASC Topic 848 apply to derivatives that are affected by the discounting transition. Specifically, certain provisions in ASC Topic 848, if elected by an entity, apply to derivative instruments that use an interest rate for margining, discount, or contract price alignment that is modified as a result of reference rate reform. In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848, to defer the expiration date of ASC 848 from December 31, 2022, to December 31, 2024. These amendments are effective immediately upon issuance and due to the prospective nature of the revised guidance, the adoption of these updates did not have a material impact on the Company's financial position and/or results of operations.

On January 1, 2023, the Company adopted ASU 2016-13, Financial Instruments — Credit Losses: Measurement of Credit Losses on Financial Instruments, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables, held to maturity debt securities, and accounts receivable. It also applies to off-balance sheet credit exposures such as loan commitments. In addition, ASC 326 made changes to the accounting for available for sale debt securities.

The Company adopted ASC 326 using the modified retrospective method for all financial assets measure at amortized cost and off-balance sheet credit exposures. Results for reporting periods beginning after January 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The company recorded a net decrease to retained earnings of $7.5 million as of January 1, 2023 for the cumulative effect of adopting ASC 326.

The following table illustrates the impact of ASC 326 (000s omitted):

	January 1, 2023		
	As Reported Under ASC 326	Pre-ASC 326 Adoption	Impact of ASC 326 Adoption
Assets:			
Allowance for credit losses on loans	$ 15,672	$ 6,365	$ 9,307
Allowance for credit losses on debt securities held to maturity	3	—	3
Allowance for credit losses on accounts receivable	30	—	30
Liabilities:			
Allowance for credit losses on unfunded credit commitments	508	—	508
Gross Total	16,213	6,365	9,848
Deferred tax liability	(2,353)	—	(2,353)
Retained Earnings	$ 13,860	$ 6,365	$ 7,495

The Federal Reserve Bank ("FRB"), Office of Comptroller ("OCC") and Federal Deposit Insurance Corporation ("FDIC") have adopted a rule that gives a banking organization the option to phase in over a three-year period the day-one adverse effects of CECL on its regulatory capital. The Company adopted this phase in option during 2023.

In March 2022, the FASB issued ASU 2022-02, "Financial Instruments — Credit Losses (Topic 326)". The amendments in this ASU eliminate the accounting guidance for troubled debt restructures ("TDRs") by creditors in Subtopic 310-40, "Receivables — Troubled Debt Restructurings by Creditors," while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Specifically, rather than applying the recognition and measurement guidance for TDRs, an entity must apply the loan refinancing and restructuring guidance in paragraphs 310-20-35-9

Note 2 — Significant Accounting Policies (continued)

through 35-11 to determine whether a modification results in a new loan or a continuation of an existing loan. In addition, for public business entities, the amendments in this Update require that an entity disclose current-period gross charge-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, "Financial Instruments — Credit Losses — Measured at Amortized Cost." Adoption of this ASU on January 1, 2023 did not have a material impact on the Company's financial results and the additional required disclosures for gross charge-offs have been included in the footnotes to the consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820)." The amendments in this ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security, and therefore, is not considered in measuring fair value. Furthermore, the amendments to this ASU clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The update to this ASU requires the following disclosures for equity securities: (1) The fair value of equity securities subject to contractual sale restrictions reflected in the balance sheet; (2) The nature and remaining duration of the restriction(s) and; (3) The circumstances that could cause a lapse in the restriction(s). The amendments in this Update are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. The Company has concluded that the updates did not have a material impact on the Company's financial position and/or results of operations.

New Accounting Pronouncements

In March 2022, the FASB issued ASU No. 2022-01, Derivatives and Hedging (Topic 815): Fair Value Hedging — Portfolio Layer Method ("ASU 2022-01"), which clarifies the guidance on fair value hedge accounting of interest rate risk for portfolios of financial assets. This ASU amends the guidance in ASU 2017-12 that, among other things, established the "last-of-layer" method for making the fair value hedge accounting for these portfolios more accessible. ASU 2022-01 renames that method the "portfolio layer" method and expands the scope of this guidance to allow entities to apply the portfolio layer method to portfolios of all financial assets, including both prepayable and nonprepayable financial assets. This scope expansion is consistent with the FASB's efforts to simplify hedge accounting and allows entities to apply the same method to similar hedging strategies. ASU 2022-01 is effective for private entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023, with early adoption permitted. The Company is currently assessing the impact of the update on its operations, financial position, and disclosures.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting: Improvements to Reportable Segment Disclosures, which requires enhanced disclosures on both an annual and interim basis about significant segment expenses, including for companies with only one reportable segment. This ASU is effective on a retrospective basis for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 31, 2024. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes: Improvement to Income Tax Disclosures (Topic 740)." This ASU requires entities to disclose specific categories in the rate reconciliations and provide additional information for reconciling items that meet a quantitative threshold. The ASU requires all entities to disclose the amount of income taxes paid, disaggregated by federal state and foreign taxes, the amount of income taxes paid disaggregated by individual jurisdictions in which income taxes paid is equal or greater than 5 percent of total income taxes paid. The ASU also requires that entities disclose income (loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic or foreign and income tax expense (or benefit) from continuing operations disaggregated by federal, state, and foreign. This ASU is effective beginning after December 15, 2024. The Company is currently assessing the impact of the update and its operations, financial position, and disclosures.

Northpointe Bancshares, Inc.

Note 2 — Significant Accounting Policies (continued)

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including December 20, 2024, which is the date the consolidated financial statements were available to be issued.

Note 3 — Loans and Allowance for Credit Losses

A summary of the balances of loans follows (000s omitted):

	2023	2022
Residential	$2,605,413	$2,212,369
Commercial	18,037	14,774
Warehouse lending	1,146,826	791,919
Total loans	3,770,276	3,019,062
Less:		
Allowance for credit losses	12,295	6,365
Net deferred loan (cost)/fees	(10,923)	(11,071)
Net loans	$3,768,904	$3,023,768

The residential mortgage loan portfolio includes $100.2 million and $50.9 million of loans measured at fair value on December 31, 2023 and 2022, respectively.

Activity in the allowance for credit losses for 2023 is summarized as follows (000s omitted):

	Year Ended December 31, 2023				
	Residential	Commercial	Warehouse lending	Unallocated	Total
Beginning balance, prior to adoption of ASC 326	$ 5,908	$ 78	$ 317	$ 62	$ 6,365
Impact of adopting ASC 326	9,403	(38)	—	(58)	9,307
Charge-offs	(932)	—	—	—	(932)
Recoveries	66	58	—	—	124
Provision	(2,703)	(47)	141	40	(2,569)
Ending balance	$ 11,742	$ 51	$ 458	$ 44	$12,295

Activity in the allowance for loan losses for 2022 is summarized as follows (000s omitted):

	Year Ended December 31, 2022				
	Residential	Commercial	Warehouse lending	Unallocated	Total
Beginning balance	$ 3,732	$ 40	$ 114	$ —	$ 3,886
Charge-offs	(7)	—	—	—	(7)
Recoveries	162	108	—	—	270
Provision	2,021	(70)	203	62	2,216
Ending balance	$ 5,908	$ 78	$ 317	$ 62	$ 6,365
Ending allowance balance attributable to loans:					
Individually evaluated for impairment	$ 816	$ 28	$ —	$ —	$ 844
Collectively evaluated for impairment	5,092	50	317	62	5,521

Northpointe Bancshares, Inc.

Note 3 — Loans and Allowance for Credit Losses (continued)

	Year Ended December 31, 2022				
	Residential	Commercial	Warehouse lending	Unallocated	Total
Ending allowance balance	$ 5,908	$ 78	$ 317	$ 62	$ 6,365
Loans and leases (net of deferred loan fees):					
Individually evaluated for impairment	$ 13,897	$ 382	$ —	$ —	$ 14,279
Collectively evaluated for impairment	2,158,631	14,392	791,919	—	2,964,942
Total loans and leases (net of deferred loan fees)	$2,172,528	$ 14,774	$ 791,919	$ —	$2,979,221

The following table presents the balance in the allowance for loan losses and the recorded investment in loans by portfolio segment and based on impairment method as of December 31, 2022 (000s omitted):

	As of and for the Year Ended December 31, 2022				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment for the Year	Interest Income Recognized for the Year
With no related allowance recorded:					
Residential:					
Construction and land development	$ 983	$ 1,449	$ —	$ 1,086	$ 72
Home equity lines of credit	869	872	—	727	15
Closed end, first liens	7,120	7,830	—	6,938	135
Closed end, second liens	501	527	—	519	8
Commercial	(13)	63	—	9	—
Total	$ 9,460	$10,741	$ —	$ 9,279	$ 230
With an allowance recorded:					
Residential:					
Construction and land development	$ 471	$ 481	$ 110	$ 470	$ 29
Closed end, first liens	3,953	3,985	706	4,026	250
Commercial	395	395	28	421	24
Total	$ 4,819	$ 4,861	$ 844	$ 4,917	$ 303

For the purpose of the disclosure above, recorded investment represents the borrower's unpaid principal balance, net deferred fees, less partial charge-offs to date.

Northpointe Bancshares, Inc.

Note 3 — Loans and Allowance for Credit Losses (continued)

Nonaccrual Loans

The following tables present the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing in the held for investment portfolio as of December 31, 2023 (000s omitted):

	As of and for the Year Ended December 31, 2023				
	Nonaccrual with No Allowance	Nonaccrual with Allowance	Total Nonaccrual	Over 90 days Accruing	Total
Residential:					
Construction and land development	$ 4,200	$ 202	$ 4,402	$ —	$ 4,402
Home equity lines of credit	2,977	620	3,597	497	4,094
Closed end, first liens	12,459	1,468	13,927	3,298	17,225
Closed end, second liens	726	—	726	—	726
Total	$ 20,362	$ 2,290	$ 22,652	$ 3,795	$26,447

Loans on nonaccrual status at December 31, 2022, by loan segment and class, are summarized below (000s omitted):

	2022
Residential:	
Construction and land development	$ 588
Home equity lines of credit	619
Closed end, first liens	6,928
Closed end, second liens	422
Commercial	20
Total	$8,577

At December 31, 2022, there were $2.4 million loans past due 90 days and still accruing interest.

The Bank has not recognized any material interest income on nonaccrual loans during 2023 or 2022.

Collateral dependent loans are loans for which the repayment is expected to be provided substantially through the sale of the collateral and the borrower is experiencing financial difficulty. The allowance is calculated on an individual loan basis of the shortfall between the fair value of the loan's collateral, which is adjusted for selling costs, and the loan's amortized cost. If the fair value of the collateral exceeds the loan's amortized cost, no allowance is necessary.

The amortized cost of collateral dependent loans by class as of December 31, 2023 was as follows (000s omitted):

Northpointe Bancshares, Inc.

Note 3 — Loans and Allowance for Credit Losses (continued)

	2023		
	Collateral Type		
	Real Estate	Other	Allowance Allocated
Residential:			
Construction and land development	$ 3,976	$ —	$ 6
Home equity lines of credit	3,414	—	14
Closed end, first liens	8,119	—	—
Closed end, second liens	662	—	—
Total	$ 16,171	$ —	$ 20

Age Analysis of Loans

The following tables detail the age analysis of loans, excluding those loans carried at fair value, at December 31, 2023 and 2022 (000s omitted):

	December 31, 2023					
	30 – 59 Days Past Due	60 – 89 Days Past Due	Greater than 90 Days	Total Past Due	Current	Total Loans
Residential:						
Construction and land development	$ 3,874	$ 1,883	$ 3,670	$ 9,427	$ 337,713	$ 347,140
Home equity lines of credit	4,164	884	3,861	8,909	603,776	612,685
Closed end, first liens	10,886	4,721	11,416	27,023	1,439,879	1,466,902
Closed end, second liens	1,934	211	662	2,807	86,644	89,451
Commercial	—	—	—	—	18,037	18,037
Warehouse lending	—	—	—	—	1,146,826	1,146,826
Total	$ 20,858	$ 7,699	$ 19,609	$ 48,166	$3,632,875	$3,681,041

	December 31, 2022					
	30 – 59 Days Past Due	60 – 89 Days Past Due	Greater than 90 Days	Total Past Due	Current	Total Loans
Residential:						
Construction and land development	$ 2,296	$ 161	$ 101	$ 2,558	$ 325,589	$ 328,147
Home equity lines of credit	1,371	203	799	2,373	424,298	426,671
Closed end, first liens	8,773	2,601	7,139	18,513	1,322,494	1,341,007
Closed end, second liens	392	387	80	859	75,844	76,703
Commercial	—	—	—	—	14,774	14,774
Warehouse lending	—	—	—	—	791,919	791,919
Total	$ 12,832	$ 3,352	$ 8,119	$ 24,303	$2,954,918	$2,979,221

Modifications to Borrowers Experiencing Financial Difficulty

On occasion, the Company modifies loans to borrowers in financial distress by providing principal forgiveness, term extensions, interest rate reductions, or payment delays. When principal forgiveness is provided, the amount of forgiveness is charged-off against the allowance for credit losses. In some cases, the Company provides multiple types of concessions on one loan.

Northpointe Bancshares, Inc.

Note 3 — Loans and Allowance for Credit Losses (continued)

During 2023, there were $2.2 million loans, 5 closed end, first lien loans for $1.7 million and 1 home equity loan for $0.5 million, that were both experiencing financial difficulty and modified during the year. These loans were a combination of term extension and interest rate reduction. During 2023, all closed end, first liens loan was on nonaccrual status at time of modification and the home equity line of credit was on accrual status at time of modification. During 2022, there was one loan modification to borrowers experiencing financial difficulty on a closed end, first lien loan in the amount of $148 thousand. There were no material modifications to borrowers experiencing financial difficulty within the previous 12 months that became 30 days or more past due during the years ended December 31, 2023 and 2022.

Credit Quality Indicators

The Company categorized each loan into credit risk categories based on current financial information, overall debt service coverage, comparison against industry averages, collateral coverage, historical payment experience, and current economic trends. Residential real estate is evaluated for credit risk based on performing or non-performing classification. The Company uses the following definitions for credit risk ratings:

Performing

Residential real estate credits not covered by the non-performing definition below.

Non-performing

Residential real estate loans classified as non-performing are generally loans on nonaccrual status.

Pass

Commercial credits not covered by the definitions below are pass credits, which are not considered to be adversely rated.

Special Mention

Loans classified as special mention, or watch credits, have a potential weakness or weaknesses that deserves management’s close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution’s credit position at some future date.

Substandard

Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution may sustain some loss if the deficiencies are not corrected.

The following table reflects amortized cost basis of loans and year to date charge-offs as of December 31, 2023 based on year of origination (000s omitted):

Northpointe Bancshares, Inc.

Note 3 — Loans and Allowance for Credit Losses (continued)

	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total
Construction and Land Development:								
Performing	$105,297	$ 153,972	$ 53,048	$17,445	$ 2,749	$10,227	$ —	$ 342,738
Nonperforming	1,026	2,010	664	227	—	475	—	4,402
Total	106,323	155,982	53,712	17,672	2,749	10,702	—	347,140
Gross charge-offs	—	459	—	—	—	29	—	488
Home Equity Lines of credit:								
Performing	—	—	—	—	—	—	609,088	609,088
Nonperforming	—	—	—	—	—	—	3,597	3,597
Total	—	—	—	—	—	—	612,685	612,685
Gross charge-offs	—	103	80	—	—	—	—	183
First liens, closed end loans:								
Performing	83,332	1,071,789	163,674	49,965	39,056	45,159	—	1,452,975
Nonperforming	—	4,849	1,670	1,860	1,877	3,671	—	13,927
Total	83,332	1,076,638	165,344	51,825	40,933	48,830	—	1,466,902
Gross charge-offs	—	192	—	—	—	25	—	217
Second liens, closed end loans:								
Performing	19,864	36,846	10,472	10,317	5,034	6,192	—	88,725
Nonperforming	—	198	63	—	235	230	—	726
Total	19,864	37,044	10,535	10,317	5,269	6,422	—	89,451
Gross charge-offs	—	44	—	—	—	—	—	44
Commercial:								
Risk Rating								
Pass	—	413	—	—	—	378	17,021	17,812
Special mention	—	—	—	—	198	27	—	225
Total	—	413	—	—	198	405	17,021	18,037
Gross charge-offs	—	—	—	—	—	—	—	—
Warehouse lending:								
Risk Rating								
Pass	—	—	—	—	—	—	1,129,764	1,129,764
Special mention	—	—	—	—	—	—	17,062	17,062
Total	—	—	—	—	—	—	1,146,826	1,146,826
Gross charge-offs	—	—	—	—	—	—	—	—
Grand Total	$209,519	$1,270,077	$229,591	$79,814	$49,149	$66,359	$1,776,532	$3,681,041
Grand Total Gross charge-offs	$ —	$ 798	$ 80	$ —	$ —	$ 54	$ —	$ 932

There were no revolving loans converted to term loans during 2023.

The following table summarizes loan balances by credit risk grade as of December 31, 2022 (000s omitted):

Note 3 — Loans and Allowance for Credit Losses (continued)

	December 31, 2022					
	Performing	Non-performing	Pass	Special Mention	Substandard	Total
Residential:						
Construction and land development	$ 327,559	$ 588	$ —	$ —	$ —	$ 328,147
Home equity lines of credit	426,052	619	—	—	—	426,671
Closed end, first liens	1,334,079	6,928	—	—	—	1,341,007
Closed end, second liens	76,282	421	—	—	—	76,703
Commercial	—	—	14,531	223	20	14,774
Warehouse lending	—	—	791,919	—	—	791,919
Total	$2,163,972	$ 8,556	$806,450	$ 223	$ 20	$2,979,221

Note 4 — Bank Premises and Equipment, Net

A summary of the cost and accumulated depreciation of premises and equipment follows (000s omitted):

	2023	2022
Land	$ 5,826	$ 5,831
Leasehold improvements	604	634
Buildings and building improvements	24,074	23,328
Furniture, fixtures, and equipment	10,241	20,791
Construction in progress	427	1,950
Total cost	41,172	52,534
Accumulated depreciation	(11,876)	(22,961)
Net	$ 29,296	$ 29,573

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to $3.0 million and $3.0 million, respectively.

Future undiscounted lease payments for operating leases with initial terms of one year of more as of December 31, 2023 are as follows (000s omitted):

2024	$1,627
2025	594
2026	334
2027	139
Total undiscounted lease payments	2,694
Less discount to net present value	(172)
Total operating lease liabilities	$2,522

The weighted average remaining discount rate was 2.92% and weighted average remaining life was 2.0 years for the year ended December 31, 2023.

The leases contain options to extend for periods from 3 to 5 years. The cost of such rentals is not included above.

Northpointe Bancshares, Inc.

Note 4 — Bank Premises and Equipment, Net (continued)

Total rent expense for the years ended December 31, 2023 and 2022 amounted to $3.1 million and $3.5 million, respectively.

The Company also leases portions of its main office location to third parties. The amounts included in Occupancy and equipment expense are net of rental income of $0.7 million and $0.6 million for the years ended December 31, 2023 and 2022, respectively.

Future income from non-cancelable lease agreements in effect at December 31, 2023 is as follows (000s omitted):

2024	$1,149
2025	1,094
2026	1,067
2027	995
2028	697
Thereafter	708
Total	$5,710

Note 5 — Mortgage Servicing Rights

Loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balances of mortgage loans and other loans serviced for others were approximately $6.9 billion and $6.8 billion at December 31, 2023 and 2022, respectively. In addition, approximately $3.5 billion and $1.9 billion at December 31, 2023 and 2022, respectively, of loans were sub-serviced on behalf of other unaffiliated investors. The Company has an ongoing relationship to sell servicing rights to a buyer on a routine basis when the loans are sold to the agencies while maintaining a subservicing relationship. Under this relationship, the servicing is conducted in the name of Northpointe Bank.

The following summarizes the loan servicing fees which are a component of the Loan Servicing Fees line item on Statement of Income (000s omitted):

	2023	2022
Contractual servicing fees	$23,601	$24,015
Late fees	627	1,474
Other fees	94	284
Total	$24,322	$25,773

At December 31, 2023 the fair value of mortgage servicing rights was determined using discount rates between 10.0 and 12.5 percent, average cost of servicing between $70 and $85 per file per year, and a prepayment speed of 7.2 percent. At December 31, 2022 the fair value of mortgage servicing rights was determined using discount rates between 9.5 and 12.2 percent, average cost of servicing between $70 and $85 per file per year, and a prepayment speed of 6.4 percent.

Note 5 — Mortgage Servicing Rights (continued)

The following summarizes mortgage servicing rights capitalized and amortized (000s omitted):

	2023	2022
Balance – Beginning of year	$101,792	$ 73,385
Additions	4,841	41,734
Paid in full loans	(4,355)	(6,572)
Change in fair value	(6,939)	24,650
Proceeds from sale	—	(26,000)
Loss on sale	—	(5,405)
Balance – End of year	$ 95,339	$101,792

During 2022, the Company performed one bulk sale of mortgage servicing rights with an unpaid principal balance of $1.4 billion. The associated value of the recorded mortgage servicing rights was $27.1 million. There were no bulk mortgage servicing rights sales in 2023.

During 2023, the Company acquired one bulk purchase of mortgage servicing rights with an unpaid principal loan balance of $298 million for $2.7 million in mortgage servicing right assets.

During 2022 the Company acquired one bulk purchase of mortgage servicing rights with an unpaid principal loan balance of $155.0 million for $1.7 million in mortgage servicing right assets.

During April and May 2024, the Company performed one bulk sale of mortgage servicing rights with an unpaid principal balance of $5.7 billion. The associated fair value of the assets and proceeds received of the mortgage servicing rights assets was $81.9 million. Related to this transaction, in April 2024, the Bank repurchased a pool of GNMA delinquent loans with unpaid principal balances totaling $36.0 million. All loans in this pool are guaranteed by the Federal Housing Administration (FHA), the Department of Agriculture Rural Development (RD) or the department of Veteran Affairs (VA).

The following table summarizes the hypothetical effect on the fair value of servicing rights using adverse changes of 10.0 percent and 20.0 percent to the weighted-average of certain significant assumptions used in valuing these assets (000s omitted):

	2023			2022		
	Actual	10% Adverse Change	20% Adverse Change	Actual	10% Adverse Change	20% Adverse Change
Discount rate change	10.2%	$91,100	$87,205	9.7%	$ 97,233	$93,044
Constant prepayment rate	7.2%	92,496	89,813	6.4%	98,813	96,006
Cost to service	$ 72	93,991	92,643	$ 71	100,400	99,008

Note 6 — Derivative Financial Instruments

Forward contracts are contracts for delayed delivery of loans or mortgage-backed securities in which the seller agrees to make delivery at a future date of a specified instrument, at a specified price or yield. Risks arise from the possible inability of the Company to compile a portfolio of loans and from movements in interest rates. These contracts are used primarily to reduce the exposure to interest rate fluctuations for loans in progress and in loan inventory held for sale to investors. Most forward contracts are for terms of 30 days to 90 days. The Company had outstanding forward contracts of approximately $169.4 million and $0.9 billion at December 31, 2023 and 2022, respectively. Forward commitments represent forward contracts, closed held for sale loans with a committed investor, and pair-off contracts.

Interest rate lock commitments, which are included in the commitments to extend credit, represent commitments to lend to customers at predetermined interest rates.

Northpointe Bancshares, Inc.

Note 6 — Derivative Financial Instruments (continued)

The following table presents the recorded gain/(loss) on derivative financial instruments at December 31 (000s omitted):

	Year ended December 31,	
	2023	2022
Interest rate-lock commitments	$ 2,948	$ 711
Forward commitments	(2,719)	2,132

The following table provide details on the Company's derivative financial instruments at December 31 (000s omitted):

	2023		
	Notional Amount	Asset	Liability
Interest rate-lock commitments	$ 106,604	2,959	11
Forward commitments	260,000	93	2,812
Total	$ 366,604	3,052	2,823

	2022		
	Notional Amount	Asset	Liability
Interest rate-lock commitments	$ 389,590	$ 4,763	$4,052
Forward commitments	1,142,547	7,289	5,157
Total	$ 1,532,137	$12,052	$9,209

As of December 31, 2023 and 2022, the counterparty collateral asset balance was $1.3 million and $1.1 million, respectively and was included in other assets in the consolidated balance sheets. As of December 31, 2023 and 2022, the counterparty collateral liability balance was $0.1 million and $0.0 million and was included in accruals and other liabilities in the consolidated balance sheets.

Note 7 — Deposits

The following is a summary of the distribution of deposits at December 31, (000s omitted):

	2023	2022
Noninterest-bearing deposits	$ 253,143	$ 342,585
Interest-bearing demand deposits	600,146	19,542
Savings and money market accounts	368,394	568,508
Time:		
Under $250,000	1,630,903	1,903,420
$250,000 and over	72,972	87,245
Total	$2,925,558	$2,921,300

Brokered time deposits totaled $1.5 billion and $1.6 billion at December 31, 2023 and 2022, respectively.

Northpointe Bancshares, Inc.

Note 7 — Deposits (continued)

At December 31, 2023, the scheduled maturities of time deposits are as follows (000s omitted):

2024	$1,567,067
2025	35,827
2026	55,972
2027	787
2028	44,135
Thereafter	87
Total	$1,703,875

Note 8 — Borrowings

The Bank has an advance agreement with the FHLB. At December 31, 2023, the Bank had thirty-five advances totaling $1.3 billion carrying a fixed interest rate ranging between 104 and 474 basis points with scheduled maturities between 5 months and 111 months. The weighted average rate was 3.36% in 2023. At December 31, 2022, the Bank had twenty-five advances totaling $925 million carrying a fixed interest rate ranging between 104 and 354 basis points with scheduled maturities between 17 months and 116 months. The weighted average rate was 2.94% in 2022. The advances are collateralized by approximately $2.5 billion and $2.4 billion of mortgage loans and loans held for sale as of December 31, 2023 and 2022, respectively, under an agreement which calls for specific identification of pledged loans. Included in the above, advances totaling $175 million are putable advances.

At December 31, 2023, the scheduled maturities of the advances are as follows (000s omitted):

2024	$ 96,250
2025	143,750
2026	10,000
2027	225,000
2028	50,000
Thereafter	750,000
Total	$1,275,000

The Bank also has a line of credit included under the collateral agreement mentioned above, allowing borrowing up to $50.0 million. The interest rate on the line of credit is a floating rate determined by the FHLB and the line of credit matures on May 10, 2024. The Bank had no outstanding borrowings on the line of credit at December 31, 2023 and 2022.

Note 9 — Employee Benefits

The Company sponsors a 401(K) plan which contains an employee stock ownership plan (ESOP) investment option. The 401(k) Plan is available to all employees, on the 1st of the month following 90 days of employment. Participants in the plan have the option to contribute from 0% to 100% of their annual compensation, up to the IRS allowable limits. FICA taxes must be paid based on total compensation. The Company matches 60% of participant contributions up to 7% of gross pay. The Company's matching contributions were $1.7 million and $2.8 million for the years ended December 31, 2023 and 2022, respectively. Participants are immediately 100% vested in salary and rollover contributions and any income or loss thereon. Vesting in the matching contributions is based on years of service. Participants vest in contributions made by the company 20% after one year of service and another 20% per until they become fully vested after five years of service. If a participant is not fully vested on their termination date, the non-vested amount is forfeited. Forfeitures are used to reduce company contributions and/or to pay administrative expenses of the plan.

Note 9 — Employee Benefits (continued)

The ESOP held 1,021,600 shares and 1,077,600 shares of the Company's common stock for the years ended December 31, 2023 and 2022, respectively. During 2023 and 2022, all shares have been allocated to participants. In 2023, the ESOP did not purchase any shares. In 2022, the ESOP purchased 15,000 shares at $136.00 per share. During 2023, the Company repurchased 56,000 shares at $110 per share from the ESOP. Dividends on ESOP shares are reinvested and allocated to the participants. The fair value to repurchase the shares is approximately $11.2 million at December 31, 2023.

The Company has a self-insured medical insurance plan covering all of its eligible employees. The Company's individual excess risk benefit level per employee was $175 thousand (with no aggregate exposure limitation) at December 31, 2023. Losses in excess of the limitation is covered by reinsurance. Amounts expensed by the Company under the plan were approximately $8.1 million and $9.2 million for the years ended December 31, 2023 and 2022, respectively, recorded in salaries and employee benefits on the consolidated statement of income. The Company recorded an accrual of approximately $0.5 million and $0.9 million at December 31, 2023 and 2022, respectively, for known claims and estimated claims incurred but not reported, reported in accrued and other liabilities on the consolidated balance sheets.

Note 10 — Stock Compensation Plans

The Company has two share based compensation plans, which are described below. No stock option expense was recorded for the years ended December 31, 2023 and 2022.

The Company has a stock option plan for its non-employee directors under which options may be granted at not less than the fair value of the underlying stock on the date of the grant. These options are subject to a vesting schedule under which one-third vests at each anniversary date of the grant. Under the stock option plan, the Company may grant options to its directors for up to 500,000 shares of common stock.

The Company also has a stock compensation plan for executive officers and certain employees under which options may be granted at not less than the market price of the stock on the date of the grant. These options are subject to a vesting schedule under which one-third vests at each anniversary date of the grant. Under the stock compensation plan, the Company may grant options to its executive officers and certain employees for up to 1,000,000 shares of common stock.

All options granted expire within 10 years of the date of grant, subject to certain cancellation provisions related to an individual's affiliation with the Company.

The calculated value of each option award is estimated on the date of grant using a Black-Scholes option valuation model that uses the weighted average assumptions. Expected volatilities are based on similar volatilities of comparable banks. The Company uses comparable bank data to estimate option exercise and employee termination within the valuation model. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. There were no stock option grants in 2023 or 2022.

A summary of option activity under the Plan for the year ended December 31, 2023 is presented below:

Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding at January 1, 2023	84,000	2.29	2.9
Granted	—	—	
Exercised	—	—	
Forfeited or expired	—	—	
Outstanding at December 31, 2023	84,000	2.293	1.9
Vested at December 31, 2023	84,000	2.293	1.9

Note 10 — Stock Compensation Plans (continued)

The total intrinsic value of the options exercised during the year ended December 31, 2022 was approximately $0.2 million. No options were exercised in 2023. The total intrinsic value of the options outstanding at December 31, 2023 and 2022 was approximately $0.7 million and $1.0 million, respectively.

As of December 31, 2023 and 2022, there was no unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the plan.

The Company also has a stock appreciation rights plan for executive officers and certain employees. Stock appreciation rights are primarily granted with a price equal to the market value of common stock on the date of the grant. These awards generally have a five year vesting schedule but may vest early in accordance with accelerated vesting provisions. Compensation expense is recognized over the vesting period of the awards based on the fair value of the stock. The Bank utilizes a third party valuation service for the measurement of fair value of the Company's stock price as provided for in the Employee Stock Ownership Plan Report. On December 24, 2024, the Company terminated 837,500 shares of outstanding executive officer stock appreciation right awards and replaced with 849,530 shares of restricted stock units.

A summary of stock appreciation right awards for the year ended December 31, 2023 is as follows:

Stock Awards	Number of Shares	Weighted Average Exercise Price
Non-vested at January 1, 2023	1,702,500	$ 8.25
Granted	395,000	10.84
Exercised	(522,500)	5.31
Forfeited or expired	(97,500)	10.07
Outstanding at December 31, 2023	1,477,500	$ 7.33

Note 11 — Subordinated Debentures

On February 13, 2017, the Company issued $8,500,000 of subordinated notes due March 1, 2027. All notes were redeemed and repaid on December 1, 2023.

On September 27, 2017, the Company issued $8,750,000 of subordinated notes due September 30, 2027. All notes were redeemed and repaid on October 1, 2023.

On September 28, 2018, the Bank issued $15,000,000 of subordinated notes due October 1, 2028. The notes are redeemable on October 1, 2023. Interest payments are due April 1 and October 1 of each year at a fixed rate of 6.875 percent through October 1, 2023 and converted to a variable rate of the three-month LIBOR plus 3.765 percent with payments due quarterly January 1, April 1, July 1, and October 1 of each year. The notes include fall back language to determine an alternative index rate calculation if the three-month LIBOR rate index is unavailable. The alternative index rate is three-month CME Term SOFR plus tenor spread adjustment of 0.26161 percent (an effective rate of 9.29 percent as of December 31, 2023). The cash raised by the Bank was used as a source of capital for the Bank's organic growth. The Bank has given notice to the holders of the notes and expects to redeem and payoff the $15 million of subordinated noted in January 2025.

On September 9, 2019, the Company issued $20,000,000 of subordinated notes due September 30, 2029. The notes become redeemable on September 30, 2024. Interest payments are due March 30 and September 30 of each year at a fixed rate of 6.0 percent through September 30, 2024 and convert to a variable rate of the three-month SOFR plus 4.905 percent with payments due quarterly March 30, June 30, September 30, and December 30 of each year. In the event three-month SOFR is less than zero, three-month term SOFR shall be deemed to be zero. The cash raised by the Company was used as a source of capital for the Bank's organic growth, and general corporate matters. All notes were redeemed in and repaid in 2024.

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Note 11 — Subordinated Debentures (continued)

On August 22, 2024, the Company issued $25,000,000 of subordinated notes due September 1, 2034. The notes become redeemable on September 1, 2029. Interest payments are due on March 1 and September 1 of each year at a fixed rate of 9.0 percent through September 1, 2029 and convert to a variable rate of three month SOFR plus 5.50 basis points with payments due quarterly. The cash raised by the Bank was used as a source of capital for the Bank's organic growth. Please see footnote 12 for a combined aggregate schedule of maturities.

Note 12 — Subordinated Debentures Issued through Trusts

Northpointe Statutory Trust I, a business trust, sold 5,000 cumulative preferred securities (trust preferred securities) at $1,000 per trust preferred security in a March 17, 2004 pooled offering. The proceeds from the sale of the trust preferred securities were used by Northpointe Statutory Trust I to purchase an equivalent amount of subordinated debentures from Northpointe Bancshares, Inc. The subordinated debentures issued by the Company carry a floating rate equal to the three-month CME Term SOFR plus tenor spread adjustment of 0.26161 percent plus 2.79 percent or three-month LIBOR plus 2.79 percent (an effective rate of 8.38 percent and 7.56 percent at December 31, 2023 and 2022, respectively), have a stated maturity of 30 years and, in effect, are guaranteed by Northpointe Bancshares, Inc. The subordinated debentures include fall back language to determine an alternative index rate calculation if the three-month LIBOR rate index is unavailable; however, the alternative index rate must be based on a three-month product. The proceeds from the offering of the subordinated debentures were used to inject capital into the Bank.

The subordinated debentures are carried on the consolidated balance sheets as a liability. The related interest expense, including amortization of the issuance cost, is recorded on the consolidated statements of income. The securities are redeemable at par after five years. Distributions on the subordinated debentures are payable quarterly. Under certain circumstances, distributions may be deferred for up to 20 calendar quarters. However, during any such deferrals, interest accrues on any unpaid distributions at the stated rate per annum.

As of December 31, 2023, maturities of subordinated debt were as follows (000s omitted):

2028	$15,000
2029	20,000
2034	5,000
Total	40,000
Less unamortized deferred costs	632
Total maturities, net unamortized deferred costs	$39,368

Note 13 — Issuance of Preferred Stock

On December 30, 2021, the Company issued $25.0 million of 7.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series B, no par value, with a liquidation preference of $1,000 per share. When, as, and if declared by the board of directors of the Company, dividends will be payable at an annual rate of 7.25%, payable quarterly, in arrears. The cash raised by the Company was used as a source of capital for the Bank's organic growth, and general corporate matters.

On December 29, 2020, the Company issued $95.0 million of 8.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A, no par value, with a liquidation preference of $1,000 per share. When, as, and if declared by the board of directors of the Company, dividends will be payable at an annual rate of 8.25%, payable quarterly, in arrears. The cash raised by the Company was used as a source of capital for the Bank's organic growth, and general corporate matters. During 2024, the Company redeemed 13,000 shares for $11.6 million.

Note 14 — Off-balance-sheet Activities

Credit-related Financial Instruments

The Company is a party to credit-related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit, and commercial letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheet.

The Company's exposure to credit loss is represented by the contractual amount of these commitments. The Company follows the same credit policies in making commitments as it does for on-balance-sheet instruments.

At December 31, 2023 and 2022, the following financial instruments were outstanding whose contract amounts represent credit risk (000s omitted):

	Contract Amount	
	2023	2022
Commitments to grant loans	$3,373,318	$2,870,488
Unfunded commitments under lines of credit	293,128	218,378

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments for equity lines of credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Company, is based on management's credit evaluation of the customer.

Unfunded commitments under lines of credit are commitments for possible future extensions of credit to existing customers. These lines of credit are collateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Company is committed.

The Company is required to consider expected credit losses associated with unfunded commitments. Any allowance for unfunded commitment credit exposure is reported in other liabilities on the consolidated balance sheets and is increased or decreased through the provision for credit losses on the consolidated statement of income. The calculated allowance for unfunded commitments was $1.6 million as of December 31, 2023 and provisions for credit losses relating to unfunded commitments were $1.1 million for the year ending December 31, 2023. There was no allowance for unfunded commitments, or related provisions, in 2022 as the Company was not required to segregate that portion from its total allowance for credit losses before the adoption of CECL.

Collateral Requirements

To reduce credit risk related to the use of credit-related financial instruments, the Company might deem it necessary to obtain collateral. The amount and nature of the collateral obtained are based on the Company's credit evaluation of the customer. Collateral held varies but may include cash, securities, accounts receivable, inventory, property, plant, and equipment, and real estate.

If the counterparty does not have the right and ability to redeem the collateral or the Company is permitted to sell or re-pledge the collateral on short notice, the Company records the collateral in its consolidated balance sheet at fair value with a corresponding obligation to return it.

Legal Contingencies

Various legal claims also arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the Company's consolidated financial statements.

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Note 15 — Income Taxes

The components of the income tax provision are detailed as follows (000s omitted):

	2023	2022
Current income tax expense	$12,809	$ 2,419
Deferred tax expense	(1,884)	8,036
Total income tax expense	$10,925	$10,455

A reconciliation of taxes on income from the statutory income tax rate to income tax expense is as follows (000s omitted):

	2023	2022
Income tax expense, computed at statutory rate of pretax income	$10,748	$ 8,299
Effect of nontaxable income and nondeductible expenses	145	186
Rate revaluation on deferred taxes	131	376
Other	(99)	1,594
Total income tax expense	$10,925	$10,455

The details of the net deferred tax liability are as follows as of December 31 (000s omitted):

	2023	2022
Total deferred tax assets	$ 5,884	$ 5,144
Total deferred tax liabilities	(30,016)	(33,563)
Net deferred tax liability	$(24,132)	$(28,419)

Deferred tax assets and liabilities consisted of the following as of December 31 (000s omitted):

	2023	2022
Allowance for credit losses	$ 2,951	$ 1,521
Accrued expenses and other reserve accounts	1,983	1,948
Stock compensation	629	1,460
Other deferred tax assets	321	215
Total deferred tax assets	5,884	5,144
Mortgage servicing rights	21,461	23,352
Fixed assets	3,622	4,015
Section 481(a) adjustment	1,022	2,034
Goodwill and intangibles	1,154	1,404
Deferred Loan Costs/Fee	2,622	2,645
Other deferred tax liabilities	135	113
Total deferred tax liabilities	30,016	33,563
Net deferred tax liability	$(24,132)	$(28,419)

The Company and its subsidiaries file consolidated tax returns. The Company accounts for income taxes in accordance with income tax accounting guidance (ASC 740, Income Taxes). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax

Note 15 — Income Taxes (continued)

asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized. Deferred tax assets are included in other assets in the consolidated balance sheets and deferred tax liabilities are included in accrued and other liabilities in the consolidated balance sheets.

Uncertain tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment. There were no uncertain tax positions recognized for the years ended December 31, 2023 or 2022.

With a few exceptions, the Company is no longer subject to U.S. federal tax examinations by tax authorities for years before 2020, and state and local income tax examinations by tax authorities for years before 2020. For federal tax purposes, the Company recognizes interest and penalties on income taxes as a component of income tax expense.

Note 16 — Minimum Regulatory Capital Requirements

The Company and Bank are subject to various regulatory capital requirements administered by the Federal banking agencies. Failure to meet minimum capital requirements can result in certain mandatory — and possibly additional discretionary — actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and Bank must meet specific capital guidelines that involve quantitative measures of the Company and the Bank's assets, liabilities, and certain off-balance sheet items as calculated under U.S. GAAP, regulatory reporting requirements and regulatory capital standards. The Company and Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Furthermore, the Company and Bank's regulators could require adjustments to regulatory capital not reflected in the consolidated financial statements.

Quantitative measures established by regulatory capital standards to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the table below) of total capital, Tier 1 capital (as defined), and common equity Tier 1 capital (as defined) to risk-weighted assets (as defined) and of Tier 1 capital (as defined) to average total assets (as defined). Additionally, to make distributions or discretionary bonus payments, the Company and Bank must maintain a capital conservation buffer of 2.5% of risk-weighted assets.

Management believes, as of December 31, 2023 and 2022, that the Company and the Bank met all capital adequacy requirements to which it is subject. As of the latest balance sheet date, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum ratios as set forth in the following table. Management believes the Bank has met all capital adequacy requirements to which it is subject. There are no conditions or events since that notification that management believes have changed the institution's category.

Northpointe Bancshares, Inc.

Note 16 — Minimum Regulatory Capital Requirements (continued)

As of December 31, 2023 (000s omitted)	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
CET1 (to risk weighted assets)						
Consolidated	$317,454	7.61%	$ 187,611	4.50%	$ N/A	N/A%
Northpointe Bank	451,147	10.82%	187,609	4.50%	270,991	6.50%
Tier 1 Capital (to risk weighted assets)						
Consolidated	438,611	10.52%	250,147	6.00%	N/A	N/A%
Northpointe Bank	451,147	10.82%	250,145	6.00%	333,528	8.00%
Total Capital (to risk weighted assets)						
Consolidated	476,512	11.43%	333,530	8.00%	N/A	N/A%
Northpointe Bank	469,422	11.26%	333,528	8.00%	416,909	10.00%
Tier 1 capital (to average assets)						
Consolidated	438,611	9.19%	190,958	4.00%	N/A	N/A%
Northpointe Bank	451,147	9.45%	190,969	4.00%	238,712	5.00%

As of December 31, 2022 (000s omitted)	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
CET1 (to risk weighted assets)						
Consolidated	$294,400	7.81%	$ 169,596	4.50%	$ N/A	N/A%
Northpointe Bank	449,919	11.91%	170,007	4.50%	245,566	6.50%
Tier 1 Capital (to risk weighted assets)						
Consolidated	415,557	11.03%	226,128	6.00%	N/A	N/A%
Northpointe Bank	449,919	11.91%	226,676	6.00%	302,235	8.00%
Total Capital (to risk weighted assets)						
Consolidated	469,727	12.46%	301,504	8.00%	N/A	N/A%
Northpointe Bank	470,971	12.47%	302,235	8.00%	377,794	10.00%
Tier 1 capital (to average assets)						
Consolidated	415,557	9.73%	170,751	4.00%	N/A	N/A%
Northpointe Bank	449,919	10.54%	170,699	4.00%	213,374	5.00%

Note 17 — Restrictions on Dividends, Loans, and Advances

Banking regulations place certain restrictions on dividends paid and loans or advances made by the Bank to the Company. The total amount of dividends which may be paid at any date is generally limited to the retained earnings of the Bank. However, dividends paid by the Bank would be prohibited if the effect thereof would cause the Bank's capital to be reduced below applicable minimum standards without prior approval from the bank regulators.

Note 18 — Fair Value Measurements

Accounting standards require, or allow certain assets and liabilities at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Note 18 — Fair Value Measurements (continued)

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Company records the fair values of financial assets and liabilities on a recurring and non-recurring basis using the following methods and assumptions:

Equity securities

Equity securities with readily determinable fair value are reported at fair value. Fair value for these investments is primarily determined using a quoted price in an active market or exchange (Level 1).

Available for sale debt securities

Included in the Company's AFS debt securities are corporate bonds which are classified as Level 3 assets. The valuation of these corporate bonds is determined using broker quotes, third-party vendor prices, or other valuation techniques, such as discounted cash flow techniques. Market inputs used in the other valuation techniques or underlying third-party vendor prices or broker quotes include benchmark and government bond yield curves, credit spreads, and trade execution data.

The Company's debt securities also includes a municipal bond which is classified as Level 2 asset. The valuation of this municipal bond, which is not actively traded, is based on a quoted price to purchase the security as part of a refinancing of the underlying bond.

Loans

Certain loans held for sale and held for investment are measured at fair value on a recurring basis due to the Company's election to adopt fair value accounting treatment for those loans originated for which the Company has entered into certain derivative financial instruments as part of its mortgage banking and related risk management activities. These instruments include interest rate lock commitments and mandatory forward commitments to sell these loans to investors known as forward mortgage-backed securities trades. This election allows for a more effective offset of the changes in fair values of the assets and the mortgage related derivative instruments used to economically hedge them without the burden of complying with the requirements for hedge accounting under ASC 815, Derivatives and Hedging. Mortgage loans held for sale, for which the fair value option was elected, are valued using a market approach by utilizing either: (i) the fair value of securities backed by similar mortgage loans, adjusted for certain factors to approximate the fair value of a whole mortgage loan, including the value attributable to mortgage servicing and credit risk, (ii) current commitments to purchase loans or (iii) recent observable market trades for similar loans, adjusted to credit risk and other individual loan characteristics. As these prices are derived from market observable inputs, the Company classifies these valuations as Level 2 in the fair value disclosures. For mortgage loans held for sale for which the fair value option was elected, the earned current contractual interest payment is

Note 18 — Fair Value Measurements (continued)

recognized in interest income, loan origination costs and fees on fair value option loans are recognized in earnings as incurred and not deferred. The Company has no continuing involvement in any residential mortgage loans sold.

Loans reported at the fair value which were over 90 days past due amounted to $1.6 million and $5.7 million in unpaid principal balance with a fair values of $1.5 million and $4.6 million, respectively as of December 31, 2023 and 2022. The accrual of interest on loans is discontinued at the time the loan is delinquent (120 days for mortgages). Non-accrual loans reported at fair value amounted to $11.4 million in unpaid principal balance and $9.0 million in fair value as of December 31, 2023. Non-accrual loans reported at fair value amounted to $7.8 million in unpaid principal balance and $6.4 million in fair value as of December 31, 2022.

Interest rate lock commitments

The estimated fair values of interest rate lock commitments utilize current secondary market prices for underlying loans and estimated servicing value with similar coupons, maturity and credit quality, subject to the anticipated loan funding probability (pull-through rate). The fair value of interest rate lock commitments is subject to change primarily due to changes in interest rates and the estimated pull-through rate. Given the significant and unobservable nature of the pull-through factor, interest rate lock commitments are classified as Level 3.

Forward sales commitments

Forward mortgage-backed securities trades are exchange-traded or traded within highly active dealer markets. In order to determine the fair value of these instruments, the Company utilized the exchange price or dealer market price for the particular derivative contract; therefore these contracts are classified as Level 2. The estimated fair values are subject to change primarily due to changes in interest rates.

Mortgage Service Rights

Mortgage service rights are carried at fair value. Fair value is determined using an income approach with various assumptions including expected cash flows, market discount rates, prepayment speeds, servicing costs, and other factors. As such, MSRs are considered Level 3.

Lender Risk Account

The Company’s Lender risk account is carried at fair value. Fair value is determined using an income approach with various assumptions including expected cash flows, market discount rates, prepayment speeds, and other factors. As such, the lender risk account is considered Level 3.

The following tables present information about the Company’s assets measured at fair value on a recurring basis at December 31, 2023 and 2022 and the valuation techniques used by the Company to determine those fair values (000s omitted).

Northpointe Bancshares, Inc.

Note 18 — Fair Value Measurements (continued)

	Fair Value on a Recurring Basis at December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31
Financial Assets:				
Equity securities:	$ 1,318	$ —	$ —	$ 1,318
Available for sale debt securities:	—	5,804	8,923	14,727
Mortgage banking assets:				
Loans held for sale	—	352,443	—	352,443
Loans held for Investment	—	100,158	—	100,158
Interest rate lock commitments	—	—	2,959	2,959
Forward sales commitments	—	93	—	93
Mortgage servicing rights	—	—	95,339	95,339
Lender risk account	—	—	31,694	31,694
Financial Liabilities:				
Interest rate lock commitments	—	—	11	11
Forward sales commitments	—	2,812	—	2,812

	Fair Value on a Recurring Basis at December 31, 2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31
Financial Assets:				
Equity securities:	$ 1,300	$ —	$ —	$ 1,300
Available for sale debt securities:	—	—	9,087	9,087
Mortgage banking assets:				
Loans held for sale	—	790,964	—	790,964
Loans held for investment	—	50,912	—	50,912
Interest rate lock commitments	—	—	4,763	4,763
Forward sales commitments	—	7,289	—	7,289
Mortgage servicing rights	—	—	101,792	101,792
Lender risk account	—	—	28,457	28,457
Financial Liabilities:				
Interest rate lock commitments	—	—	4,052	4,052
Forward sales commitments	—	5,157	—	5,157

The Company's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer.

Changes in mortgage servicing rights as well as the related weighted average unobservable inputs are included in Note 5.

Note 18 — Fair Value Measurements (continued)

The following table presents a reconciliation of the Level 3 available for sale debt securities measured at fair value on a recurring basis for the years ended December 31, 2023 and 2022 (000s omitted):

	For the year ended December 31,	
	2023	2022
Balance at beginning of period	$ 9,087	$ 10,262
Purchases	—	—
Sales	—	—
Realized	—	—
Unrealized	(164)	(1,175)
Balance at end of period	$ 8,923	$ 9,087

The following table presents a reconciliation of the Level 3 interest rate lock commitments measured at fair value on a recurring basis for the years ended December 31, 2023 and 2022 (000s omitted):

	For the year ended December 31,	
	2023	2022
Balance at beginning of period	$ 711	$ 17,218
Change in fair value	2,237	(16,507)
Balance at end of period	$ 2,948	$ 711

The following is a summary of the key unobservable inputs used in the valuation of the Level 3 interest rate lock commitments:

	For the year ended December 31,	
	2023	2022
Pull-through rate	84.8%	88.0%

The following table presents a reconciliation of the Level 3 lender risk account measured at fair value on a recurring basis for the years ended December 31, 2023 and 2022 (000s omitted):

	For the year ended December 31,	
	2023	2022
Beginning of period	$ 28,457	$ 36,345
Due to loan sales	1,572	817
Releases and claims paid to the Company	(1,682)	(2,527)
Change in fair value recognized in gain on sale of loans	3,347	(6,178)
End of period	$ 31,694	$ 28,457

Both observable and unobservable inputs may be used to determine the lender risk account fair value of position classified as Level 3 asset. As a result, the unrealized gains for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

The Company estimates the fair value of the lender risk account using management's best estimate of key assumptions. These assumptions include prepayment rates, discount rates, and projected annual losses on unpaid principal of the sold loan portfolio. The weighted average of unobservable inputs for these valuation assumptions is as follows:

Note 18 — Fair Value Measurements (continued)

	Fair Value at December 31	Valuation Technique	Unobservable Inputs	Range of Inputs	Weighted Average
Assets:					
Lender Risk Account – 2023	$ 31,694	Present value of cash flows	Credit losses	0.00% – 0.10%	0.05%
			Prepayment rates	5.84% – 13.27%	7.3%
			Discount rates	5.70% – 6.65%	6.06%
Lender Risk Account – 2022	$ 28,457	Present value of cash flows	Credit losses	0.04% – 0.36%	0.19%
			Prepayment rates	6.13% – 9.41%	8.5%
			Discount rates	5.73% – 6.80%	6.27%

The Company also has assets that under certain conditions are subject to measurement at fair value on a nonrecurring basis. These assets include individually analyzed loans and other real estate which are periodically reviewed for impairment and measured at fair value if the fair value of the asset is below the recorded book value. The Company has estimated the fair values of these assets based primarily on Level 3 inputs as described above.

During 2023 and 2022, the following asset classes were measured at fair value on the accompanying consolidated balance sheets due to declines in the fair value. Certain individually analyzed loans and other real estate carried at original cost, which exceeds fair value, have been omitted from the disclosure below (000s omitted):

	Assets Measured at Fair Value on a Nonrecurring Basis at December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31
Individually analyzed loans	—	—	572	572
Other real estate owned	—	—	24	24

	Assets Measured at Fair Value on a Nonrecurring Basis at December 31, 2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31
Individually analyzed loans	$ —	$ —	$ 4,819	$ 4,819
Other real estate owned	—	—	—	—

Northpointe Bancshares, Inc.

Note 18 — Fair Value Measurements (continued)

The following presents estimated fair values of the Company's financial instruments and the level within the fair value hierarchy in which fair value measurements falls:

	December 31, 2023		
	Fair Value Hierarchy	**Carrying Value**	**Fair Value**
Financial Assets:			
Cash and cash equivalents	Level 1	$ 351,890	$ 351,890
Equity securities	Level 1	1,318	1,318
Debt securities available for sale	Level 3	14,727	14,727
FHLB stock	Level 2	67,487	67,487
Loans held for sale	Level 2	352,443	352,443
Loans, net	Level 3	3,768,904	3,681,552
Interest receivable	Level 2	21,057	21,057
Financial Liabilities:			
Deposits	Level 2	2,925,558	2,928,391
Subordinated debentures	Level 2	34,368	34,368
Subordinated debentures issues through trusts	Level 2	5,000	5,000
FHLB advances	Level 2	1,275,000	1,252,000
Interest payable	Level 2	7,159	7,159

	December 31, 2022		
	Fair Value Hierarchy	**Carrying Value**	**Fair Value**
Financial Assets:			
Cash and cash equivalents	Level 1	$ 274,233	$ 274,233
Equity securities	Level 1	1,300	1,300
Debt securities available for sale	Level 3	9,087	9,087
Debt securities held to maturity	Level 3	5,814	5,814
FHLB stock	Level 2	73,531	73,531
Loans held for sale	Level 2	790,964	790,964
Loans, net	Level 3	3,023,768	2,920,019
Interest receivable	Level 2	14,883	14,883
Financial Liabilities:			
Deposits	Level 2	2,921,300	2,918,948
Subordinated debentures	Level 2	51,255	51,255
Subordinated debentures issues through trusts	Level 2	5,000	5,000
FHLB advances	Level 2	925,000	878,271
Interest payable	Level 2	5,193	5,193

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Note 19 — Debt Securities

The amortized costs, fair values, and unrealized gains and losses of the available for sale and held to maturity debt securities are as follows (000s omitted):

		Gross Unrealized		
December 31, 2023	**Amortized Costs**	**Gains**	**Losses**	**Fair Value**
Available-for-sale Securities[1]				
Subordinated corporate bonds	$ 10,000	$ —	$(1,077)	$ 8,923
Subordinated municipal bond	5,804	—	—	5,804
Total	$ 15,804	$ —	$(1,077)	$ 14,727

(1) As of December 31, 2023, there was no allowance for credit losses.

		Gross Unrealized		
December 31, 2022	**Amortized Costs**	**Gains**	**Losses**	**Fair Value**
Available-for-sale Securities				
Subordinated corporate bond	$ 10,000	$ —	$(913)	$ 9,087
Held-to-maturity Securities				
Subordinated municipal bond	$ 5,814	$462	$ —	$ 6,276

The Company reassessed classification of the subordinated municipal bond and the Company transferred $5.8 million from held-to-maturity securities to available-for-sale securities during 2023. At the time of transfer the Company reversed the allowance for credit loss associated with the held-for-sale security of $3 thousand through credit loss expense. The security was transferred at its amortized cost basis. Subsequent to transfer, the allowance for credit losses on this security was evaluated under the accounting policy for available-for-sale securities. The allowance for credit losses on this security was evaluated under the accounting policy for available-for-sale securities and was determined that no credit loss was expected as the Company had agreed to a redemption with the municipal bond holder. This bond has been subsequently redeemed at its amortized cost basis.

The following tables show investments with gross unrealized losses and their market value aggregate by investment category and length of time that individual securities have been in a continuous unrealized loss position at the dates indicated (000s omitted):

	Less Than 12 Months		12 Months or More		Total	
December 31, 2023	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Available-for-sale Securities						
Subordinated corporate bond	$ —	$ —	$ 8,923	$ (1,077)	$ 8,923	$ (1,077)
Subordinated municipal bond	5,804	—	—	—	5,804	—
Total	$ 5,804	$ —	$ 8,923	$ (1,077)	$ 14,727	$ (1,077)

	Less Than 12 Months		12 Months or More		Total	
December 31, 2022	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Available-for-sale Securities						
Subordinated corporate bond	$ 9,087	$ (913)	$ —	$ —	$ 9,087	$ (913)
Held-to-maturity Securities						
Subordinated municipal bond	$ —	$ —	$ —	$ —	$ —	$ —

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Note 19 — Debt Securities (continued)

Debt securities, at par value, have the following contractual maturities (000s omitted):

	Year Ended December 31, 2023				
December 31, 2023	Within 1 Year	1 – 5 Years	5 – 10 Years	Greater than 10 years	Total
Available-for-sale Securities					
Subordinated corporate bond	$ —	$ 5,000	$ 5,000	$ —	$10,000
Subordinated municipal bond	—	—	—	5,500	5,500
Total	$ —	$ 5,000	$ 5,000	$5,500	$15,500

Note 20 — Related Parties

Loans to principal officers, directors, and their affiliates during 2023 were as follows (000s omitted):

Beginning Balance	$ 1,788
New loans and advances	1,266
Repayments and changes in officers or directors	(1,598)
Ending Balance	$ 1,456

Deposits from principal officers, directors, and their affiliates were $3.9 million at December 31, 2023 and 2022.

Note 21 — Earnings Per Share

The following table presents the computation of basic and diluted earnings per share (000s omitted):

	December 31,	
	2023	2022
Earnings per Common Share:		
Net income	$ 33,762	$ 23,239
Preferred stock dividends	9,650	9,658
Net income available to common stockholders	$ 24,112	$ 13,581
Weighted average common shares	25,723,227	25,842,564
Earnings per common share	$ 0.94	$ 0.53
Dilutive Earnings Per Common Share:		
Net income available to common stockholders	$ 24,112	$ 13,581
Weighted average common shares	25,723,227	25,842,564
Effect of dilutive shares	84,000	84,000
Weighted average dilutive common shares	25,807,227	25,926,564
Dilutive earnings per common share	$ 0.93	$ 0.52

Note 22 — Segment Information

Our reportable segments are Mortgage Warehouse (MPP) and Retail Banking, which have been determined based on management's focus and internal reporting structure. The Mortgage Warehouse (MPP) segment provides residential mortgage warehouse financing to more than 100 independent mortgage banking companies located in 19 states nationwide. The Retail Banking segment provides a vast array of

Northpointe Bancshares, Inc.

Note 22 — Segment Information (continued)

financial products and services to consumers nationwide. These include residential mortgages, All-in-One loans, other consumer loans, and loan servicing, as well as various types of deposit products, including checking, savings and time deposit accounts. The residential mortgage loans we originate are directly originated within our branch network or from our consumer direct business, and are typically underwritten to agency and/or third-party standards, and either sold (servicing retained or released) or held on our balance sheet.

Net interest income in each segment reflects our internal funds transfer pricing ("FTP") methodology, which is designed to capture interest rate and liquidity risk. Under our methodology, average assets, net of deposits, receive a funding charge based on market interest rates of similar duration liabilities. MPP receives an FTP charge and the residual gain is retained within Retail Banking.

Provision for credit losses is allocated to MPP based on the cumulative expected loss rate from the Company's allowance for credit loss process and applied to any change in period end loan balances.

Financial results are presented, to the extent possible, as if each business operated on a standalone basis, and includes expense allocations for corporate overhead services used by the business segments. Shared corporate overhead expenses reside in Retail Banking but are allocated back to MPP through our expense allocation based on occupancy rates and percentage of time spent supporting the segment.

In evaluating segment performance, the Company primarily evaluates total revenues (net interest income plus non-interest income) and net income before preferred dividends.

The following tables present the operating segment results (000s omitted):

	For the year ended December 31, 2023		
	Retail Banking	Mortgage Warehouse (MPP)	Total
Interest Income	$ 190,645	$ 76,737	$ 267,382
Interest Expense	(166,163)	—	(166,163)
Funds Transfer Pricing	49,497	(49,497)	—
Net Interest Income	73,979	27,240	101,219
(Credit) Provision for credit losses	(1,627)	142	(1,485)
Net interest income after Provision for Credit Losses	75,606	27,098	102,704
Noninterest income	91,483	3,584	95,067
Noninterest expense	(148,138)	(4,946)	(153,084)
Expense allocation	2,648	(2,648)	—
Net Income before taxes	21,599	23,088	44,687
Income tax expense	(5,281)	(5,644)	(10,925)
Net Income before preferred dividends	$ 16,318	$ 17,444	$ 33,762
Average Balance Sheet Assets	$3,725,065	$ 977,873	$4,702,943
Period Ending Assets	$3,611,652	$1,146,826	$4,758,479

Northpointe Bancshares, Inc.

Note 22 — Segment Information (continued)

	For the year ended December 31, 2022		
	Retail Banking	Mortgage Warehouse (MPP)	Total
Interest Income	$ 131,907	$ 34,217	$ 166,124
Interest Expense	(66,687)	—	(66,687)
Funds Transfer Pricing	13,896	(13,896)	—
Net Interest Income	79,116	20,321	99,437
(Credit) Provision for credit losses	2,316	(100)	2,216
Net interest income after Provision for Credit Losses	76,800	20,421	97,221
Noninterest income	154,460	3,659	158,119
Noninterest expense	(216,873)	(4,773)	(221,646)
Expense allocation	2,117	(2,117)	—
Net Income before taxes	16,504	17,190	33,694
Income tax expense	(5,121)	(5,334)	(10,455)
Net Income before preferred dividends	$ 11,383	$ 11,856	$ 23,239
Average Balance Sheet Assets	$3,509,394	$ 776,365	$4,285,759
Period Ending Assets	$3,608,427	$ 791,919	$4,400,346

Note 23 — Parent Company Condensed Financial Statements

The following are the condensed financial statements of Northpointe Bancshares, Inc. (Parent only) (000s omitted):

Condensed Balance Sheets

	December 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	$ 6,031	$ 7,069
Investment in subsidiary	448,156	453,570
Other assets	1,374	36
Total Assets	**$ 455,561**	**$ 460,675**
Liabilities and Stockholders' Equity		
Liabilities		
Subordinated debentures (Note 11)	$ 19,626	$ 36,567
Subordinated debentures issues through trusts (Note 12)	5,000	5,000
Accrued and other liabilities	315	1,801
Total Liabilities	24,941	43,368
Stockholders' Equity	430,620	417,307
Total Liabilities and Stockholders' Equity	**$ 455,561**	**$ 460,675**

Northpointe Bancshares, Inc.

Note 23 — Parent Company Condensed Financial Statements (continued)

Condensed Statements of Income

	Years Ended December 31,	
	2023	2022
Income		
Dividends and return of capital from subsidiary	$ 35,246	$ 27,212
Other	—	—
Total income	35,246	27,212
Expense		
Interest expense	2,966	2,555
Other	521	431
Total expense	3,487	2,986
Income – Before Income Taxes	31,759	24,226
Income Tax (Benefit) Expense	(2,003)	987
Net Income	33,762	23,239
Preferred Stock Dividends	9,650	9,658
Net Income available to common stockholders	**$ 24,112**	**$ 13,581**

Statement of Comprehensive Income

	Years Ended December 31,	
	2023	2022
Net Income	$ 33,762	$ 23,239
Other Comprehensive Income (Loss)		
Change in unrealized loss on securities, net of tax of $49 and $284 at 2023 and 2022, respectively	(115)	(891)
Total other comprehensive income (loss)	(115)	(891)
Comprehensive Income	**$ 33,647**	**$ 22,348**

Condensed Statements of Cash Flows

	Years Ended December 31,	
	2023	2022
Operating Activities		
Net Income	$ 33,762	$ 23,239
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	(4,711)	(11,100)
Net cash provided by operating activities	29,051	12,139
Investing Activities		
Net cash used in investing activities	—	—
Financing Activities		
Cash dividends paid on common stock	(2,573)	(7,753)
Subordinated debt call and repayment	(17,250)	—
Preferred stock dividend	(9,650)	(9,658)

Northpointe Bancshares, Inc.

Note 23 — Parent Company Condensed Financial Statements (continued)

	Years Ended December 31,	
	2023	**2022**
Proceeds from issuance of common stock	—	204
Stock repurchased	(616)	(1,496)
Proceeds from exercised stock options	—	39
Net cash (used in) provided by financing activities	(30,089)	(18,664)
Net (Decrease) Increase in Cash and Cash Equivalents	(1,038)	(6,525)
Cash and Cash Equivalents – Beginning of year	7,069	13,594
Cash and Cash Equivalents – End of year	**$ 6,031**	**$ 7,069**

Northpointe Bancshares, Inc.

Interim (Unaudited) Consolidated Balance Sheets
(Dollars in thousands)

	September 30, 2024 (Unaudited)	December 31, 2023
Assets		
Cash and cash equivalents	$ 440,751	$ 351,890
Equity securities	1,346	1,318
Debt securities available for sale (Note 19)	8,411	14,727
Other securities	69,574	67,487
Loans held for sale, at fair value	345,024	352,443
Loans, net of allowance for credit losses of $12,220 and $12,295 as of September 30, 2024 and December 31, 2023 (Note 3)	4,399,841	3,768,904
Mortgage servicing rights (Note 5)	11,671	95,339
Intangible assets, net	3,811	4,541
Premises and equipment (Note 4)	27,877	29,296
Other assets (Note 6)	77,693	72,534
Total Assets	**$ 5,385,999**	**$ 4,758,479**
Liabilities and Stockholders' Equity		
Liabilities		
Deposits: (Note 7)		
Noninterest-bearing	$ 221,928	$ 253,143
Interest-bearing	3,309,950	2,672,415
Total Deposits	3,531,878	2,925,558
Borrowings (Note 8)	1,308,750	1,275,000
Subordinated debentures (Note 11)	38,897	34,368
Subordinated debentures issues through trusts (Note 12)	5,000	5,000
Deferred tax liability	4,539	24,132
Other liabilities	42,153	63,801
Total Liabilities	4,931,217	4,327,859
Stockholders' Equity		
Preferred Stock Non-Cumulative – No Par Value; 5,000,000 shares authorized		
Series A – 82,000 and 95,000 shares issued and outstanding September 30, 2024 and December 31, 2023, respectively, with a liquidation preference of $82,000		
Series B – 25,000 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively, with a liquidation preference of $25,000		
Common Stock – No Par Value		
Authorized – 101,500,000; shares issued and outstanding – 25,689,560 at September 30, 2024 and December 31, 2023, respectively		
Additional paid in capital	167,462	180,046
Retained earnings	287,765	251,375
Accumulated other comprehensive loss	(445)	(801)
Total Stockholders' Equity	454,782	430,620
Total Liabilities and Stockholders' Equity	**$ 5,385,999**	**$ 4,758,479**

See notes to consolidated financial statements (unaudited).

Northpointe Bancshares, Inc.

Interim (Unaudited) Consolidated Statements of Income
(Dollars in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2024	**2023**
Interest Income		
Loans – Including fees	$ 210,660	$ 173,901
Investment securities – Taxable	477	687
Other	23,694	20,874
Total interest income	234,831	195,462
Interest Expense		
Deposits	111,968	90,317
Subordinated debentures	2,855	3,510
Borrowings	35,815	26,745
Total interest expense	150,638	120,572
Net Interest Income	84,193	74,890
Provision (Credit) for Credit Losses	118	(340)
Net Interest Income after Provision (Credit) for Credit Losses	84,075	75,230
Noninterest Income		
Service charges on deposits and other fees	1,387	2,017
Loan servicing fees	8,706	21,043
Mortgage purchase program loan fees	3,823	2,609
Net gain on sale of loans held for sale	46,922	64,095
Sold loan fees	—	222
Unrealized gain (loss) on equity securities	28	(40)
Net (loss) gain on sale of assets	(1,556)	428
Total noninterest income	59,310	90,374
Noninterest Expense		
Salaries and employee benefits	58,817	85,811
Occupancy and equipment	3,456	5,466
Data processing expense	7,047	8,585
Professional fees	3,341	3,858
Other taxes and insurance	4,894	4,948
Other	7,600	14,555
Total noninterest expense	85,155	123,223
Income – Before Income Taxes	58,230	42,381
Income Tax Expense	14,061	10,276
Net Income	44,169	32,105
Preferred Stock Dividends	5,853	7,240
Net Income available to common stockholders	**$ 38,316**	**$ 24,865**
Basic Earnings Per Common Share	**$ 1.49**	**$ 0.97**
Diluted Earnings Per Share	**$ 1.49**	**$ 0.96**

See notes to consolidated financial statements (unaudited).

Northpointe Bancshares, Inc.

Interim (Unaudited) Consolidated Statements of Comprehensive Income
(Dollars in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2024	**2023**
Net Income	$44,169	$32,105
Other Comprehensive Income (Loss)		
Change in unrealized gain (loss) on securities, net of tax of $133 and $74 at September 30, 2024 and September 30, 2023, respectively	356	(241)
Total other comprehensive income (loss)	356	(241)
Comprehensive Income	**$44,525**	**$31,862**

See notes to consolidated financial statements (unaudited).

Northpointe Bancshares, Inc.

Interim (Unaudited) Consolidated Statements of Changes in Stockholders' Equity
(Dollars in thousands)
(Unaudited)

	Preferred Stock, Series A Shares	Preferred Stock, Series B Shares	Common Stock, Number of Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance – December 31, 2023	**95,000**	**25,000**	**25,689,560**	**$ 180,046**	**$251,375**	**$ (801)**	**$430,620**
Net Income	—	—	—	—	44,169	—	44,169
Other comprehensive gain	—	—	—	—	—	356	356
Dividends declared ($0.075 per share)	—	—	—	—	(1,926)	—	(1,926)
Preferred stock – repurchase	(13,000)	—	—	(12,584)	1,013	—	(11,571)
Preferred stock dividends	—	—	—	—	(6,866)	—	(6,866)
Balance – September 30, 2024	**82,000**	**25,000**	**25,689,560**	**$ 167,462**	**$287,765**	**$ (445)**	**$454,782**

See notes to consolidated financial statements (unaudited).

Northpointe Bancshares, Inc.

Interim (Unaudited) Consolidated Statements of Cash Flows
(Dollars in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2024	**2023**
Cash Flows from Operating Activities		
Net Income	$ 44,169	$ 32,105
Adjustments to reconcile consolidated net income to net cash and cash equivalents provided by operating activities:		
Depreciation	2,149	2,272
(Credit) provision for credit losses	118	(340)
Amortization of intangible asset	730	766
Amortization of bond premium	—	8
Amortization of debt issuance costs	422	228
Net gain on sale of loans held for sale	(46,922)	(64,095)
Proceeds from sales of loans held for sale	1,259,887	2,767,783
Origination of mortgage loans held for sale	(1,230,364)	(2,358,225)
Net loss (gain) on sales of other real estate	217	(46)
Net loss on disposal of premises and equipment	231	36
Net gain on sale of available for sale debt securities	(83)	—
Capitalized mortgage servicing rights and change in fair value	1,765	(2,332)
Deferred tax liability	(19,710)	159
Change in fair value of equity securities	(28)	40
Change in mortgage banking derivatives	(2,811)	(6,898)
Net change in:		
Other assets	(4,021)	5,738
Accrued and other liabilities	3,443	9,734
Net cash and cash equivalents provided by operating activities	9,192	386,931
Cash Flows from Investing Activities		
Purchase of FHLB stock	(2,087)	—
Redemption of FHLB stock	—	8,108
Proceeds of available for sale debt securities	10,887	—
Purchase of available for sale debt securities	(4,000)	—
Purchase of mortgage servicing rights	—	(2,723)
Proceeds from sales of other real estate	214	755
Purchases of premises and equipment	(962)	(2,441)
Net increase in portfolio loans	(634,544)	(647,223)
Contributions from Lender Risk Account	(1,065)	(981)
Proceeds from Lender Risk Account	5,509	1,108
Proceeds from sales of mortgage servicing rights	81,903	—
Net cash and cash equivalents used in investing activities	(544,145)	(643,397)
Cash Flows from Financing Activities		
Net change in deposits	606,320	119,728
Cash dividends paid on common stock	(1,926)	(1,930)
Subordinated debt call and repayment	(20,000)	(8,750)
Subordinated debt issuance, net of issuance costs	24,107	—
Advances of FHLB borrowings	280,000	350,000
Repayment of FHLB borrowings	(246,250)	—
Preferred stock dividend	(6,866)	(7,240)
Preferred stock repurchased	(11,571)	—
Treasury stock repurchased	—	(220)
Net cash and cash equivalents provided by financing activities	623,814	451,590
Net Increase (Decrease) in Cash and Cash Equivalents	88,861	195,124
Cash and Cash Equivalents – Beginning of year	351,890	274,233
Cash and Cash Equivalents – End of year	**$ 440,751**	**$ 469,357**
Supplemental Cash Flow Information		
Cash paid for:		
Interest	$ 149,477	$ 118,902
Income taxes	30,550	3,200
Non-cash supplemental information:		
Rebooked GNMA loans over 90 days	(22,656)	12,246
Loans transferred to other real estate	2,396	217
Loans transferred from loans held for sale to portfolio loans	172,184	124,195
Loans transferred from portfolio to loans held for sale	74,921	—
Adoption of ASC 326	—	7,495

See notes to consolidated financial statements (unaudited).

Northpointe Bancshares, Inc.

Note 1 — Nature of Operations

Northpointe Bancshares, Inc.'s (the "Company") primary lending focus is the origination of residential mortgages throughout the United States. The majority of these loans are sold in the secondary market through a network of investors. The Company has also developed a mortgage advance program which provides funding to pre-approved mortgage bankers who originate and sell individual conforming and non-qualified loan products in the secondary market. The Company continues to service loans which were originated and sold to investors as well as loans held in its portfolio which were originated and selectively held in portfolio.

Note 2 — Significant Accounting Policies

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of Northpointe Bancshares, Inc. and its wholly owned subsidiary, Northpointe Bank (the "Bank"), and its wholly owned subsidiary, Northpointe Insurance Agency, Inc. (the "Insurance Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

Interim Financial Statements

The interim financial statements at September 30, 2024, and for the nine month periods ended September 30, 2024 and 2023, are unaudited and reflect all normal recurring adjustments that are, in the opinion of management, necessary for a fair presentation for the results of operations for the interim periods presented. The results of operations for the nine months ended September 30, 2024, are not necessarily indicative of the results to be achieved for the remainder of the year ending December 31, 2024, or any other period.

Significant Group Concentrations of Credit Risk

The Company's only banking branch is located in Michigan, but the Company markets its banking products to deposit customers located throughout the United States. The Company is also active nationwide in mortgage lending through a network of mortgage bankers and other financial institutions. Note 3 discusses the types of lending in which the Company engages. The Company's primary concentration is in real estate lending, including the origination and sale of 1-4 family real estate mortgages to the secondary market to Government Sponsored Entities ("GSEs").

Change in Presentation due to Stock Split

On December 19, 2024, the stockholders approved a 10-for-1 stock split whereby each holder of common stock received nine additional shares of common stock for each share owned as of the record date of December 19, 2024. Such shares were distributed on December 30, 2024. All share and per share amounts set forth in the consolidated financial statements of the Company have been retroactively restated to reflect the stock split as if it had occurred as of the earliest period presented.

Revenue Recognition

Net gain on sale of loans held for sale includes all components related to the origination and sale of mortgage loans, including (1) net gain on sale of loans, which represents the premium received in excess of the loan principal amount and certain fees charged by investors upon sale of loans into the secondary market, (2) loan origination fees (credits), points and certain costs, (3) provision for or benefit from investor reserves, (4) the change in fair value of interest rate locks, loans held for sale, and held for investment, (5) the gain or loss on forward commitments hedging loans held for sale and interest rate lock commitments (IRLCs), and (6) the fair value of the Lender Risk Account ("LRA"). An estimate of the net gain on sale of loans, net is recognized at the time an IRLC is issued, net of a pull-through factor. Subsequent changes in the fair value of IRLCs and mortgage loans held for sale are recognized in current period earnings. When

Note 2 — Significant Accounting Policies (continued)

the mortgage loan is sold into the secondary market, any difference between the proceeds received and the current fair value of the loan is recognized in current period earnings in net gain on sale of loans held for sale.

Loan servicing (loss) income, net includes income from (1) servicing, (2) sub-servicing and ancillary fees, and is recorded to income as earned, which is upon collection of payments from borrowers, (3) the fair value of originated MSRs, which represents the estimated fair value of MSRs related to loans which the Company has sold and retained the right to service.

Interest income, net includes interest earned on held for investment loans, held for sale loans, warehouse lines and securities net of the interest expense paid on our deposit and borrowing facilities. Interest income is recorded as earned and interest expense is recorded as incurred.

ASC 606, Revenue Recognition ("Topic 606"), (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets, such as other real estate owned. The majority of the Company's revenue is from interest income, including loans and securities, which are outside the scope of the standard. The services that fall within the scope of the standard are presented within noninterest income on the consolidated statement of income and are recognized as revenue as the Company satisfies its obligations to the customer. The revenue that falls within the scope of Topic 606 is primarily related to service charges on deposit accounts, debit/credit card and ATM fees, and sales of other real estate owned, when applicable.

Cash and Cash Equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents include cash on hand, cash items in process of collection, balances due from other financial institutions and federal funds sold which mature within 90 days. The carrying amount of these instruments is considered a reasonable fair value. The Company maintains its cash in deposits accounts, the balance of which, at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes that the Company is not exposed to any significant credit risk on cash and cash equivalents.

Securities

Debt securities are classified as available for sale or held to maturity. Securities classified as available for sale are recorded at fair value with unrealized gains and losses excluded from earnings and reported in other comprehensive (loss) income. Equity securities include investments in mutual funds and are recorded at fair value with unrealized gains and losses included in noninterest income in the accompanying consolidated statements of income. Purchase premiums and discounts on debt securities are recognized in interest income using the interest method. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

For available for sale securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the securities before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For debt securities available for sale that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any credit losses that has not been recorded through an allowance for credit losses is recognized in other comprehensive (loss) income.

Note 2 — Significant Accounting Policies (continued)

Accrued interest receivable on available for sale debt securities totaled $50 thousand and $195 thousand at September 30, 2024 and December 31, 2023, respectively, and is excluded from the estimate of credit losses.

Other securities, totaling $69.6 million and $67.5 million at September 30, 2024 and December 31, 2023, respectively, consist of restricted Federal Home Loan Bank stock, which is carried at cost and periodically evaluated for credit losses. Both cash and stock dividends are reported as other interest income.

Loans Held for Sale

Loans originated and intended for sale in the secondary market are carried at fair value in accordance with the fair value option. Net unrealized gains and losses are recognized in net gain on sale of loans held for sale in the accompanying consolidated statements of income. Fair value is determined on an aggregate basis based on commitments from investors to purchase such loans and upon prevailing market rates. See Note 18 for a description of the methods used to determine fair value at September 30, 2024 and December 31, 2023.

Originated government guaranteed loans are pooled and sold as Ginnie Mae MBS. Pursuant to Ginnie Mae servicing guidelines, the Company has the unilateral right to repurchase loans securitized in Ginnie Mae pools that are due, but unpaid, for three consecutive months (typically referred to as 90 days past due). As a result, once the delinquency criteria have been met, regardless of whether the repurchase option has been or intends to be exercised, the loan is required to be re-recognized on the balance sheet by the MSR owner. These loans, totaling $0.1 million and $22.8 million as of September 30, 2024 and December 31, 2023, respectively, are recorded in loans held for sale and a corresponding liability to repurchase the loans is recorded in accrued and other liabilities on the consolidated balance sheets.

Warehouse Lending

The Company has developed a program whereby it provides lending facilities to pre-approved mortgage bankers. Individual advances under the facility are reviewed and approved by the Company and are secured by specific 1-4 family mortgage loans, which the mortgage banker intends to sell and deliver to the secondary market within 60 days. The Company, from time to time, also participates out portions of the individual advances (“the participating interest”) through participation agreements with other financial institutions. Cash flows associated with the individual advances are shared on a pro-rata basis with the participating banks.

The Company charges the mortgage banker an administrative fee up to $125 per loan and earns interest while the loan is owned by the Company. Fee income is included in mortgage purchase program loan fee income on the consolidated statements of income. There were no delinquent loans and no credit losses recorded during the nine months ended 2024 or 2023 on the warehousing lending loans.

Extended dwell line of purchase facilities may be issued to the mortgage bankers to facilitate loans that may not be delivered to the secondary market within the terms of the original advance. At September 30, 2024 and December 31, 2023, the Bank had outstanding balances on these facilities of $31.3 million and $28.3 million, respectively.

Participations of the individual advances referenced above are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of the right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Mortgage Servicing Rights

Servicing assets are recognized as separate assets when rights are acquired through purchase or through sale of financial assets with servicing retained. The Company has adopted the fair value method of

Note 2 — Significant Accounting Policies (continued)

accounting for capitalized mortgage loan servicing rights pursuant to FASB Accounting Standards Codification topic 860 — "Transfers and Servicing".

Management obtains a third-party valuation on the servicing assets portfolio on a monthly basis. Fair value is determined using prices for similar assets with similar characteristics, when available, or based upon discounted cash flows using market-based assumptions. Changes in the fair value of mortgage servicing rights are reported on the consolidated statements of income in Loan servicing fees. See Note 18 for a description of the methods used to determine fair value at September 30, 2024 and December 31, 2023.

Mortgage Banking Derivatives and Financial Instruments

The Company enters into various derivative contracts and holds financial instruments to manage risk associated with the loans originated with the intention to sell on the secondary market. The Company has not designated any of the derivatives as hedging instruments. All derivatives are recorded at fair value with the change in fair value impacting net gain on sale of loans held for sale. Derivatives include commitments to originate loans and forward sales commitments; commitment to originate loans intended to be sold whereby the interest rate on the loan is determined prior to funding; forward sales commitments whereby the Company has a mandatory commitment to deliver loans at a future date. The fair value of both rate lock commitments and mandatory forward sales commitments is based on the estimated cash flows associated with delivering a pool of assets at the prevailing market rates and pull through rate.

To further mitigate the risk associated with the loans originated with the intention to sell on the secondary market, the Company has elected to account for other financial instruments at fair value. This includes contracts to deliver mortgages entered into on a "best efforts" basis, which otherwise do not meet the criteria of a derivative. The Company has elected to record at fair value the best efforts contracts under the fair value option with the change in fair value impacting net gain on sale of loans held for sale. The fair values of the best efforts contracts are based on the estimated price to deliver a pool of assets at the prevailing market interest rates. See Note 18 for a description of the methods used to determine fair value at September 30, 2024 and December 31, 2023.

Lender Risk Account

A Lender Risk Account ("LRA") has been established for loans sold by the Company to the Federal Home Loan Bank of Indianapolis ("FHLB"). The LRA is funded and maintained by the FHLB at 1.20 percent of the loan balance and is used to offset credit losses over the life of the loans sold by the Company to the FHLB. If the LRA has not been depleted by losses, funds are returned to the Company over time, beginning after five years and continuing through 25 years. As of September 30, 2024 and December 31, 2023, the Company had on deposit with the FHLB $52.8 million and $56.0 million, respectively, in these LRA's. Additionally, as of September 30, 2024 and December 31, 2023, the Company estimated the guaranty account to be $3.1 million and $2.3 million, respectively. The Company carries the asset at fair value on the accompanying consolidated balance sheets in other assets with changes in the fair value included in the consolidated statements of income with net gain on sale of loans held for sale. See Note 18 for a description of the methods used to determine fair value at September 30, 2024 and December 31, 2023.

Loans

The Company grants mortgage and commercial loans to customers. The ability of the Company's debtors to honor their contracts is dependent upon the real estate and general economic conditions in the markets where the Company has originated portfolio loans.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off and where the fair value option has not been elected are reported at their outstanding unpaid principal balances adjusted for charge-offs, the allowance for credit losses, and any deferred fees or costs on

Note 2 — Significant Accounting Policies (continued)

originated loans. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield using the interest method.

Accrued interest receivable for loans is included in other assets on the consolidated balance sheets. The Company elected not to measure an allowance for accrued interest receivable and instead elected to reverse accrued interest income on loans that are placed on nonaccrual status. Accrued interest on loans totaled $22.8 million and $20.9 million as of September 30, 2024 and December 31, 2023, respectively.

The accrual of interest on loans is discontinued at the time the loan is delinquent (120 days for mortgages and 90 days for commercial) unless the credit is well secured and in process of collection. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Credit Losses ("Allowance")

Management estimates the allowance by using relevant available information from internal and external sources related to historical loss experience, current borrower risk characteristics, current economic conditions, reasonable and supportable forecasts, and other relevant factors. The allowance is measured on a collective or pool basis when similar risk characteristics exist or on an individual basis when loans have unique risk characteristics which differentiate them from other loans within the loan segment. The process for estimating credit losses incorporates methodologies and procedures specific to the residential and commercial loan portfolios, each of which has unique risk characteristics. Each of these portfolios is further disaggregated into loan segments, which are discussed in more detail below.

A loss given default methodology is utilized to estimate losses on the residential loan portfolio, which makes up substantially all held-for-investment loans. This methodology is used to project a default rate, prepayment rate, and severity factor for each loan in the portfolio to arrive at the lifetime credit loss for the construction and land development, home equity loans, and closed end, first and second liens. The accumulated expected credit losses are impacted by changes in borrower delinquencies, changes in loan to values, and changes in FICO scores. Lifetime credit losses are also adjusted by reasonable and supportable economic forecasts. As of September 30, 2024, the Moody's Baseline September 2024 U.S. Macroeconomic Outlook was utilized. As of December 31, 2023, the Moody's Baseline December 2023 U.S. Macroeconomic Outlook was utilized.

For the majority of the commercial loan portfolio, a discounted cash flow methodology adjusted for peer group benchmarks on probability of default, prepayment speeds, and curtailment rate is used. For warehouse lending, as the Company has not experienced any losses, the accumulated expected credit losses are currently derived based on qualitative factors described below. Within these portfolios, management utilizes an internal loan grading system and assigns each loan a grade of pass, special mention, substandard, or doubtful, which are more fully explained in Note 3. The amount of credit losses, if any, is measured by a comparison of the loan's carrying value to the net present value of future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected to solely from the collateral.

Loans that do not share risk characteristics are evaluated on an individual basis and are not included in the collective evaluation. Factors considered by management in determining credit losses include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as individually evaluated. Management determines the significance of payment delays and payment shortfalls

Note 2 — Significant Accounting Policies (continued)

on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Credit losses are individually analyzed by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

Qualitative Factors

Each quarter, management also considers the need to adjust historical loss rates as determined to reflect the extent to which current conditions and reasonable and supportable economic forecasts are expected to differ or where specific risks and uncertainties are not fully captured by the quantitative model. These qualitative adjustments may increase or decrease the estimate of expected future credit losses. The qualitative factors include economic forecast uncertainty, underwriting and collection trends, changes in nature and volume of portfolio, changes in the volume and severity of past due loans, collateral trends, concentration risk, quality of loan review, changes in personnel, external factors, and other considerations.

Residential Loan Segments

Construction and land development: Construction and land development loans consist of loans to individuals for the construction of their primary residences. Loans to individuals for the construction of their residences typically run for up to 12 or 18 months and then convert to permanent loans. These construction loans have rates and terms comparable to one-to-four family loans. During the construction phase, the borrower pays interest only. The maximum loan-to-value ratio of owner-occupied single-family construction loans is 80%. Residential construction loans are generally underwritten pursuant to the same guidelines used for originating permanent residential loans.

Construction loans generally are made for relatively short terms. However, to the extent construction loans are not made to owner-occupants of single-family homes, they are more vulnerable to changes in economic conditions and the concentration of credit with a limited number of borrowers. Further, the nature of these loans is such that they are more difficult to evaluate and monitor. The risk of loss on a construction loan is dependent largely upon the accuracy of the initial estimate of the property's value upon timely completion of the project and the estimated cost (including interest) of the project.

Home equity lines of credit: Home equity lines of credit mainly consist of variable-rate home equity lines-of-credit secured by a lien on the borrower's primary residence. Home equity products are limited to 90% of the property value less any other mortgages if the first loan is with the Bank. Home equity products in a secondary lien position are limited to 85% of the property value less any superior liens. The Company uses the same underwriting standards for home equity lines-of-credit as it uses for one-to-four family residential mortgage loans. Home equity lines-of-credit provide for an initial draw period of up to ten years. Home equity loans are susceptible to weakening general economic conditions and increase in unemployment rates and declining real estate values.

Closed end, first and second liens: Closed end, first and second liens consist of one-to-four family residential loans consist primarily of loans secured by first or second liens or mortgages on primary residences. We originate adjustable-rate and fixed-rate, one-to-four-family residential real estate loans for the construction, purchase or refinancing of a mortgage. These loans are collateralized by owner-occupied properties located in the Company's market area. Loans on one-to-four-family residential real estate are generally originated in amounts of up to 90% for owner-occupied one-to-four family homes and up to 85% for non-owner occupied homes. Mortgage title insurance and hazard insurance are normally required. Such loans are susceptible to weakening general economic conditions and increases in unemployment rates and declining real estate values.

Northpointe Bancshares, Inc.

Note 2 — Significant Accounting Policies (continued)

Commercial Loan Segments

Commercial: Commercial business loans and lines of credit consist of loans to small- and medium-sized companies in the Company's market area. Commercial business loans are generally used for working capital purposes. Risk to this category include declining valuation of collateral and weakening general economic conditions.

Warehouse lending: The Company has developed a program whereby it provides lending facilities to pre-approved mortgage bankers. Individual advances under the facility are reviewed and approved by the Company and are secured by specific 1-4 family mortgage loans, which the mortgage banker intends to sell and deliver to the secondary market within 60 days. Warehouse lending loans are susceptible to weakening general economic conditions and increases in unemployment rates and declining real estate values.

Unfunded Loan Commitments

The Company is also required to consider expected credit losses associated with loan commitments over the contractual period in which it is exposed to credit risk on the underlying commitments unless the obligation is unconditionally cancellable by the Company. Any allowance for off balance sheet credit exposure is reported in other liabilities on the consolidated balance sheets and is increased or decreased by provision for credit losses on the consolidated statement of income. The calculation uses the same methodology, inputs, and assumptions as the funded portion of the loans at the segment level applied to the amount of commitments expected to be funded.

Off-balance-sheet Instruments

In the ordinary course of business, the Company may enter into commitments under commercial letters of credit and standby letters of credit. Such financial instruments are recorded when they are funded. There were no letters of credit commitments as of September 30, 2024 and December 31, 2023.

Other Real Estate Owned

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value (less costs to sell) at the date of the foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less costs to sell. Related revenue, expenses, and changes in the valuation allowance are included in other expenses. Total other real estate owned included in other assets at September 30, 2024 and December 31, 2023 was approximately $2.0 million and $24 thousand, respectively. The Company had real estate in the process of foreclosure totaling $1.6 million and $2.5 million as of September 30, 2024 and December 31, 2023, respectively.

Bank Premises and Equipment, net

Premises and equipment are carried at cost, less accumulated depreciation and amortization. Depreciation, computed on the straight-line method, is charged to Occupancy and equipment over the estimated useful lives of the assets ranging from 1 to 40 years. Leasehold improvements are amortized over the terms of their respective leases or the estimated useful lives of the improvements, whichever is shorter. Interest costs incurred during the construction period of new facilities are capitalized as part of the cost of the building and depreciated over the estimated useful life of the asset.

Use of Estimates

In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated balance sheets and

Note 2 — Significant Accounting Policies (continued)

reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses, the fair value of financial instruments, including mortgage banking derivatives, mortgage servicing rights, lender risk account, loans held for sale, and loans held for investment fair value option.

Repurchase Reserve

The Company sells residential mortgage loans to investors in the normal course of business. Residential mortgage loans sold to investors are predominantly conventional residential first lien mortgages originated under our usual underwriting procedures and are sold on a nonrecourse basis. The Company's agreements to sell residential mortgage loans usually require general representations and warranties on the underlying loans sold, related to credit information, loan documentation, collateral, and insurability, which if subsequently untrue or breached, could require the Company to indemnify or repurchase certain loans affected. The balance in the repurchase reserve at the balance sheet date reflects the estimated amount of potential loss the Company could incur from repurchasing a loan, as well as loss reimbursements, indemnification, and other "make whole" settlement resolutions. The Company's repurchase reserve was approximately $2.5 million and $4.6 million, as of September 30, 2024 and December 31, 2023, respectively, and is included in accrued and other liabilities on the consolidated balance sheet.

Stock Compensation Plans

The Company recognizes compensation cost for equity-based compensation for all new or modified grants. The recognized costs are based on the fair value of the option granted and are recognized over the vesting period.

Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the equity section of the consolidated balance sheets, such items, along with net income, are components of comprehensive income.

Income Taxes

Deferred income tax assets and liabilities are determined using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is determined based on the tax effects of the various temporary differences between the book and tax bases of the various balance sheet assets and liabilities and gives current recognition to changes in tax rates and laws.

The Company records uncertain tax positions in accordance with ASC Topic 740 "Income Taxes" on the basis of a two-step process whereby (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company evaluates the realization of the deferred tax assets based on future taxable income, among other things. In the event that the deferred tax asset has been determined to not be realizable, a valuation allowance is established.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the

Northpointe Bancshares, Inc.

Note 2 — Significant Accounting Policies (continued)

Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of the right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Intangible Assets

Intangible assets subject to amortization are amortized over the estimated life, using a method that approximates the time the economic benefits are realized by the Company. Intangible assets are reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

The Company acquired certain retail lending offices from an unaffiliated company during 2018. This merger enabled the Company to expand its geographical footprint of retail lending offices. The acquired retail lending offices included $0.3 million of acquired tangible assets. The fair value of customer-related intangible assets was $11.2 million less the expected payout of $732 thousand for a net value of $10.5 million.

Amortization of the intangible asset was $0.7 million and $0.8 million for the nine months ended September 30, 2024 and 2023, respectively. Decreases in loan production, margin, or other changes in the secondary market may impact the carrying value of the recorded intangible asset. Amortization is expected to be approximately $1.0 million per year through 2028.

The results of operations due to the acquisition have been included in the Company's results since the acquisition date.

Earnings Per share

Basic earnings per share represent net income available to common stockholders divided by the weighted-average number of common shares outstanding during each period. Diluted earnings per share reflect additional potential shares that would have been outstanding if dilutive potential common stock had been issued, as well as any adjustment to income that would result from the assumed issuance. Potential common stock that may be issued by the Company is determined using the treasury stock method.

Emerging Growth Company Status

The Company is an "emerging growth company" ("EGC") as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Section 107 of the JOBS Act provides that an EGC can take advantage of the extended transition period when complying with new or revised accounting standards. This allows an EGC to delay adoption of certain accounting standards until those standards apply to private companies; however, the EGC can still early adopt new or revised accounting standards. We have elected to take advantage of this extended transition period, which means these financial statements, as well as financial statements we file in the future will be subject to all new or revised accounting standards generally applicable to private companies, unless stated otherwise. This decision will remain in effect until the Company loses its EGC status.

Recently Adopted Accounting Pronouncements

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820)." The amendments in this ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security, and therefore, is not considered in measuring fair value. Furthermore, the amendments to this ASU clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The update to this ASU requires the following disclosures for equity securities: (1) The fair value of equity securities subject to contractual sale restrictions reflected in the balance sheet; (2) The nature and remaining duration of the restriction(s) and; (3) The circumstances that could cause a lapse in the restriction(s). The amendments in this Update are effective for fiscal years

Note 2 — Significant Accounting Policies (continued)

beginning after December 15, 2023, and interim periods within those fiscal years. The Company has concluded that the updates did not have a material impact on the Company's financial position and/or results of operations.

New Accounting Pronouncements

In March 2022, the FASB issued ASU No. 2022-01, Derivatives and Hedging (Topic 815): Fair Value Hedging — Portfolio Layer Method ("ASU 2022-01"), which clarifies the guidance on fair value hedge accounting of interest rate risk for portfolios of financial assets. This ASU amends the guidance in ASU 2017-12 that, among other things, established the "last-of-layer" method for making the fair value hedge accounting for these portfolios more accessible. ASU 2022-01 renames that method the "portfolio layer" method and expands the scope of this guidance to allow entities to apply the portfolio layer method to portfolios of all financial assets, including both prepayable and nonprepayable financial assets. This scope expansion is consistent with the FASB's efforts to simplify hedge accounting and allows entities to apply the same method to similar hedging strategies. ASU 2022-01 is effective for private entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023, with early adoption permitted. The Company is currently assessing the impact of the update on its operations, financial position, and disclosures.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting: Improvements to Reportable Segment Disclosures, which requires enhanced disclosures on both an annual and interim basis about significant segment expenses, including for companies with only one reportable segment. This ASU is effective on a retrospective basis for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 31, 2024. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes: Improvement to Income Tax Disclosures (Topic 740)." This ASU requires entities to disclose specific categories in the rate reconciliations and provide additional information for reconciling items that meet a quantitative threshold. The ASU requires all entities to disclose the amount of income taxes paid, disaggregated by federal state and foreign taxes, the amount of income taxes paid disaggregated by individual jurisdictions in which income taxes paid is equal or greater than 5 percent of total income taxes paid. The ASU also requires that entities disclose income (loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic or foreign and income tax expense (or benefit) from continuing operations disaggregated by federal, state, and foreign. This ASU is effective beginning after December 15, 2024. The Company is currently assessing the impact of the update and its operations, financial position, and disclosures.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including December 20, 2024, which is the date the consolidated financial statements were available to be issued.

Northpointe Bancshares, Inc.

Note 3 — Loans and Allowance for Credit Losses

A summary of the balances of loans follows (000s omitted):

	September 30, 2024	December 31, 2023
Residential	$ 2,729,840	$ 2,605,413
Commercial	1,088	18,037
Warehouse lending	1,671,829	1,146,826
Total loans	4,402,757	3,770,276
Less:		
Allowance for credit losses	12,220	12,295
Net deferred loan (cost)/fees	(9,304)	(10,923)
Net loans	$ 4,399,841	$ 3,768,904

The residential mortgage loan portfolio includes $175.5 million and $100.2 million measured at fair value on September 30, 2024 and December 31, 2023, respectively.

Activity in the allowance for credit losses is summarized as follows (000s omitted):

	Nine months ended September 30, 2024				
	Residential	Commercial	Warehouse lending	Unallocated	Total
Beginning balance	$ 11,742	$ 51	$ 458	$ 44	$12,295
Charge-offs	(1,856)	—	—	—	(1,856)
Recoveries	445	125	—	—	570
Provision	1,214	(172)	211	(42)	1,211
Ending balance	$ 11,545	$ 4	$ 669	$ 2	$12,220

	Nine months ended September 30, 2023				
	Residential	Commercial	Warehouse lending	Unallocated	Total
Beginning balance, prior to adoption of ASC 326	$ 5,908	$ 78	$ 317	$ 62	$ 6,365
Impact of adopting ASC 326	9,403	(38)	—	(58)	9,307
Charge-offs	(47)	—	—	—	(47)
Recoveries	33	46	—	—	79
Provision	(1,605)	(77)	122	129	(1,431)
Ending balance	$ 13,692	9	439	133	14,273

Provision for credit losses also includes provision for unfunded loan commitments on the consolidated statements of income. The Company released a provision of $1.1 million during the nine months ended September 30, 2024 and provided a provision of $1.1 million during the nine months ended September 30, 2023.

Northpointe Bancshares, Inc.

Note 3 — Loans and Allowance for Credit Losses (continued)

Nonaccrual Loans

The following tables present the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing in the held for investment portfolio (000s omitted):

	September 30, 2024				
	Nonaccrual with No Allowance	Nonaccrual with Allowance	Total Nonaccrual	Over 90 days Accruing	Total
Residential:					
Construction and land development	$ 2,466	$ 1,697	$ 4,163	$ —	$ 4,163
Home equity lines of credit	4,891	1,340	6,231	235	6,466
Closed end, first liens[(1)]	38,611	8,530	47,141	7,845	54,986
Closed end, second liens	557	738	1,295	542	1,837
Total	$ 46,525	$ 12,305	$ 58,830	$ 8,622	$67,452

(1) Includes $37.1 million in nonaccrual loans which are wholly or partially guaranteed by the U.S. Government, including $31.5 million in GNMA repurchased loans.

	December 31, 2023				
	Nonaccrual with No Allowance	Nonaccrual with Allowance	Total Nonaccrual	Over 90 days Accruing	Total
Residential:					
Construction and land development	$ 4,200	$ 202	$ 4,402	$ —	$ 4,402
Home equity lines of credit	2,977	620	3,597	497	4,094
Closed end, first liens	12,459	1,468	13,927	3,298	17,225
Closed end, second liens	726	—	726	—	726
Total	$ 20,362	$ 2,290	$ 22,652	$ 3,795	$26,447

The Bank has not recognized any material interest income on nonaccrual loans during the nine month ended September 30, 2024 or 2023.

The Bank originates and sells residential first mortgage loans insured or guaranteed by the Federal Housing Administration (FHA), the Department of Agriculture Rural Development (RD), or the Department of Veterans Affairs (VA) to Government National Mortgage Association (GNMA) through securities. At the servicer's option, and without GNMA's prior authorization, the servicer may repurchase such a delinquent loan for an amount equal to 100 percent of the remaining principal balance of the loan (referred to as repurchased GNMA loans). In April 2024, the Bank repurchased a pool of GNMA delinquent loans with unpaid principal balances totaling $36.0 million. These repurchased GNMA loans are included in the held for investment portfolio, within the closed end, first lien segment. As these loans are guaranteed by GNMA, it is expected that the Bank will collect substantially all principal, interest, and other advanced funds over time. However, as timelines for recovery could vary, all GNMA repurchased loans over 120 days delinquent are added to nonaccrual status in accordance with our policies. The loans are not deemed to be classified for regulatory purposes as we do expect to fully collect all principal, interest, and other advanced funds. As of September 30, 2024, the GNMA repurchased loans had outstanding balances of $34.2 million, of which $31.5 million was on nonaccrual status.

Collateral dependent loans are loans for which the repayment is expected to be provided substantially through the sale of the collateral and the borrower is experiencing financial difficulty. The allowance is

Note 3 — Loans and Allowance for Credit Losses (continued)

calculated on an individual loan basis of the shortfall between the fair value of the loan's collateral, which is adjusted for selling costs, and the loan's amortized cost. If the fair value of the collateral exceeds the loan's amortized cost, no allowance is necessary.

The amortized cost of collateral dependent loans by class as follows (000s omitted):

	September 30, 2024		
	Collateral Type		Allowance Allocated
	Real Estate	Other	
Residential:			
Construction and land development	$ 2,737	$ —	$ 99
Home equity lines of credit	5,489	—	40
Closed end, first liens	41,838	—	61
Closed end, second liens	840	—	323
Total	$ 50,904	$ —	$ 523

	December 31, 2023		
	Collateral Type		Allowance Allocated
	Real Estate	Other	
Residential:			
Construction and land development	$ 3,976	$ —	$ 6
Home equity lines of credit	3,414	—	14
Closed end, first liens	8,119	—	—
Closed end, second liens	662	—	—
Total	$ 16,171	$ —	$ 20

Age Analysis of Loans

The following tables detail the age analysis of loans, excluding those loans carried at fair value (000s omitted):

	September 30, 2024					
	30 – 59 Days Past Due	60 – 89 Days Past Due	Greater than 90 Days	Total Past Due	Current	Total Loans
Residential:						
Construction and land development	$ 5,635	$ 516	$ 2,367	$ 8,518	$ 254,913	$ 263,431
Home equity lines of credit	6,763	776	4,940	12,479	669,697	682,176
Closed end, first liens	18,496	2,819	36,743	58,058	1,476,735	1,534,793
Closed end, second liens	2,115	460	1,322	3,897	79,345	83,242
Commercial	203	—	—	203	885	1,088
Warehouse lending	—	—	—	—	1,671,829	1,671,829
Total	$ 33,212	$ 4,571	$ 45,372	$83,155	$4,153,404	$4,236,559

Note 3 — Loans and Allowance for Credit Losses (continued)

	December 31, 2023					
	30-59 Days Past Due	60-89 Days Past Due	Greater than 90 Days	Total Past Due	Current	Total Loans
Residential:						
Construction and land development	$ 3,874	$ 1,883	$ 3,670	$ 9,427	$ 337,713	$ 347,140
Home equity lines of credit	4,164	884	3,861	8,909	603,776	612,685
Closed end, first liens	10,886	4,721	11,416	27,023	1,439,879	1,466,902
Closed end, second liens	1,934	211	662	2,807	86,644	89,451
Commercial	—	—	—	—	18,037	18,037
Warehouse lending	—	—	—	—	1,146,826	1,146,826
Total	$ 20,858	$ 7,699	$ 19,609	$48,166	$3,632,875	$3,681,041

Modifications to Borrowers Experiencing Financial Difficulty

On occasion, the Company modifies loans to borrowers in financial distress by providing principal forgiveness, term extensions, interest rate reductions, or payment delays. When principal forgiveness is provided, the amount of forgiveness is charged-off against the allowance for credit losses. In some cases, the Company provides multiple types of concessions on one loan.

During the nine months ended September 30, 2024 there were not any material loans that were modified to borrowers experiencing financial difficulty. During the nine months ended September 30, 2023, there were $2.2 million loans, 5 closed end, first lien loans for $1.7 million and 1 home equity loan for $0.5 million, that were both experiencing financial difficulty and modified during the period. These loans were a combination of term extension and interest rate reduction. During 2023, all closed end, first liens loan was on nonaccrual status at time of modification and the home equity line of credit was on accrual status at time of modification. There were no material modifications to borrowers experiencing financial difficulty within the previous 12 months that became 30 days or more past due during the nine months ended September 30, 2024 and September 30, 2023.

Credit Quality Indicators

The Company categorized each loan into credit risk categories based on current financial information, overall debt service coverage, comparison against industry averages, collateral coverage, historical payment experience, and current economic trends. Residential real estate is evaluated for credit risk based on performing or non-performing classification. The Company uses the following definitions for credit risk ratings:

Performing

Residential real estate credits not covered by the non-performing definition below.

Non-performing

Residential real estate loans classified as non-performing are generally loans on nonaccrual status.

Pass

Commercial credits not covered by the definitions below are pass credits, which are not considered to be adversely rated.

Note 3 — Loans and Allowance for Credit Losses (continued)

Special Mention

Loans classified as special mention, or watch credits, have a potential weakness or weaknesses that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard

Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution may sustain some loss if the deficiencies are not corrected.

The following table reflects amortized cost basis of loans and year to date charge-offs based on year of origination (000s omitted):

Northpointe Bancshares, Inc.

Note 3 — Loans and Allowance for Credit Losses (continued)

	For the nine months ended September 30, 2024							
	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Total
Construction and Land Development:								
Performing	$12,764	$ 90,655	$ 89,487	$ 41,008	$14,188	$ 11,166	$ —	$ 259,268
Nonperforming	—	1,673	2,154	—	—	336	—	4,163
Total	12,764	92,328	91,641	41,008	14,188	11,502	—	263,431
Gross charge-offs	—	545	—	—	—	—	—	545
Home Equity Lines of credit:								
Performing	—	—	—	—	—	—	675,945	675,945
Nonperforming	—	—	—	—	—	—	6,231	6,231
Total	—	—	—	—	—	—	682,176	682,176
Gross charge-offs	—	126	480	433	—	8	—	1,047
First liens, closed end loans:								
Performing	47,865	91,685	1,066,068	162,728	44,561	74,745	—	1,487,652
Nonperforming	—	3,817	33,791	3,130	2,249	4,154	—	47,141
Total	47,865	95,502	1,099,859	165,858	46,810	78,899	—	1,534,793
Gross charge-offs	—	3	52	—	—	49	—	104
Second liens, closed end loans:								
Performing	3,892	16,800	33,850	8,897	8,870	9,638	—	81,947
Nonperforming	—	93	614	60	—	528	—	1,295
Total	3,892	16,893	34,464	8,957	8,870	10,166	—	83,242
Gross charge-offs	—	152	—	—	—	—	—	152
Commercial:								
Risk Rating								
Pass	—	—	—	—	—	1,004	—	1,004
Special mention	—	—	—	—	—	84	—	84
Total	—	—	—	—	—	1,088	—	1,088
Gross charge-offs	—	—	—	—	—	—	—	—
Warehouse lending:								
Risk Rating								
Pass	—	—	—	—	—	—	1,671,829	1,671,829
Special mention	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	1,671,829	1,671,829
Gross charge-offs	—	—	—	—	—	—	—	—
Grand Total	$64,521	$204,723	$1,225,964	$215,823	$69,868	$101,655	$2,354,005	$4,236,559
Grand Total Gross charge-offs	$ —	$ 826	$ 532	$ 433	$ —	$ 57	$ —	$ 1,848

Northpointe Bancshares, Inc.

Note 3 — Loans and Allowance for Credit Losses (continued)

	For the year ended December 31, 2023							
	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total
Construction and Land Development:								
Performing	$105,297	$ 153,972	$ 53,048	$17,445	$ 2,749	$10,227	$ —	$ 342,738
Nonperforming	1,026	2,010	664	227	—	475	—	4,402
Total	106,323	155,982	53,712	17,672	2,749	10,702	—	347,140
Gross charge-offs	—	459	—	—	—	29	—	488
Home Equity Lines of credit:								
Performing	—	—	—	—	—	—	609,088	609,088
Nonperforming	—	—	—	—	—	—	3,597	3,597
Total	—	—	—	—	—	—	612,685	612,685
Gross charge-offs	—	103	80	—	—	—	—	183
First liens, closed end loans:								
Performing	83,332	1,071,789	163,674	49,965	39,056	45,159	—	1,452,975
Nonperforming	—	4,849	1,670	1,860	1,877	3,671	—	13,927
Total	83,332	1,076,638	165,344	51,825	40,933	48,830	—	1,466,902
Gross charge-offs	—	192	—	—	—	25	—	217
Second liens, closed end loans:								
Performing	19,864	36,846	10,472	10,317	5,034	6,192	—	88,725
Nonperforming	—	198	63	—	235	230	—	726
Total	19,864	37,044	10,535	10,317	5,269	6,422	—	89,451
Gross charge-offs	—	44	—	—	—	—	—	44
Commercial:								
Risk Rating								
Pass	—	413	—	—	—	378	17,021	17,812
Special mention	—	—	—	—	198	27	—	225
Total	—	413	—	—	198	405	17,021	18,037
Gross charge-offs	—	—	—	—	—	—	—	—
Warehouse lending:								
Risk Rating								
Pass	—	—	—	—	—	—	1,129,764	1,129,764
Special mention	—	—	—	—	—	—	17,062	17,062
Total	—	—	—	—	—	—	1,146,826	1,146,826
Gross charge-offs	—	—	—	—	—	—	—	—
Grand Total	$209,519	$1,270,077	$229,591	$79,814	$49,149	$66,359	$1,776,532	$3,681,041
Grand Total Gross charge-offs	$ —	$ 798	$ 80	$ —	$ —	$ 54	$ —	$ 932

There were no revolving loans converted to term loans during the nine months ended September 30, 2024 or 2023.

Northpointe Bancshares, Inc.

Note 4 — Bank Premises and Equipment, Net

A summary of the cost and accumulated depreciation of premises and equipment follows (000s omitted):

	September 30, 2024	December 31, 2023
Land	$ 5.979	$ 5,826
Leasehold improvements	163	604
Buildings and building improvements	24,673	24,074
Furniture, fixtures, and equipment	10,403	10,241
Construction in progress	263	427
Total cost	41,481	41,172
Accumulated depreciation	(13,604)	(11,876)
Net	$ 27,877	$ 29,296

Depreciation expense for the nine months ended September 30, 2024 and 2023 amounted to $2.1 million and $2.3 million, respectively.

Future undiscounted lease payments for operating leases with initial terms of one year of more as of September 30, 2024 are as follows (000s omitted):

2024	$ 206
2025	614
2026	443
2027	194
2028	55
Thereafter	32
Total undiscounted lease payments	1,544
Less discount to net present value	(46)
Total operating lease liabilities	$1,498

The weighted average remaining discount rate was 3.5% and weighted average remaining life was 2.4 years as of September 30, 2024.

The leases contain options to extend for periods from 3 to 5 years. The cost of such rentals is not included above.

Total rent expense for the nine months ended September 30, 2024 and 2023 amounted to $1.4 million and $2.5 million, respectively.

The Company also leases portions of its main office location to third parties. The amounts included in Occupancy and equipment expense are net of rental income of $0.9 million and $0.5 million for the nine months ended September 30, 2024 and 2023, respectively.

Northpointe Bancshares, Inc.

Note 4 — Bank Premises and Equipment, Net (continued)

Future income from non-cancelable lease agreements in effect at September 30, 2024 is as follows (000s omitted):

2024	$ 287
2025	1,138
2026	1,070
2027	965
2028	685
Thereafter	698
Total	$4,843

Note 5 — Mortgage Servicing Rights

Loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balances of mortgage loans and other loans serviced for others were approximately $1.1 billion and $6.9 billion at September 30, 2024 and December 31, 2023, respectively. In addition, approximately $2.9 billion and $3.5 billion at September 30, 2024 and December 31, 2023, respectively of loans were sub-serviced on behalf of other unaffiliated investors. The Company has an ongoing relationship to sell servicing rights to a buyer on a routine basis when the loans are sold to the agencies while maintaining a subservicing relationship. Under this relationship, the servicing is conducted in the name of Northpointe Bank.

The following summarizes the loan servicing fees which are a component of the Loan Servicing Fees line item on Statement of Income (000s omitted):

	For the nine months ended	
	September 30, 2024	**September 30, 2023**
Contractual servicing fees	$ 10,117	$ 18,178
Late fees	371	456
Other fees	77	76
Total	$ 10,565	$ 18,710

At September 30, 2024, the fair value of mortgage servicing rights was determined using discount rates between 10.0 and 12.0 percent, average cost of servicing between $70 and $85 per file per year, and a prepayment speed of 11.33 percent. At December 31, 2023 the fair value of mortgage servicing rights was determined using discount rates between 10.0 and 12.5 percent, average cost of servicing between $70 and $85 per file per year, and a prepayment speed of 7.2 percent.

The following summarizes mortgage servicing rights capitalized and amortized (000s omitted):

	For the nine months ended	
	September 30, 2024	**September 30, 2023**
Balance – Beginning of year	$ 95,339	$ 101,792
Additions	2,736	7,417
Paid in full loans	(1,501)	(3,301)
Change in fair value	(3,000)	939
Proceeds from sale	(81,903)	—
Balance – End of year	$ 11,671	$ 106,847

Northpointe Bancshares, Inc.

Note 5 — Mortgage Servicing Rights (continued)

During 2024, the Company performed one bulk sale of mortgage servicing rights with an unpaid principal loan balance of $5.7 billion. The associated fair value and proceeds received was $81.9 million in mortgage servicing rights assets. There were no bulk mortgage servicing rights sales in 2023.

During 2023, the Company acquired one bulk purchase of mortgage servicing rights with an unpaid principal loan balance of $298 million for $2.7 million in mortgage servicing right assets.

The following table summarizes the hypothetical effect on the fair value of servicing rights using adverse changes of 10.0 percent and 20.0 percent to the weighted-average of certain significant assumptions used in valuing these assets (000s omitted):

	September 30, 2024			December 31, 2023		
	Actual	10% Adverse Change	20% Adverse Change	Actual	10% Adverse Change	20% Adverse Change
Discount rate change	10.6%	$11,193	$10,750	10.2%	$91,100	$87,205
Constant prepayment rate	11.3%	11,239	10,840	7.2%	92,496	89,813
Cost to service	$ 75	11,509	11,347	$ 72	93,991	92,643

Note 6 — Derivative Financial Instruments

Forward contracts are contracts for delayed delivery of loans or mortgage-backed securities in which the seller agrees to make delivery at a future date of a specified instrument, at a specified price or yield. Risks arise from the possible inability of the Company to compile a portfolio of loans and from movements in interest rates. These contracts are used primarily to reduce the exposure to interest rate fluctuations for loans in progress and in loan inventory held for sale to investors. Most forward contracts are for terms of 30 days to 90 days. The Company had outstanding forward contracts of approximately $247.9 million and $169.4 million at September 30, 2024 and December 31, 2023, respectively. Forward commitments represent forward contracts, closed held for sale loans with a committed investor, and pair-off contracts.

Interest rate lock commitments, which are included in the commitments to extend credit, represent commitments to lend to customers at predetermined interest rates.

The following table presents the unrealized gain/(loss) on derivative financial instruments (000s omitted):

	September 30, 2024	December 31, 2023
Interest rate-lock commitments	$ 4,124	$ 2,948
Forward commitments	(1,084)	(2,719)

The following table provide details on the Company’s derivative financial instruments (000s omitted):

	September 30, 2024		
	Notional Amount	Asset	Liability
Interest rate-lock commitments	$227,367	$4,146	$ 22
Forward commitments	492,306	361	1,445
Total	$719,673	$4,507	$1,467

Note 6 — Derivative Financial Instruments (continued)

	December 31, 2023		
	Notional Amount	Asset	Liability
Interest rate-lock commitments	$106,604	$2,959	$ 11
Forward commitments	260,000	93	2,812
Total	$366,604	$3,052	$2,823

As of September 30, 2024 and December 31, 2023, the counterparty collateral asset balance was $1.7 million and $1.3 million, respectively and was included in other assets in the consolidated balance sheets. As of September 30, 2024 and December 31, 2023, the counterparty collateral liability balance was $0.0 million and $0.1 million and was included in accruals and other liabilities in the consolidated balance sheets.

Note 7 — Deposits

The following is a summary of the distribution of deposits (000s omitted):

	September 30, 2024	December 31, 2023
Noninterest-bearing deposits	$ 221,928	$ 253,143
Interest-bearing demand deposits	383,517	600,146
Savings and money market accounts	330,076	368,394
Time:		
Under $250,000	2,482,814	1,630,903
$250,000 and over	113,543	72,972
Total	$ 3,531,878	$ 2,925,558

Brokered time deposits totaled $2.3 billion and $1.5 billion at September 30, 2024 and December 31, 2023, respectively.

At September 30, 2024, the scheduled maturities of time deposits are as follows (000s omitted):

2024	$2,254,081
2025	162,980
2026	90,420
2027	16,703
2028	46,908
Thereafter	25,265
Total	$2,596,357

Note 8 — Borrowings

The Bank has an advance agreement with the FHLB. At September 30, 2024, the Bank had thirty-five advances totaling $1.3 billion carrying a fixed interest rate ranging between 104 and 484 basis points with scheduled maturities between 7 months and 113 months. The weighted average rate was 3.81% for the nine months ended September 30, 2024. At December 31, 2023, the Bank had thirty-five advances totaling $1.3 billion carrying a fixed interest rate ranging between 104 and 474 basis points with scheduled maturities between 5 months and 111 months. The weighted average rate was 3.36% in 2023. The advances are collateralized by approximately $3.3 billion and $2.5 billion of mortgage loans and loans held for sale as of

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Note 8 — Borrowings (continued)

September 30, 2024 and December 31, 2023, respectively, under an agreement which calls for specific identification of pledged loans. Included in the above, advances totaling $60 million are putable advances.

At September 30, 2024, the scheduled maturities of the advances are as follows (000s omitted):

2024	$ —
2025	143,750
2026	60,000
2027	275,000
2028	50,000
Thereafter	780,000
Total	$1,308,750

The Bank also has a line of credit included under the collateral agreement mentioned above, allowing borrowing up to $50.0 million. The interest rate on the line of credit is a floating rate determined by the FHLB and the line of credit matures on May 10, 2025. The Bank had no outstanding borrowings on the line of credit at September 30, 2024 or December 31, 2023.

Note 9 — Employee Benefits

The Company sponsors a 401(K) plan which contains an employee stock ownership plan (ESOP) investment option. The 401(k) Plan is available to all employees, on the 1st of the month following 90 days of employment. Participants in the plan have the option to contribute from 0% to 100% of their annual compensation, up to the IRS allowable limits. FICA taxes must be paid based on total compensation. The Company matches 60% of participant contributions up to 7% of gross pay. The Company's matching contributions were $0.5 million and $1.4 million for the nine months ended September 30, 2024 and 2023, respectively. Participants are immediately 100% vested in salary and rollover contributions and any income or loss thereon. Vesting in the matching contributions is based on years of service. Participants vest in contributions made by the company 20% after one year of service and another 20% per until they become fully vested after five years of service. If a participant is not fully vested on their termination date, the non-vested amount is forfeited. Forfeitures are used to reduce company contributions and/or to pay administrative expenses of the plan.

The ESOP held 1,021,600 shares of the Company's common stock as of September 30, 2024 and December 31, 2023. During 2024 and 2023, all shares have been allocated to participants. During the nine months ended September 30, 2024, the ESOP did not purchase any shares. During 2023, the Company repurchased 56,000 shares at $110 per share from the ESOP. Dividends on ESOP shares are reinvested and allocated to the participants. The fair value to repurchase the shares is approximately $11.2 million at September 30, 2024 and December 31, 2023.

The Company has a self-insured medical insurance plan covering all of its eligible employees. The Company's individual excess risk benefit level per employee was $175 thousand (with no aggregate exposure limitation) at September 30, 2024 and December 31, 2023. Losses in excess of the limitation is covered by reinsurance. Amounts expensed by the Company under the plan were approximately $3.6 million and $6.2 million for the nine months ended September 30, 2024 and 2023, respectively, recorded in salaries and employee benefits on the consolidated statement of income. The Company recorded an accrual of approximately $0.7 million and $0.5 million at September 30, 2024 and December 31, 2023, respectively, for known claims and estimated claims incurred but not reported, reported in accrued and other liabilities on the consolidated balance sheets.

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Note 10 — Stock Compensation Plans

The Company has two share based compensation plans, which are described below. No stock option expense was recorded for the nine months ended September 30, 2024 and 2023.

The Company has a stock option plan for its non-employee directors under which options may be granted at not less than the fair value of the underlying stock on the date of the grant. These options are subject to a vesting schedule under which one-third vests at each anniversary date of the grant. Under the stock option plan, the Company may grant options to its directors for up to 500,000 shares of common stock.

The Company also has a stock compensation plan for executive officers and certain employees under which options may be granted at not less than the market price of the stock on the date of the grant. These options are subject to a vesting schedule under which one-third vests at each anniversary date of the grant. Under the stock compensation plan, the Company may grant options to its executive officers and certain employees for up to 1,000,000 shares of common stock.

All options granted expire within 10 years of the date of grant, subject to certain cancellation provisions related to an individual's affiliation with the Company.

The calculated value of each option award is estimated on the date of grant using a Black-Scholes option valuation model that uses the weighted average assumptions. Expected volatilities are based on similar volatilities of comparable banks. The Company uses comparable bank data to estimate option exercise and employee termination within the valuation model. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. There were no stock option grants in 2024 or 2023.

A summary of option activity under the Plan for the nine months ended September 30, 2024 is presented below:

Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding at December 31, 2023	84,000	$ 2.29	1.9
Granted	—	—	
Exercised	—	—	
Forfeited or expired	—	—	
Outstanding at September 30, 2024	84,000	$ 2.293	1.1
Vested at September 30, 2024	84,000	$ 2.293	1.1

No options were exercised in 2024. The total intrinsic value of the options outstanding was approximately $0.7 million at September 30, 2024 and December 31,2023.

As of September 30, 2024 and December 31, 2023, there was no unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the plan.

The Company also has a stock appreciation rights plan for executive officers and certain employees. Stock appreciation rights are primarily granted with a price equal to the market value of common stock on the date of the grant. These awards generally have a five year vesting schedule but may vest early in accordance with accelerated vesting provisions. Compensation expense is recognized over the vesting period of the awards based on the fair value of the stock. The Bank utilizes a third party valuation service for the measurement of fair value of the Company's stock price as provided for in the Employee Stock Ownership Plan Report. On December 24, 2024, the Company terminated 837,500 shares of outstanding executive officer stock appreciation right awards and replaced with 849,530 shares of restricted stock units.

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Note 10 — Stock Compensation Plans (continued)

A summary of stock appreciation right awards for the nine months ended September 30, 2024 is as follows:

Stock Awards	Number of Shares	Weighted Average Exercise Price
Non-vested at December 31, 2023	1,477,500	$ 7.33
Granted	400,000	11.23
Exercised	(185,000)	5.12
Forfeited or expired	(310,000)	10.98
Outstanding at September 30, 2024	1,382,500	$ 10.89

Note 11 — Subordinated Debentures

On September 9, 2019, the Company issued $20,000,000 of subordinated notes due September 30, 2029. All notes were redeemed and repaid in 2024.

On August 22, 2024, the Company issued $25,000,000 of subordinated notes due September 1, 2034. The notes become redeemable on September 1, 2029. Interest payments are due on March 1 and September 1 of each year at a fixed rate of 9.0 percent through September 1, 2029 and convert to a variable rate of three month SOFR plus 5.50 basis points with payments due quarterly. The cash raised by the Bank was used as a source of capital for the Bank's organic growth.

On September 28, 2018, the Bank issued $15,000,000 of subordinated notes due October 1, 2028. The notes are redeemable on October 1, 2023. Interest payments are due April 1 and October 1 of each year at a fixed rate of 6.875 percent through October 1, 2023 and converted to a variable rate of the three-month LIBOR plus 3.765 percent with payments due quarterly January 1, April 1, July 1, and October 1 of each year. The notes include fall back language to determine an alternative index rate calculation if the three-month LIBOR rate index is unavailable. The alternative index rate is three-month CME Term SOFR plus tenor spread adjustment of 0.26161 percent (an effective rate of 9.35 percent as of September 30, 2024). The cash raised by the Bank was used as a source of capital for the Bank's organic growth. The Bank has given notice to the holders of the notes and expects to redeem and payoff the $15 million of subordinated noted in January 2025.

Please see footnote 12 for a combined aggregate schedule of maturities.

Note 12 — Subordinated Debentures Issued through Trusts

Northpointe Statutory Trust I, a business trust, sold 5,000 cumulative preferred securities (trust preferred securities) at $1,000 per trust preferred security in a March 17, 2004 pooled offering. The proceeds from the sale of the trust preferred securities were used by Northpointe Statutory Trust I to purchase an equivalent amount of subordinated debentures from Northpointe Bancshares, Inc. The subordinated debentures issued by the Company carry a floating rate equal to the three-month CME Term SOFR plus tenor spread adjustment of 0.26161 percent plus 2.79 percent or three-month LIBOR plus 2.79 percent (an effective rate of 8.39 percent at September 30, 2024), have a stated maturity of 30 years and, in effect, are guaranteed by Northpointe Bancshares, Inc. The subordinated debentures include fall back language to determine an alternative index rate calculation if the three-month LIBOR rate index is unavailable; however, the alternative index rate must be based on a three-month product. The proceeds from the offering of the subordinated debentures were used to inject capital into the Bank.

The subordinated debentures are carried on the consolidated balance sheets as a liability. The related interest expense, including amortization of the issuance cost, is recorded on the consolidated statements of

Note 12 — Subordinated Debentures Issued through Trusts (continued)

income. The securities are redeemable at par after five years. Distributions on the subordinated debentures are payable quarterly. Under certain circumstances, distributions may be deferred for up to 20 calendar quarters. However, during any such deferrals, interest accrues on any unpaid distributions at the stated rate per annum.

As of September 30, 2024, maturities of subordinated debt were as follows (000s omitted):

2028	$15,000
2034	30,000
Total	45,000
Less unamortized deferred costs	1,103
Total maturities, net unamortized deferred costs	$43,897

Note 13 — Issuance of Preferred Stock

On December 30, 2021, the Company issued $25.0 million of 7.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series B, no par value, with a liquidation preference of $1,000 per share. When, as, and if declared by the board of directors of the Company, dividends will be payable at an annual rate of 7.25%, payable quarterly, in arrears. The cash raised by the Company was used as a source of capital for the Bank's organic growth, and general corporate matters.

On December 29, 2020, the Company issued $95.0 million of 8.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A, no par value, with a liquidation preference of $1,000 per share. When, as, and if declared by the board of directors of the Company, dividends will be payable at an annual rate of 8.25%, payable quarterly, in arrears. The cash raised by the Company was used as a source of capital for the Bank's organic growth, and general corporate matters. During the nine months ended September 30, 2024, the Company redeemed 13,000 shares for $11.6 million.

Note 14 — Off-balance-sheet Activities

Credit-related Financial Instruments

The Company is a party to credit-related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit, and commercial letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheet.

The Company's exposure to credit loss is represented by the contractual amount of these commitments. The Company follows the same credit policies in making commitments as it does for on-balance-sheet instruments.

The following financial instruments were outstanding whose contract amounts represent credit risk (000s omitted):

	Contract Amount	
	September 30, 2024	December 31, 2023
Commitments to grant loans	$ 2,451,906	$ 3,373,318
Unfunded commitments under lines of credit	325,381	293,128

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other

Note 14 — Off-balance-sheet Activities (continued)

termination clauses and may require payment of a fee. The commitments for equity lines of credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Company, is based on management's credit evaluation of the customer.

Unfunded commitments under lines of credit are commitments for possible future extensions of credit to existing customers. These lines of credit are collateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Company is committed.

The Company is required to consider expected credit losses associated with unfunded commitments. Any allowance for unfunded commitment credit exposure is reported in other liabilities on the consolidated balance sheets and is increased or decreased through the provision for credit losses on the consolidated statement of income. The calculated allowance for unfunded commitments was $0.5 million and $1.6 million as of September 30, 2024 and December 31, 2023, respectively. The company released a provision of $1.1 million during the nine months ended September 30, 2024 and provided a provision of $1.1 million during the nine months ended September 30, 2023.

Collateral Requirements

To reduce credit risk related to the use of credit-related financial instruments, the Company might deem it necessary to obtain collateral. The amount and nature of the collateral obtained are based on the Company's credit evaluation of the customer. Collateral held varies but may include cash, securities, accounts receivable, inventory, property, plant, and equipment, and real estate.

If the counterparty does not have the right and ability to redeem the collateral or the Company is permitted to sell or re-pledge the collateral on short notice, the Company records the collateral in its consolidated balance sheet at fair value with a corresponding obligation to return it.

Legal Contingencies

Various legal claims also arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the consolidated financial statements.

Note 15 — Income Taxes

The components of the income tax provision are detailed as follows (000s omitted):

	For the nine months ended	
	September 30, 2024	September 30, 2023
Current income tax expense	$ 33,771	$ 10,117
Deferred tax expense	(19,710)	159
Total income tax expense	$ 14,061	$ 10,276

A reconciliation of taxes on income from the statutory income tax rate to income tax expense is as follows (000s omitted):

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Note 15 — Income Taxes (continued)

	For the nine months ended	
	September 30, 2024	September 30, 2023
Income tax expense, computed at statutory rate of pretax income	$ 13,977	$ 10,206
Effect of nontaxable income and nondeductible expenses	84	70
Rate revaluation on deferred taxes	—	—
Other	—	—
Total income tax expense	$ 14,061	$ 10,276

The details of the net deferred tax liability are as follows (000s omitted):

	September 30, 2024	December 31, 2023
Total deferred tax assets	$ 5,307	$ 5,884
Total deferred tax liabilities	(9,846)	(30,016)
Net deferred tax liability	$ (4,539)	$ (24,132)

Deferred tax assets and liabilities consisted of the following (000s omitted):

	September 30, 2024	December 31, 2023
Allowance for credit losses	$ 2,933	$ 2,951
Accrued expenses and other reserve accounts	1,655	1,983
Stock compensation	364	629
Other deferred tax assets	355	321
Total deferred tax assets	5,307	5,884
Mortgage servicing rights	2,601	21,461
Fixed assets	3,622	3,622
Section 481(a) adjustment	255	1,022
Goodwill and intangibles	995	1,154
Deferred Loan Costs/Fee	2,233	2,622
Other deferred tax liabilities	140	135
Total deferred tax liabilities	9,846	30,016
Net deferred tax liability	$ (4,539)	$ (24,132)

The Company and its subsidiaries file consolidated tax returns. The Company accounts for income taxes in accordance with income tax accounting guidance (ASC 740, Income Taxes). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized. Deferred tax assets are included in other assets in the consolidated balance sheets and deferred tax liabilities are included in accrued and other liabilities in the consolidated balance sheets.

Note 15 — Income Taxes (continued)

Uncertain tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment. There were no uncertain tax positions recognized for the nine month ended September 30, 2024 or 2023.

With a few exceptions, the Company is no longer subject to U.S. federal tax examinations by tax authorities for years before 2020, and state and local income tax examinations by tax authorities for years before 2020. For federal tax purposes, the Company recognizes interest and penalties on income taxes as a component of income tax expense.

Note 16 — Minimum Regulatory Capital Requirements

The Company and Bank are subject to various regulatory capital requirements administered by the Federal banking agencies. Failure to meet minimum capital requirements can result in certain mandatory — and possibly additional discretionary — actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and Bank must meet specific capital guidelines that involve quantitative measures of the Company and the Bank's assets, liabilities, and certain off-balance sheet items as calculated under U.S. GAAP, regulatory reporting requirements and regulatory capital standards. The Company and Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Furthermore, the Company and Bank's regulators could require adjustments to regulatory capital not reflected in the consolidated financial statements.

Quantitative measures established by regulatory capital standards to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the table below) of total capital, Tier 1 capital (as defined), and common equity Tier 1 capital (as defined) to risk-weighted assets (as defined) and of Tier 1 capital (as defined) to average total assets (as defined). Additionally, to make distributions or discretionary bonus payments, the Company and Bank must maintain a capital conservation buffer of 2.5% of risk-weighted assets. For the nine months ended September 2024, the Company maintained a Tier 1 Leverage ratio of 8.77%, a CET1 ratio of 7.93%, Tier 1 ratio of 10.37%, and TRBC ratio of 11.36%. During the same period, the Bank maintained a Tier 1 Leverage ratio of 9.11%, CET1 ratio of 10.78%, Tier 1 ratio of 10.78%, and TRBC ratio of 11.22%.

Management believes, as of September 30, 2024 and December 31, 2023, that the Company and the Bank met all capital adequacy requirements to which it is subject. As of the latest balance sheet date, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum ratios as set forth in the following table. Management believes the Bank has met all capital adequacy requirements to which it is subject. There are no conditions or events since that notification that management believes have changed the institution's category.

Northpointe Bancshares, Inc.

Note 16 — Minimum Regulatory Capital Requirements (continued)

As of September 30, 2024	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
(000s omitted)	Amount	Ratio	Amount	Ratio	Amount	Ratio
CET1 (to risk weighted assets)						
Consolidated	$352,522	7.93%	$200,046	4.50%	$ N/A	N/A%
Northpointe Bank	479,193	10.78%	200,037	4.50%	288,942	6.50%
Tier 1 Capital (to risk weighted assets)						
Consolidated	461,095	10.37%	266,728	6.00%	N/A	N/A%
Northpointe Bank	479,193	10.78%	266,716	6.00%	355,622	8.0%
Total Capital (to risk weighted assets)						
Consolidated	504,818	11.36%	355,637	8.00%	N/A	N/A%
Northpointe Bank	498,802	11.22%	355,622	8.00%	444,527	10.00%
Tier 1 capital (to average assets)						
Consolidated	461,095	8.77%	210,342	4.00%	N/A	N/A%
Northpointe Bank	479,193	9.11%	210,341	4.00%	262,926	5.00%

As of December 31, 2023	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
(000s omitted)	Amount	Ratio	Amount	Ratio	Amount	Ratio
CET1 (to risk weighted assets)						
Consolidated	$317,454	7.61%	$187,611	4.50%	$ N/A	N/A%
Northpointe Bank	451,147	10.82%	187,609	4.50%	270,991	6.50%
Tier 1 Capital (to risk weighted assets)						
Consolidated	438,611	10.52%	250,147	6.00%	N/A	N/A%
Northpointe Bank	451,147	10.82%	250,145	6.00%	333,528	8.00%
Total Capital (to risk weighted assets)						
Consolidated	476,512	11.43%	333,530	8.00%	N/A	N/A%
Northpointe Bank	469,422	11.26%	333,528	8.00%	416,909	10.00%
Tier 1 capital (to average assets)						
Consolidated	438,611	9.19%	190,958	4.00%	N/A	N/A%
Northpointe Bank	451,147	9.45%	190,969	4.00%	238,712	5.00%

Note 17 — Restrictions on Dividends, Loans, and Advances

Banking regulations place certain restrictions on dividends paid and loans or advances made by the Bank to the Company. The total amount of dividends which may be paid at any date is generally limited to the retained earnings of the Bank. However, dividends paid by the Bank would be prohibited if the effect thereof would cause the Bank's capital to be reduced below applicable minimum standards without prior approval from the bank regulators.

Note 18 — Fair Value Measurements

Accounting standards require, or allow certain assets and liabilities at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Note 18 — Fair Value Measurements (continued)

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Company records the fair values of financial assets and liabilities on a recurring and non-recurring basis using the following methods and assumptions:

Equity securities

Equity securities with readily determinable fair value are reported at fair value. Fair value for these investments is primarily determined using a quoted price in an active market or exchange (Level 1).

Available for sale debt securities

Included in the Company's AFS debt securities are corporate bonds which are classified as Level 3 assets. The valuation of these corporate bonds is determined using broker quotes, third-party vendor prices, or other valuation techniques, such as discounted cash flow techniques. Market inputs used in the other valuation techniques or underlying third-party vendor prices or broker quotes include benchmark and government bond yield curves, credit spreads, and trade execution data.

The Company's debt securities also includes a municipal bond which is classified as Level 2 asset. The valuation of this municipal bond, which is not actively traded, is based on a quoted price to purchase the security as part of a refinancing of the underlying bond.

Loans

Certain loans held for sale and held for investment are measured at fair value on a recurring basis due to the Company's election to adopt fair value accounting treatment for those loans originated for which the Company has entered into certain derivative financial instruments as part of its mortgage banking and related risk management activities. These instruments include interest rate lock commitments and mandatory forward commitments to sell these loans to investors known as forward mortgage-backed securities trades. This election allows for a more effective offset of the changes in fair values of the assets and the mortgage related derivative instruments used to economically hedge them without the burden of complying with the requirements for hedge accounting under ASC 815, Derivatives and Hedging. Mortgage loans held for sale, for which the fair value option was elected, are valued using a market approach by utilizing either: (i) the fair value of securities backed by similar mortgage loans, adjusted for certain factors to approximate the fair value of a whole mortgage loan, including the value attributable to mortgage servicing and credit risk, (ii) current commitments to purchase loans or (iii) recent observable market trades for similar loans, adjusted to credit risk and other individual loan characteristics. As these prices are derived from market observable inputs, the Company classifies these valuations as Level 2 in the fair value disclosures. For mortgage loans held for sale for which the fair value option was elected, the earned current contractual interest payment is

Note 18 — Fair Value Measurements (continued)

recognized in interest income, loan origination costs and fees on fair value option loans are recognized in earnings as incurred and not deferred. The Company has no continuing involvement in any residential mortgage loans sold.

Loans reported at the fair value which were over 90 days past due amounted to $6.3 million and $1.6 million in unpaid principal balance with a fair values of $5.1 million and $1.5 million, respectively as of September 30, 2024 and December 31, 2023. The accrual of interest on loans is discontinued at the time the loan is delinquent (120 days for mortgages). Non-accrual loans reported at fair value amounted to $11.9 and $11.4 million in unpaid principal balance and $9.5 million and $9.0 million in fair value as of September 30, 2024 and December 31, 2023.

Interest rate lock commitments

The estimated fair values of interest rate lock commitments utilize current secondary market prices for underlying loans and estimated servicing value with similar coupons, maturity and credit quality, subject to the anticipated loan funding probability (pull-through rate). The fair value of interest rate lock commitments is subject to change primarily due to changes in interest rates and the estimated pull-through rate. Given the significant and unobservable nature of the pull-through factor, interest rate lock commitments are classified as Level 3.

Forward sales commitments

Forward mortgage-backed securities trades are exchange-traded or traded within highly active dealer markets. In order to determine the fair value of these instruments, the Company utilized the exchange price or dealer market price for the particular derivative contract; therefore these contracts are classified as Level 2. The estimated fair values are subject to change primarily due to changes in interest rates.

Mortgage Service Rights

Mortgage service rights are carried at fair value. Fair value is determined using an income approach with various assumptions including expected cash flows, market discount rates, prepayment speeds, servicing costs, and other factors. As such, MSRs are considered Level 3.

Lender Risk Account

The Company’s Lender risk account is carried at fair value. Fair value is determined using an income approach with various assumptions including expected cash flows, market discount rates, prepayment speeds, and other factors. As such, the lender risk account is considered Level 3.

The following tables present information about the Company’s assets measured at fair value on a recurring basis and the valuation techniques used by the Company to determine those fair values (000s omitted).

Note 18 — Fair Value Measurements (continued)

	Fair Value on a Recurring Basis at September 30, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31
Financial Assets:				
Equity securities:	$ 1,346	$ —	$ —	$ 1,346
Available for sale debt securities:	—	—	8,411	8,411
Mortgage banking assets:				
Loans held for sale	—	345,024	—	345,024
Loans held for Investment	—	175,501	—	175,501
Interest rate lock commitments	—	—	4,416	4,416
Forward sales commitments	—	361	—	361
Mortgage servicing rights	—	—	11,671	11,671
Lender risk account	—	—	29,411	29,411
Financial Liabilities:				
Interest rate lock commitments	—	—	23	23
Forward sales commitments	—	1,445	—	1,445

	Fair Value on a Recurring Basis at December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31
Financial Assets:				
Equity securities:	$ 1,318	$ —	$ —	$ 1,318
Available for sale debt securities:	—	5,804	8,923	14,727
Mortgage banking assets:				
Loans held for sale	—	352,443	—	352,443
Loans held for Investment	—	100,158	—	100,158
Interest rate lock commitments	—	—	2,959	2,959
Forward sales commitments	—	93	—	93
Mortgage servicing rights	—	—	95,339	95,339
Lender risk account	—	—	31,694	31,694
Financial Liabilities:				
Interest rate lock commitments	—	—	11	11
Forward sales commitments	—	2,812	—	2,812

The Company's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer.

Changes in mortgage servicing rights as well as the related weighted average unobservable inputs are included in Note 5.

The following table presents a reconciliation of the Level 3 available for sale debt securities measured at fair value on a recurring basis (000s omitted):

Note 18 — Fair Value Measurements (continued)

	For the nine months ended September 30,	
	2024	2023
Balance at beginning of period	$ 14,727	$ 9,087
Purchases	4,000	—
Sales	(10,804)	—
Realized	(83)	—
Unrealized	571	(313)
Balance at end of period	$ 8,411	$ 8,774

The following table presents a reconciliation of the Level 3 interest rate lock commitments measured at fair value on a recurring basis (000s omitted):

	For the nine months ended September 30,	
	2024	2023
Balance at beginning of period	$ 2,948	$ 711
Change in fair value	1,176	5,024
Balance at end of period	$ 4,124	$ 5,735

The following is a summary of the key unobservable inputs used in the valuation of the Level 3 interest rate lock commitments:

	For the nine months ended September 30,	
	2024	2023
Pull-through rate	83.2%	86.2%

The following table presents a reconciliation of the Level 3 lender risk account measured at fair value on a recurring basis (000s omitted):

	For the nine months ended September 30,	
	2024	2023
Beginning of period	$ 31,694	$ 28,457
Due to loan sales	1064	980
Releases and claims paid to the Company	(5,509)	(1,108)
Change in fair value recognized in gain on sale of loans	2,162	2,092
End of period	$ 29,411	$ 30,421

Both observable and unobservable inputs may be used to determine the lender risk account fair value of position classified as Level 3 asset. As a result, the unrealized gains for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

The Company estimates the fair value of the lender risk account using management's best estimate of key assumptions. These assumptions include prepayment rates, discount rates, and projected annual losses on unpaid principal of the sold loan portfolio. The weighted average of unobservable inputs for these valuation assumptions is as follows:

Northpointe Bancshares, Inc.

Note 18 — Fair Value Measurements (continued)

	Fair Value	Valuation Technique	Unobservable Inputs	Range of Inputs	Weighted Average
Assets:					
Lender Risk Account – September 30, 2024	$ 29,411	Present value of cash flows	Credit losses	0.00% – 0.12%	0.08%
			Prepayment rates	8.3%	8.3%
			Discount rates	5.17% – 6.03%	5.74%
Lender Risk Account – December 31, 2023	$ 31,694	Present value of cash flows	Credit losses	0.00% – 0.10%	0.05%
			Prepayment rates	5.84% – 13.27%	7.3%
			Discount rates	5.70% – 6.65%	6.06%

The Company also has assets that under certain conditions are subject to measurement at fair value on a nonrecurring basis. These assets include individually analyzed loans and other real estate which are periodically reviewed for impairment and measured at fair value if the fair value of the asset is below the recorded book value. The Company has estimated the fair values of these assets based primarily on Level 3 inputs as described above.

The following asset classes were measured at fair value on the accompanying consolidated balance sheets due to declines in the fair value. Certain individually analyzed loans and other real estate carried at original cost, which exceeds fair value, have been omitted from the disclosure below (000s omitted):

	Assets Measured at Fair Value on a Nonrecurring Basis at September 30, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance
Individually analyzed loans	—	—	523	523
Other real estate owned	—	—	1,620	1,620

	Assets Measured at Fair Value on a Nonrecurring Basis at December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance
Individually analyzed loans	—	—	572	572
Other real estate owned	—	—	24	24

The following presents estimated fair values of the Company's financial instruments and the level within the fair value hierarchy in which fair value measurements falls:

Northpointe Bancshares, Inc.

Note 18 — Fair Value Measurements (continued)

	September 30, 2024		
	Fair Value Hierarchy	Carrying Value	Fair Value
Financial Assets:			
Cash and cash equivalents	Level 1	$ 440,751	$ 440,751
Equity securities	Level 1	1,346	1,346
Debt securities available for sale	Level 3	8,411	8,411
FHLB stock	Level 2	69,574	69,574
Loans held for sale	Level 2	345,024	345,024
Loans, net	Level 3	4,399,841	4,360,062
Interest receivable	Level 2	22,883	22,883
Financial Liabilities:			
Deposits	Level 2	3,531,878	3,542,287
Subordinated debentures	Level 2	38,897	38,897
Subordinated debentures issues through trusts	Level 2	5,000	5,000
FHLB advances	Level 2	1,308,750	1,314,808
Interest payable	Level 2	8,320	8,320

	December 31, 2023		
	Fair Value Hierarchy	Carrying Value	Fair Value
Financial Assets:			
Cash and cash equivalents	Level 1	$ 351,890	$ 351,890
Equity securities	Level 1	1,318	1,318
Debt securities available for sale	Level 3	14,727	14,727
FHLB stock	Level 2	67,487	67,487
Loans held for sale	Level 2	352,443	352,443
Loans, net	Level 3	3,768,904	3,681,552
Interest receivable	Level 2	21,057	21,057
Financial Liabilities:			
Deposits	Level 2	2,925,558	2,928,391
Subordinated debentures	Level 2	34,368	34,368
Subordinated debentures issues through trusts	Level 2	5,000	5,000
FHLB advances	Level 2	1,275,000	1,252,000
Interest payable	Level 2	7,159	7,159

Northpointe Bancshares, Inc.

Note 19 — Debt Securities

The amortized costs, fair values, and unrealized gains and losses of the available for sale and held to maturity debt securities are as follows (000s omitted):

		Gross Unrealized		
September 30, 2024	**Amortized Costs**	**Gains**	**Losses**	**Fair Value**
Available-for-sale Securities[(1)]				
Subordinated corporate bonds	$ 9,000	$ —	$ (589)	$ 8,411
Subordinated municipal bond	—	—	—	—
Total	$ 9,000	$ —	$ (589)	$ 8,411

		Gross Unrealized		
December 31, 2023	**Amortized Costs**	**Gains**	**Losses**	**Fair Value**
Available-for-sale Securities[(1)]				
Subordinated corporate bonds	$ 10,000	$ —	$(1,077)	$ 8,923
Subordinated municipal bond	5,804	—	—	5,804
Total	$ 15,804	$ —	$(1,077)	$ 14,727

(1) As of September 30, 2024 and December 31, 2023, there was no allowance for credit losses.

The following tables show investments with gross unrealized losses and their market value aggregate by investment category and length of time that individual securities have been in a continuous unrealized loss position at the dates indicated (000s omitted):

	Less Than 12 Months		12 Months or More		Total	
September 30, 2024	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Available-for-sale Securities						
Subordinated corporate bond	$ —	$ —	$8,411	$ (589)	$8,411	$ (589)
Subordinated municipal bond	—	—	—	—	—	—
Total	$ —	$ —	$8,411	$ (589)	$8,411	$ (589)

	Less Than 12 Months		12 Months or More		Total	
December 31, 2023	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Available-for-sale Securities						
Subordinated corporate bond	$ —	$ —	$8,923	$ (1,077)	$ 8,923	$ (1,077)
Subordinated municipal bond	5,804	—	—	—	5,804	—
Total	$5,804	$ —	$8,923	$ (1,077)	$14,727	$ (1,077)

Debt securities, at par value, have the following contractual maturities (000s omitted):

Note 19 — Debt Securities (continued)

	Year Ended September 30, 2024				
September 30, 2024	Within 1 Year	1 – 5 Years	5 – 10 Years	Greater than 10 years	Total
Available-for-sale Securities					
Subordinated corporate bond	$ —	$ —	$ 9,000	$ —	$9,000
Subordinated municipal bond	—	—	—	—	—
Total	$ —	$ —	$ 9,000	$ —	$9,000

Note 20 — Related Parties

Loans to principal officers, directors, and their affiliates during the nine months ended September 30, 2024 were as follows (000s omitted):

Beginning Balance	$ 1,456
New loans and advances	491
Repayments and changes in officers or directors	(1,947)
Ending Balance	$ —

Deposits from principal officers, directors, and their affiliates were $6.3 million and $3.9 million at September 30, 2024 and December 31, 2023, respectively.

Note 21 — Earnings Per Share

The following table presents the computation of basic and diluted earnings per share (000s omitted):

	For the nine months ended September 30,	
	2024	2023
Earnings per Common Share:		
Net income	$ 44,169	$ 32,105
Preferred stock dividends	5,853	7,240
Net income available to common stockholders	$ 38,316	$ 24,865
Weighted average common shares	25,689,560	25,734,449
Earnings per common share	$ 1.49	$ 0.97
Dilutive Earnings Per Common Share:		
Net income available to common stockholders	$ 38,316	$ 24,865
Weighted average common shares	25,689,560	25,734,449
Effect of dilutive shares	84,000	84,000
Weighted average dilutive common shares	25,773,560	25,818,449
Dilutive earnings per common share	$ 1.49	$ 0.96

Note 22 — Segment Information

Our reportable segments are Mortgage Warehouse (MPP) and Retail Banking, which have been determined based on management's focus and internal reporting structure. The Mortgage Warehouse (MPP) segment provides residential mortgage warehouse financing to more than 100 independent mortgage banking companies located in 19 states nationwide. The Retail Banking segment provides a vast array of financial products and services to consumers nationwide. These include residential mortgages, All-in-One

Northpointe Bancshares, Inc.

Note 22 — Segment Information (continued)

loans, other consumer loans, and loan servicing, as well as various types of deposit products, including checking, savings and time deposit accounts.

The residential mortgage loans we originate are directly originated within our branch network or from our consumer direct business, and are typically underwritten to agency and/or third-party standards, and either sold (servicing retained or released) or held on our balance sheet.

Net interest income in each segment reflects our internal funds transfer pricing ("FTP") methodology, which is designed to capture interest rate and liquidity risk. Under our methodology, average assets, net of deposits, receive a funding charge based on market interest rates of similar duration liabilities. MPP receives an FTP charge and the residual gain is retained within Retail Banking.

Provision for credit losses is allocated to MPP based on the cumulative expected loss rate from the Company's allowance for credit loss process and applied to any change in period end loan balances.

Financial results are presented, to the extent possible, as if each business operated on a standalone basis, and includes expense allocations for corporate overhead services used by the business segments. Shared corporate overhead expenses reside in Retail Banking but are allocated back to MPP through our expense allocation based on occupancy rates and percentage of time spent supporting the segment.

In evaluating segment performance, the Company primarily evaluates total revenues (net interest income plus non-interest income) and net income before preferred dividends.

The following tables present the operating segment results (000s omitted):

	For the nine months ended September 30, 2024		
	Retail Banking	Mortgage Warehouse (MPP)	Total
Interest Income	$ 153,567	$ 81,264	$ 234,831
Interest Expense	(150,638)	—	(150,638)
Funds Transfer Pricing	52,584	(52,584)	—
Net Interest Income	55,513	28,680	84,193
(Credit) Provision for Credit Losses	(92)	210	118
Net interest income after Provision for Credit Losses	55,605	28,470	84,075
Noninterest income	55,487	3,823	59,310
Noninterest expense	(80,775)	(4,380)	(85,155)
Expense allocation	2,266	(2,266)	—
Net Income before taxes	32,583	25,647	58,230
Income tax expense	(7,868)	(6,193)	(14,061)
Net Income before preferred dividends	$ 24,715	$ 19,454	$ 44,169
Average Balance Sheet Assets	$ 3,708,073	$1,333,791	$5,041,864
Period Ending Assets	$ 3,714,171	$1,671,829	$5,385,999

Northpointe Bancshares, Inc.

Note 22 — Segment Information (continued)

	For the nine months ended September 30, 2023		
	Retail Banking	Mortgage Warehouse (MPP)	Total
Interest Income	$ 140,344	$ 55,118	$ 195,462
Interest Expense	(120,574)	—	(120,574)
Funds Transfer Pricing	35,768	(35,768)	—
Net Interest Income	55,538	19,350	74,890
(Credit) Provision for Credit Losses	(462)	122	(340)
Net interest income after Provision for Credit Losses	56,000	19,228	75,230
Noninterest income	87,765	2,609	90,374
Noninterest expense	(118,277)	(4,946)	(123,223)
Expense allocation	1,802	(1,802)	—
Net Income before taxes	27,290	15,089	42,381
Income tax expense	(6,618)	(3,658)	(10,276)
Net Income before preferred dividends	$ 20,672	$ 11,431	$ 32,105
Average Balance Sheet Assets	$ 3,725,065	$ 954,687	$4,679,752
Period Ending Assets	$ 3,791,991	$1,096,922	$4,888,913

Northpointe Bancshares, Inc.

Note 23 — Parent Company Condensed Financial Statements

The following are the condensed financial statements of Northpointe Bancshares, Inc. (Parent only) (000s omitted):

Condensed Balance Sheets

	September 30, 2024	December 31, 2023
Assets		
Cash and cash equivalents	$ 4,960	$ 6,031
Investment in subsidiary	477,880	448,156
Other assets	1,352	1,374
Total Assets	**$ 484,192**	**$ 455,561**
Liabilities and Stockholders' Equity		
Liabilities		
Subordinated debentures (Note 11)	**$** 24,114	**$** 19,626
Subordinated debentures issues through trusts (Note 12)	5,000	5,000
Accrued and other liabilities	296	315
Total Liabilities	29,410	24,941
Stockholders' Equity	454,782	430,620
Total Liabilities and Stockholders' Equity	**$ 484,192**	**$ 455,561**

Condensed Statements of Income

	Nine Months Ended September 30,	
	2024	2023
Income		
Dividends and return of capital from subsidiary	$45,567	$34,213
Other	—	—
Total income	45,567	34,213
Expense		
Interest expense	1,432	2,396
Other	419	376
Total expense	1,851	2,772
Income – Before Income Taxes	43,716	31,441
Income Tax Benefit	(453)	(662)
Net Income	44,169	32,105
Preferred Stock Dividends	5,853	7,240
Net Income available to common stockholders	**$38,316**	**$24,865**

Northpointe Bancshares, Inc.

Note 23 — Parent Company Condensed Financial Statements (continued)

Statement of Comprehensive Income

	Nine Months Ended September 30,	
	2024	**2023**
Net Income	$38,316	$24,865
Other Comprehensive Income (Loss)		
Change in unrealized gain (loss) on securities, net of tax of $133 and $74 at September 30, 2024 and September 30, 2023, respectively	356	(241)
Total other comprehensive income (loss)	356	(241)
Comprehensive Income	**$38,672**	**$24,624**

Condensed Statements of Cash Flows

	Nine Months Ended September 30,	
	2024	**2023**
Operating Activities		
Net Income	$ 44,169	$ 32,105
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	(28,984)	(14,654)
Net cash provided by operating activities	15,185	17,449
Investing Activities		
Net cash used in investing activities	—	—
Financing Activities		
Cash dividends paid on common stock	(1,926)	(1,930)
Subordinated debt call and repayment	(20,000)	—
Subordinated debt issuance, net of issuance costs	24,107	—
Preferred stock dividend	(6,866)	(7,240)
Preferred stock repurchased	(11,571)	—
Treasury stock repurchased	—	(220)
Net cash used in financing activities	(16,256)	(9,388)
Net (Decrease) Increase in Cash and Cash Equivalents	(1,071)	8,061
Cash and Cash Equivalents – Beginning of year	6,031	7,069
Cash and Cash Equivalents – End of year	**$ 4,960**	**$ 15,130**

Shares

Common Stock

Keefe, Bruyette & Woods

A Stifel Company

Through and including , 2025 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the U.S. Securities and Exchange Commission ("SEC") registration fee, the New York Stock Exchange (the "NYSE") listing fee and the Financial Industry Regulatory Authority, Inc. ("FINRA") filing fee.

SEC registration fee	$	*
NYSE initial listing fee		*
FINRA filing fee		*
Legal fees and expenses		*
Blue Sky fees and expenses		
Accountant's fees and expenses		*
Transfer Agent's fees and expenses		*
Miscellaneous expenses		*
Total expenses	$	*

* To be provided by amendment

Item 14. Indemnification of Directors and Officers

We are incorporated under the laws of the State of Michigan. Under Sections 561-571 of the Michigan Business Corporation Act (as it may be amended from time to time, the "MBCA"), directors and officers of a Michigan corporation may be entitled to indemnification by the Company against judgments, expenses, fines and amounts paid by the director or officer in settlement of claims brought against them by third persons or by or in the right of the Company if the statutory standard (defined below) is met. In particular, Section 561 of the MBCA provides that a Michigan corporation has the power to indemnify a person who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the Company, by reason of the fact that he or she is or was a director, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding (provided that generally the director did not (i) receive a financial benefit to which he was not entitled, (ii) intentionally inflict harm on the Company or its stockholders, (iii) violate Section 551 of the MBCA relating to loans, dividends and distributions, or (iv) intentionally commit a criminal act, collectively, the "statutory standard"), and with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. In addition, Section 562 of the MBCA provides that a Michigan corporation has the power to indemnify a person who was or is a party or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including attorneys' fees, and amounts paid in settlement.

As permitted by the MBCA, our Amended and Restated Articles of Incorporation provide that (i) we are required to indemnify our directors and executive officers to the fullest extent permitted under applicable law; and (2) we may, in the discretion of our board of directors, indemnify other persons.

We maintain a directors' and officers' liability insurance policy. The policy insures directors and officers against unindemnified losses arising from certain wrongful acts in their capacities as directors and officers and reimburses us for those losses for which we have lawfully indemnified the directors and officers. The policy contains various exclusions.

Item 15. Recent Sales of Unregistered Securities

In the past three years, we issued and sold the following securities:

- On August 22, 2024, we issued an aggregate $25.0 million of 9.00% Fixed-to-Floating Rate Subordinated Notes due 2034 (the "Subordinated Notes"). Piper Sandler & Co. acted as placement agent and received an aggregate of $736,800.08 for fees and expenses related to this transaction. We may redeem the Subordinated Notes at our option, on or after September 1, 2029.
- On December 30, 2021, we issued an aggregate $25.0 million of 7.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series B, no par value (the "Series B Preferred Stock"), with a liquidation preference of $1,000 per share. We may redeem the Series B Preferred Stock, at our option, on or after December 30, 2026. This transaction did not involve any underwriters, underwriting discounts or commissions or any public offering.
- On December 29, 2020, we issued an aggregate $95.0 million of 8.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A, no par value (the "Series A Preferred Stock"), with a liquidation preference of $1,000 per share. Piper Sandler & Co. and Performance Trust Capital Partners, LLC acted as placement agents and received an aggregate of $3,679,866.00 for concessions, fees and expenses related to this transaction. We may redeem the Series A Preferred Stock, at our option, on or after December 30, 2025.

Unless otherwise stated, the issuances of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act") or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. Individuals who purchased securities as described above represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the share certificates issued in such transactions.

Item 16. Exhibits

The exhibits filed as part of this registration statement are as follows:

(a) **List of Exhibits**

Number	Description
1.1*	Form of Underwriting Agreement
3.1	Amended and Restated Articles of Incorporation
3.2	Amended and Restated Bylaws
4.1	Deposit Agreement, dated December 29, 2020, by and among the Company, Computershare Inc., Computershare Trust Company, N.A., and the holders from time to time of the depositary receipts described therein
4.2	Form of Depositary Receipt for Series A Preferred Stock
4.3	Deposit Agreement, dated December 30, 2021, by and among the Company, Computershare Inc., Computershare Trust Company, N.A., and the holders from time to time of the depositary receipts described therein
4.4	Form of Depositary Receipt for Series B Preferred Stock
4.5	Registration Rights Agreement, dated May 30, 2019, by and between the Company and Castle Creek Capital Partners VII, LP

Number	Description
4.6	Registration Rights Agreement, dated December 24, 2019, by and between the Company and Castle Creek Capital Partners VI, LP
4.7	Registration Rights Agreement, dated December 29, 2020, by and between the Company and the purchasers named therein
4.8	Registration Rights Agreement, dated December 30, 2021, by and between the Company and the purchasers named therein
	The other instruments defining the rights of the long-term debt securities of the Registrant and its subsidiaries are omitted pursuant to section (b)(4)(iii)(A) of Item 601 of Regulation S-K. The Registrant hereby agrees to furnish copies of these instruments to the SEC upon request.
5.1*	Opinion of Alston & Bird LLP
10.1	Northpointe Bancshares, Inc. Omnibus Incentive Plan
10.2	Northpointe Bancshares, Inc. Form of Restricted Stock Unit Agreement
10.3	Northpointe Bancshares, Inc. Form of Restricted Stock Unit Agreement (CEO)
10.4*	Employee Agreement between Northpointe Bancshares, Inc. and Charles A. Williams, dated as of November 1, 2016
10.5*	Employee Agreement between Northpointe Bancshares, Inc. and David J. Christel, dated as of March 22, 2017
10.6*	Employee Agreement between Northpointe Bancshares, Inc. and Kevin Comps, dated as of October 1, 2020
10.7	Securities Purchase Agreement, dated May 30, 2019, by and between the Company and Castle Creek Capital Partners VII, LP
10.8	Securities Purchase Agreement, dated December 24, 2019, by and between the Company and Castle Creek Capital Partners VI, LP
23.1	Consent of RSM US LLP
23.2*	Consent of Alston & Bird LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on the signature page hereto)
107	Filing Fee Table

* To be filed by amendment.

† Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

(b) **Financial Statement Schedules:** None

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Grand Rapids, Michigan, on the 22nd day of January, 2025.

NORTHPOINTE BANCSHARES, INC.

By: /s/ Charles A. Williams
Charles A. Williams
Chairman and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoint Charles A. Williams and Kevin J. Comps, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective on filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys- in-fact and agents or any of them, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

Name	Position	Date
/s/ Charles A. Williams Charles A. Williams	Founder, Chairman and Chief Executive Officer and Director *(Principal Executive Officer)*	January 22, 2025
/s/ Bradley T. Howes Bradley T. Howes	Executive Vice President and Chief Financial Officer *(Principal Financial and Accounting Officer)*	January 22, 2025
/s/ Carrie L. Boer Carrie L. Boer	Director	January 22, 2025
/s/ Robert W. De Vlieger II Robert W. De Vlieger II	Director	January 22, 2025
/s/ R. Jeffery Dean R. Jeffery Dean	Director	January 22, 2025
/s/ Bruce L. Edger Bruce L. Edger	Director	January 22, 2025

Name	Position	Date
/s/ John M. Eggemeyer III John M. Eggemeyer III	Director	January 22, 2025
/s/ David S. Hooker David S. Hooker	Director	January 22, 2025

Exhibit 3.1

AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

NORTHPOINTE BANCSHARES, INC.

The following Amended and Restated Articles of Incorporation are executed by the undersigned Corporation pursuant to the provisions of Sections 641-643 of Act 284, Public Acts of 1972, as amended (the "**Act**").

1. The present name of the Corporation is Northpointe Bancshares, Inc.

2. The identification number assigned by the Bureau is 519-390.

3. All former names of the Corporation are: None.

4. The date of filing of the original Articles of Incorporation was May 26, 1998.

The following Amended and Restated Articles of Incorporation supersede the Restated Articles of Incorporation and shall be the Articles of Incorporation for the corporation:

ARTICLE I

The name of the corporation is Northpointe Bancshares, Inc.

ARTICLE II

The purpose, or purposes, for which the corporation is organized is to engage in the business of a bank holding company to be registered under the Bank Holding Company Act of 1956, being 12 U.S.C. sections 1841 to 1850 (as amended from time to time and including any successor statutes) and, without in any way being limited by the foregoing specific purpose, to engage in any activity within the purposes for which corporations may be organized under the Business Corporation Act of Michigan.

ARTICLE III

The total number of shares of all classes of capital stock which the Corporation shall have the authority to issue is one hundred and six million five hundred thousand (106,500,000) shares, of which ninety four million five hundred thousand (94,500,000) shares shall be Voting Common Stock ("**Voting Common Stock**"), seven million (7,000,000) shares shall be Non-Voting Common Stock (" **Non-Voting Common Stock**"), and five million (5,000,000) shares shall be series Preferred Stock ("**Preferred Stock**").

The authorized shares of Voting Common Stock are all of one class with equal voting power, and each share of Voting Common Stock shall be equal to every other share of Voting Common Stock. The Voting Common Stock shall have no par value.

The shares of Non-Voting Common Stock shall have the rights, preferences and limitations set forth in Exhibit A to these Amended and Restated Articles of Incorporation.

The shares of Preferred Stock may be divided into and issued in one or more series, with such relative rights, preferences, and limitations as determined by the Board of Directors in its discretion. The Board of Directors is hereby authorized to establish one or more series of Preferred Stock and to cause shares of Preferred Stock to be issued from time to time. The rights and preferences associated with the shares of Preferred Stock issued and outstanding as of the date hereof shall have the rights and preferences set forth on Exhibit B and Exhibit C, respectively, to these Amended and Restated Articles of Incorporation.

Upon the effectiveness of the filing of Amended and Restated Articles of Incorporation: (1) each outstanding share of Voting Common Stock as of the date of adoption hereof shall be divided into ten shares of Voting Common Stock, and (2) each outstanding share of Non-Voting Common Stock issued and outstanding as of the date of adoption hereof shall be divided into ten shares of Non-Voting Common Stock.

ARTICLE IV

The address of the registered office and mailing address is 3333 Deposit Dr. NE, Grand Rapids, Michigan 49546. The name of the resident agent is Charles A. Williams.

ARTICLE V

When a compromise or arrangement, or a plan of reorganization of the Corporation, is proposed between the Corporation and its creditors, or any class of them, or between the Corporation and its shareholders, or any class of them, a court of equity jurisdiction within the state, on application of the Corporation, a creditor or shareholder thereof, or a receiver appointed for the Corporation, may order a meeting of the creditors, or class of creditors, or of the shareholders, or class of shareholders, to be affected by the proposed compromise, arrangement, or reorganization, to be summoned in such manner as the court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, or of the shareholders to be affected by the proposed compromise, arrangement, or reorganization, agree to a compromise or arrangement or to a reorganization of the Corporation as a consequence of the compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the shareholders or class of shareholders, and also on the Corporation**.**

ARTICLE VI

No director of Corporation shall be personally liable to the Corporation or any of its shareholders for monetary damages for a breach of fiduciary duty as director. However, this Article VI shall not eliminate or limit the liability of a director for any breach of duty, act or omission for which the elimination or limitation of liability is not permitted by the Michigan Business Corporation Act, as amended from time to time. No amendment, alteration, modification, repeal or adoption of any provision in these articles of Incorporation inconsistent with this Article VI shall have any effect to increase the liability of any director of corporation with respect to any act or omission of such director occurring prior to such amendment, alteration, modification, repeal or adoption.

ARTICLE VII

Directors and executive officers of the Corporation shall be indemnified as of right to the fullest extent now or hereafter permitted by law in connection with any actual or threatened civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the name of the Corporation, a subsidiary or otherwise) in which a director or executive officer is a witness or which is brought against a director or executive officer in his or her capacity as a director, officer, employee, agent or fiduciary of the Corporation or of any corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which the director or executive officer was serving at the request of the Corporation. Persons who are not directors or executive officers of the Corporation may be similarly indemnified in respect of such service to the extent authorized at any time by the Board of Directors of the Corporation. The Corporation may purchase and maintain insurance to protect itself and any such director, executive officer or other person against any liability asserted against him or her and incurred by him or her in respect of such service whether or not the Corporation would have the power to indemnify him or her against such liability by law or under the provisions of this Article. The provisions of this Article shall be applicable to actions, suits or proceedings, arising from acts or omissions occurring after the date that this Corporation's Articles of Incorporation were originally filed with the Corporation, Securities and Land Development Bureau of the Michigan Department of Consumer and Industry Services, and to directors, executive officers and other persons who have ceased to render such service, and shall inure to the benefit of the heirs, executors and administrators of the directors, executive officers and other persons referred to in this Article. The right of indemnity provided pursuant to this Article shall not be exclusive and the Corporation may provide indemnification to any person, by agreement or otherwise, on such terms and conditions as the Board of Directors may approve that are not inconsistent with the Michigan Business Corporation Act (or other law). Expenses incurred in defending any action, suit or proceeding referred to above may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, trustee, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as provided herein. Notwithstanding the foregoing, in no event shall any advance be made in instances where the Board of Directors or independent legal counsel reasonably determines that such person deliberately breached his or her duty to the Corporation or its shareholders. Any amendment, alteration, modification, repeal or adoption of any provision in the Articles of Incorporation inconsistent with this Article VII shall not adversely affect any indemnification right or protection of a director or executive officer of the Corporation existing at the time of such amendment, alteration, modification, repeal or adoption.

ARTICLE VIII

Section 1. Authority and Size of Board. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The number of directors of the Corporation shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the Board of Directors of the Corporation.

Section 2. Term of Directors and Filling of Vacancies. Each director shall be elected at each annual meeting of shareholders to serve until the next annual meeting of shareholders or until his or her successor is duly elected and qualified or until his or her earlier resignation, removal from office or death. Any vacancies in the Board of Directors for any reason, and any newly created directorships resulting from any increase in the number of directors, may be filled only by the Board of Directors, acting by an affirmative vote of a majority of the Board of Directors, or, if the directors remaining in office constitute fewer than a quorum of the Board of Directors, by an affirmative vote of a majority of the directors remaining in office. Any director so chosen shall hold office until the next annual meeting of shareholders and until his or her successor shall be duly elected and qualified or until his or her earlier resignation, removal from office or death. No decreases in the number of directors shall shorten the term of any incumbent director.

Section 3. Removal of Directors. Notwithstanding any other provisions of these Articles of Incorporation or the Bylaws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law or by these Articles of Incorporation or the Bylaws of the Corporation), any one or more directors of the Corporation may be removed at any time, but only for cause by the affirmative vote, at a meeting of the shareholders called for that purpose, of the holders of at least a majority of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE IX

Except as otherwise required by law, any action required or permitted to be taken by any shareholders of the Corporation must be effected at a duly called annual or special meeting of such shareholders and may not be effected by any consent in writing by such shareholders. Except as may be otherwise required by law, special meetings of shareholders of the Corporation may be called only by the Board of Directors or the Chairman of the Board.

ARTICLE X.

The Board of Directors of this Corporation shall not approve, adopt or recommend any offer of any person or entity, other than the Corporation, to make a tender or exchange offer for any capital stock of the Corporation, to merge or consolidate the Corporation with any other entity or to purchase or otherwise acquire all or substantially all of the assets or business of the Corporation unless and until the Board of Directors shall have first evaluated the offer and determined that the offer would be in compliance with all applicable laws that the offer is in the best interests of the corporation and its shareholders. In connection with its evaluation as to clients with laws, the Board of Directors may seek and rely upon an opinion of legal counsel independent from the offeror and it may test such compliance with laws in any state or federal court or before any state or federal administration agency which may have appropriate jurisdiction period in connection with its evaluation as to the best interest of the Corporation and its shareholders, the Board of Directors shall consider all factors which it deems relevant, including without limitation: (i) the adequacy and fairness of the consideration to be received by the Corporation and/or its shareholders under the offer considering historical trading prices of the Corporation's stock, the price that might be achieved in the negotiated sale of the corporation as a whole, premiums over trading prices which have been proposed or offered with respect to securities of other companies in the past in connection with similar offers and the failure prospects for the corporation and its business; (iii) the potential social and economic impact of the offer and its consumption of the communities in which the Corporation and any subsidiaries operate or are located; (iv) the business and financial condition and earnings prospects of the proposed acquiror or acquirors; and (v) the competence, experience and integrity of the proposed acquiror or acquirors and its or their management.

These Amended and Restated Articles of Incorporation proposed by the Board of Directors were duly adopted on the 3rd day of December, 2024 in accordance with the provisions of Section 641 of the Act, and were duly adopted by the vote of the shareholders on December 19, 2024 in accordance with Section 403 and Section 611 of the Act. The necessary votes were cast in favor of these Amended and Restated Articles of Incorporation.

Signed this 26th day of December, 2024.

By: /s/ Kevin Comps

EXHIBIT A

DESIGNATIONS OF NON-VOTING COMMON STOCK

OF

NORTHPOINTE BANCSHARES, INC.

1. Definitions.

(a) "**Affiliate**" has the meaning set forth in 12 C.F.R. Section 225.2(a) or any successor provision.

(b) "**Articles of Incorporation**" means the Amended and Restated Articles of Incorporation of the Corporation, as amended and in effect from time and time.

(c) "**Board of Directors**" means the Board of Directors of the Corporation.

(d) A "**Business Day**" means any day other than a Saturday or a Sunday or a day, on which banks in Michigan are authorized or required by law, executive order or regulation to close.

(e) "**Certificate**" means a certificate representing one or more shares of Non-Voting Common Stock.

(f) "**Dividends**" has the meaning set forth in Section 3 of this Exhibit A.

(g) "**Liquidation Distribution**" has the meaning set forth in Section 4 of this Exhibit A.

(h) "**Permissible Transfer**" means a transfer by the holder of Non-Voting Common Stock: (i) to the Corporation; (ii) in a widely-distributed public offering of Voting Common Stock or Non-Voting Common Stock; (iii) that is part of an offering that is not a widely-distributed public offering of Voting Common Stock or Non-Voting Common Stock but is one in which no one transferee (or group of associated transferees) acquires the rights to receive two percent (2%) or more of any class of the voting securities of the Corporation then outstanding (including pursuant to a related series of transfers); (iv) that is part of a transfer of Voting Common Stock or Non-Voting Common Stock to an underwriter for the purpose of conducting a widely-distributed public offering; or (v) to a transferee that controls more than fifty percent (50%) of the voting securities of the Corporation without giving effect to such transfer.

(i) "**Person**" means an individual corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, or any other form of entity not specifically listed in this definition.

(j) "**Voting Security**" has the meaning set forth in 12 C.F.R. Section 225.2(0) or any successor provision.

2. Designation. Each share of Non-Voting Common Stock has the designations, preferences, conversion, and other rights, voting powers, restrictions, limitations as to Dividends, Qualifications, and terms or conditions of redemption as described in this Article III. Each share of Non-Voting Common Stock is identical in all respects to every other share of Non-Voting Common Stock. The Non-Voting Common Stock shall have no par value.

3. Dividends. The Non-Voting Common Stock will rank *pari passu* with the Voting Common Stock with respect to the payment of dividends or distributions, whether payable in cash, securities, options, or other property, and with respect to the issuance, grant, or sale of any rights to purchase stock, warrants, securities, or other property (collectively, the "**Dividends**"). Accordingly, the holders of record of Non-Voting Common Stock will be entitled to receive, as, when, and if declared by the Board of Directors, Dividends in the same per share amount as paid on the Voting Common Stock, and no Dividends will be payable on the Voting Common Stock or any other class or series of capital stock ranking with respect to Dividends *pari passu* with the Voting Common Stock unless a Dividend identical to that paid on the Voting Common Stock is payable at the same time on the Non-Voting Common Stock in an amount per share of Non-Voting Common Stock equal to the product of (a) the per share Dividend declared and paid in respect of each share of Voting Common Stock and (b) the number of shares of Voting Common Stock into which such share of Non-Voting Common Stock is then convertible (without regard to any limitations on conversion of the Non-Voting Common Stock); provided, however, that if a stock dividend is declared on Voting Common Stock payable solely in Voting Common Stock, the holders of Non-Voting Common Stock will be entitled to a stock dividend payable solely in shares of Non-Voting Common Stock. Dividends that are payable on Non-Voting Common Stock will be payable to the holders of record of Non-Voting Common Stock as they appear on the stock register of the Corporation on the applicable record date, as determined by the Board of Directors, which record date will be the same as the record date for the equivalent dividend of the Voting Common Stock. If the Board of Directors does not declare or pay any Dividends with respect to shares of Voting Common Stock, then the holders of Non-Voting Common Stock will have no right to receive any Dividends.

4. Liquidation.

(a) Rank. The Non-Voting Common Stock will, with respect to rights upon liquidation, winding up, and dissolution, rank (i) subordinate and junior in right of payment to all other securities of the Corporation that, by their respective terms, are senior to the Non-Voting Common Stock or the Voting Common Stock, and (ii) *pari passu* with the Voting Common Stock.

Not in limitation of anything contained in this Exhibit A, and for purposes of clarity, the Non-Voting Common Stock is subordinated to the general creditors and subordinated debt holders of the Corporation and the depositors of the Corporation's bank subsidiaries in any receivership, insolvency, liquidation, or similar proceeding.

(b) Liquidation Distributions. In the event of any liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Non-Voting Common Stock will be entitled to receive, for each share of Non-Voting Common Stock, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, subject to the rights of any Persons to whom the Non-Voting Common Stock is subordinate, a distribution ("**Liquidation Distribution**") equal to (i) any authorized and declared, but unpaid, dividends with respect to such share of Non-Voting Common Stock at the time of such liquidation, dissolution, or winding up, and (ii) the amount the holder of such share of Non-Voting Common Stock would receive in respect of such share if such share had been converted into shares of Voting Common Stock at the then-applicable conversion rate at the time of such liquidation, dissolution, or winding up (assuming the conversion of all shares of Non-Voting Common Stock at such time, without regard to any limitations on conversion of the Non-Voting Common Stock). All Liquidation Distributions to the holders of the Non-Voting Common Stock and Voting Common Stock set forth in clause (ii) above will be made pro rata to the holders thereof.

(c) Merger, Consolidation, and Sale of Assets Not Liquidation For purposes of this Section 4, the merger or consolidation of the Corporation with any other corporation or other Person, including a merger or consolidation in which the holders of Non-Voting Common Stock receive cash, securities, or other property for their shares, or the sale, lease, or exchange (for cash, securities, or property) of all or substantially all of the assets of the Corporation, will not constitute a liquidation, dissolution, or winding up of the Corporation.

5. Conversion.

(a) General.

(i) A holder of Non-Voting Common Stock shall be permitted to convert, or upon the written request of the Corporation shall convert, shares of Non-Voting Common Stock into shares of Voting Common Stock at any time or from time to time, provided that upon such conversion the holder, together with all Affiliates of the holder, will not own or control in the aggregate more than nine and nine-tenths percent (9.9%) of the Voting Common Stock (or of any class of voting securities issued by the Corporation), excluding for the purpose of this calculation any reduction in ownership resulting from transfers by such holder of voting securities of the Corporation (which, for the avoidance of doubt, does not include Non-Voting Common Stock). In any such conversion, each share of Non-Voting Common Stock will convert initially into one (1) share of Voting Common Stock, subject to adjustment as provided in Section 6 below.

(ii) Each share of Non-Voting Common Stock will automatically convert into one (1) share of Voting Common Stock, without any further action on the part of any holder, subject to adjustment as provided in Section 6 below, on the date a holder of Non-Voting Common Stock transfers any shares of Non-Voting Common Stock to a non-Affiliate of the holder in a Permissible Transfer.

(iii) To effect any permitted conversion under Section 5(a)(i) or Section 5(a)(ii), the holder shall surrender the Certificate or Certificates evidencing such shares of Non-Voting Common Stock, duly endorsed, at the registered office of the Corporation, and provide written instructions to the Corporation as to the number of whole shares for which such conversion shall be effected, together with any appropriate documentation that may be reasonably required by the Corporation. Upon the surrender of such Certificate(s), the Corporation will issue and deliver to such holder (in the case of a conversion under Section 5(a)(i)) or such holder's transferee (in the case of a conversion under Section 5(a)(ii)) a certificate or certificates for the number of shares of Voting Common Stock into which the Non-Voting Common stock has been converted and, in the event that such conversion is with respect to some, but not all, of the holder's shares of Non-Voting Common Stock, the Corporation shall deliver to such holder a Certificate or Certificate(s) representing the number of shares of Non-Voting Common Stock that were not converted to Voting Common Stock.

(iv) All shares of Voting Common Stock delivered upon conversion of the Non-Voting Common Stock shall be duly authorized, validly issued, fully paid, and non-assessable, free and clear of all liens, claims, security interests, charges, and other encumbrances.

(b) Reservation of Shares Issuable Upon Conversion. The Corporation will at all times reserve and keep available out of its authorized but unissued Voting Common Stock solely for the purpose of effecting the conversion of the Non-Voting Common Stock such number of shares of Voting Common Stock as will from time to time be sufficient to effect the conversion of all outstanding Non-Voting Common Stock; and if at any time the number of shares of authorized but unissued Voting Common Stock will not be sufficient to effect the conversion of all then outstanding Non-Voting Common Stock, the Corporation will take such action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Voting Common Stock to such number of shares as will be sufficient for such purpose.

(c) No Impairment. The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed pursuant to this Section 5 by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such actions as may be necessary or appropriate in order to protect the conversion rights of the holders of the Non-Voting Common Stock against impairment.

(d) Compliance With Law. Prior to the delivery of any securities that the Corporation shall be obligated to deliver upon conversion of the Non-Voting Common Stock, the Corporation shall use its reasonable best efforts to comply with any federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

(e) Listing. The Corporation hereby covenants and agrees that, if at any time the Voting Common Stock shall be traded on any national securities exchange, the Corporation will, if permitted by the rules of such exchange, list and keep listed, so long as the Voting Common Stock shall be so listed on such exchange, all the Voting Common Stock issuable upon conversion of the Non-Voting Common Stock; provided, however, that if the rules of such exchange require the corporation to defer the listing of such Voting Common Stock until the first conversion of Non-Voting Common Stock into Voting Common Stock in accordance with the provisions hereof, the Corporation covenants to list such Voting Common Stock issuable upon conversion of the Non-Voting Common Stock in accordance with the requirements of such exchange at such time.

6. Adjustments.

(a) Combinations or Divisions of Voting Common Stock. If the Corporation at any time or from time to time will effect a division of the Voting Common Stock into a greater number of shares (by stock split, reclassification, or otherwise, other than by payment of a Dividend in Voting Common Stock or in any right to acquire Voting Common Stock), or if the outstanding Voting Common Stock will be combined or consolidated, by reclassification, reverse stock split, or otherwise, into a lesser number of shares of Voting Common Stock, then the dividend, liquidation, and conversion rights of each share of Non-Voting Common Stock in effect immediately prior to such event will, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

(b) Reclassification, Exchange, or Substitution. If the Voting Common Stock is changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a division or combination of shares provided for in Section 6(a) above), (1) the conversion ratio then in effect will, concurrently with the effectiveness of such transaction, be adjusted so that each share of the Non-Voting Common Stock will be convertible into, in lieu of the number of shares of Voting Common Stock which the Holders of the Non-Voting Common Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equal to the product of (a) the number of shares of such other class or classes of stock that a holder of a share of Voting Common Stock would be entitled to receive in such transaction and (b) the number of shares of Voting Common Stock into which such share of Non-Voting Common Stock is then convertible (without regard to any limitations on conversion of the Non-Voting Common Stock) immediately before that transaction, and (2) the Dividend and Liquidation Distribution rights then in effect will, concurrently with the effectiveness of such transaction, be adjusted so that each share of Non-Voting Common Stock will be entitled to a Dividend and Liquidation Distribution Right, in lieu of the number of shares of Voting Common Stock which the holders of the Non-Voting Common Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equal to the product of (a) the number of shares of such other class or classes of stock that a holder of a share of Voting Common Stock would be entitled to receive in such transaction and (b) the number of shares of Voting Common Stock into which such share of Non-Voting Common Stock is then convertible (without regard to any limitations on conversion of the Non-Voting Common Stock) immediately before that transaction.

(c) Certificates As To Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 6, the Corporation at its expense will promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Non-Voting Common Stock a certificate executed by the Corporation's president (or other appropriate officer) setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation will, upon the written request at any time of any holder of Non-Voting Common Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, and (ii) the number of shares of Voting Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Non-Voting Common Stock.

7. Reorganization, Mergers, Consolidations, or Sales of Assets. If at any time or from time to time there will be a capital reorganization of the Voting Common Stock (other than a subdivision, combination, reclassification, or exchange of shares otherwise provided for in Section 6) or a merger or consolidation of the Corporation with or into another Person, or the sale of all or substantially all the Corporation's properties and assets to any other Person, then, as a part of such reorganization, merger, consolidation, or sale, provision will be made so that the holders of the Non-Voting Common Stock will thereafter be entitled to receive upon conversion of the Non-Voting Common Stock, the number of shares of stock or other securities or property of the Corporation, or of the successor company resulting from such merger or consolidation or sale, to which a holder of that number of shares of Voting Common Stock deliverable upon conversion of the Non-Voting Common Stock would have been entitled to receive on such capital reorganization, merger, consolidation, or sale (without regard to any limitations on conversion of the Non-Voting Common Stock).

8. Redemption. Except to the extent a liquidation under Section 4 may be deemed to be a redemption, the Non-Voting Common Stock will not be redeemable at the option of the Corporation or any holder of Non-Voting Common Stock at any time. Notwithstanding the foregoing, the Corporation will not be prohibited from repurchasing or otherwise acquiring shares of Non-Voting Common Stock in voluntary transactions with the holders thereof, subject to compliance with any applicable legal or regulatory requirements, including applicable regulatory capital requirements. Any shares of Non-Voting Common Stock repurchased or otherwise acquired may be reissued as additional shares of Non-Voting Common Stock.

9. Voting Rights. The holders of Non-Voting Common Stock will not have any voting rights, except as may otherwise from time to time be required by law.

10. Protective Provisions. So long as any shares of Non-Voting Common Stock are issued and outstanding, the Corporation will not (including by means of merger, consolidation, or otherwise), without obtaining the approval (by vote or written consent) of the holders of a majority of the issued and outstanding shares of Non-Voting Common Stock. (a) alter or change the rights, preferences, privileges, or restrictions provided for the benefit of the holders of the Non-Voting Common Stock so as to affect them adversely, or (b) enter into any agreement, merger, or business consolidation, or engage in any other transaction, or take any action that would have the effect of adversely changing any preference or any relative or other right provided for the benefit of the holders of the Non-Voting Common Stock. If the corporation offers to repurchase shares of Voting Common Stock from all of the holders of such Voting Common Stock, the Corporation shall offer to repurchase shares of Non-Voting Common Stock pro rata based upon the number of shares of Voting Common Stock such holders would be entitled to receive if such shares were converted into shares of Voting Common Stock immediately prior to such repurchase.

11. Notices. All notices required or permitted to be given by the corporation with respect to the Non-Voting Common Stock shall be in writing, and if delivered by first class United States mail, postage prepaid, to the holders of the Non-Voting Common Stock at their last addresses as they shall appear upon the books of the Corporation, shall be conclusively presumed to have been duly given, whether or not the holder actually receives such notice; provided; however, that failure to duly give such notice by mail, or any defect in such notice, to the holders of any stock designated for repurchase, shall not affect the validity of the proceedings for the repurchase of any other shares of Non-Voting Common Stock, or of any other matter required to be presented for the approval of the holders of the Non-Voting Common Stock.

12. Record Holders. To the fullest extent permitted by law, the Corporation will be entitled to recognize the record holder of any share of Non-Voting Common Stock as the true and lawful owner thereof for all purposes and will not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other Person, whether or not it will have express or other notice thereof.

13. Term. The Non-Voting Common Stock shall have perpetual term unless converted in accordance with Section 5.

14. Replacement Certificates. If any Certificate will have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen, or destroyed and, if required by the Corporation, the posting by such Person of a bond in such amount as the Corporation may determine is necessary as indemnity against any claim that may be made against it with respect to such Certificate, the Corporation (or its transfer or exchange agent, as applicable) will deliver in exchange for such lost, stolen or destroyed Certificate a replacement Certificate.

15. Other Rights. The shares of Non-Voting Common Stock have no preferences, conversion, or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or rights, other than as set forth in this Exhibit A or as provided by applicable law.

EXHIBIT B

CERTIFICATE OF DESIGNATION OF

OF

8.25% FIXED-TO FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES A

OF

NORTHPOINTE BANCSHARES, INC.

Northpointe Bancshares, Inc., a Michigan corporation (the "**Corporation**"), does hereby certify, in accordance with Section 302 of the Michigan Business Corporation Act, that the following resolutions were duly adopted pursuant to the authority of the Board of Directors of the Corporation under the Articles of Incorporation of the Corporation, as amended:

RESOLVED, that the Board of Directors (the "**Board**") hereby designates a series of the Corporation's preferred stock, no par value per share;

RESOLVED, that such series shall be comprised of 100,000 shares of the Corporation's preferred stock, no par value per share; that the designation of the series shall be "8.25% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series A" (the "**Series A Preferred Stock**"); and that the other relative rights and preferences of the Series A Preferred Stock shall be as follows:

Section 1. Definitions.

"**Appropriate Federal Banking Agency**" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"**Articles of Incorporation**" means the Articles of Incorporation of the Corporation, as they may be amended or restated from time to time.

"**Benchmark**" means, initially, Three-Month Term SOFR; provided that if the Calculation Agent determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Three-Month Term SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"**Benchmark Replacement**" means the Interpolated Benchmark with respect to the then-current Benchmark, plus the Benchmark Replacement Adjustment for such Benchmark; provided that if (a) the Calculation Agent cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date or (b) the then-current Benchmark is Three-Month Term SOFR and a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Three-Month Term SOFR (in which event no Interpolated Benchmark with respect to Three-Month Term SOFR shall be determined), then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Calculation Agent as of the Benchmark Replacement Date:

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(1) The sum of (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;

(2) the sum of: (a) the alternate rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;

(3) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;

(4) the sum of: (a) the alternate rate that has been selected by the Corporation as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate securities at such time and (b) the Benchmark Replacement Adjustment.

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Calculation Agent as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Calculation Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Dividend Period", timing and frequency of determining rates with respect to each Dividend Period and making payments of dividends, rounding of amounts or tenors, and other administrative matters) that the Calculation Agent decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Calculation Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Calculation Agent determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Calculation Agent determines is reasonably necessary).

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) of the definition of "Benchmark Transition Event," the relevant Reference Time in respect of any determination;

(2) in the case of clause (2) or (3) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(3) in the case of clause (4) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, for purposes of the definitions of Benchmark Replacement Date and Benchmark Transition Event, references to the Benchmark also include any reference rate underlying the Benchmark (for example, if the Benchmark becomes Compounded SOFR, references to the Benchmark would include SOFR).

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) if the Benchmark is Three-Month Term SOFR, (a) the Relevant Governmental Body has not selected or recommended a forward-looking term rate for a tenor of three months based on SOFR, (b) the development of a forward-looking term rate for a tenor of three months based on SOFR that has been recommended or selected by the Relevant Governmental Body is not complete or (c) the Corporation determines that the use of a forward-looking rate for a tenor of three months based on SOFR is not administratively feasible;

(2) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

(4) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"**Business Day**" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in The City of New York.

"**Bylaws**" means the Amended and Restated Bylaws of the Corporation, as they may be amended or restated from time to time.

"**Calculation Agent**" means such bank or other entity (which may be the Corporation or an affiliate of the Corporation) as may be appointed by the Corporation to act as Calculation Agent for the Series A Preferred Stock during the Floating Rate Period (as defined in Section 4(a)).

"**Common Stock**" means any and all shares of common stock of the Corporation, no par value per share.

"**Compounded SOFR**" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate being established by the Calculation Agent in accordance with:

(1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining Compounded SOFR; provided that:

(2) if, and to the extent that, the Calculation Agent determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Calculation Agent giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate securities at such time.

For the avoidance of doubt, the calculation of Compounded SOFR shall exclude the Benchmark Replacement Adjustment (if applicable) and the spread of 799 basis points per annum.

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

"**Federal Reserve Bank of New York's Website**" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"**Interpolated Benchmark**" with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

"**ISDA**" means the International Swaps and Derivatives Association, Inc. or any successor.

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the ISDA, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives

transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"**Preferred Stock**" means any and all series of preferred stock of the Corporation, including the Series A Preferred Stock.

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is Three-Month Term SOFR, the time determined by the Calculation Agent after giving effect to the Three-Month Term SOFR Conventions, and (2) if the Benchmark is not Three-Month Term SOFR, the time determined by the Calculation Agent after giving effect to the Benchmark Replacement Conforming Changes.

"**Relevant Governmental Body**" means the Federal Reserve and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve and/or the Federal Reserve Bank of New York or any successor thereto.

"**SOFR**" means the secured overnight financing rate published by the Federal Reserve Bank of New York, as the administrator of the Benchmark (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"**Term SOFR**" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"**Term SOFR Administrator**" means any entity designated by the Relevant Governmental Body as the administrator of Term SOFR (or a successor administrator).

"**Three-Month Term SOFR**" means the rate for Term SOFR for a tenor of three months that is published by the Term SOFR Administrator at the Reference Time for any dividend period, as determined by the Calculation Agent after giving effect to the Three-Month Term SOFR Conventions.

"**Three-Month Term SOFR Conventions**" means any determination, decision or election with respect to any technical, administrative or operational matter (including with respect to the manner and timing of the publication of Three-Month Term SOFR, or changes to the definition of "dividend period," timing and frequency of determining Three-Month Term SOFR with respect to each dividend period and making dividend payments, rounding of amounts or tenors, and other administrative matters) that the Calculation Agent decides may be appropriate to reflect the use of Three-Month Term SOFR as the Benchmark in a manner substantially consistent with market practice (or, if the Calculation Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Calculation Agent determines that no market practice for the use of Three-Month Term SOFR exists, in such other manner as the Calculation Agent determines is reasonably necessary).

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Section 2. Designation and Number of Shares. There is hereby created out of the authorized and unissued shares of Preferred Stock a series of Preferred Stock designated as the "8.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A" (hereinafter called "**Series A Preferred Stock**"); the authorized number of shares that shall constitute such series shall be 100,000 shares, no par value per share; and such shares shall have a liquidation preference of $1,000 per share. The number of shares constituting the Series A Preferred Stock may be increased from time to time by resolution of the Board or a duly authorized committee of the Board in accordance with the Articles of Incorporation (as then in effect), the Bylaws (as then in effect), and applicable law up to the maximum number of shares of Preferred Stock authorized to be issued under the Articles of Incorporation (as then in effect) less all shares at the time authorized of any other series of Preferred Stock or decreased from time to time by a resolution of the Board or a duly authorized committee of the Board in accordance with the Articles of Incorporation (as then in effect), the Bylaws (as then in effect), and applicable law but not below the number of shares of Series A Preferred Stock then outstanding. Shares of Series A Preferred Stock shall be dated the date of issue, which date shall be referred to herein as the "original issue date." Shares of outstanding Series A Preferred Stock that are redeemed, purchased, or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of the Preferred Stock, undesignated as to series. The Corporation shall have the authority to issue fractional shares of Series A Preferred Stock.

Section 3. Ranking. The shares of Series A Preferred Stock shall rank:

(a) Senior, as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, to the Common Stock and to any other class or series of capital stock of the Corporation now or hereafter authorized, issued, or outstanding that, by its terms, does not expressly provide that such class or series ranks pari passu with the Series A Preferred Stock or senior to the Series A Preferred Stock as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, as the case may be (collectively, "**Series A Junior Securities**");

(b) on a parity, as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, with any class or series of capital stock of the Corporation now or hereafter authorized, issued, or outstanding that, by its terms, expressly provides that such class or series ranks *pari passu* with the Series A Preferred Stock as to dividends and upon liquidation, dissolution, and winding-up of the
Corporation, as the case may be (collectively, '**Series A Parity Securities**"); and

(c) junior, as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, to any other class or series of capital stock of the Corporation now or hereafter authorized, issued, or outstanding that, by its terms, expressly provides that such class or series ranks senior to the Series A Preferred Stock as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, as the case may be.

The Corporation may authorize and issue additional shares of Series A Junior Securities and Series A Parity Securities from time to time without the consent of the holders of the Series A Preferred Stock.

Section 4. Dividends.

(a) Holders of Series A Preferred Stock will be entitled to receive, only when, as, and if declared by the Board or a duly authorized committee of the Board, on each Dividend Payment Date (as defined below), out of assets legally available for the payment of dividends thereof, non-cumulative cash dividends based on the liquidation preference of the Series A Preferred Stock of $1,000 per share. Dividends on each share of Series A Preferred Stock shall accrue at a rate equal to (i) 8.25% per annum on the liquidation preference of $1,000 per share for each Dividend Period (as defined below) from the original issue date of the Series A Preferred Stock to, but excluding, December 30, 2025 or the date of earlier redemption (the "**Fixed Rate Period**") and (ii) the Benchmark plus a spread of 799 basis points per annum on the liquidation preference of $1,000 per share for each Dividend Period from and including December 30, 2025 to, but excluding, the date of redemption (the "**Floating Rate**

Period"); provided, however, that if the Benchmark is less than zero, the Benchmark shall be deemed to be zero, in each case, only when, as and if a dividend is declared. In the event the Corporation issues additional shares of the Series A Preferred Stock after the original issue date, dividends on such shares may accrue from the original issue or any other date specified by the Board or a duly authorized committee of the Board at the time such additional shares are issued.

(b) If declared by the Board or a duly authorized committee of the Board, dividends will be payable on the Series A Preferred Stock quarterly in arrears on March 30, June 30, September 30, and December 30 of each year, beginning on March 30, 2021 (each such day a "**Dividend Payment Date**") based on a liquidation preference of $1,000 per share. In the event that any Dividend Payment Date during the Fixed Rate Period falls on a day that is not a Business Day, the dividend payment due on that date shall be postponed to the next day that is a Business Day and no additional dividends shall accrue as a result of that postponement. In the event that any Dividend Payment Date during the Floating Rate Period falls on a day that is not a Business Day, the dividend payment due on that date shall be postponed to the next day that is a Business Day and dividends shall accrue to, but excluding, the date dividends are paid. However, if the postponement would cause the day to fall in the next calendar month during the Floating Rate Period, the Dividend Payment Date shall instead be brought forward to the immediately preceding Business Day.

(c) Dividends will be payable to holders of record of Series A Preferred Stock as they appear on the Corporation's stock register on the applicable record date, which shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not less than 15 calendar days nor more than 30 calendar days before the applicable Dividend Payment Date, as such record date shall be fixed by the Board or a duly authorized committee of the Board.

(d) A " **Dividend Period**" is the period from and including a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date or any earlier redemption date, except that the initial Dividend Period will commence on and include the original issue date of Series A Preferred Stock and continue to, but excluding, the next Dividend Payment Date. Dividends payable on Series A Preferred Stock during the Fixed Rate Period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on Series A Preferred Stock during the Floating Rate Period will be computed on the basis of a 360-day year and the number of days elapsed during the Floating Rate Period. Dollar amounts resulting from the calculation will be rounded to the nearest cent, with one-half cent being rounded upward. Dividends on the Series A Preferred Stock will cease to accrue on the redemption date, if any, with respect to the Series A Preferred Stock redeemed, unless the Corporation defaults in the payment of the redemption price of the Series A Preferred Stock called for redemption.

Notwithstanding the foregoing paragraph, if the Calculation Agent determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, then the provisions set forth in Section 8 will thereafter apply to all determinations of the dividend rate on the Series A Preferred Stock for each Dividend Period during the Floating Rate Period.

Absent manifest error, the Calculation Agent's determination of the dividend rate for each Dividend Period during the Floating Rate Period for the Series A Preferred Stock will be binding and conclusive. The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for each Dividend Period during the Floating Rate Period, will be maintained on file at the Calculation Agent's principal offices, will be made available to any holder of the Series A Preferred Stock upon request and will be provided to the transfer agent.

If the then-current Benchmark is Three-Month Term SOFR, the Calculation Agent will have the right to establish the Three-Month Term SOFR Conventions, and any of the foregoing provisions concerning the calculation of the dividend rate and the payment of dividends during the Floating Rate Period are inconsistent with any of the Three-Month Term SOFR Conventions determined by the Calculation Agent, then the relevant Three-Month Term SOFR Conventions will apply. Furthermore, if the Calculation Agent determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark at any time when the Series A Preferred Stock is outstanding, then the foregoing provisions concerning the calculation of the dividend rate and the payment of dividends during the Floating Rate Period will be modified in accordance with Section 8.

(e) Dividends on the Series A Preferred Stock will not be cumulative. If the Board or a duly authorized committee of the Board does not declare a dividend, in full or otherwise, on the Series A Preferred Stock in respect of a Dividend Period, then such unpaid dividends shall cease to accrue and shall not be payable on the applicable Dividend Payment Date or be cumulative, and the Corporation will have no obligation to pay (and the holders of the Series A Preferred Stock will have no right to receive) dividends accrued for such Dividend Period after the Dividend Payment Date for such Dividend Period, whether or not the Board or a duly authorized committee of the Board declares a dividend for any future Dividend Period with respect to the Series A Preferred Stock, any Series A Parity Securities or any Series A Junior Securities. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not declared.

(f) Notwithstanding any other provision hereof, dividends on the Series A Preferred Stock shall not be declared, paid, or set aside for payment to the extent such act would cause the Corporation to fail to comply with the laws and regulations applicable to it, including applicable capital adequacy rules of the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") or, as and if applicable, the capital adequacy rules or regulations of any Appropriate Federal Banking Agency.

(g) So long as any share of Series A Preferred Stock remains outstanding:

(1) no dividend or distribution shall be declared, paid or set aside for payment, and no distribution shall be declared or made or set aside for payment, on any Series A Junior Securities, other than (i) a dividend payable solely in Series A Junior Securities or (ii) any dividend in connection with the implementation of a stockholders' rights plan, or the issuance of rights, stock, or other property under any such plan, or the redemption or repurchase of any rights under any such plan;

(2) no shares of Series A Junior Securities shall be repurchased, redeemed, or otherwise acquired for consideration by the Corporation, directly or indirectly, other than (i) as a result of a reclassification of Series A Junior Securities for or into other Series A Junior Securities, (ii) the exchange or conversion of one share of Series A Junior Securities for or into another share of Series A Junior Securities, (iii) through the use of the proceeds of a substantially contemporaneous sale of other shares of Series A Junior Securities, (iv) purchases, redemptions, or other acquisitions of shares of Series A Junior Securities in connection with any employment contract, benefit plan, or other similar arrangement with or for the benefit of employees, officers, directors, or consultants, (v) purchases of shares of Series A Junior Securities pursuant to a contractually binding requirement to buy Series A Junior Securities existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan, or (vi) the purchase of fractional interests in shares of Series A Junior Securities pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged; nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation; and

(3) no shares of Series A Parity Securities shall be repurchased, redeemed, or otherwise acquired for consideration by the Corporation, directly or indirectly, other than (i) pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series A Preferred Stock and such Series A Parity Securities, if any, (ii) as a result of a reclassification of Series A Parity Securities for or into other Series A Parity Securities, (iii) the exchange or conversion of one share of Series A Parity Securities for or into another share of Series A Parity Securities or Series A Junior Securities, (iv) through the use of the proceeds of a substantially contemporaneous sale of other shares of Series A Parity Securities, (v) purchases of shares of Series A Parity Securities pursuant to a contractually binding requirement to buy Series A Parity Securities existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan, or (vi) the purchase of fractional interests in shares of Series A Parity Securities pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged; nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation;

unless, in each case, the full dividends for the most recently completed Dividend Period on all outstanding shares of Series A Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside.

(h) Notwithstanding the foregoing, if dividends are not paid in full, or set aside for payment in full, on any dividend payment date, upon the shares of Series A Preferred Stock and any Series A Parity Securities, all dividends declared upon shares of Series A Preferred Stock and any Series A Parity Securities for such dividend payment date shall be declared on a pro rata basis in proportion to the respective amounts of undeclared and unpaid dividends for the Series A Preferred Stock and all Series A Parity Securities on such dividend payment date. To the extent a dividend period with respect to any Series A Parity Securities coincides with more than one Dividend Period, for purposes of the immediately preceding sentence the Board shall treat such dividend period as two or more consecutive dividend periods, none of which coincides with more than one Dividend Period, or shall treat such dividend period(s) with respect to any Series A Parity Securities and Dividend Period(s) for purposes of the immediately preceding sentence in any other manner that it deems to be fair and equitable in order to achieve ratable payments of dividends on such Series A Parity Securities and the Series A Preferred Stock. To the extent a Dividend Period coincides with more than one dividend period with respect to any Series A Parity Securities, for purposes of the first sentence of this paragraph the Board shall treat such Dividend Period as two or more consecutive Dividend Periods, none of which coincides with more than one dividend period with respect to such Series A Parity Securities, or shall treat such Dividend Period(s) and dividend period(s) with respect to any Series A Parity Securities for purposes of the first sentence of this paragraph in any other manner that it deems to be fair and equitable in order to achieve ratable payments of dividends on the Series A Preferred Stock and such Series A Parity Securities. For the purposes of this paragraph, the term "dividend period" as used with respect to any Series A Parity Securities means such dividend periods as are provided for in the terms of such Series A Parity Securities.

(i) Subject to the foregoing (including, but not limited to, Section 4(g) hereof), dividends (payable in cash, stock, or otherwise), as may be determined by the Board or a duly authorized committee of the Board, may be declared and paid on the Common Stock and any other class or series of capital stock ranking equally with or junior to Series A Preferred Stock from time to time out of any assets legally available for such payment, and the holders of Series A Preferred Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation.

(a) Upon any voluntary or involuntary liquidation, dissolution, or winding-up of the Corporation, holders of Series A Preferred Stock are entitled to receive out of the assets of the Corporation available for distribution to stockholders, after satisfaction of liabilities and obligations to creditors, if any, and subject to the rights of holders of any securities then outstanding ranking senior to or on parity with Series A Preferred Stock with respect to distributions of assets, before any distribution or payment out of the assets of the Corporation is made to holders of Common Stock or any Series A Junior Securities, a liquidating distribution in the amount of the liquidation preference of $1,000 per share plus any declared and unpaid dividends prior to the payment of the liquidating distribution, without accumulation of any dividends that have not been declared prior to the payment of the liquidating distribution. After payment of the full amount of such liquidating distribution, the holders of Series A Preferred Stock shall not be entitled to any further participation in any distribution of assets of the Corporation.

(b) In any such liquidating distribution, if the assets of the Corporation are not sufficient to pay the liquidation preference (as defined below) in full to all holders of Series A Preferred Stock and all holders of any Series A Parity Securities, the amounts paid to the holders of Series A Preferred Stock and to the holders of all Series A Parity Securities will be paid pro rata in accordance with the respective aggregate liquidation preference of those holders. In any such distribution, the "**liquidation preference**" of any holder of Series A Preferred Stock or any Series A Parity Securities means the amount otherwise payable to such holder in such distribution (assuming no limitation on the Corporation's assets available for such distribution), including any declared but unpaid dividends (and, in the case of any holder of stock other than the Series A Preferred Stock on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable). If the liquidation preference has been paid in full to all holders of Series A Preferred Stock and any Series A Parity Securities, the holders of the Corporation's Series A Junior Securities shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(c) For purposes of this Section 5, neither the sale, conveyance, exchange, or transfer of all or substantially all of the assets or business of the Corporation for cash, securities, or other property, nor the merger or consolidation of the Corporation with any other entity, including a merger or consolidation in which the holders of Series A Preferred Stock receive cash, securities, or property for their shares, shall constitute a liquidation, dissolution, or winding-up of the Corporation.

Section 6. Redemption.

(a) Series A Preferred Stock is not subject to any mandatory redemption, sinking fund, or other similar provision. Series A Preferred Stock is not redeemable prior to December 30, 2025. Shares of Series A Preferred Stock then outstanding will be redeemable at the option of the Corporation, in whole or in part, from time to time, on December 30, 2025, or on any Dividend Payment Date on or after December 30, 2025, at a redemption price equal to $1,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends, to, but excluding, the date of redemption. Holders of Series A Preferred Stock will have no right to require the redemption or repurchase of Series A Preferred Stock. Notwithstanding the foregoing, following the occurrence of a Regulatory Capital Treatment Event (as defined below), the Corporation, at its option, may redeem, at any time beginning 60 days prior to the date when the Corporation, acting in good faith, expects to lose all or a portion of Tier 1 Capital credit (or its equivalent) on the Series A Preferred Stock as described in Regulatory Capital Treatment event below, all (but not less than all) of the shares of the Series A Preferred Stock at the time outstanding, at a redemption price equal to $1,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends, upon notice given as provided in sub-section (b) below. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the record date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such record date relating to the Dividend Payment Date as provided in Section 4(c) above. In all cases, the Corporation may not redeem shares of the Series A Preferred Stock without having received the prior approval of the Federal Reserve or any successor Appropriate Federal Banking Agency if then required under capital rules applicable to the Corporation.

A "**Regulatory Capital Treatment Event**" means the good faith determination by the Board or a duly authorized committee of the Board that, as a result of (i) any amendment to, or change in, the laws, rules, or regulations of the United States or any political subdivision of or in the United States (including, for the avoidance of doubt, any agency or instrumentality of the United States, including the Federal Reserve and other federal banking agencies) that is enacted or becomes effective after the initial

issuance of any share of the Series A Preferred Stock; (ii) any proposed change in those laws, rules, or regulations that is announced after the initial issuance of any share of the Series A Preferred Stock; or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules, or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series A Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation value of $1,000 per share of the Series A Preferred Stock then outstanding as "Tier 1 Capital" (or its equivalent) for purposes of the capital adequacy rules of the Federal Reserve (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency), as then in effect and applicable, for as long as any share of the Series A Preferred Stock is outstanding.

(b) If shares of Series A Preferred Stock are to be redeemed, the notice of redemption shall be given to the holders of record of Series A Preferred Stock to be redeemed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the Corporation's stock register not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (provided that, if the shares of Series A Preferred Stock or the depositary shares representing Series A Preferred Stock, if any, are held in book-entry form through The Depository Trust Company (" **DTC**"), the Corporation may give such notice in any manner permitted by DTC). Each notice of redemption will include a statement setting forth (i) the redemption date; (ii) the number of shares of Series A Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; and (iv) that dividends on the shares to be redeemed will cease to accrue on the redemption date. If notice of redemption of any shares of Series A Preferred Stock has been duly given and if the funds necessary for such redemption have been set aside by the Corporation for the benefit of the holders of any shares of Series A Preferred Stock so called for redemption, then, on and after the redemption date, dividends will cease to accrue on such shares of Series A Preferred Stock; such shares of Series A Preferred Stock shall no longer be deemed outstanding; and all rights of the holders of such shares will terminate, except the right to receive the redemption price described in sub-section (a) above, without interest.

(c) In case of any redemption of only part of the shares of Series A Preferred Stock at the time outstanding, the shares to be redeemed shall be selected (1) pro rata, (2) by lot, or (3) in such other manner as the Corporation may determine to be equitable and permitted by DTC and the rules of any national securities exchange on which the Series A Preferred Stock is listed.

Section 7. Voting Rights.

(a) Except as provided below and as determined by the Board or a duly authorized committee of the Board or as expressly required by law, the holders of shares of Series A Preferred Stock shall have no voting power, and no right to vote on any matter at any time, either as a separate series or class or together with any other series or class of shares of capital stock, and shall not be entitled to call a meeting of such holders for any purpose, nor shall they be entitled to participate in any meeting of the holders of the Common Stock.

(b) So long as any shares of Series A Preferred Stock remain outstanding, the affirmative vote or consent of the holders of at least two-thirds of all of the shares of Series A Preferred Stock at the time outstanding, voting separately as a class, shall be required to:

(1) authorize, create, or issue, or increase the authorized amount of, shares of any class or series of capital stock ranking senior to the Series A Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution, or winding up of the Corporation, or issue any obligation or security convertible into or exchangeable for, or evidencing the right to purchase, any such class or series of the Corporation's capital stock;

(2) amend, alter, or repeal the provisions of the Articles of Incorporation (including this Certificate of Designation), whether by merger, consolidation, or otherwise, so as to materially and adversely affect the powers, preferences, privileges, or rights of Series A Preferred Stock, taken as a whole; provided, however, that any amendment to authorize, create, or issue, or increase the authorized amount of, any Series A Junior Securities or any Series A Parity Securities, or any securities convertible into or exchangeable for Series A Junior Securities or Series A Parity Securities will not be deemed to materially and adversely affect the powers, preferences, privileges, or rights of Series A Preferred Stock; or

(3) complete a binding share exchange or reclassification involving the Series A Preferred Stock, or complete the sale, conveyance, exchange, or transfer of all or substantially all of the assets or business of the Corporation or consolidate with or merge into any other corporation, unless, in any case, the shares of Series A Preferred Stock outstanding at the time of such consolidation or merger or sale either (i) remain outstanding or (ii) are converted into or exchanged for preference securities of the surviving entity or any entity controlling the surviving entity having such rights, preferences, privileges, and powers (including voting powers), taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges, and powers (including voting powers) of the Series A Preferred Stock, taken as a whole.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series A Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Corporation for the benefit of the holders of Series A Preferred Stock to effect such redemption.

(c) If the Corporation fails to pay, or declare and set aside for payment, dividends on outstanding shares of the Series A Preferred Stock or any Series A Parity Securities having voting rights on parity with the voting rights provided to the Series A Preferred Stock ("**Special Voting Preferred Stock**") for six or more Dividend Periods, whether or not consecutive (a "**Nonpayment Event**"), the authorized number of directors of the Corporation shall be increased by two and the holders of the Series A Preferred Stock (along with holders of any Special Voting Preferred Stock then outstanding, voting together as a class based on respective liquidation preferences), shall have the right to elect two directors (hereinafter, the "**Preferred Directors**"andeach,a "**Preferred Director**") tofillsuchnewlycreated directorships; *provided*, *however*,thatat notimeshall theBoard includemorethantwoPreferred Directors; *provided further* that the election of any such Preferred Directors may not cause the Corporation to violate any corporate governance requirement of any exchange on which the Corporation's securities may be listed. At the request of any holder of Series A Preferred Stock, a special meeting of the holders of Series A Preferred Stock and any such Special Voting Preferred Stock shall be called by the Corporation for the election of the Preferred Directors; *provided*, *however*, that if such request for special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the Corporation's stockholders, such election of Preferred Directors shall be held at such next annual or special meeting of stockholders), followed by such election of such Preferred Directors at each subsequent annual meeting of stockholders until full dividends have been declared and paid (or declared and a sum sufficient for the payment of such dividends has been set aside for payment) on the Series A Preferred Stock for four Dividend Periods after the Nonpayment Event, except as provided by law, subject to re-vesting in the event of each and every subsequent Nonpayment Event.

When dividends have been paid in full (or declared and a sum sufficient for the payment of such dividends has been set aside for payment) on the Series A Preferred Stock for at least four Dividend Periods after a Nonpayment Event, then the right of the holders of Series A Preferred Stock and any Special Voting Preferred Stock to elect the Preferred Directors shall cease (but subject in any case to re-vesting of such voting rights in the case of each and every subsequent Nonpayment Event), and the Preferred Directors shall cease to be qualified as directors, the term of office of all Preferred Directors then in office shall terminate immediately, and the Corporation's authorized number of directors shall be automatically reduced by the number of Preferred Directors elected pursuant hereto. Any Preferred Director may be removed at any

time, with or without cause, by a majority of the outstanding shares of Series A Preferred Stock (along with holders of any Special Voting Preferred Stock then outstanding, voting together as a class based on respective liquidation preferences). If the office of any Preferred Director becomes vacant for any reason other than removal from office as aforesaid, the remaining Preferred Director may choose, by means of written consent, a successor who shall hold office for the unexpired term in respect of which such vacancy occurred, or if none remains in office, by a vote of the holders of a majority of the outstanding shares of Series A Preferred Stock (along with holders of any Special Voting Preferred Stock then outstanding, voting together as a class based on respective liquidation preferences); *provided* that the filling of any such vacancy may not cause the Corporation to violate any corporate governance requirement of any exchange on which the Corporation's securities may be listed. The Preferred Directors shall each be entitled to one vote per director on any matter on which directors of the Corporation are entitled to vote.

(d) The Board will take such actions as may be necessary to effectuate the intent of this Section 7(d) in accordance with the Articles of Incorporation and Bylaws of the Company. The rules and procedures for calling and conducting any meeting of the holders of Series A Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents, and any other aspect or matter with regard to such meeting or such consents shall be governed by any rules that the Board or any duly authorized committee of the Board, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Articles of Incorporation (as then in effect), the Bylaws (as then in effect), and applicable law and the rules of any national securities exchange on which the Series A Preferred Stock is listed or traded at the time.

Section 8. Effect of a Benchmark Transition Event. If the Calculation Agent determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred on or prior to the Reference Time in respect of any determination of the Benchmark on any date, then the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Series A Preferred Stock during the Floating Rate Period in respect of such determination on such date and all determinations on all subsequent dates, and the dividend rate on the Series A Preferred Stock for each Dividend Period during the Floating Rate Period will thereafter be an annual rate equal to the sum of the Benchmark Replacement and the spread of 799 per annum; provided, however, that if the Benchmark Replacement is less than zero, the Benchmark Replacement shall be deemed to be zero, in each case, only when, as and if a dividend is declared. In connection with the implementation of a Benchmark Replacement, the Calculation Agent will have the right to make Benchmark Replacement Conforming Changes from time to time.

Section 9. Determination an Decisions. The Calculation Agent is expressly authorized to make certain determinations, decisions and elections hereunder, including with respect to the use of Three-Month Term SOFR as the Benchmark for the Floating Rate Period and under Section 8. Any determination, decision or election that may be made by the Calculation Agent hereunder, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: (i) will be conclusive and binding on the holders of the Series A Preferred stock and the transfer agent for the Series A Preferred Stock absent manifest error; (ii) if made by the Corporation as Calculation Agent, will be made in its sole discretion; (iii) if made by a Calculation Agent other than the Corporation, will be made after consultation with the Corporation, and the Calculation Agent will not make any such determination, decision or election to which the Corporation reasonably objects; and (iv) notwithstanding anything to the contrary herein, shall become effective without consent from the holders of the Series A Preferred Stock, the transfer agent or any other party. If the Calculation Agent fails to make any determination, decision or election that it is required to make hereunder, then the Corporation will make that determination, decision or election on the same basis as described above.

Section 10. Conversion Rights. The holders of shares of Series A Preferred Stock shall not have any rights to convert such shares into shares of any other class or series of securities of the Corporation.

Section 11. Preemptive Rights. The holders of shares of Series A Preferred Stock will have no preemptive rights with respect to any shares of the Corporation's capital stock or any of its other securities convertible into or carrying rights or options to purchase or otherwise acquire any such capital stock or any interest therein, regardless of how any such securities may be designated, issued, or granted.

Section 12. Certificates. The Corporation may at its option issue shares of Series A Preferred Stock without certificates.

Section 13. Transfer Agent. The Corporation shall appoint a transfer agent for the Series A Preferred Stock. The Corporation may, in its sole discretion, remove the transfer agent in accordance with the agreement between the Corporation and the transfer agent; provided that the Corporation shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal.

Section 14. Registrar. The Corporation shall appoint a registrar for the Series A Preferred Stock. The Corporation may, in its sole discretion, remove the registrar in accordance with the agreement between the Corporation and the registrar; provided that the Corporation shall appoint a successor registrar who shall accept such appointment prior to the effectiveness of such removal.

Section 15. No Other Rights. The shares of Series A Preferred Stock shall not have any rights, preferences, privileges, or voting powers or relative, participating, optional, or other special rights, or qualifications, limitations, or restrictions thereof, other than as set forth herein or in the Articles of Incorporation, or as provided by applicable law.

EXHIBIT C

CERTIFICATE OF DESIGNATIONS OF

OF

7.25% FIXED-TO FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES B

OF

NORTHPOINTE BANCSHARES, INC.

Northpointe Bancshares, Inc., a Michigan corporation (the "**Corporation**"), does hereby certify, in accordance with Section 302 of the Michigan Business Corporation

Act, that the following resolutions were duly adopted pursuant to the authority of the Board of Directors of the Corporation under the Articles of Incorporation of the Corporation, as amended:

RESOLVED, that the Board of Directors (the "**Board**") hereby designates a series of the Corporation's preferred stock, no par value per share;

RESOLVED, that such series shall be comprised of 25,000 shares of the Corporation's preferred stock, no par value per share; that the designation of the series shall be "7.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series B" (the "**Series B Preferred Stock**"); and that the other relative rights and preferences of the Series B Preferred Stock shall be as follows:

Section 1. Definitions.

"**Appropriate Federal Banking Agency**" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

"**Articles of Incorporation**" means the Articles of Incorporation of the Corporation, as they may be amended or restated from time to time.

"**Benchmark**" means, initially, Three-Month Term SOFR; provided that if the Calculation Agent determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Three-Month Term SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"**Benchmark Replacement**" means the Interpolated Benchmark with respect to the then-current Benchmark, plus the Benchmark Replacement Adjustment for such Benchmark; provided that if (a) the Calculation Agent cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date or (b) the then-current Benchmark is Three-Month Term SOFR and a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Three-Month Term SOFR (in which event no Interpolated Benchmark with respect to Three-Month Term SOFR shall be determined), then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Calculation Agent as of the Benchmark Replacement Date:

(1) The sum of (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;

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(2) the sum of: (a) the alternate rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;

(3) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;

(4) the sum of: (a) the alternate rate that has been selected by the Calculation Agent as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate securities at such time and (b) the Benchmark Replacement Adjustment.

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Calculation Agent as of the Benchmark Replacement Date:

(4) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(5) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

(6) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Calculation Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Dividend Period", timing and frequency of determining rates with respect to each Dividend Period and making payments of dividends, rounding of amounts or tenors, and other administrative matters) that the Calculation Agent decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Calculation Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Calculation Agent determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Calculation Agent determines is reasonably necessary).

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark:

(4) in the case of clause (1) of the definition of "Benchmark Transition Event," the relevant Reference Time in respect of any determination;

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(5) in the case of clause (2) or (3) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(6) in the case of clause (4) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, for purposes of the definitions of Benchmark Replacement Date and Benchmark Transition Event, references to the Benchmark also include any reference rate underlying the Benchmark (for example, if the Benchmark becomes Compounded SOFR, references to the Benchmark would include SOFR).

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(5) if the Benchmark is Three-Month Term SOFR, (a) the Relevant Governmental Body has not selected or recommended a forward-looking term rate for a tenor of three months based on SOFR, (b) the development of a forward-looking term rate for a tenor of three months based on SOFR that has been recommended or selected by the Relevant Governmental Body is not complete or (c) the Corporation determines that the use of a forward-looking rate for a tenor of three months based on SOFR is not administratively feasible;

(6) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(7) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

(8) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"**Business Day**" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in The City of New York.

"**Bylaws**" means the Amended and Restated Bylaws of the Corporation, as they may be amended or restated from time to time.

"**Calculation Agent**" means such bank or other entity (which may be the Corporation or an affiliate of the Corporation) as may be appointed by the Corporation to act as Calculation Agent for the Series B Preferred Stock during the Floating Rate Period (as defined in Section 4(a)).

"**Common Stock**" means any and all shares of common stock of the Corporation, no par value per share.

"**Compounded SOFR**" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate being established by the Calculation Agent in accordance with:

(3) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining Compounded SOFR; provided that:

(4) if, and to the extent that, the Calculation Agent determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Calculation Agent giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate securities at such time.

For the avoidance of doubt, the calculation of Compounded SOFR shall exclude the Benchmark Replacement Adjustment (if applicable) and 700 basis points.

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

"**Federal Reserve Bank of New York's Website**" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"**Interpolated Benchmark**" with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

"**ISDA**" means the International Swaps and Derivatives Association, Inc. or any successor.

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the ISDA, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"**Preferred Stock**" means any and all series of preferred stock of the Corporation, including the Series B Preferred Stock.

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is Three-Month Term SOFR, the time determined by the Calculation Agent after giving effect to the Three-Month Term SOFR Conventions, and (2) if the Benchmark is not Three-Month Term SOFR, the time determined by the Calculation Agent after giving effect to the Benchmark Replacement Conforming Changes.

"**Relevant Governmental Body**" means the Federal Reserve and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve and/or the Federal Reserve Bank of New York or any successor thereto.

"**Series A Preferred Stock**" means the preferred stock of the corporation designated as 8.25% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series A.

"**SOFR**" means the secured overnight financing rate published by the Federal Reserve Bank of New York, as the administrator of the Benchmark (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"**Term SOFR**" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"**Term SOFR Administrator**" means any entity designated by the Relevant Governmental Body as the administrator of Term SOFR (or a successor administrator).

"**Three-Month Term SOFR**" means the rate for Term SOFR for a tenor of three months that is published by the Term SOFR Administrator at the Reference Time for any dividend period, as determined by the Calculation Agent after giving effect to the Three-Month Term SOFR Conventions. All percentages used in or resulting from any calculation of Three-Month Term SOFR shall be rounded, if necessary, to the nearest one-hundred-thousandth of a percentage point, with 0.000005% rounded up to 0.00001%.

"**Three-Month Term SOFR Conventions**" means any determination, decision or election with respect to any technical, administrative or operational matter (including with respect to the manner and timing of the publication of Three-Month Term SOFR, or changes to the definition of "dividend period," timing and frequency of determining Three-Month Term SOFR with respect to each dividend period and making dividend payments, rounding of amounts or tenors, and other administrative matters) that the Calculation Agent decides may be appropriate to reflect the use of Three-Month Term SOFR as the Benchmark in a manner substantially consistent with market practice (or, if the Calculation Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Calculation Agent determines that no market practice for the use of Three-Month Term SOFR exists, in such other manner as the Calculation Agent determines is reasonably necessary).

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Section 2. Designation and Number of Shares. There is hereby created out of the authorized and unissued shares of Preferred Stock a series of Preferred Stock designated as the "7.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series B" (hereinafter called "**Series B Preferred Stock**"); the authorized number of shares that shall constitute such series shall be 25,000 shares, no par value per share; and such shares shall have a liquidation preference of $1,000 per share. The number of shares constituting the Series B Preferred Stock may be increased from time to time by resolution of the Board or a duly authorized committee of the Board in accordance with the Articles of Incorporation (as then in effect), the Bylaws (as then in effect), and applicable law up to the maximum number of shares of Preferred Stock authorized to be issued under the Articles of Incorporation (as then in effect) less all shares at the time authorized of any other series of Preferred Stock or decreased from time to time by a resolution of the Board or a duly authorized committee of the Board in accordance with the Articles of Incorporation (as then in effect), the Bylaws (as then in effect), and applicable law but not below the number of shares of Series B Preferred Stock then outstanding. Shares of Series B Preferred Stock shall be dated the date of issue, which date shall be referred to herein as the "original issue date." Shares of outstanding Series B Preferred Stock that are redeemed, purchased, or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of the Preferred Stock, undesignated as to series. The Corporation shall have the authority to issue fractional shares of Series B Preferred Stock.

Section 3. Ranking. The shares of Series B Preferred Stock shall rank:

(a) Senior, as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, to the Common Stock and to any other class or series of capital stock of the Corporation now or hereafter authorized, issued, or outstanding that, by its terms, does not expressly provide that such class or series ranks *pari passu* with the Series B Preferred Stock or senior to the Series B Preferred Stock as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, as the case may be (collectively, "**Series B Junior Securities**");

(b) on a parity, as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, with the Series A Preferred Stock and any class or series of capital stock of the Corporation now or hereafter authorized, issued, or outstanding that, by its terms, expressly provides that such class or series ranks *pari passu* with the Series B Preferred Stock as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, as the case may be (collectively, "**Series B Parity Securities**"); and

(c) junior, as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, to any other class or series of capital stock of the Corporation now or hereafter authorized, issued, or outstanding that, by its terms, expressly provides that such class or series ranks senior to the Series B Preferred Stock as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, as the case may be.

The Corporation may authorize and issue additional shares of Series B Junior Securities and Series B Parity Securities from time to time without the consent of the holders of the Series B Preferred Stock.

Section 4. Dividends.

(a) Holders of Series B Preferred Stock will be entitled to receive, only when, as, and if declared by the Board or a duly authorized committee of the Board, on each Dividend Payment Date (as defined below), out of assets legally available for the payment of dividends thereof, non-cumulative cash dividends based on the liquidation preference of the Series B Preferred Stock of $1,000 per share. Dividends on each share of Series B Preferred Stock shall accrue at a rate equal to (i) 7.25% per annum on the liquidation preference of $1,000 per share for each Dividend Period (as defined below) from the original issue date of the Series B Preferred Stock to, but excluding, December 30, 2026 or the date of earlier redemption (the "**Fixed Rate Period**") and (ii) the Benchmark plus a spread of 700 basis points per annum on the liquidation preference of $1,000 per share for each Dividend Period from and including December 30, 2026 to, but excluding, the date of redemption (the "**Floating Rate Period**"); provided, however, that if the Benchmark is less than zero, the Benchmark shall be deemed to be zero, in each case, only when, as and if a dividend is declared. In the event the Corporation issues additional shares of the Series B Preferred Stock after the original issue date, dividends on such shares may accrue from the original issue or any other date specified by the Board or a duly authorized committee of the Board at the time such additional shares are issued.

(b) If declared by the Board or a duly authorized committee of the Board, dividends will be payable on the Series B Preferred Stock quarterly in arrears on March 30, June 30, September 30, and December 30 of each year, beginning on March 30, 2022 (each such day a "**Dividend Payment Date**") based on a liquidation preference of $1,000 per share. In the event that any Dividend Payment Date during the Fixed Rate Period falls on a day that is not a Business Day, the dividend payment due on that date shall be postponed to the next day that is a Business Day and no additional dividends shall accrue as a result of that postponement. In the event that any Dividend

Payment Date during the Floating Rate Period falls on a day that is not a Business Day, the dividend payment due on that date shall be postponed to the next day that is a Business Day and dividends shall accrue to, but excluding, the date dividends are paid. However, if the postponement would cause the day to fall in the next calendar month during the Floating Rate Period, the Dividend Payment Date shall instead be brought forward to the immediately preceding Business Day.

(c) Dividends will be payable to holders of record of Series B Preferred Stock as they appear on the Corporation's stock register on the applicable record date, which shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not less than 15 calendar days nor more than 30 calendar days before the applicable Dividend Payment Date, as such record date shall be fixed by the Board or a duly authorized committee of the Board.

(d) A " **Dividend Period**" is the period from and including a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date or any earlier redemption date, except that the initial Dividend Period will commence on and include the original issue date of Series B Preferred Stock and continue to, but excluding, the next Dividend Payment Date. Dividends payable on Series B Preferred Stock during the Fixed Rate Period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on Series B Preferred Stock during the Floating Rate Period will be computed on the basis of a 360-day year and the number of days elapsed during the Floating Rate Period. Dollar amounts resulting from the calculation will be rounded to the nearest cent, with one-half cent being rounded upward. Dividends on the Series B Preferred Stock will cease to accrue on the redemption date, if any, with respect to the Series B Preferred Stock redeemed, unless the Corporation defaults in the payment of the redemption price of the Series B Preferred Stock called for redemption.

Notwithstanding the foregoing paragraph, if the Calculation Agent determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, then the provisions set forth in Section 8 will thereafter apply to all determinations of the dividend rate on the Series B Preferred Stock for each Dividend Period during the Floating Rate Period.

Absent manifest error, the Calculation Agent's determination of the dividend rate for each Dividend Period during the Floating Rate Period for the Series B Preferred Stock will be binding and conclusive. The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for each Dividend Period during the Floating Rate Period, will be maintained on file at the Calculation Agent's principal offices, will be made available to any holder of the Series B Preferred
Stock upon request and will be provided to the transfer agent.

If the then-current Benchmark is Three-Month Term SOFR, the Calculation Agent will have the right to establish the Three-Month Term SOFR Conventions, and any of the foregoing provisions concerning the calculation of the dividend rate and the payment of dividends during the Floating Rate Period are inconsistent with any of the Three-Month Term SOFR Conventions determined by the Calculation Agent, then the relevant Three-Month Term SOFR Conventions will apply. Furthermore, if the Calculation Agent determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark at any time when the Series B Preferred Stock is outstanding, then the foregoing provisions concerning the calculation of the dividend rate and the payment of dividends during the Floating Rate Period will be modified in accordance with Section 8.

(e) Dividends on the Series B Preferred Stock will not be cumulative. If the Board or a duly authorized committee of the Board does not declare a dividend, in full or otherwise, on the Series B Preferred Stock in respect of a Dividend Period, then such unpaid dividends shall cease to accrue and shall not be payable on the applicable Dividend Payment Date or be cumulative, and the Corporation will have no obligation to pay (and the holders of the Series B Preferred Stock will have no right to receive) dividends accrued for such Dividend Period after the Dividend Payment Date for such Dividend Period, whether or not the Board or a duly authorized committee of the Board declares a dividend for any future Dividend Period with respect to the Series B Preferred Stock, any Series B Parity Securities or any Series B Junior Securities. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not declared.

(f) Notwithstanding any other provision hereof, dividends on the Series B Preferred Stock shall not be declared, paid, or set aside for payment to the extent such act would cause the Corporation to fail to comply with the laws and regulations applicable to it, including applicable capital adequacy rules of the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") or, as and if applicable, the capital adequacy rules or regulations of any Appropriate Federal Banking Agency.

(g) So long as any share of Series B Preferred Stock remains outstanding:

(1) no dividend or distribution shall be declared, paid or set aside for payment, and no distribution shall be declared or made or set aside for payment, on any Series B Junior Securities, other than (i) a dividend payable solely in Series B Junior Securities or (ii) any dividend in connection with the implementation of a stockholders' rights plan, or the issuance of rights, stock, or other property under any such plan, or the redemption or repurchase of any rights under any such plan;

(2) no shares of Series B Junior Securities shall be repurchased, redeemed, or otherwise acquired for consideration by the Corporation, directly or indirectly, other than (i) as a result of a reclassification of Series B Junior Securities for or into other Series B Junior Securities, (ii) the exchange or conversion of one share of Series B Junior Securities for or into another share of Series B Junior Securities, (iii) through the use of the proceeds of a substantially contemporaneous sale of other shares of Series B Junior Securities, (iv) purchases, redemptions, or other acquisitions of shares of Series B Junior Securities in connection with any employment contract, benefit plan, or other similar arrangement with or for the benefit of employees, officers, directors, or consultants, (v) purchases of shares of Series B Junior Securities pursuant to a contractually binding requirement to buy Series B Junior Securities existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan, or (vi) the purchase of fractional interests in shares of Series B Junior Securities pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged; nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation; and

(3) no shares of Series B Parity Securities shall be repurchased, redeemed, or otherwise acquired for consideration by the Corporation, directly or indirectly, other than (i) pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series B Preferred Stock and such Series B Parity Securities, if any, (ii) as a result of a reclassification of Series B Parity Securities for or into other Series B Parity Securities, (iii) the exchange or conversion of one share of Series B Parity Securities for or into another share of Series B Parity Securities or Series B Junior Securities, (iv) through the use of the proceeds of a substantially contemporaneous sale of other shares of Series B Parity Securities, (v) purchases of shares of Series B Parity Securities pursuant to a contractually binding requirement to buy Series B Parity Securities existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan, or (vi) the purchase of fractional interests in shares of Series B Parity Securities pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged; nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation;

unless, in each case, the full dividends for the most recently completed Dividend Period on all outstanding shares of Series B Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside.

(h) Notwithstanding the foregoing, if dividends are not paid in full, or set aside for payment in full, on any dividend payment date, upon the shares of

Series B Preferred Stock and any Series B Parity Securities, all dividends declared upon shares of Series B Preferred Stock and any Series B Parity Securities for such dividend payment date shall be declared on a pro rata basis in proportion to the respective amounts of undeclared and unpaid dividends for the Series B Preferred Stock and all Series B Parity Securities on such dividend payment date. To the extent a dividend period with respect to any Series B Parity Securities coincides with more than one Dividend Period, for purposes of the immediately preceding sentence the Board shall treat such dividend period as two or more consecutive dividend periods, none of which coincides with more than one Dividend Period, or shall treat such dividend period(s) with respect to any Series B Parity Securities and Dividend Period(s) for purposes of the immediately preceding sentence in any other manner that it deems to be fair and equitable in order to achieve ratable payments of dividends on such Series B Parity Securities and the Series B Preferred Stock. To the extent a Dividend Period coincides with more than one dividend period with respect to any Series B Parity Securities, for purposes of the first sentence of this paragraph the Board shall treat such Dividend Period as two or more consecutive Dividend Periods, none of which coincides with more than one dividend period with respect to such Series B Parity Securities, or shall treat such Dividend Period(s) and dividend period(s) with respect to any Series B Parity Securities for purposes of the first sentence of this paragraph in any other manner that it deems to be fair and equitable in order to achieve ratable payments of dividends on the Series B Preferred Stock and such Series B Parity Securities. For the purposes of this paragraph, the term "dividend period" as used with respect to any Series B Parity Securities means such dividend periods as are provided for in the terms of such Series B Parity Securities.

(i) Subject to the foregoing (including, but not limited to, Section 4(g) hereof), dividends (payable in cash, stock, or otherwise), as may be determined by the Board or a duly authorized committee of the Board, may be declared and paid on the Common Stock and any other class or series of capital stock ranking equally with or junior to Series B Preferred Stock from time to time out of any assets legally available for such payment, and the holders of Series B Preferred Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation.

(a) Upon any voluntary or involuntary liquidation, dissolution, or winding-up of the Corporation, holders of Series B Preferred Stock are entitled to receive out of the assets of the Corporation available for distribution to stockholders, after satisfaction of liabilities and obligations to creditors, if any, and subject to the rights of holders of any securities then outstanding ranking senior to or on parity with Series B Preferred Stock with respect to distributions of assets, before any distribution or payment out of the assets of the Corporation is made to holders of Common Stock or any Series B Junior Securities, a liquidating distribution in the amount of the liquidation preference of $1,000 per share plus any declared and unpaid dividends prior to the payment of the liquidating distribution, without accumulation of any dividends that have not been declared prior to the payment of the liquidating distribution. After payment of the full amount of such liquidating distribution, the holders of Series B Preferred Stock shall not be entitled to any further participation in any distribution of assets of the Corporation.

(b) In any such liquidating distribution, if the assets of the Corporation are not sufficient to pay the liquidation preference (as defined below) in full to all holders of Series B Preferred Stock and all holders of any Series B Parity Securities, the amounts paid to the holders of Series B Preferred Stock and to the holders of all Series B Parity Securities will be paid pro rata in accordance with the respective aggregate liquidation preference of those holders. In any such distribution, the "**liquidation preference**" of any holder of Series B Preferred Stock or any Series B Parity Securities means the amount otherwise payable to such holder in such distribution (assuming no limitation on the Corporation's assets available for such distribution), including any declared but unpaid dividends (and, in the case of any holder of stock other than the Series B Preferred Stock on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable). If the liquidation preference has been paid in full to all holders of Series B Preferred Stock and any Series B Parity Securities, the holders of the Corporation's Series B Junior Securities shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(c) For purposes of this Section 5, neither the sale, conveyance, exchange, or transfer of all or substantially all of the assets or business of the Corporation for cash, securities, or other property, nor the merger or consolidation of the Corporation with any other entity, including a merger or consolidation in which the holders of Series B Preferred Stock receive cash, securities, or property for their shares, shall constitute a liquidation, dissolution, or winding-up of the Corporation.

Section 6. Redemption.

(a) Series B Preferred Stock is not subject to any mandatory redemption, sinking fund, or other similar provision. Series B Preferred Stock is not redeemable prior to December 30, 2026. Shares of Series B Preferred Stock then outstanding will be redeemable at the option of the Corporation, in whole or in part, from time to time, on December 30, 2026, or on any Dividend Payment Date on or after December 30, 2026, at a redemption price equal to $1,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends, to, but excluding, the date of redemption. Holders of Series B Preferred Stock will have no right to require the redemption or repurchase of Series B Preferred Stock. Notwithstanding the foregoing, following the occurrence of a Regulatory Capital Treatment Event (as defined below), the Corporation, at its option, may redeem, at any time beginning 60 days prior to the date when the Corporation, acting in good faith, expects to lose all or a portion of Tier 1 Capital credit (or its equivalent) on the Series B Preferred Stock as described in Regulatory Capital Treatment event below, all (but not less than all) of the shares of the Series B Preferred Stock at the time outstanding, at a redemption price equal to $1,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends, upon notice given as provided in sub-section (b) below. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the record date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such record date relating to the Dividend Payment Date as provided in Section 4(c) above. In all cases, the Corporation may not redeem shares of the Series B Preferred Stock without having received the prior approval of the Federal Reserve or any successor Appropriate Federal Banking Agency if then required under capital rules applicable to the Corporation.

A "**Regulatory Capital Treatment Event**" means the good faith determination by the Board or a duly authorized committee of the Board that, as a result of (i) any amendment to, or change in, the laws, rules, or regulations of the United States or any political subdivision of or in the United States (including, for the avoidance of doubt, any agency or instrumentality of the United States, including the Federal Reserve and other federal banking agencies) that is enacted or becomes effective after the initial issuance of any share of the Series B Preferred Stock; (ii) any proposed change in those laws, rules, or regulations that is announced after the initial issuance of any share of the Series B Preferred Stock; or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules, or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series B Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation value of $1,000 per share of the Series B Preferred Stock then outstanding as "Tier 1 Capital" (or its equivalent) for purposes of the capital adequacy rules of the Federal Reserve (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency), as then in effect and applicable, for as long as any share of the Series B Preferred Stock is outstanding.

(b) If shares of Series B Preferred Stock are to be redeemed, the notice of redemption shall be given to the holders of record of Series B Preferred Stock to be redeemed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the Corporation's stock register not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (provided that, if the shares of Series B Preferred Stock or the depositary shares representing Series B Preferred Stock, if any, are held in book-entry form through The Depository Trust Company ("**DTC**"), the Corporation may give such notice in any manner permitted by DTC). Each notice of redemption will include a statement setting forth (i) the redemption date; (ii) the number of shares of Series B Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; and (iv) that dividends on the shares to be redeemed will cease to accrue on the redemption date. If notice of redemption of any shares of Series B Preferred Stock has been duly given and if the funds necessary for such redemption have been set aside by the Corporation for the benefit of the holders of any shares of Series B Preferred Stock so called for redemption, then, on and after the redemption date, dividends will cease to accrue on such shares of Series B Preferred Stock; such shares of Series B Preferred Stock shall no longer be deemed outstanding; and all rights of the holders of such shares will terminate, except the right to receive the redemption price described in sub-section (a) above, without interest.

(c) In case of any redemption of only part of the shares of Series B Preferred Stock at the time outstanding, the shares to be redeemed shall be selected (1) pro rata, (2) by lot, or (3) in such other manner as the Corporation may determine to be equitable and permitted by DTC and the rules of any national securities exchange on which the Series B Preferred Stock is listed.

Section 7. Voting Rights.

(a) Except as provided below and as determined by the Board or a duly authorized committee of the Board or as expressly required by law, the holders of shares of Series B Preferred Stock shall have no voting power, and no right to vote on any matter at any time, either as a separate series or class or together with any other series or class of shares of capital stock, and shall not be entitled to call a meeting of such holders for any purpose, nor shall they be entitled to participate in any meeting of the holders of the Common Stock.

(b) So long as any shares of Series B Preferred Stock remain outstanding, the affirmative vote or consent of the holders of at least two-thirds of all of the shares of Series B Preferred Stock at the time outstanding, voting separately as a class, shall be required to:

(1) authorize, create, or issue, or increase the authorized amount of, shares of any class or series of capital stock ranking senior to the Series B Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution, or winding up of the Corporation, or issue any obligation or security convertible into or exchangeable for, or evidencing the right to purchase, any such class or series of the Corporation's capital stock;

(2) amend, alter, or repeal the provisions of the Articles of Incorporation (including this Certificate of Designations), whether by merger, consolidation, or otherwise, so as to materially and adversely affect the powers, preferences, privileges, or rights of Series B Preferred Stock, taken as a whole; provided, however, that any amendment to authorize, create, or issue, or increase the authorized amount of, any Series B Junior Securities or any Series B Parity Securities, or any securities convertible into or exchangeable for Series B Junior Securities or Series B Parity Securities will not be deemed to materially and adversely affect the powers, preferences, privileges, or rights of Series B Preferred Stock; or

(3) complete a binding share exchange or reclassification involving the Series B Preferred Stock, or complete the sale, conveyance, exchange, or transfer of all or substantially all of the assets or business of the Corporation or consolidate with or merge into any other corporation, unless, in any case, the shares of Series B Preferred Stock outstanding at the time of such consolidation or merger or sale either (i) remain outstanding or (ii) are converted into or exchanged for preference securities of the surviving entity or any entity controlling the surviving entity having such rights, preferences, privileges, and powers (including voting powers), taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges, and powers (including voting powers) of the Series B Preferred Stock, taken as a whole.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series B Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Corporation for the benefit of the holders of Series B Preferred Stock to effect such redemption.

(c) If the Corporation fails to pay, or declare and set aside for payment, dividends on outstanding shares of the Series B Preferred Stock for six or more Dividend Periods, whether or not consecutive (a "**Nonpayment Event**"), the authorized number of directors of the Corporation shall be increased by two and the holders of the Series B Preferred Stock shall have the right, voting as a class with holders of any other equally ranked series of Preferred Stock that have similar voting rights (including, for the avoidance of doubt, the Series A Preferred Stock) (the "**Special Voting Preferred Stock**"), to elect two directors (hereinafter, the "**Preferred Directors**" and each, a "**Preferred Director**") to fill such newly created directorships; *provided*, *however*, that at no time shall the Board include more than two additional directors elected by holders of Series B Preferred Stock and any Special Voting Preferred Stock, voting together as one class (including, for the avoidance of doubt, directors pursuant to Section 7(c) of the Certificate of Designations for the Series A Preferred Stock); *provided further* that the election of any such Preferred Directors may not cause the Corporation to violate any corporate governance requirement of any exchange on which the Corporation's securities may be listed. At the request of any holder of Series B Preferred Stock, a special meeting of the holders of Series B Preferred Stock and any such Special Voting Preferred Stock shall be called by the Corporation for the election of the Preferred Directors; *provided*, *however*, that if such request for special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the Corporation's stockholders, such election of Preferred Directors shall be held at such next annual or special meeting of stockholders), followed by such election of such Preferred Directors at each subsequent annual meeting of stockholders until full dividends have been declared and paid (or declared and a sum sufficient for the payment of such dividends has been set aside for payment) on the Series B Preferred Stock for four Dividend Periods after the Nonpayment Event, except as provided by law, subject to re-vesting in the event of each and every subsequent Nonpayment Event.

When dividends have been paid in full (or declared and a sum sufficient for the payment of such dividends has been set aside for payment) on the Series B Preferred Stock for at least four Dividend Periods after a Nonpayment Event, then the right of the holders of Series B Preferred Stock and any Special Voting Preferred Stock to elect the Preferred Directors shall cease (but subject in any case to re-vesting of such voting rights in the case of each and every subsequent Nonpayment Event), and the Preferred Directors shall cease to be qualified as directors, the term of office of all Preferred Directors then in office shall terminate immediately, and the Corporation's authorized number of directors shall be automatically reduced by the number of Preferred Directors elected pursuant hereto. Any Preferred Director may be removed at any time, with or without cause, by a majority of the outstanding shares of Series B Preferred Stock (along with holders of any Special Voting Preferred Stock then outstanding, voting together as a class based on respective liquidation preferences). If the office of any Preferred Director becomes vacant for any reason other than removal from office as aforesaid, the remaining Preferred Director may choose, by means of written consent, a successor who shall hold office for the unexpired term in respect of which such vacancy occurred, or if none remains in office, by a vote of the holders of a majority of the outstanding shares of Series B Preferred Stock (along with holders of any Special Voting Preferred Stock then outstanding, voting together as a class based on respective liquidation preferences); *provided* that the filling of any such vacancy may not cause the Corporation to violate any corporate governance requirement of any exchange on which the Corporation's securities may be listed. The Preferred Directors shall each be

entitled to one vote per director on any matter on which directors of the Corporation are entitled to vote.

(d) The Board will take such actions as may be necessary to effectuate the intent of this Section 7(d) in accordance with the Articles of Incorporation and Bylaws of the Company. The rules and procedures for calling and conducting any meeting of the holders of Series B Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents, and any other aspect or matter with regard to such meeting or such consents shall be governed by any rules that the Board or any duly authorized committee of the Board, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Articles of Incorporation (as then in effect), the Bylaws (as then in effect), and applicable law and the rules of any national securities exchange on which the Series B Preferred Stock is listed or traded at the time.

Section 8. Effect of a Benchmark Transition Event. If the Calculation Agent determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred on or prior to the Reference Time in respect of any determination of the Benchmark on any date, then the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Series B Preferred Stock during the Floating Rate Period in respect of such determination on such date and all determinations on all subsequent dates, and the dividend rate on the Series B Preferred Stock for each Dividend Period during the Floating Rate Period will thereafter be an annual rate equal to the sum of the Benchmark Replacement and 700 basis points; provided, however, that if the Benchmark Replacement is less than zero, the Benchmark Replacement shall be deemed to be zero, in each case, only when, as and if a dividend is declared. In connection with the implementation of a Benchmark Replacement, the Calculation Agent will have the right to make Benchmark Replacement Conforming Changes from time to time.

Section 9. Determination and Decisions. The Calculation Agent is expressly authorized to make certain determinations, decisions and elections hereunder, including with respect to the use of Three-Month Term SOFR as the Benchmark for the Floating Rate Period and under Section 8. Any determination, decision or election that may be made by the Calculation Agent hereunder, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: (i) will be conclusive and binding on the holders of the Series B Preferred stock and the transfer agent for the Series B Preferred Stock absent manifest error; (ii) if made by the Corporation as Calculation Agent, will be made in its sole discretion; (iii) if made by a Calculation Agent other than the Corporation, will be made after consultation with the Corporation, and the Calculation Agent will not make any such determination, decision or election to which the Corporation reasonably objects; and (iv) notwithstanding anything to the contrary herein, shall become effective without consent from the holders of the Series B Preferred Stock, the transfer agent or any other party. If the Calculation Agent fails to make any determination, decision or election that it is required to make hereunder, then the Corporation will make that determination, decision or election on the same basis as described above.

Section 10. Conversion Rights. The holders of shares of Series B Preferred Stock shall not have any rights to convert such shares into shares of any other class or series of securities of the Corporation.

Section 11. Preemptive Rights. The holders of shares of Series B Preferred Stock will have no preemptive rights with respect to any shares of the Corporation's capital stock or any of its other securities convertible into or carrying rights or options to purchase or otherwise acquire any such capital stock or any interest therein, regardless of how any such securities may be designated, issued, or granted.

Section 12. Certificates. The Corporation may at its option issue shares of Series B Preferred Stock without certificates.

Section 13. Transfer Agent. The Corporation shall appoint a transfer agent for the Series B Preferred Stock. The Corporation may, in its sole discretion, remove the transfer agent in accordance with the agreement between the Corporation and the transfer agent; provided that the Corporation shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal.

Section 14. Registrar. The Corporation shall appoint a registrar for the Series B Preferred Stock. The Corporation may, in its sole discretion, remove the registrar in accordance with the agreement between the Corporation and the registrar; provided that the Corporation shall appoint a successor registrar who shall accept such appointment prior to the effectiveness of such removal.

Section 15. No Other Rights. The shares of Series B Preferred Stock shall not have any rights, preferences, privileges, or voting powers or relative, participating, optional, or other special rights, or qualifications, limitations, or restrictions thereof, other than as set forth herein or in the Articles of Incorporation, or as provided by applicable law.

AMENDED AND RESTATED BYLAWS

OF

NORTHPOINTE BANCSHARES, INC.

A Michigan corporation

ARTICLE I
OFFICES

1.1 Registered Office. The registered office of Northpointe Bancshares, Inc. (the 'Corporation") shall be located at the address specified in the Articles of Incorporation or at such other place as may be determined by the Corporation's board of directors (the "Board of Directors" or "Board") if notice thereof is filed with the State of Michigan.

1.2 Other Offices. The business of the corporation may be transacted at such locations other than the registered office, within or outside the State of Michigan, as the Board of Directors may from time to time determine or as the business of the corporation may require.

ARTICLE II
CAPITAL SHARES

2.1 Share Certificates. Certificates representing shares of the corporation shall be in such form as is approved by the Board of Directors. Certificates shall be signed in the name of the corporation by the Chairman of the Board of Directors, the President or a Vice President, and may also be signed by another officer of the Corporation, and shall be sealed with the seal of the corporation, if one is adopted. If an officer who has signed a certificate ceases to be such officer before the certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of issue.

2.2 Replacement of Lost or Destroyed Certificates. If a share certificate is lost or destroyed, no new certificate shall be issued in place of until the corporation has received such assurances, representations, warranties, or guarantees from the registered holder as the Board of Directors, in its sole discretion, deems advisable and until the corporation receives such indemnification against any claim that may be made on account of the lost or destroyed certificate, or the issuance of any new certificate in place thereof, including an indemnity bond in such amount and with such sureties, if any, as the Board of Directors, in its sole discretion, deems advisable. Any new certificate issued in place of any lost or destroyed certificate shall be plainly marked "duplicate" upon its face.

2.3 Transfer of Shares: Shareholder Records. Capital shares of the Corporation shall be transferable only upon the books of the Corporation. The old certificates shall be surrendered to the corporation by delivery to the person in charge of the transfer books of the corporation, or to such other person as the Board of Directors may designate, properly endorsed for transfer and the old certificates shall be cancelled before a new certificate is issued. The Corporation shall keep records containing the names and addresses of all shareholders, the number, class, and series of shares held by each, and the date when they respectively became holders of record thereof at its registered office. The Corporation shall be entitled to treat the person in whose name any share, right, or option is registered as the owner thereof for all purposes, including voting and dividends, and shall not be bound to recognize any equitable or other claim, regardless of any notice thereof, except as may be specifically required by the laws of the State of Michigan.

2.4 Rules Governing Share Certificates. The Board of Directors shall have the power and authority to make such rules and regulations as they may deem expedient concerning the issue, transfer, and registration of share certificates.

2.5 Record Date for Share Rights. The Board of Directors may fix in advance a date not exceeding sixty (60) days preceding the date of payment of any dividend or other distribution, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital shares shall go into effect, as a record date for the determination of the shareholders entitled to receive payment of any such dividend or other distribution, or any such allotment of rights, or to exercise rights with respect to any such change, conversion, or exchange of capital shares and, in such case, only shareholders of record on the date so fixed shall be entitled to receive payment of such dividend or other distribution, or allotment of rights, or exercise such rights, as the case may be, notwithstanding the transfer of any shares on the books of the corporation after such record date. If the Board of Directors shall fail to fix a Record Date, the Record Date for the purposes specified herein shall be the close of business on the date on which the resolution of the Board of Directors relating thereto is adopted.

2.6 Dividends. The Board of Directors, in its discretion, may from time to time declare and direct payment of dividends or other distributions upon the corporation's outstanding shares out of funds legally available for such purposes which may be payable in cash or other property permitted by law.

In addition to the declaration of dividends or other distributions provided in the preceding paragraph of this Section 2.6, the Board of Directors, in its discretion, from time to time declare and direct payment of a dividend in shares of the Corporation, upon its outstanding shares, in accordance with and subject to the provisions of the Business Corporation Act of Michigan.

2.7 Redemption of Control Shares. Control shares acquired in a control share acquisition, with respect to which no acquiring person statement has been filed with the corporation, shall at any time during the period of sixty (60) days after the last acquisition of control shares or the power to direct the exercise of voting power of control shares by the acquiring person, be subject to redemption by the Corporation. After an acquiring person statement has been filed with the Corporation and after the meeting at which the voting rights or the control shares acquired in a control shares acquisition are submitted to the shareholders, the shares shall be subject to the redemption of the Corporation unless the shares are accorded full voting rights by the shareholders as provided in Section 798 of the Michigan Business Corporation Act. Redemption of shares pursuant to this Section 2.7 shall be at the fair value of the shares pursuant to procedures adopted by the Board of Directors of the Corporation.

The terms "control shares", "control share acquisition", "acquiring person statement", "acquiring person" and "fair value" as- used in this bylaw, shall have the meanings ascribed to them, respectively, in Chapter 78 (known as the Stacey, Bennett, and Randall Shareholder Equity Act) of the Michigan Business Corporation Act.

ARTICLE III
SHAREHOLDERS

3.1 Place of Meetings. Meetings of shareholders shall be held (i) at the registered office of the Corporation (ii) at such other place, within or outside the State of Michigan, or (iii) by such means of electronic transmission or other means of remote communication, or a combination thereof, including, but not limited to, communications through conference telephone, videoconference, the internet or such other means by which persons not physically present in the same location may communicate with each other on a substantially concurrent basis, as may be determined from time to time by the Board of Directors; provided, however, that if a shareholders meeting is to be held at a place other than the registered office, the notice of the meeting shall designate such place. All references in this Article III to "in person" representation or appearance at a meeting of

the shareholders or voting at any such meeting shall be deemed to include representation, appearance or voting by means of electronic transmission or other means of remote communication established by the Board of Directors for such purpose.

3.2 Annual Meeting. Annual meetings of shareholders for election of directors and for such other business as may come before the meeting shall be held at such time and place (including by means of remote communication) as is determined by the Board of Directors each year; provided, however, that if the Board of Directors shall fail to set a date for the annual meeting of shareholders in any year, then the annual meeting of shareholders shall be held on the third Thursday of May in each year, but if such day is a legal holiday, then the meeting shall be held on the first business day following.

3.3 Special Meetings. Special meetings of shareholders may be called by the Chairman of the Board, the President, or any two (2) directors and shall be called by one of them pursuant to resolution therefor by the Board of Directors.

3.4 Record Date for Notice and Vote. The Board of Directors may fix in advance a date not more than sixty (60) nor less than ten (10) days before the date of a shareholders meeting as the record date for the purpose of determining shareholders entitled to notice of and to vote at the meeting or adjournments thereof or to express consent or to dissent from a proposal without a meeting. If the Board of Directors fails to fix a record date as provided in this Section 3.4, the record date for determination of shareholders entitled to notice of or to vote at a shareholders meeting shall be the close of business on the day on which notice is given or, if no notice is given, the day next preceding the day on which the meeting is held, and the record date for determining shareholders entitled to express consent or to dissent from a proposal without a meeting shall be the close of business on the day on which the resolution of the Board of Directors relating to the proposal is adopted.

3.5 Notice of Meetings. Written notice of the time, place (or providing instructions on how to access the meeting by electronic transmission or other means of remote communication), and purpose of any shareholders meeting shall be given to shareholders entitled to vote thereat not less than ten (10) nor more than sixty (60) days before the date of the meeting. Such notice may be given either by delivery personally, by mail or by a form of electronic transmission to shareholders at their addresses (including email) as the same appear in the records of the corporation. Notice of a meeting need not be given to any shareholder who signs a waiver of notice before or after the meeting. Attendance of a shareholder at a meeting shall constitute both (i) a waiver of notice or defective notice except when the shareholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to holding the meeting or transacting any business because the meeting has not been lawfully called or convened, and (ii) a waiver of objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, except when the shareholder objects to considering the matter when it is presented.

3.6 Voting Lists. The corporation's officer or the agent having charge of its share transfer books shall prepare and certify a complete list of the shareholders entitled to vote at a shareholders meeting or any adjournment thereof, which list shall be arranged alphabetically within each class and series and shall show the address of, and number of shares held by, each shareholder. The list shall be produced at the time and place of the shareholders and be subject to inspection, but not copying, by any shareholder at any time during the meeting for the purpose of determining who is entitled to vote at the meeting. If for any reason the requirements with respect to the shareholder list specified in this Section 3.6 have not been complied with, any shareholder, either in person or by proxy, who in good faith challenges the existence of sufficient votes to carry any action at the meeting, may demand that the meeting be adjourned and the same shall be adjourned until the requirements are complied with; provided, however, that failure to comply with such requirements does not affect the validity of any action taken at the meeting before such demand is made.

3.7 Voting. Except as may be otherwise provided in the Articles of Incorporation, each shareholder entitled to vote at a shareholders meeting, or to express consent or dissent without a meeting, shall be entitled to one vote, in person or by written proxy, for each share entitled to vote held by such shareholder. A proxy shall be in writing and shall be executed by the shareholder or the shareholder's authorized agent or representative or shall be transmitted electronically to the person who will hold the proxy or to a proxy solicitation firm, proxy support service organization or similar agent fully authorized by the person who will hold the proxy to receive that transmission and include or be accompanied by information from which it can be determined that the electronic transmission was authorized by the shareholder. A complete copy, facsimile or other reliable reproduction of the proxy may be substituted or used in lieu of the original proxy for any purpose for which the original could be used. No proxy shall be voted after three (3) years from its date unless the proxy provides for a longer period. A vote may be cast either orally or in writing (including by electronic transmission or other means of remote communication) as announced or directed by the person presiding at the meeting prior to the taking of the vote. When an action other than the election of directors is to be taken by vote of the shareholders, it shall be authorized by a majority of the votes cast by the holders of shares entitled to vote thereon, unless a greater plurality is required by the express provisions of the Michigan Business Corporation Act or the Articles of Incorporation. Except as otherwise expressly required by the Articles of Incorporation, directors shall be elected by a plurality of the votes cast at an election.

3.8 Quorum. Except as may be otherwise provided in the Articles of Incorporation, shares equaling a majority of all of the voting shares of the corporation issued and outstanding, represented in person or by proxy, shall constitute a quorum at a meeting. Meetings at which less than a quorum is represented may be adjourned by a vote of a majority of the shares present to a future date without further notice other than the announcement at such meeting and, when a quorum shall be present upon such adjourned date, any business may be transacted which might have been transacted at the meeting as originally called. Shareholders present in person or by proxy at any shareholders meeting may continue to do business until adjournment, notwithstanding the withdrawal of shareholders to leave less than a quorum.

3.9 Conduct of Meetings. The officer, who is to preside at meetings of shareholders pursuant to Article V of these Bylaws, or his or her designee, shall determine the agenda and the order in which business shall be conducted unless the agenda and the order of business have been fixed by the Board of Directors. Such officer or designee shall call meetings of shareholders to order and shall preside unless otherwise determined by the affirmative vote of a majority of all the voting shares of the corporation issued and outstanding. If disorder should arise which prevents the continuation of the legitimate business of the meeting, the presiding officer may announce the adjournment of the meeting; and upon his so doing, the meeting is immediately adjourned. The presiding officer may ask or require that anyone who is not a bona fide shareholder or proxy leave the meeting. The secretary of the Corporation shall act as secretary of all meetings of shareholders, but in the absence of the secretary at any shareholders meeting, or his or her inability or refusal to act as secretary, the presiding officer may appoint any person to act as secretary of the meeting.

3.10 Inspector of Elections. The Board of Directors may, in advance of a shareholders meeting, appoint one or more inspectors to act at the meeting or any adjournment thereof. In the event inspectors are not so appointed, or an appointed inspector fails to appear or act, the person presiding at the shareholders meeting may, and on request of a shareholder entitled to vote thereat, shall, appoint one or more persons to fill such vacancy or vacancies or to act as inspector. The inspector(s) shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots, or consents, hear and determine challenges and questions arising in connection with the right to vote, count, and tabulate votes, ballots, or consents, determine the results, and do such acts as are proper to conduct the election or vote with fairness to all shareholders.

3.11 Shareholder Proposals and Shareholder Director Nominations.

(a)At any annual or special meeting of shareholders of the Corporation, only such business or nominations as shall have been properly brought before the meeting shall be conducted. To be properly brought before an annual meeting, business or nominations must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the meeting by or at the direction of the Board, or (iii) otherwise properly brought

before the meeting by a shareholder of the Corporation who was a shareholder of record at the time the notice provided for in this Section 3.11 was given or delivered to the Corporation who is entitled to vote at such meeting and who complies fully with the notice procedures and other information requirements set forth in Section 3.11 in addition to any other applicable law, rule or regulation applicable to such meeting.

(b)In order for business to be properly brought by a shareholder before an annual meeting of Corporation shareholders, the shareholder must, in addition to any other applicable requirement, have given timely notice in proper form to an officer of the Corporation. To be timely, a shareholder's notice must be delivered to or received at the principal office of the Corporation (i) not later than the close of business on the 90th calendar day nor earlier than the close of business on the 120th calendar day in advance of the anniversary of the previous year's annual meeting of Corporation shareholders if such meeting is to be held on a date that is not more than thirty (30) calendar days in advance of the anniversary of the previous year's annual meeting, or not later than 70 calendar days after the anniversary of the previous year's annual meeting, and (ii) with respect to any other annual meeting, the close of business on the 10th calendar day following the date of public disclosure of the date of such meeting. In no event shall the public disclosure of an adjournment or postponement of an annual meeting commence a new notice time period (or extend any notice time period). The number of nominees a shareholder may nominate for election at an annual meeting (or in the case of a shareholder giving notice on behalf of a beneficial owner, the number of nominees a shareholder may nominate for election at the meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such annual meeting.

(c)To be in proper form, a shareholder's notice to the Secretary to submit a nomination or other business shall be in writing and set forth (i) a brief description of the business desired to be brought before the annual meeting (and in the event that such business includes a proposal to amend the Bylaws, the language of the proposed amendment) and the reasons for conducting such business at the annual meeting, (ii) the name and address, as they appear on the Corporation's books, and of the beneficial owner, if any, on whose behalf the nomination or proposal is made, of the shareholder proposing such business, (iii) the class and number of shares of capital stock of the Corporation owned beneficially or of record by the shareholder, (iv) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and/or by proxy at the meeting to propose such business or nomination; (v) a representation that the shareholder intends to appear at the meeting in person or by proxy to submit the business specified in such notice; (vi) any material interest of the shareholder (and the beneficial owner, if any) in such business, (vii) as to each person whom the shareholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (viii) (A) a description of any agreement, arrangement or understanding (whether or not in writing) with respect to the nomination or any other business between or among such shareholder or beneficial owner and any other person, including without limitation any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of Schedule 13D under the Exchange Act (regardless of whether a Schedule 13D is required) and a representation that the shareholder will notify the Secretary of the Corporation in writing within five business days after the record date for the meeting of any such agreement, arrangement or understanding in effect as of such record date, (B) a description of any agreement, arrangement or understanding (whether or not in writing) (including without limitation any derivative or short positions, profit interests, options, hedging transactions and borrowed or loaned shares) that has been entered into as of the date of such shareholder's notice by, or on behalf of, such shareholder or beneficial owner, the effect or intent of which is to mitigate loss to, or manage risk or benefit from changes in the share price of any class or series of the Corporation's capital stock, or maintain, increase or decrease the voting power of the shareholder or beneficial owner with respect to shares of the Corporation's capital stock, and the shareholder's agreement to notify the Corporation in writing within five business days after the record date for the meeting of any such agreement, arrangement or understanding in effect as of such record date and (C) a description of any agreement, arrangement or understanding (whether or not in writing) between or among such shareholder or beneficial owner and any other person relating to acquiring, holding, voting or disposing of any shares of capital stock of the Corporation, including the number of shares that are subject to such agreement, arrangement or understanding, and a representation that the shareholder will notify the Secretary of the Corporation in writing within five business days after the record date for the meeting of any such agreement, arrangement or understanding in effect as of such record date, (ix) completed and signed questionnaires required of the Corporation's directors from each person whom the shareholder proposes to nominate for election as a director (which questionnaires shall be provided to the person the shareholder proposes to nominate within five business days of receipt of a request); (x) (A) in the case of a nomination of one or more persons for election to the Board of Directors, a representation that the shareholder or the beneficial owner, if any, will or is part of a group that will (1) solicit proxies from holders of the Corporation's outstanding capital stock representing at least 67% of the voting power of shares of capital stock entitled to vote on the election of directors, (2) include a statement to that effect in its proxy statement and/or its form of proxy, (3) otherwise comply with Rule 14a-19 under the Exchange Act and (4) provide the Secretary of the Corporation not less than five business days prior to the meeting or any adjournment or postponement thereof, with reasonable documentary evidence (as determined by the Secretary in good faith) that such shareholder and/or beneficial owner, if any, complied with such representations and (B) in the case of a proposal not involving the nomination of directors, a representation whether the shareholder or the beneficial owner, if any, intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal and/or (2) otherwise to solicit proxies or votes from shareholders in support of such proposal; and (xi) all other information relating to the nomination or proposed business which may be required to be disclosed under applicable law. The Corporation also may require any shareholder giving a notice of nomination or bringing any item of business before an annual meeting, any beneficial owner on whose behalf a nomination is made or any item of business is brought before an annual meeting and any proposed nominee to furnish such other information as the Corporation may reasonably require with respect to any nomination or other item of business brought before an annual meeting or to determine the eligibility, suitability or qualifications of such proposed nominee to serve as a director of the Corporation, including such additional information as necessary to permit the Board of Directors to determine if such proposed nominee is independent, including for purposes of serving on any committee of the Board of Directors, under the listing standards of each U.S. exchange upon which the capital stock of the Corporation is listed, any applicable rules of the FDIC or SEC and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors and to determine whether the nominee otherwise meets all other publicly disclosed standards applicable to directors. In addition, a shareholder seeking to submit such nominations or business at the meeting shall promptly provide any other information reasonably requested by the Corporation. Any additional information shall be delivered to the Secretary of the Corporation within five business days after the request by the Corporation for such information has been delivered to such person.

(d)Notwithstanding the foregoing, in order to include information with respect to a shareholder proposal in the proxy statement and form of proxy for a meeting of Corporation shareholders, shareholders must provide notice as required by the regulations promulgated under the Exchange Act and meet the eligibility and other requirements set out in Rule 14. Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at any annual meeting of shareholders of the Company except in accordance with the procedures set forth in this Section 3.11 and the Exchange Act and the rules promulgated thereunder. In the event of a discrepancy between these bylaws and the rules promulgated under the Exchange Act, the rules promulgated under the Exchange Act shall govern.

3.12 Records. All (i) corporate minutes, (ii) proxy solicitation records, (iii) originals of all communications received and copies of all communications sent relating to such solicitation, (iv) shareholder records (as described in Section 2.3) (collectively, "Records") shall be retained for a period of not less than three (3) years, the first two years in an easily accessible place, as determined by the Board.

ARTICLE IV
DIRECTORS

4.1 Board of Directors. Except as may otherwise be provided in the Articles of Incorporation or these Bylaws, the business and affairs of the corporation shall be managed by a Board of Directors. The Board of Directors shall consist of not less than two (2) nor more than twenty-five (25) directors. The number of directors may vary between said minimum and maximum, and within said limits, the Board of Directors may, from time to time, by resolution fix the number of directors to comprise the Board of Directors. Directors shall be elected at each annual meeting of shareholders to serve until the next annual meeting of shareholders or until their successors are elected and qualified or until their earlier resignation, removal or death.

4.2 Resignation and Removal. A director may resign by written notice to the Corporation, which resignation is effective upon its receipt by the Corporation or at a subsequent time as set forth in the notice. Notwithstanding any other provisions of these Bylaws or the Articles of Incorporation of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law or by these Bylaws or the Articles of Incorporation of the Corporation), any one or more directors of the Corporation may be removed at any time, but only for cause by the affirmative vote, at a meeting of the shareholders called for that purpose, of the holders of at least a majority of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

4.3 Vacancies and Increase in Number. Any vacancies in the Board of Directors for any reason, and any newly created directorships resulting from any increase in the number of directors, may be filled only by the Board of Directors, acting by an affirmative vote of a majority Board of Directors, or, if the directors remaining in office constitute fewer than a quorum of the Board of Directors, by an affirmative vote of a majority of the directors remaining in office. Any director so chosen shall hold office until the next annual meeting of shareholders and until his or her successor shall be duly elected and qualified or until his or her earlier resignation, removal or death. No decrease in the number of directors shall shorten the term of any incumbent director.

4.4 Place of Meetings and Records. The directors shall hold their meetings and maintain the minutes of the proceedings of meetings of shareholders, the Board of Directors, and committees off the Board of Directors, if any, and keep the books and records of account for the corporation in such place or places, within or outside the State of Michigan (including by means of remote communication), as the Board of Directors may from time to time determine.

4.5 Annual Meetings. The annual meeting of the Board of Directors shall be held, without notice other than this Section 4.5, at the same place and immediately after the annual shareholders meeting. If such meeting is not so held, whether because a quorum is not present or for any other reason, or if the directors were elected by written consent without a meeting, the annual meeting of the Board of Directors shall be called in the same manner as hereinafter provided for special meetings of the Board of Directors.

4.6 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. Any notice given of a regular meeting need not specify the business to be transacted or the purpose of the meeting.

4.7 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board or the president and shall be called by one of them on the written request of any two (2) directors, upon at least two (2) days written notice to each director, or twenty-four (24) hours' notice, given personally, by telephone or by means of electronic communication. The notice does not need to specify the business to be transacted or the purpose of the special meeting. Attendance of a director at a special meeting constitutes a waiver of notice of the meeting, except where a director attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

4.8 Quorum and Vote. A majority of the members of the Board then in office constitutes a quorum for the transaction of business and the vote of a majority of the members present at any meeting at which a quorum is present constitutes the action of the Board of Directors, unless the vote of a larger number is specifically required by the Articles of Incorporation or these Bylaws. If a quorum is not present, the members present may adjourn the meeting from time to time and to another place, without notice other than announcement at the meeting, until a quorum is present.

4.9 Action Without a Meeting. Any action required or permitted to be taken pursuant to authorization voted at a meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if, before or after the action, all members of the Board of Directors, then in office, or such committee, consent thereto in writing. The written consent shall be filed with the minutes of the proceedings of the Board of Directors or committee and the consent shall have the same effect as a vote of the Board of Directors or committee for all purposes.

4.10 Report to Shareholders. The Board of Directors shall cause a financial report of the corporation for the preceding fiscal year to be made and distributed to each shareholder within four months after the end of each fiscal year. The report shall include the corporation's statement of income, its year-end balance sheet, and, if prepared by the corporation, its statement of source and application of funds.

4.11 Corporate Seal. The Board of Directors may authorize a suitable corporate seal, which seal shall be kept in the custody of the Secretary and used by the Secretary.

4.12 Compensation of Directors. By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at meetings of the Board or of any committee of which they are a member. In addition thereto or in lieu thereof, as determined by resolution of the Board of Directors, a director may be paid a fixed sum for the attendance at each meeting of the Board, or of a committee thereof, or may be paid a stated salary for serving as a director as well as additional stated salary for serving on any committee of the Board.

4.13 Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, elect or appoint from its own members an Executive Committee, an Audit Committee, a Nominating and Corporate Governance Committee, a Compensation Committee, and such other committee or committees as the Board may see fit to establish. Each such committee shall consist of two (2) or more of the directors of the Corporation, and shall possess such powers and be charged with such responsibilities as are delegated by the Board of Directors. All committees shall keep regular minutes of their proceedings and report to the Board when required. No committee shall have the power or authority to amend the Articles of Incorporation, adopt an agreement of merger or consolidation, recommend to the shareholders the sale, lease, or exchange of all or substantially all of the corporation's property and assets, recommend to the shareholders a dissolution of the corporation or a revocation of a dissolution, fill vacancies in the Board of Directors, fix compensation of the directors for serving on the Board or on a committee, amend these Bylaws, or declare a dividend or authorize the issuance of shares unless the power to declare a dividend or to authorize the issuance of shares is granted to such committee by specific resolution of the Board of Directors.

4.14 Meeting Participation by Use of Communication Equipment. Members of the Board of Directors, or of any committee designated by the Board, may participate in a meeting of the Board or committee, as the case may be, by using a conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in a meeting pursuant to this Section 4.14 shall constitute presence at the meeting.

ARTICLE V
OFFICERS

5.1 Officers. The officers of the corporation shall be a president, a treasurer, and a secretary, all of whom shall be elected by the Board of Directors. In addition, the Board of Directors may elect a chairman and one or more vice presidents who shall also be officers of the corporation if elected. Each officer shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal. None of the officers of the corporation, other than the chairman, need be directors. The officers shall be elected at the first meeting of the Board of Directors after each annual shareholders meeting. Any two (2) or more offices may be held by the same person, but an officer shall not execute, acknowledge, or verify any instrument in more than one capacity if the instrument is required by law to be executed, acknowledged, or verified by two (2) or more officers.

5.2 Other Officers and Agents. The Board of Directors may appoint such other officers and agents as it may deem advisable, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. The Board may, by specific resolution, empower the chairman, the president, or the executive committee, if such a committee has been designated by the Board, to appoint such subordinate officers or agents and to determine their powers and duties.

5.3 Removal. The chairman, president, any vice president, secretary, and treasurer may be removed at any time, with or without cause, but only by the affirmative vote of a majority of the whole Board of Directors. Any assistant secretary or assistant treasurer, or subordinate officer or agent appointed pursuant to Section 5.2, may be removed at any time, with or without cause, by action of the Board of Directors or by the committee or officer, if any, empowered to appoint such assistant secretary or assistant treasurer or subordinate officer or agent.

5.4 Compensation of Officers. Compensation of officers for services rendered to the corporation shall be established by the Board of Directors.

5.5 Chairman. The Chairman of the Board of Directors, if one be elected, shall be elected by the directors from among the directors then serving. The Chairman of the Board shall preside at all meetings of the shareholders and at all meetings of the Board of Directors and shall perform such other duties as may be determined by resolution of the Board of Directors including, if the Board shall so determine, acting as the chief executive officer of the corporation, in which case the Chairman shall have general supervision, direction, and control of the business of the corporation and shall have the general powers and duties of management usually vested in or incident to the office of the chief executive officer of a corporation.

5.6 President. Unless the Board shall determine otherwise, the President shall be the chief executive officer as well as the chief operating officer of the corporation and shall have general supervision, direction, and control of the business of the corporation as well as the duty and responsibility to implement and accomplish the objectives of the corporation. In the absence or nonelection of a chairman, the president shall preside at all meetings of shareholders and at all meetings of the Board of Directors. The president shall perform such other duties as may be assigned by the Board of Directors.

5.7 Vice Presidents. Each vice president shall have such power and shall perform such duties as may be assigned by the Board of Directors and may be designated by such special titles, as the Board of Directors shall approve.

5.8 Treasurer. The treasurer shall have custody of the corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the corporation. The treasurer shall deposit all money and other valuables in the name and to the credit of the corporation in such depositories as may be selected by the Board of Directors. The treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, or the chief executive officer, taking proper vouchers for such disbursements. In general, the treasurer shall perform all duties incident to the office of treasurer and such other duties as may be assigned by the Board of Directors.

5.9 Secretary. The secretary shall give or cause to be given notice of all meetings of shareholders and directors and all other notices required by law or by these Bylaws; provided, however, that in the case of the secretary's absence, or refusal or neglect to do so, any such notice may be given by any person so directed by the chief executive officer or by the directors, or by the shareholders upon whose requisition the meeting is called, as provided in these Bylaws. The secretary shall record all the proceedings of meetings of shareholders and of the directors in one or more books provided for that purpose and shall perform all duties incident to the office of secretary and such other duties as may be assigned by the Board of Directors.

5.10 Assistant Treasurers and Assistant Secretaries. Assistant treasurers and assistant secretaries, if any shall be appointed, shall have such powers and shall perform such duties as shall be assigned to them by the Board of Directors or by the officer or committee who shall have appointed such assistant treasurer or assistant secretary.

5.11 Bonds. If the Board of Directors shall require, the treasurer, any assistant treasurer, or any other officer or agent of the corporation shall give bond to the corporation in such amount and with such surety as the Board of Directors may deem sufficient, conditioned upon the faithful performance of his or her respective duties and offices.

ARTICLE VI
CONTRACTS, LOANS, CHECKS, AND DEPOSITS

6.1 Contracts. The Board may authorize any officer, or officers, or agent, or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

6.2 Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name; unless authorized by a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

6.3 Checks. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer, or officers, or agent, or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

6.4 Deposits. All funds of the corporation, not otherwise employed, shall be deposited to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

ARTICLE VII
MISCELLANEOUS

7.1 Fiscal Year. The fiscal year of this corporation shall be fixed by resolution of the Board of Directors.

7.2 Notices. Whenever any written notice is required to be given under the provisions of any law, the Articles of Incorporation, or by these Bylaws, it shall not be construed or interpreted to mean personal notice, unless expressly so stated, and any notice so required shall be deemed to be sufficient if given in writing by mail, by depositing the same in a Post Office box, postage prepaid, addressed to the person entitled thereto at his or her address as it appears in the records of the corporation. Such notice shall be deemed to have been given at the time and on the day of such mailing. Shareholders not entitled to vote shall not be entitled to receive notice of any meetings, except as otherwise provided by law or these Bylaws.

7.3 Waiver of Notice. Whenever any notice is required to be given under the provisions of any law, the Articles of Incorporation, or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

7.4 Voting of Securities. Securities of another corporation, foreign or domestic, standing in the name of this corporation, which are entitled to vote may be voted, in person or by proxy, by the chairman or the president of this corporation or by such other or additional persons as may be designated by the Board of Directors.

7.5 Inconsistencies with Articles of Incorporation. In the event of any inconsistency between any provision of these Bylaws and any provision of the Corporation's Articles of Incorporation, the Articles of Incorporation shall control.

ARTICLE VIII
INDEMNIFICATION

Indemnification of directors, officers and others shall be made by the corporation as provided in the Articles of Incorporation.

ARTICLE IX
AMENDEMNTS

These Bylaws may be amended or repealed or new Bylaws adopted by a majority vote of the Board of Directors at any regular or special meeting, or by vote of the holders of a majority of the outstanding voting shares of the Corporation at any annual or special meeting if notice of the proposed amendment, repeal, or adoption is contained in the notice of the meeting.

Exhibit 4.1

DEPOSIT AGREEMENT

AMONG

NORTHPOINTE BANCSHARES, INC.,
AS ISSUER

AND

COMPUTERSHARE INC. AND COMPUTERSHARE TRUST COMPANY, N.A.,
JOINTLY AS DEPOSITARY

AND

THE HOLDERS FROM TIME TO TIME OF THE DEPOSITARY RECEIPTS
DESCRIBED HEREIN

DATED AS OF DECEMBER 29, 2020

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DEPOSIT AGREEMENT

DEPOSIT AGREEMENT, dated as of December 29, 2020, among: (i) NORTHPOINTE BANCSHARES, INC., a Michigan corporation; (ii) COMPUTERSHARE INC., a Delaware corporation ("Computershare"), and its wholly owned subsidiary, COMPUTERSHARE TRUST COMPANY, N.A., a national banking association (the "Trust Company"), jointly as Depositary (as hereinafter defined); and (iii) the holders from time to time of the Receipts described herein.

WHEREAS, it is desired to provide, as hereinafter set forth in this Deposit Agreement, for the deposit of shares of the Series A Preferred Stock of the Corporation (as defined herein) from time to time with the Depositary for the purposes set forth in this Deposit Agreement and for the issuance hereunder of Receipts evidencing Depositary Shares in respect of shares of the Series A Preferred Stock so deposited; and

WHEREAS, the Receipts are to be substantially in the form of Exhibit A attached hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Deposit Agreement;

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

ARTICLE I
DEFINED TERMS

Section 1.1 Definitions. The following definitions shall for all purposes, unless otherwise indicated, apply to the respective terms used in this Deposit Agreement:

"Affiliate" shall mean, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For the purpose of this definition, "controlling," "controlled by" or "under common control with" mean the ownership, direct or indirect, of the power to direct or cause the direction of the operation or management and policies of a Person, whether through the ownership or control of voting interests, by contract or otherwise.

"Articles of Amendment" means those articles of amendment to the Articles of Incorporation of the Corporation filed by the Corporation with the Department of Licensing and Regulatory Affairs on December 29, 2020 establishing the Series A Preferred Stock, including the standard provisions included in Annex A thereto.

"Charter" means the Articles of Incorporation of the Corporation

"Computershare" shall have the meaning set forth in the preamble hereto.

"Corporation" shall mean Northpointe Bancshares, Inc., a Michigan corporation, and its successors.

"Deposit Agreement" shall mean this Deposit Agreement, as amended or supplemented from time to time in accordance with the terms hereof.

"Depositary" shall mean Computershare and the Trust Company, acting jointly, and any successor as Depositary hereunder.

"Depositary Shares" shall mean the depositary shares, each representing a one-fortieth ($1/40^{th}$) interest in one share of the Series A Preferred Stock, and evidenced by a Receipt.

"Depositary's Agent" shall mean an agent appointed by the Depositary pursuant to Section 7.5.

"Depositary's Office" shall mean the office of the Depositary at which at any particular time its depositary receipt business shall be administered, which at the date of this Deposit Agreement is located at 150 Royall Street, Canton, MA 02021.

"DTC" shall mean The Depository Trust Company.

"Exchange Event" shall mean with respect to any Global Registered Receipt:

(1)(A) the Global Receipt Depository which is the Holder of such Global Registered Receipt notifies the Corporation that it is no longer willing or able to properly discharge its responsibilities under any Letter of Representations or that it is no longer registered as a clearing agency under the Securities Exchange Act of 1934, as amended, and (B) the Corporation has not appointed a qualified successor Global Receipt Depository within ninety (90) calendar days after the Corporation received such notice, or

(2) the Corporation in its sole discretion notifies the Depositary in writing that the Receipts or portion thereof issued or issuable in the form of one or more Global Registered Receipts shall no longer be represented by such Global Registered Receipt.

"Funds" shall have the meaning set forth in Section 2.1.

"Global Receipt Depository" shall mean, with respect to any Receipt issued hereunder, DTC or such other entity designated as Global Receipt Depository by the

Corporation in or pursuant to this Deposit Agreement, which entity must be, to the extent required by any applicable law or regulation, a clearing agency registered under the Securities Exchange Act of 1934, as amended.

"Global Registered Receipt" shall mean a global registered Receipt registered in the name of a nominee of DTC.

"Letter of Representations" shall mean any applicable agreement among the Corporation, the Depositary and a Global Receipt Depository with respect to such Global Receipt Depository's rights and obligations with respect to any Global Registered Receipt, as the same may be amended, supplemented, restated or otherwise modified from time to time and any successor agreement thereto.

"Person" shall mean any natural person, partnership, joint venture, firm, corporation, limited liability company, limited liability partnership, unincorporated association, trust or other entity, and shall include any successor (by merger or otherwise) of the foregoing.

"Receipt" shall mean one of the depositary receipts issued hereunder, substantially in the form set forth as Exhibit A hereto, whether in definitive or temporary form, and evidencing the number of Depositary Shares held of record by the Record Holder of such Depositary Shares.

"Record Holder" or "Holder" as applied to a Receipt shall mean the Person in whose name such Receipt is registered on the books of the Depositary maintained for such purpose.

"Redemption Date" shall have the meaning set forth in Section 2.8.

"Registrar" shall mean the Trust Company or such other successor bank or trust company which shall be appointed by the Corporation to register ownership and transfers of Receipts or the deposited shares of Series A Preferred Stock, as the case may be, as herein provided and if a successor Registrar shall be so appointed, references herein to "the books" of or maintained by the Depositary shall be deemed, as applicable, to refer as well to the register maintained by such Registrar for such purpose.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Series A Preferred Stock" shall mean the shares of the Corporation's Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A, $1,000 liquidation preference per share, designated in the Articles of Amendment.

"Signature Guarantee" shall have the meaning set forth in Section 2.1.

"Transfer Agent" shall mean the Trust Company or such other successor bank or trust company which shall be appointed by the Corporation to transfer the Receipts or the deposited shares of Series A Preferred Stock, as the case may be, as herein provided.

"Trust Company" shall have the meaning set forth in the preamble hereto.

ARTICLE II
FORM OF RECEIPTS, DEPOSIT OF THE SERIES A PREFERRED STOCK, EXECUTION AND DELIVERY, TRANSFER, SURRENDER AND REDEMPTION OF RECEIPTS

Section 2.1 Form and Transfer of Receipts. The definitive Receipts shall be substantially in the form set forth in Exhibit A attached to this Deposit Agreement, with appropriate insertions, modifications and omissions, as hereinafter provided (but which do not affect the rights, duties, obligations or immunities of the Depositary as set forth in this Deposit Agreement without the Depositary's consent). Pending the preparation of definitive Receipts, the Depositary, upon the written order of the Corporation, delivered in compliance with Section 2.2, shall be authorized and instructed to, and shall execute and deliver temporary Receipts which may be printed, lithographed, typewritten, mimeographed or otherwise substantially of the tenor of the definitive Receipts in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the Persons executing such Receipts may determine, as evidenced by their execution of such Receipts. If temporary Receipts are issued, the Corporation and the Depositary will cause definitive Receipts to be prepared without unreasonable delay. After the preparation of definitive Receipts, the temporary Receipts shall be exchangeable for definitive Receipts upon surrender of the temporary Receipts at the Depositary's Office or at such other place or places as the Depositary shall determine, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Receipts, the Depositary is hereby authorized and instructed to, and shall execute and deliver in exchange therefor definitive Receipts representing the same number of Depositary Shares as represented by the surrendered temporary Receipt or Receipts registered in the name (and only in the name) of the holder of the temporary Receipt(s); *provided* that, the Depositary has been provided with all necessary information that it may request in order to execute and deliver such definitive Receipts. Such exchange shall be made at the Corporation's expense and without any charge therefor. Until so exchanged, the temporary Receipts shall in all respects be entitled to the same benefits under this Deposit Agreement, and with respect to the Series A Preferred Stock, as definitive Receipts.

Any Receipt to be executed by the Depositary pursuant to this Deposit Agreement shall be executed by the Depositary by the manual or facsimile signature of a duly authorized officer of the Depositary. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose unless it shall have been executed manually or by the facsimile signature of a duly authorized officer of the Depositary or, if a Registrar for the Receipts (other than the Depositary) shall have been appointed, by manual or facsimile signature of a duly authorized officer of such Registrar. The Depositary shall record on its books each Receipt so signed and delivered as hereinafter provided.

Receipts shall be in denominations of any number of whole Depositary Shares. All Receipts shall be dated the date of their issuance.

Receipts may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Deposit Agreement, all as may be required by the Depositary and approved by the Corporation or required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange upon which the Series A Preferred Stock, the Depositary Shares or the Receipts may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipt is subject (but which do not affect the rights, duties, obligations or immunities of the Depositary as set forth in this Deposit Agreement without the Depositary's consent).

Title to Depositary Shares evidenced by a Receipt which is properly endorsed or accompanied by a properly executed instrument of transfer accompanied by a guarantee of the signature thereon by a participant in a Medallion Signature Guarantee Program at a guarantee level acceptable to the Transfer Agent (a "Signature Guarantee"),

shall be transferable by delivery of such Receipt with the same effect as if such Receipt were a negotiable instrument; *provided*, *however*, that until transfer of any particular Receipt shall be registered on the books of the Depositary as provided in Section 2.3, the Depositary may, notwithstanding any notice to the contrary, treat the Record Holder thereof at such time as the absolute owner thereof for the purpose of determining the Person entitled to distributions of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes.

The Corporation shall provide an opinion of counsel to the Depositary at the date of this Deposit Agreement in form and substance reasonably satisfactory to the Depositary containing opinions relating to, (A) the existence and good standing of the Corporation, (B) the due authorization of the Depositary Shares and the status of the Depositary Shares as validly issued, fully paid and non-assessable, and (C) the effectiveness of any registration statement under the Securities Act relating to the Depositary Shares or whether exemption from such registration is applicable.

Section 2.2 Deposit of the Series A Preferred Stock; Execution and Delivery of Receipts in Respect Thereof Subject to the terms and conditions of this Deposit Agreement, the Corporation may from time to time deposit shares of Series A Preferred Stock under this Deposit Agreement by delivery to the Depositary, including via direct registration for shares of Series A Preferred Stock in uncertificated form, for such shares of Series A Preferred Stock to be deposited (or in such other manner as may be agreed to by the Corporation and the Depositary), properly endorsed or accompanied, if required by the Depositary, by a duly executed instrument of transfer or endorsement, in form reasonably satisfactory to the Depositary, together with (i) all such certifications as may be required by the Depositary pursuant to this Deposit Agreement, (ii) an opinion of counsel to the Corporation addressed to the Depositary containing opinions, or a letter of counsel to the Corporation authorizing reliance on such counsel's opinions delivered to the underwriters named therein, relating to, (A) the existence and good standing of the Corporation, (B) the due authorization of the Series A Preferred Stock and the status of the Series A Preferred Stock as validly issued, fully paid and non-assesable, (C) the valid issuance of the Depositary Shares and that the Depositary Shares are entitled to the rights set forth in this Deposit Agreement, and (D) the effectiveness of any registration statement under the Securities Act relating to the Series A Preferred Stock and the Depositary Shares or whether exemption from such registration is applicable and (iii) an instruction letter from the Corporation authorizing the Depositary to register such shares of the Series A Preferred Stock in uncertificated form by direct registration, each in form satisfactory to the Depositary, together with all such certifications as may be required by the Depositary in accordance with the provisions of this Deposit Agreement, and together with a written order of the Corporation directing the Depositary to execute and deliver to, or upon the written order of, the Person or Persons stated in such order a Receipt or Receipts evidencing in the aggregate the number of Depositary Shares representing such deposited shares of the Series A Preferred Stock.

The shares of the Series A Preferred Stock that are deposited shall be held by the Depositary at the Depositary's Office or at such other place or places as the Depositary shall determine. As Registrar and Transfer Agent for the deposited Series A Preferred Stock, Trust Company will reflect changes in the number of shares of deposited Series A Preferred Stock held by it by notation, book-entry or other appropriate method. The Depositary shall not lend any shares of the Series A Preferred Stock deposited hereunder.

Upon receipt by the Depositary of shares of the Series A Preferred Stock deposited in accordance with the provisions of this Section 2.2, together with the other documents required as above specified, and upon recordation of the shares of the Series A Preferred Stock on the books of the Corporation (or its duly appointed transfer agent) in the name of the Depositary or its nominee, the Depositary, subject to the terms and conditions of this Deposit Agreement, shall execute and deliver to or upon the order of the Person or Persons named in the written order delivered to the Depositary referred to in the first paragraph of this Section 2.2, a Receipt or Receipts evidencing in the aggregate the number of Depositary Shares representing the shares of the Series A Preferred Stock so deposited and registered in such name or names as may be requested by such Person or Persons. The Depositary shall execute and deliver such Receipt or Receipts at the Depositary's Office or such other offices, if any, as the Depositary may designate. Delivery at other offices shall be at the risk and expense of the Person requesting such delivery. For the avoidance of doubt, the Depositary may, if specified in a written direction from the Corporation, issue Receipts in book-entry, rather than certificated, form.

Section 2.3 Registration of Transfer of Receipts. The Corporation hereby appoints Computershare and the Trust Company, collectively as the Depositary and the Trust Company as the Registrar and Transfer Agent for the Receipts and appoints Computershare as distribution agent for the Receipts, and each of Computershare and the Trust Company hereby accept their respective appointments, subject to the express terms and conditions of this Deposit Agreement (and no implied terms or conditions). The Trust Company, as Registrar and Transfer Agent, shall register on its books from time to time transfers of Receipts upon any surrender thereof by the Holder in person or by duly authorized attorney, properly endorsed or accompanied by a properly executed instrument of transfer or endorsement, including a Signature Guarantee, together with (if applicable) evidence of the payment of any taxes or charges as may be required by law. Thereupon, the Depositary shall execute a new Receipt or Receipts evidencing the same aggregate number of Depositary Shares as those evidenced by the Receipt or Receipts surrendered and deliver such new Receipt or Receipts to or upon the order of the Person entitled thereto. With respect to the appointment of the Trust Company as Registrar and Transfer Agent in respect of the Receipts, the Trust Company, in its respective capacities under such appointments, shall be entitled to the same rights, indemnities, immunities and benefits as the Depositary hereunder as if explicitly named in each such provision, and shall provide services as provided in the Stock Transfer Agency Agreement, dated as of January 1, 2004 (as amended or supplemented from time to time in accordance with the terms thereof), between the Corporation and the Trust Company (the "Transfer Agency Agreement"), in the performance of its duties in such respective capacities.

Section 2.4 Split-ups and Combinations of Receipts; Surrender of Receipts and Withdrawal of the Series A Preferred Stock. Upon surrender of a Receipt or Receipts at the Depositary's Office or at such other offices as it may designate for the purpose of effecting a split-up or combination of such Receipt or Receipts, and the receipt by the Depositary of all other necessary information and documents, and subject to the terms and conditions of this Deposit Agreement, the Depositary shall execute a new Receipt or Receipts in the authorized denomination or denominations requested, evidencing the aggregate number of Depositary Shares evidenced by the Receipt or Receipts surrendered, and shall deliver such new Receipt or Receipts to or upon the order of the Holder of the Receipt or Receipts so surrendered.

Any Holder of a Receipt or Receipts may withdraw the number of whole shares of the Series A Preferred Stock and all money and other property, if any, represented thereby by surrendering such Receipt or Receipts at the Depositary's Office or at such other offices as the Depositary may designate for such withdrawals; *provided*, *however*, that a Holder of a Receipt or Receipts may not withdraw such whole shares of Series A Preferred Stock (or money and other property, if any, represented thereby) which has previously been called for redemption. After such surrender and upon the receipt of written instructions from the Holder of such Receipt or Receipts, without unreasonable delay (provided the Corporation has provided the Depositary with all necessary documentation), the Depositary shall deliver to such Holder, or to the Person or Persons designated by such Holder as hereinafter provided, the number of whole shares of the Series A Preferred Stock and all money and other property, if any, represented by the Receipt or Receipts so surrendered for withdrawal, but Holders of such whole shares of the Series A Preferred Stock will not thereafter be entitled to deposit such shares of the Series A Preferred Stock hereunder or to receive a Receipt evidencing Depositary Shares therefor. Delivery of such shares of the Series A Preferred Stock and such money and other property being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem appropriate (or in such other manner as may be agreed to by the Corporation and the Depositary), which, if required by the Depositary, shall be properly endorsed or accompanied by proper instruments of transfer. If a Receipt delivered by the Holder to the Depositary in connection with such withdrawal shall evidence a number of Depositary Shares in excess of the number of Depositary Shares representing the number of whole shares of the Series A Preferred Stock to be withdrawn, the Depositary shall at the same time, in addition to such number of whole shares of the Series A Preferred Stock and such money and other property, if any, to be so withdrawn, deliver to such Holder, or subject to Section 2.3 upon such Holder's order, a new Receipt evidencing such excess number of Depositary Shares.

In no event will fractional shares of the Series A Preferred Stock (or any cash payment in lieu thereof) be delivered by the Depositary. Delivery of shares of the Series A Preferred Stock and money and other property, if any, being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem appropriate (or in such other manner as may be agreed to by the Corporation and the Depositary).

If shares of the Series A Preferred Stock and the money and other property, if any, being withdrawn are to be delivered to a Person or Persons other than the Record Holder of the related Receipt or Receipts being surrendered for withdrawal of such shares of the Series A Preferred Stock, such Holder shall execute and deliver to the Depositary a written order so directing the Depositary and the Depositary may require that the Receipt or Receipts surrendered by such Holder for withdrawal of such shares of the Series A Preferred Stock be properly endorsed in blank or accompanied by a properly executed instrument of transfer in blank.

Delivery of shares of the Series A Preferred Stock and the money and other property, if any, represented by Receipts surrendered for withdrawal shall be made by the Depositary at the Depositary's Office, except that, at the request, risk and expense of the Holder surrendering such Receipt or Receipts and for the account of the Holder thereof, such delivery may be made at such other place as may be designated by such Holder.

Section 2.5 Limitations on Execution and Delivery, Transfer, Surrender and Exchange of Receipts. As a condition precedent to the execution and delivery, registration of transfer, split-up, combination, surrender or exchange of any Receipt, the Depositary, any of the Depositary's Agents or the Corporation may require (i) payment to it of a sum sufficient for the payment (or, in the event that the Depositary or the Corporation shall have made such payment, the reimbursement to it) of any charges, taxes or expenses payable by the Holder of a Receipt pursuant to Section 5.7 (including any such tax or charge with respect to the shares of Series A Preferred Stock being deposited or withdrawn or any charges or expense pursuant to Section 3.2), (ii) the production of evidence satisfactory to it as to the identity and genuineness of any signature (which evidence may include a Signature Guarantee), and (iii) any other reasonable evidence of authority that may be required by the Depositary, and may also require compliance with such regulations, if any, as the Depositary or the Corporation may establish consistent with the provisions of this Deposit Agreement and/or applicable law and as may be required by any securities exchange on which the Series A Preferred Stock, the Depositary Shares or the Receipts may be listed.

The deposit of shares of the Series A Preferred Stock may be refused, the delivery of Receipts against shares of the Series A Preferred Stock may be suspended, the registration of transfer of Receipts may be refused and the registration of transfer, surrender or exchange of outstanding Receipts may be suspended (i) during any period when the register of shareholders of the Corporation is closed or (ii) if any such action is deemed necessary or advisable by the Depositary, any of the Depositary's Agents or the Corporation at any time or from time to time because of any requirement of law or of any government or governmental body or commission or under any provision of this Deposit Agreement.

Section 2.6 Lost Receipts, etc. In case any Receipt shall be mutilated, destroyed, lost or stolen, the Depositary in its discretion may, absent notice to the Depositary that such Receipt has been acquired by a bona fide purchaser, execute and deliver a Receipt of like form and tenor in exchange and substitution for such mutilated Receipt, or in lieu of and in substitution for such destroyed, lost or stolen Receipt, only upon (i) the filing by the Holder thereof with the Depositary of evidence satisfactory to the Depositary of such destruction or loss or theft of such Receipt, of the authenticity thereof and of the Holder's ownership thereof; (ii) the Holder thereof furnishing the Depositary with an affidavit and an open penalty surety bond reasonably satisfactory to the Depositary, holding the Depositary and the Corporation harmless; and (iii) the payment of any reasonable expense (including reasonable fees, charges and expenses of the Depositary) in connection with such execution and delivery.Such Holder shall also comply with such other reasonable regulations and pay such other reasonable charges as the Depositary may prescribe and as required by Section 8-405 of the Uniform Commercial Code in effect in the State of New York.

Section 2.7 Cancellation and Destruction of Surrendered Receipts. All Receipts surrendered to the Depositary or any Depositary's Agent shall be cancelled by the Depositary. Except as prohibited by applicable law or regulation, the Depositary is authorized and directed to destroy all Receipts so cancelled.

Section 2.8 Redemption of the Series A Preferred Stock. Whenever the Corporation shall be permitted and shall elect to redeem shares of the Series A Preferred Stock in accordance with the terms of the Articles of Amendment, it shall (unless otherwise agreed to in writing with the Depositary) give or cause to be given to the Depositary, not less than thirty (30) days and not more than sixty (60) days prior to the Redemption Date (as defined below), notice of the date of such proposed redemption of shares of the Series A Preferred Stock and of the number of such shares held by the Depositary to be so redeemed and the applicable redemption price, which notice shall be accompanied by a certificate from the Corporation stating that such redemption of shares of the Series A Preferred Stock is in accordance with the provisions of the Articles of Amendment. On the date of such redemption, *provided* that the Corporation shall then have paid or caused to be paid in full to Computershare the redemption price of the Series A Preferred Stock to be redeemed, plus an amount equal to any declared and unpaid dividends, without accumulation of any undeclared dividends, thereon to the date fixed for redemption to be redeemed, in accordance with the provisions of the Articles of Amendment, the Depositary shall redeem the number of Depositary Shares representing such shares of the Series A Preferred Stock. The Depositary shall, if requested in writing and provided with all necessary information, mail the notice of the Corporation's redemption of shares of the Series A Preferred Stock and the proposed simultaneous redemption of the number of Depositary Shares representing such shares of the Series A Preferred Stock to be redeemed by first-class mail, postage prepaid, at the respective last addresses as they appear on the records of the Depositary, or transmit in accordance with the applicable procedures of any Global Receipt Depository or by such other method approved by the Depositary, in its reasonable discretion, in either case not less than twenty-five (25) days and not more than sixty (60) days prior to the date fixed for redemption of such shares of the Series A Preferred Stock and Depositary Shares (the "Redemption Date"), to the Record Holders of the Receipts evidencing the Depositary Shares to be so redeemed at the addresses of such Holders as they appear on the records of the Depositary; but neither failure to mail or transmit any such notice of redemption of Depositary Shares to one or more such Holders nor any defect in any notice of redemption of Depositary Shares to one or more such Holders shall affect the sufficiency of the proceedings for redemption as to the other Holders. Each such notice shall be prepared by the Corporation and shall state: (i) the Redemption Date; (ii) the number of Depositary Shares to be redeemed and, if less than all the Depositary Shares held by any such Holder are to be redeemed, the number of such Depositary Shares held by such Holder to be so redeemed; (iii) the redemption price; (iv) the place or places where Receipts evidencing such Depositary Shares are to be surrendered for payment of the redemption price; and (v) that dividends in respect of the Series A Preferred Stock represented by such Depositary Shares to be redeemed will cease to accrue on such Redemption Date. In case less than all the outstanding Depositary Shares are to be redeemed, the Depositary Shares to be so redeemed shall be selected either pro rata or by lot or in such other manner as the Corporation may determine to be fair and equitable (which determination the Corporation will promptly notify the Depositary in writing). In any such case, the Depositary Shares shall only be redeemed in increments of 40 shares and any integral multiple thereof.

Notice having been mailed or transmitted by the Depositary as aforesaid, from and after the Redemption Date (unless the Corporation shall have failed to provide the funds necessary to redeem shares of the Series A Preferred Stock evidenced by the Depositary Shares called for redemption) (i) all dividends on the shares of the Series A Preferred Stock so called for redemption shall cease to accrue from and after such date; (ii) the Depositary Shares being redeemed from such proceeds shall be deemed no longer to be outstanding; (iii) all rights of the Holders of Receipts evidencing such Depositary Shares (except the right to receive the redemption price) shall, to the extent of such Depositary Shares, cease and terminate; and (iv) upon surrender in accordance with such redemption notice of the Receipts evidencing any such Depositary Shares called

for redemption (properly endorsed or assigned for transfer, if the Depositary or applicable law shall so require), such Depositary Shares shall be redeemed by the Depositary at a redemption price per Depositary Share equal to one-fortieth ($1/40^{th}$) of the redemption price per share of the Series A Preferred Stock so redeemed plus all money and other property, if any, represented by such Depositary Shares, including all amounts paid by the Corporation in respect of dividends which on the Redemption Date have been declared on the shares of the Series A Preferred Stock to be so redeemed and have not theretofore been paid (it being understood that, in accordance with the provisions of the Articles of Amendment, any declared but unpaid dividends payable on a Redemption Date that occurs subsequent to the record date fixed pursuant to Section 4.4 for a dividend period shall not be paid to the Holder of a Receipt entitled to receive the redemption price on the Redemption Date, but rather shall be paid to the Holder of such Receipt on such record date).

If fewer than all of the Depositary Shares evidenced by a Receipt are called for redemption, the Depositary will deliver to the Holder of such Receipt upon its surrender to the Depositary, together with the redemption payment, a new Receipt evidencing the Depositary Shares evidenced by such prior Receipt and not called for redemption.

Section 2.9 Receipts Issuable in Global Registered Form. If the Corporation shall determine in a writing delivered to the Depositary that the Receipts are to be issued in whole or in part in the form of one or more Global Registered Receipts, then the Depositary shall, if instructed and provided with all necessary information, in accordance with the other provisions of this Deposit Agreement, execute and deliver one or more Global Registered Receipts evidencing the Receipts of such series, which (i) shall represent, and shall be denominated in an amount equal to the aggregate number of Depositary Shares evidenced by, the Receipts to be represented by such Global Registered Receipt or Receipts and (ii) shall be registered in the name of the Global Receipt Depository therefor or its nominee.

Notwithstanding any other provision of this Deposit Agreement to the contrary, unless otherwise provided in the Global Registered Receipt, a Global Registered Receipt may only be transferred in whole and only by the applicable Global Receipt Depository for such Global Registered Receipt to a nominee of such Global Receipt Depository, or by a nominee of such Global Receipt Depository to such Global Receipt Depository or another nominee of such Global Receipt Depository, or by such Global Receipt Depository or any such nominee to a successor Global Receipt Depository for such Global Registered Receipt selected or approved by the Corporation or to a nominee of such successor Global Receipt Depository. Except as provided below, owners solely of beneficial interests in a Global Registered Receipt shall not be entitled to receive physical delivery of the Receipts represented by such Global Registered Receipt or to have such Receipts, or the Depositary Shares represented by those Receipts, registered in their names. Neither any such beneficial owner nor any direct or indirect participant of a Global Receipt Depository shall have any rights under this Deposit Agreement with respect to any Global Registered Receipt held on their behalf by a Global Receipt Depository and such Global Receipt Depository may be treated by the Corporation, the Depositary and any director, officer, employee or agent of the Corporation or the Depositary as the Holder of such Global Registered Receipt for all purposes whatsoever. Unless and until definitive Receipts are delivered to the owners of the beneficial interests in a Global Registered Receipt, (1) the applicable Global Receipt Depository will make book-entry transfers among its participants and receive and transmit all payments and distributions in respect of the Global Registered Receipts to such participants, in each case, in accordance with its applicable procedures and arrangements, and (2) whenever any notice, payment or other communication to the holders of Global Registered Receipts is required under this Deposit Agreement, the Corporation and the Depositary shall give all such notices, payments and communications specified herein to be given to such holders to the applicable Global Receipt Depository.

If an Exchange Event has occurred with respect to any Global Registered Receipt, then, in any such event, the Depositary shall, upon receipt of a written order from the Corporation authorizing and directing the Depositary to execute and deliver the individual definitive registered Receipts in exchange for such Global Registered Receipt, execute and deliver individual definitive registered Receipts, in authorized denominations and of like terms, in an aggregate number of Depositary Shares equal to the aggregate number of Depositary Shares represented by the Global Registered Receipt being delivered in exchange for such Receipts. The Depositary shall have no duties, obligations or liability under this paragraph unless and until such written order has been received by the Depositary.

Definitive registered Receipts issued in exchange for a Global Registered Receipt pursuant to this Section 2.9 shall be registered in such names and in such authorized denominations as the Global Receipt Depository for such Global Registered Receipt, pursuant to instructions from its participants, shall instruct the Depositary in writing. The Depositary shall deliver such Receipts to the Persons in whose names such Receipts are so registered.

Notwithstanding anything to the contrary in this Deposit Agreement, should the Corporation determine that the Receipts should be issued as a Global Registered Receipt, the parties hereto shall comply with the terms of each Letter of Representations.

Section 2.10 Bank Accounts. All funds received by Computershare under this Deposit Agreement that are to be distributed or applied by Computershare in the performance of services (the "Funds") shall be held by Computershare as agent for the Corporation and deposited in one or more bank accounts to be maintained by Computershare in its name as agent for the Corporation. Until paid pursuant to this Deposit Agreement, Computershare may hold or invest the Funds through such accounts in: (i) obligations of, or guaranteed by, the United States of America, (ii) commercial paper obligations rated A-1 or P-1 or better by Standard & Poor's Global Ratings (" S&P") or Moody's Investors Service, Inc. ("Moody's"), respectively, (iii) money market funds that comply with Rule 2a-7 of the Investment Company Act of 1940, or (iv) demand deposit accounts, short term certificates of deposit, bank repurchase agreements or bankers' acceptances, of commercial banks with Tier 1 capital exceeding $1 billion or with an average rating above investment grade by S&P (LT Local Issuer Credit Rating), Moody's (Long Term Rating) and Fitch Ratings, Inc. (LT Issuer Default Rating) (each as reported by Bloomberg Finance L.P.). Depositary shall have no responsibility or liability for any diminution of the Funds that may result from any deposit or investment made by Computershare in accordance with this paragraph, except for any losses resulting from a default by any bank, financial institution or other third party. Computershare may from time to time receive interest, dividends or other earnings in connection with such deposits or investments. Depositary shall not be obligated to pay such interest, dividends or earnings to the Corporation, any holder or any other party. On the date of this Deposit Agreement, Computershare shall provide the Corporation with the account information for the account to which the Corporation shall deliver the cash dividends and other cash distributions on the Series A Preferred Stock. Computershare may update such account information from time to time by notice to the Corporation provided in accordance with Section 7.4.

ARTICLE III
CERTAIN OBLIGATIONS OF HOLDERS OF RECEIPTS AND THE CORPORATION

Section 3.1 Filing Proofs, Certificates and Other Information. Any Holder of a Receipt may be required from time to time to file such proof of residence, or other matters or other information, to execute such certificates and to make such representations and warranties as the Depositary or the Corporation may reasonably deem necessary or proper. The Depositary or the Corporation may withhold the delivery, or delay the registration of transfer or redemption, of any Receipt or the withdrawal of shares of the Series A Preferred Stock represented by the Depositary Shares and evidenced by a Receipt or the distribution of any dividend or other distribution or the sale of any rights or of the proceeds thereof until such proof or other information is filed or such certificates are executed or such representations and warranties are made.

Section 3.2 Payment of Taxes or Other Governmental Charges. Holders of Receipts shall be obligated to make payments to the Depositary of certain taxes, charges and expenses, as provided in Section 5.7. Registration of transfer of any Receipt or any withdrawal of shares of the Series A Preferred Stock and all money or other property, if any, represented by the Depositary Shares evidenced by such Receipt may be refused until any such payment due is made, and any dividends, interest payments or other distributions may be withheld or any part of or all shares of the Series A Preferred Stock or other property represented by the Depositary Shares evidenced by such Receipt and not theretofore sold may be sold for the account of the Holder thereof (after attempting by reasonable means to notify such Holder prior to such sale), and such dividends, interest payments or other distributions or the proceeds of any such sale may be applied to any payment of such charges or expenses, the Holder of such Receipt remaining liable for any deficiency. The Depositary shall not have any duty or obligation to take any action under any section of this Deposit Agreement that requires the payment of taxes and/or charges unless and until it is satisfied that all such payments have been made.

Section 3.3 Warranty as to the Series A Preferred Stock. The Corporation hereby represents and warrants that shares of the Series A Preferred Stock, when issued, will be duly authorized, validly issued, fully paid and nonassessable. Such representation and warranty shall survive the deposit of shares of the Series A Preferred Stock and the issuance of the related Receipts.

Section 3.4 Warranty as to Receipts. The Corporation hereby represents and warrants that the Receipts, when issued, will represent legal and valid interests in shares of the Series A Preferred Stock. Such representation and warranty shall survive the deposit of shares of the Series A Preferred Stock and the issuance of the Receipts.

ARTICLE IV
THE DEPOSITED SECURITIES; NOTICES

Section 4.1 Cash Distributions. Whenever Computershare, as distribution agent, shall receive any cash dividend or other cash distribution on the Series A Preferred Stock, Computershare shall, subject to Sections 3.1 and 3.2 and, if received, in accordance with written instructions from the Corporation, distribute to Record Holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of such dividend or distribution as are, as nearly as practicable, in proportion to the respective numbers of Depositary Shares evidenced by the Receipts held by such Holders; *provided*, *however*, that in case the Corporation or Computershare shall be required to withhold and shall withhold from any cash dividend or other cash distribution in respect of the Series A Preferred Stock an amount on account of taxes, the amount made available for distribution or distributed in respect of Depositary Shares shall be reduced accordingly. Computershare, as distribution agent, shall distribute or make available for distribution, as the case may be and, if received, in accordance with the Corporation's written instructions, only such amount, however, as can be distributed without attributing to any Holder of Receipts a fraction of one cent, and any balance not so distributable shall be held by Computershare (without liability for interest thereon) and shall be added to and be treated as part of the next sum received by Computershare for distribution to Record Holders of Receipts then outstanding. Each Holder of a Receipt shall provide the Depositary with its certified tax identification number on a properly completed Form W-8 or W-9 or other appropriate form, as may be applicable. Each Holder of a Receipt acknowledges that, in the event of non-compliance with the preceding sentence, the Internal Revenue Code of 1986, as amended, may require withholding by the Depositary of a portion of any of the distributions to be made to such Holder hereunder.

Section 4.2 Distributions Other than Cash, Rights, Preferences or Privileges. Whenever the Depositary shall receive any distribution other than cash, rights, preferences or privileges upon the Series A Preferred Stock, the Depositary shall, subject to Sections 3.1 and 3.2, distribute to Record Holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of the securities or property received by it as are, as nearly as practicable, in proportion to the respective numbers of Depositary Shares evidenced by such Receipts held by such Holders, in any manner that the Corporation, in consultation with the Depositary may deem equitable and practicable for accomplishing such distribution. If in the opinion of the Depositary and the Corporation that such distribution cannot be made proportionately among such Record Holders, or if for any other reason (including any requirement that the Corporation or the Depositary withhold an amount on account of taxes or charges), the Depositary deems, after consultation with the Corporation, such distribution not to be feasible, the Depositary may, with the approval of the Corporation, adopt such method as deemed equitable and practicable by the Corporation for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, in a commercially reasonable manner. The net proceeds of any such sale shall, subject to Sections 3.1 and 3.2, be distributed or made available for distribution, as the case may be, by Computershare to Record Holders of Receipts as provided by Section 4.1 in the case of a distribution received in cash. The Corporation shall not make any distribution of such securities or property to the Depositary and the Depositary shall not make any distribution of such securities or property to the Holders of Receipts unless the Corporation shall have provided to the Depositary an opinion of counsel stating that such securities or property have been registered under the Securities Act or do not need to be registered in connection with such distributions.

Section 4.3 Subscription Rights, Preferences or Privileges. If the Corporation shall at any time offer or cause to be offered to the Persons in whose names shares of the Series A Preferred Stock is recorded on the books of the Corporation any rights, preferences or privileges to subscribe for or to purchase any securities or any rights, preferences or privileges of any other nature, such rights, preferences or privileges shall in each such instance be communicated to the Depositary and made available by the Depositary to the Record Holders of Receipts in such manner as the Corporation shall direct and the Depositary shall agree, either by the issue to such Record Holders of warrants representing such rights, preferences or privileges or by such other method as may be approved by the Corporation in its discretion with the acknowledgement of the Depositary; *provided*, *however*, that (i) if at the time of issue or offer of any such rights, preferences or privileges the Corporation determines that it is not lawful or (after consultation with the Depositary) not feasible to make such rights, preferences or privileges available to Holders of Receipts by the issue of warrants or otherwise, or (ii) if and to the extent so instructed by Holders of Receipts who do not desire to exercise such rights, preferences or privileges, the Depositary shall then, if so directed by the Corporation, and if applicable laws or the terms of such rights, preferences or privileges permit such transfer, sell such rights, preferences or privileges at public or private sale, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale shall be delivered to Computershare and, subject to Sections 3.1 and 3.2, be distributed by Computershare to the Record Holders of Receipts entitled thereto as provided by Section 4.1 in the case of a distribution received in cash.

The Corporation shall notify the Depositary whether registration under the Securities Act of the securities to which any rights, preferences or privileges relate is required in order for Holders of Receipts to be offered or sold the securities to which such rights, preferences or privileges relate, and the Corporation agrees with the Depositary that it will file promptly a registration statement pursuant to the Securities Act with respect to such rights, preferences or privileges and securities and use its best efforts and take all steps available to it to cause such registration statement to become effective sufficiently in advance of the expiration of such rights, preferences or privileges to enable such Holders to exercise such rights, preferences or privileges. In no event shall the Depositary make available to the Holders of Receipts any right, preference or privilege to subscribe for or to purchase any securities unless and until such registration statement shall have become effective, or the Corporation shall have provided to the Depositary an opinion of counsel to the effect that the offering and sale of such securities to the Holders are exempt from registration under the provisions of the Securities Act.

The Corporation shall notify the Depositary whether any other action under the laws of any jurisdiction or any governmental or administrative authorization, consent or permit is required in order for such rights, preferences or privileges to be made available to Holders of Receipts, and the Corporation agrees with the Depositary that the Corporation will use its reasonable best efforts to take such action or obtain such authorization, consent or permit sufficiently in advance of the expiration of such rights, preferences or privileges to enable such Holders to exercise such rights, preferences or privileges.

Section 4.4 Notice of Dividends, etc.; Fixing Record Date for Holders of Receipts. Whenever any cash dividend or other cash distribution shall become payable or

any distribution other than cash shall be made, or if rights, preferences or privileges shall at any time be offered, with respect to the Series A Preferred Stock, or whenever the Depositary shall receive notice of any meeting at which holders of the Series A Preferred Stock are entitled to vote or of which holders of the Series A Preferred Stock are entitled to notice, or whenever the Depositary and the Corporation shall decide it is appropriate, the Depositary shall in each such instance fix a record date (which shall be the same date as the record date fixed by the Corporation with respect to or otherwise in accordance with the terms of the Series A Preferred Stock) for the determination of the Holders of Receipts who shall be entitled to receive such dividend, distribution, rights, preferences or privileges or the net proceeds of the sale thereof, or to give instructions for the exercise of voting rights at any such meeting, or who shall be entitled to notice of such meeting or for any other appropriate reasons.

Section 4.5 Voting Rights. Subject to the provisions of the Articles of Amendment, upon receipt of notice from the Corporation of any meeting at which the holders of the Series A Preferred Stock are entitled to vote, the Depositary shall, as soon as practicable thereafter, mail or transmit by such other method approved by the Depositary, in its reasonable discretion, to the Record Holders of Receipts, as determined on the record date fixed pursuant to Section 4.4, a notice prepared by the Corporation which shall contain (i) such information as is contained in such notice of meeting, (ii) a statement that the Holders of Receipts at the close of business on a specified record date fixed pursuant to Section 4.4 may, subject to any applicable restrictions, instruct the Depositary as to the exercise of the voting rights pertaining to the shares of the Series A Preferred Stock represented by their respective Depositary Shares (including an express indication that instructions may be given to the Depositary to give a discretionary proxy to a Person designated by the Corporation), and (iii) a brief statement as to the manner in which such instructions may be given. Upon the written request of the Holders of Receipts on the relevant record date, the Depositary shall to the extent possible vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of whole shares of the Series A Preferred Stock represented by the Depositary Shares evidenced by all Receipts as to which any particular voting instructions are received. The Corporation hereby agrees to take all reasonable action which may be deemed necessary by the Depositary in order to enable the Depositary to vote such shares of the Series A Preferred Stock or cause such shares to be voted. In the absence of specific instructions from Holders of Receipts, the Depositary will vote all shares of the Series A Preferred Stock held by it proportionately with instructions received.

Section 4.6 Changes Affecting Deposited Securities and Reclassifications, Recapitalizations, etc. Upon any change in liquidation preference, split-up, combination or any other reclassification of the Series A Preferred Stock, subject to the provisions of the Articles of Amendment, or upon any recapitalization, reorganization, merger or consolidation affecting the Corporation or to which it is a party, the Depositary shall, upon the written instructions of the Corporation setting forth any adjustment, (i) make such adjustments as are certified by the Corporation in (a) the fraction of an interest represented by one Depositary Share in one share of the Series A Preferred Stock and (b) the ratio of the redemption price per Depositary Share to the redemption price per share of the Series A Preferred Stock, in each case as stated in such instructions and (ii) treat any securities or property (including cash) which shall be received by the Depositary in exchange for or upon conversion of or in respect of the Series A Preferred Stock as new deposited property so received in exchange for or upon conversion or in respect of such Series A Preferred Stock. In any such case, the Depositary shall, upon receipt of written instructions of the Corporation, execute and deliver additional Receipts or may call for the surrender of all outstanding Receipts to be exchanged for new Receipts specifically describing such new deposited property. Anything to the contrary herein notwithstanding, Holders of Receipts shall have the right from and after the effective date of any such change in liquidation preference, split-up, combination or other reclassification of the Series A Preferred Stock or any such recapitalization, reorganization, merger or consolidation to surrender such Receipts to the Depositary with instructions to convert, exchange or surrender the shares of the Series A Preferred Stock represented thereby only into or for, as the case may be, the kind and amount of shares and other securities and property and cash into which the shares of the Series A Preferred Stock represented by such Receipts might have been converted or for which such shares might have been exchanged or surrendered immediately prior to the effective date of such transaction; provided, that the Depositary shall not have any obligations under this sentence unless and until it has received written instructions from the Corporation.

Section 4.7 Delivery of Reports. The Depositary shall make available for inspection by Holders of Receipts at the Depositary's Office and at such other places as it may from time to time deem advisable during normal business hours any reports and communications received from the Corporation that are both received by the Depositary as the holder of the deposited shares of Series A Preferred Stock and which the Corporation is required to furnish to the holders of the Series A Preferred Stock. In addition, the Depositary shall transmit, upon written request by, and the expense of, the Corporation, certain notices and reports to the Holders of Receipts as provided in Section 5.5.

Section 4.8 Lists of Receipt Holders. Promptly upon request from time to time by the Corporation, the Registrar shall furnish to it a list, as of the most recent practicable date, of the names, addresses and holdings of Depositary Shares of all registered Holders of Receipts.

Section 4.9 Withholding. Notwithstanding any other provision of this Deposit Agreement, in the event that the Depositary determines that any distribution in property is subject to any tax or other charge that the Depositary is obligated by law to withhold, the Depositary may dispose of, by public or private sale, all or a portion of such property in such amounts and in such manner as the Depositary deems necessary and practicable to pay such taxes or charges, and the Depositary shall distribute the net proceeds of any such sale or the balance of any such property after deduction of such taxes or charges to the Holders of Receipts entitled thereto in proportion to the number of Depositary Shares held by them, respectively; *provided*, *however*, that in the event the Depositary determines that such distribution of property is subject to withholding tax only with respect to some but not all Holders of Receipts, the Depositary will use its best efforts (i) to sell only that portion of such property distributable to such holders that is required to generate sufficient proceeds to pay such withholding tax and (ii) to effect any such sale in such a manner so as to avoid affecting the rights of any other Holders of Receipts to receive such distribution in property.

ARTICLE V
THE DEPOSITARY, THE DEPOSITARY'S AGENTS, THE REGISTRAR AND THE CORPORATION

Section 5.1 Maintenance of Offices, Agencies and Transfer Books by the Depositary; Registrar. Upon execution of this Deposit Agreement, the Depositary shall maintain at the Depositary's Office, facilities for the execution and delivery, registration and registration of transfer, surrender and exchange of Receipts, and at the offices of the Depositary's Agents, if any, facilities for the delivery, registration of transfer, surrender and exchange of Receipts, all in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep books at the Depositary's Office for the registration and registration of transfer of Receipts. Upon direction by the Corporation and with reasonable notice to the Depositary, the Registrar shall, during regular business hours, open its books for inspection by the Record Holders of Receipts as directed by the Corporation; *provided* that any such Holder shall be granted such right by the Corporation only after certifying that such inspection shall be for a proper purpose reasonably related to such Person's interest as an owner of Depositary Shares evidenced by the Receipts.

The Depositary or Registrar may close such books, at any time or from time to time, when deemed necessary or advisable by the Depositary, the Registrar, any

Depositary's Agent or the Corporation because of any requirement of law or of any government, governmental body or commission, stock exchange or any applicable self-regulatory body.

If the Receipts or the Depositary Shares evidenced thereby or the shares of the Series A Preferred Stock represented by such Depositary Shares shall be listed on one or more national securities exchanges, the Depositary shall, with the written approval of the Corporation, appoint a Registrar (reasonably acceptable to the Corporation) for registration of the Receipts or Depositary Shares in accordance with any requirements of such exchange. Such Registrar (which may be the Trust Company if so permitted by the requirements of any such exchange) may be removed and a substitute Registrar appointed by the Depositary upon the written request or with the written approval of the Corporation. If the Receipts, such Depositary Shares or the Series A Preferred Stock are listed on one or more other securities exchanges, the Depositary will, at the written request and expense of the Corporation, arrange such facilities for the delivery, registration, registration of transfer, surrender and exchange of such Receipts, such Depositary Shares or the Series A Preferred Stock as may be required by law or applicable securities exchange regulation.

Section 5.2 Prevention of or Delay in Performance by the Depositary, the Depositary's Agents, the Registrar or the Corporation. Neither the Depositary nor any Depositary's Agent nor any Registrar, nor any Transfer Agent nor the Corporation, as the case may be, shall incur any liability to any Holder of a Receipt if by reason of any provision of any present or future law, or regulation thereunder, of the United States of America or of any other governmental authority or, in the case of the Depositary, the Depositary's Agent or the Registrar or any Transfer Agent, as the case may be, by reason of any provision, present or future, of the Corporation's Charter (including the Articles of Amendment) or by reason of any act of God, terrorist acts, pandemics, epidemics, shortage of supply, breakdowns or malfunctions, interruptions or malfunctions of computer facilities, or loss of data due to power failures or mechanical difficulties with information storage or retrieval systems, labor difficulties, war, or civil unrest or other circumstance beyond the control of the relevant party, the Depositary, the Depositary's Agent, the Registrar, the Transfer Agent or the Corporation, as the case may be, shall be prevented or forbidden from, or subjected to any penalty on account of, doing or performing any act or thing which the terms of this Deposit Agreement provide shall be done or performed; nor shall the Depositary, any Depositary's Agent, any Registrar, any Transfer Agent or the Corporation, as the case may be, incur liability to any Holder of a Receipt (i) by reason of any nonperformance or delay, caused as aforesaid, in the performance of any act or thing which the terms of this Deposit Agreement shall provide shall or may be done or performed, or (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement except as otherwise explicitly set forth in this Deposit Agreement.

Section 5.3 Obligations of the Depositary, the Depositary's Agents, the Registrar, Transfer Agent and the Corporation. The Corporation does not assume any obligation nor shall it be subject to any liability under this Deposit Agreement or any Receipt to Holders of Receipts other than for its gross negligence, willful misconduct, bad faith or fraud (each as determined by a final non-appealable judgment, order, decree or ruling of a court of competent jurisdiction). Neither the Depositary nor any Depositary's Agent nor any Registrar, nor any Transfer Agent, as the case may be, assumes any obligation or shall be subject to any liability under this Deposit Agreement or the Receipts to the Corporation, the Holders of Receipts or to any other Person other than for its gross negligence, willful misconduct, bad faith or fraud (each as determined by a final non-appealable judgment, order, decree or ruling of a court of competent jurisdiction). Notwithstanding anything in this Deposit Agreement to the contrary, neither the Depositary, nor the Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be liable in any event for special, punitive, incidental, indirect or consequential losses or damages of any kind whatsoever (including but not limited to lost profits), even if they have been advised of the likelihood of such loss or damage and regardless of the form of action. Any liability of the Depositary, any Depositary's Agent or the Registrar or Transfer Agent, as the case may be, under this Deposit Agreement will be limited in the aggregate to an amount equal to the fees paid by the Corporation to the Depositary pursuant to this Deposit Agreement during the twelve (12) months immediately preceding the event for which recovery from the Depositary, but not including reimbursable expenses.

Without limiting any of the rights or immunities or expanding any of the obligations of the Depositary, any Depositary's Agent, the Registrar or any Transfer Agent under this Deposit Agreement, neither the Depositary nor any Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of the Series A Preferred Stock, the Depositary Shares or the Receipts which in its opinion may involve it in expense or liability unless indemnity satisfactory to it against all expense and liability be furnished as often as may be required.

Neither the Depositary nor any Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be liable for any action or any failure to act by it in reliance upon the written advice of legal counsel or accountants, or information from any Person presenting the shares of the Series A Preferred Stock for deposit, any Holder of a Receipt or any other Person believed by it to be competent to give such information. The Depositary, any Depositary's Agent, any Registrar, any Transfer Agent and the Corporation, as the case may be, may each rely and shall each be protected in acting upon or omitting to act upon any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Depositary, the Depositary's Agents, any Transfer Agent or Registrar, as the case may be, shall not be responsible for any failure to carry out any instruction to vote any of the shares of the Series A Preferred Stock or for the manner or effect of any such vote made, as long as any such action or non-action is not taken in bad faith or result from fraud, willful misconduct or gross negligence (each as determined by a final non-appealable judgment, order, decree or ruling of a court of competent jurisdiction). The Depositary undertakes, and any Depositary's Agent, Registrar and any Transfer Agent, as the case may be, shall be required to undertake, to perform such duties and only such duties as are specifically set forth in this Deposit Agreement, and no implied covenants or obligations shall be read into this Deposit Agreement against the Depositary, any Depositary's Agent, Registrar or any Transfer Agent.

The Depositary and its Affiliates, any Depositary's Agents, and any Transfer Agent and any Registrar, as the case may be, may own and deal in any class of securities of the Corporation and its Affiliates and in Receipts or Depositary Shares or become pecuniarily interested in any transaction in which the Corporation or its Affiliates may be interested or contract with or lend money to or otherwise act as fully or as freely as if it were not the Depositary, an Affiliate of the Depositary or the Depositary's Agent or Transfer Agent or Registrar hereunder. The Depositary may also act as transfer agent, trustee or registrar of any of the securities of the Corporation and its Affiliates or act in any other capacity for the Corporation or its Affiliates.

The Depositary shall not be under any liability for interest on any monies at any time received by it pursuant to any of the provisions of this Deposit Agreement or of the Receipts, the Depositary Shares or the Series A Preferred Stock nor shall it be obligated to segregate such monies from other monies held by it, except as required by law. The Depositary shall not be responsible for advancing funds on behalf of the Corporation and shall have no duty or obligation to make any payments if it has not timely received sufficient funds to make timely payments.

In the event the Depositary, the Depositary's Agents, any Transfer Agent or Registrar, as the case may be, believes any ambiguity or uncertainty exists hereunder or in any notice, instruction, direction, request or other communication, paper or document received by the Depositary, the Depositary's Agents, any Transfer Agent or Registrar hereunder, or in the administration of any of the provisions of this Deposit Agreement, the Depositary, the Depositary's Agents, any Transfer Agent or Registrar shall deem it necessary or desirable that a matter be proved or established prior to taking, omitting or suffering to take any action hereunder, the Depositary, the Depositary's Agents, any Transfer Agent or Registrar may, in its sole discretion upon providing written notice to the Corporation, refrain from taking any action and the Depositary, the Depositary's Agents, any Transfer Agent or Registrar shall be fully protected and shall not be liable in any way to the Corporation, any Holders of Receipts or any other Person or entity for refraining from taking such action, unless the Depositary, the Depositary's Agents, any Transfer Agent or Registrar receives written instructions or a certificate of the Corporation which eliminates such ambiguity or uncertainty to the satisfaction of the Depositary, the Depositary's Agents, any Transfer Agent or Registrar or which proves or

establishes the applicable matter to the satisfaction of the Depositary, the Depositary's Agents, any Transfer Agent or Registrar.

In the event the Depositary, the Depositary's Agent, the Registrar or the Transfer Agent, as the case may be, shall receive conflicting claims, requests or instructions from any Holders of Receipts, on the one hand, and the Corporation, on the other hand, the Depositary, the Depositary's Agent, the Registrar or the Transfer Agent, as the case may be, shall be entitled to act on such claims, requests or instructions received from the Corporation, and shall be entitled to the full indemnification set forth in Section 5.6 hereof in connection with any action so taken.

It is intended that the Depositary shall not be deemed to be an "issuer" of the securities under the federal securities laws or applicable state securities laws, it being expressly understood and agreed that the Depositary is acting only in a ministerial capacity as Depositary for the deposited Series A Preferred Stock. The Depositary will not be under any duty or responsibility to ensure compliance with any applicable federal or state securities laws in connection with the issuance, transfer or exchange of the Receipts, the shares of Series A Preferred Stock or Depositary Shares.

Neither the Depositary (or its officers, directors, employees or agents), any Depositary's Agent nor any Registrar or any Transfer Agent makes any representation or has any responsibility as to the validity of any registration statement pursuant to which the Depositary Shares may be registered under the Securities Act, the deposited Series A Preferred Stock, the Depositary Shares, the Receipts (except its countersignature thereon) or any instruments referred to therein or herein, or as to the correctness of any statement made in any such registration statement or herein.

The Depositary assumes no responsibility for the correctness of the description that appears in the Receipts. Notwithstanding any other provision herein or in the Receipts, the Depositary makes no warranties or representations as to the validity or genuineness of any shares of Series A Preferred Stock at any time deposited with the Depositary hereunder or of the Depositary Shares, as to the validity or sufficiency of this Deposit Agreement, as to the value of the Depositary Shares or as to any right, title or interest of the record holders of Receipts in and to the Depositary Shares; nor shall the Depositary be liable or responsible for any failure of the Corporation to comply with any of its obligations relating to any registration statement filed with the Securities and Exchange Commission, including without limitation obligations under applicable regulation or law. The Depositary shall not be accountable for the use or application by the Corporation of the Depositary Shares or the Receipts or the proceeds thereof.

The Depositary may rely on and be fully authorized and protected in acting or failing to act upon (a) any guaranty of signature by an "eligible guarantor institution" that is a member or participant in the Securities Transfer Agents Medallion Program or other comparable "signature guarantee program" or insurance program in addition to, or in substitution for, the foregoing; or (b) any law, act, regulation or any interpretation of the same even though such law, act, or regulation may thereafter have been altered, changed, amended or repealed.

The Depositary may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Depositary shall not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation, to the holders of the Receipts or any other Person resulting from any such act, omission, default, neglect or misconduct, absent gross negligence or bad faith in the selection and continued employment thereof (which gross negligence or bad faith must be determined by a final, non appealable judgment of a court of competent jurisdiction).

The Depositary, Depositary's Agent, any Registrar, and any Transfer Agent hereunder:

(i) shall have no duties or obligations other than those specifically set forth herein (and no implied duties or obligations), or as may subsequently be agreed to in writing by the parties;

(ii) shall have no obligation to make payment hereunder unless the Corporation shall have provided the necessary federal or other immediately available funds or securities or property, as the case may be, to pay in full amounts due and payable with respect thereto;

(iii) may rely on and shall be authorized and protected in acting or failing to act upon any certificate, instrument, opinion, notice, letter, facsimile transmission or other document or security delivered to it and believed by it to be genuine and to have been signed by the proper party or parties, and shall have no responsibility for determining the accuracy thereof;

(iv) may rely on and shall be authorized and protected in acting or failing to act upon the written, telephonic, electronic and oral instructions given in accordance with this Deposit Agreement, with respect to any matter relating to its actions as covered by this Deposit Agreement (or supplementing or qualifying any such actions) of officers of the Corporation;

(v) may consult legal counsel satisfactory to it, and the advice or opinion of such legal counsel shall be full and complete authorization and protection in respect of, and it shall not be liable and shall be indemnified by the Corporation for any actions taken, suffered or omitted by it hereunder in accordance with the advice or opinion of such legal counsel;

(vi) shall not be called upon at any time to advise any Person with respect to the shares of Series A Preferred Stock or Receipts;

(vii) shall not be liable in any respect on account of the identity, authority or rights of the parties (other than with respect to the Depositary) executing or delivering or purporting to execute or deliver this Deposit Agreement or any documents or papers deposited or called for under this Deposit Agreement;

(viii) shall not be obligated to prosecute or defend any litigation or other proceeding hereunder; if, however, it determines to prosecute or defend any litigation or other proceeding hereunder, and, where the taking of such action might in its judgment subject or expose it to any expense or liability, it shall not be required to act unless it shall have been furnished with an indemnity satisfactory to it; and

(ix) shall not be required to take notice or be deemed to have notice of any event or condition hereunder, including any event or condition that may require action by any such Person, unless such Person shall be specifically notified in writing of such event or condition by the Corporation, and all notices or other instruments required by this Deposit Agreement to be delivered to the such Persons must, in order to be effective, shall be given in accordance with Section 7.4 hereof, and in the absence of such notice so delivered, such Persons may conclusively assume no such event or condition exists.

The obligations of the Corporation set forth in this Section 5.3 shall survive the replacement, removal or resignation of any of the Depositary, Registrar, Transfer Agent or Depositary's Agent or termination of this Deposit Agreement.

Section 5.4 Resignation and Removal of the Depositary; Appointment of Successor Depositary. The Depositary may at any time resign as Depositary hereunder by delivering notice of its election to do so to the Corporation upon thirty (45) days prior written notice, such resignation to take effect upon the appointment of a successor

Depositary and its acceptance of such appointment as hereinafter provided.

The Depositary may at any time be removed by the Corporation by thirty (45) days prior written notice of such removal delivered to the Depositary, such removal to take effect upon the appointment of a successor Depositary hereunder and its acceptance of such appointment as hereinafter provided.

In case at any time the Depositary acting hereunder shall resign or be removed, the Corporation shall, within thirty (45) days after the delivery of the notice of resignation or removal, as the case may be, appoint a successor Depositary, which shall be (i) a Person having its principal office in the United States of America and having a combined capital and surplus, along with its Affiliates, of at least $50,000,000 or (ii) an Affiliate of any such Person. In the event of such removal or resignation, the Corporation will appoint a successor depositary and inform the Depositary of the name and address of any successor depositary so appointed; *provided* that the Corporation shall use its best efforts to ensure that there is at all relevant times when the Series A Preferred Stock is outstanding, a Person appointed and serving as the Depositary; *provided*, *further*, that no failure by the Corporation to appoint such a successor depositary shall affect the termination of this Deposit Agreement or the discharge of the Corporation and the Depositary as depositary hereunder. Upon payment of all outstanding fees and expenses hereunder, the Depositary shall promptly forward to the successor depositary or its designee any shares of stock held by it and any certificates, letters, notices and other document that the Depositary may receive after its appointment has so terminated.

If no successor Depositary shall have been so appointed and have accepted appointment within thirty (45) days after delivery of such notice, the resigning or removed Depositary or a Holder may petition any court of competent jurisdiction for the appointment of a successor Depositary. Every successor Depositary shall execute and deliver to its predecessor and to the Corporation an instrument in writing accepting its appointment hereunder, and thereupon such successor Depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor and for all purposes shall be the Depositary under this Deposit Agreement, and such predecessor, upon payment of all sums due it and on the written request of the Corporation, shall promptly execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the shares of the Series A Preferred Stock and any moneys or property held hereunder to such successor, and shall deliver to such successor a list of the Record Holders of all outstanding Receipts and such records, books and other information in its possession relating thereto. Any successor Depositary shall promptly mail or transmit by such other method approved by such successor Depositary, in its reasonable discretion, notice of its appointment to the Record Holders of Receipts.

Any Person into or with which the Depositary may be merged, consolidated or converted, or any Person to which all or a substantial part of the assets of the Depositary may be transferred or which succeeds to the shareholder services business of the Depositary shall be the successor of the Depositary without the execution or filing of any document or any further act, and notice thereof shall not be required hereunder. Such successor Depositary may authenticate the Receipts in the name of the predecessor Depositary or its own name as successor Depositary.

The removal or resignation of the Depositary shall automatically be deemed to be a removal of the Registrar, Transfer Agent, and distribution agent (to the extent Depositary is also acting in such capacities) herein without any further act or deed.

Section 5.5 Corporate Notices and Reports. The Corporation agrees that it will deliver to the Depositary, and the Depositary will, upon the Corporation's written instruction, promptly after receipt of all necessary information and documents, transmit to the Record Holders of Receipts, in each case at the addresses recorded in the Depositary's or Registrar's books, copies of all notices, reports and communications from the Corporation (including without limitation financial statements) required by law, by the rules of any national securities exchange upon which the Series A Preferred Stock, the Depositary Shares or the Receipts are listed or by the Corporation's Charter (including the Articles of Amendment), to be furnished to the Record Holders of Receipts. Such transmission will be at the Corporation's expense and the Corporation will provide the Depositary with such number of copies of such documents as the Depositary may reasonably request. In addition, the Depositary will transmit to the Record Holders of Receipts at the Corporation's expense such other documents as may be requested in writing by the Corporation.

Section 5.6 Indemnification by the Corporation. Notwithstanding Section 5.3 to the contrary, the Corporation shall indemnify the Depositary, any Depositary's Agent, any Registrar, any Transfer Agent, and any distribution agent (including each of their officers, directors, agents and employees) against, and hold each of them harmless from and against, any loss, damage, cost, penalty, fine, judgment, liability or expense (including the reasonable costs and expenses of its legal counsel) which may arise out of acts performed, suffered or omitted to be taken in connection with its acting as Depositary, Depositary's Agent, Registrar or Transfer Agent, respectively, under this Deposit Agreement (including, without limitation, the enforcement by the Depositary, Depositary's Agent, Registrar, Transfer Agent or distribution agent, as the case may be, of this Deposit Agreement) and the Receipts by the Depositary, any Registrar, any Transfer Agent, any distribution agent or any of their respective agents (including any Depositary's Agent) and any transactions or documents contemplated hereby, except for any liability arising out of gross negligence, willful misconduct, bad faith or fraud (each as finally determined by a non-appealable judgment, order, decree or ruling of a court of competent jurisdiction) on the respective parts of any such Person or Persons. The obligations of the Corporation set forth in this Section 5.6 shall survive the replacement, removal, resignation or any succession of any Depositary, Registrar, Transfer Agent or Depositary's Agent or termination of this Deposit Agreement.

Section 5.7 Fees, Charges and Expenses. The Corporation agrees promptly to pay the Depositary the compensation, as agreed upon with the Corporation in writing for all services rendered by the Depositary, Depositary's Agent, Transfer Agent, Registrar and any distribution agent hereunder and to reimburse the Depositary for its reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) incurred by the Depositary, Depositary's Agent, Transfer Agent, Registrar and any distribution agent in connection with the services rendered by it (or any agent of the Depositary) hereunder. The Corporation shall pay all charges of the Depositary in connection with the initial deposit of shares of the Series A Preferred Stock and the initial issuance of the Depositary Shares, all withdrawals of shares of the Series A Preferred Stock by owners of Depositary Shares, and any redemption or exchange of shares of the Series A Preferred Stock at the option of the Corporation. The Corporation shall pay all transfer and other taxes and charges arising solely from the existence of the depositary arrangements. All other transfer and other taxes and charges shall be at the expense of Holders of Depositary Shares evidenced by Receipts. If, at the request of a Holder of Receipts, the Depositary incurs charges or expenses for which the Corporation is not otherwise liable hereunder, such Holder will be liable for such charges and expenses; provided, however, that the Depositary may, at its sole option, require a Holder of a Receipt to prepay the Depositary any charge or expense the Depositary has been asked to incur at the request of such Holder of Receipts. The Depositary shall present its statement for charges and expenses to the Corporation at such intervals as the Corporation and the Depositary may agree.

Section 5.8 Tax Compliance. The Depositary will comply in all material respects with all applicable certification, information reporting, and withholding (including "backup withholding") requirements imposed upon the Depositary by applicable tax laws, regulations, or administrative practice with respect to (i) any payments made with respect to the Depositary Shares or the Series A Preferred Stock or (ii) the issuance, delivery, holding, transfer, redemption, or exercise of rights under the Receipts or the Depositary Shares. Such compliance shall include, without limitation, the preparation and timely filing of required returns and the timely payment of all amounts required to be

withheld to the appropriate taxing authority or its designated agent. The Depositary shall comply with any written direction received from the Corporation with respect to the application of such requirements to particular payments or holders or in other particular circumstances and may, for purposes of this Deposit Agreement, rely on any such direction in accordance with the provisions of Section 5.3 hereof. The Depositary shall, in accordance with its record retention policies or procedures, maintain all appropriate records documenting compliance with such requirements, and shall make such records, without duplication, available on request to the Corporation or to its authorized representatives during the term of this Agreement. The Company acknowledges and agrees that this Section 5.8 shall not confer any audit rights upon the Company, any Holder or any of their representatives. The Company shall, and shall cause the Holders to, provide all information and material to facilitate the Depositary's compliance with this Section 5.8.

ARTICLE VI
AMENDMENT AND TERMINATION

Section 6.1 Amendment. The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Corporation and the Depositary in any respect which they may deem necessary or desirable; *provided*, *however*, that no such amendment (other than any change in the fees of any Depositary, Registrar or Transfer Agent) which shall materially and adversely alter the rights of the Holders of Receipts shall be effective against the Holders of Receipts unless such amendment shall have been approved by the Holders of Receipts representing in the aggregate at least two-thirds of the Depositary Shares then outstanding. Every Holder of an outstanding Receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right, subject to the provisions of Sections 2.5 and 2.6 and Article III, of any owner of Depositary Shares to surrender any Receipt evidencing such Depositary Shares to the Depositary with instructions to deliver to the Holder the shares of the Series A Preferred Stock and all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law or the rules and regulations of any governmental body, agency or commission, or applicable securities exchange. As a condition precedent to the Depositary's execution of any amendment, the Corporation shall deliver to the Depositary a certificate from an authorized officer of the Company that states that the proposed amendment is in compliance with the terms of this Section 6.1. No amendment to this Depositary Agreement shall be effective unless duly executed by the Depositary.

Section 6.2 Termination. This Deposit Agreement may be terminated by the Corporation at any time upon not less than sixty (60) days prior written notice to the Depositary, in which case, at least thirty (30) days prior to the date fixed in such notice for such termination, the Depositary will mail notice of such termination to the record Holders of all Receipts then outstanding. If any Receipts shall remain outstanding after the date of termination of this Deposit Agreement, the Depositary thereafter shall discontinue the transfer of Receipts, shall suspend the distribution of dividends to the Holders of the Receipts thereof and shall not give any further notices (other than notice of such termination) or perform any further acts under this Deposit Agreement, except that the Depositary shall continue to collect dividends and other distributions pertaining to the Series A Preferred Stock, and shall continue to deliver the Series A Preferred Stock and any money and other property, if any, represented by Receipts upon surrender thereof by the Holders of Receipts thereof. At any time after the expiration of two years from the date of termination, as may be instructed by the Corporation in writing, the Depositary shall (i) sell the shares of the Series A Preferred Stock then held hereunder at public or private sale, at such places and upon such terms as it deems proper and may thereafter hold the net proceeds of any such sale, together with any money and other property held by it hereunder, without liability for interest, for the benefit, pro rata in accordance with their holdings, of the Holders of Receipts that have not theretofore been surrendered, or (ii) return such shares of Series A Preferred Stock to the Corporation. After making such sale, the Depositary shall be discharged from all obligations under this Deposit Agreement except to account for such net proceeds and money and other property. The Depositary shall continue to receive its fees and expenses and shall continue to be entitled to its protections set forth herein after termination of this Deposit Agreement so long as the Depositary continues to provide services in connection with this Deposit Agreement. Nothing contained in this Section 6.2 shall impede the Depositary's right to resign under Section 5.4.

Subject to the first paragraph of this Section 6.2, this Deposit Agreement may be terminated by the Corporation or the Depositary only if (i) all outstanding Depositary Shares have been redeemed pursuant to Section 2.8; (ii) there shall have been made a final distribution in respect of the Series A Preferred Stock in connection with any liquidation, dissolution or winding up of the Corporation and such distribution shall have been distributed to the Holders of Receipts representing Depositary Shares pursuant to Section 4.1 or 4.2, as applicable; or (iii) upon the consent of Holders of Receipts representing in the aggregate not less than two-thirds of the Depositary Shares outstanding.

Upon the termination of this Deposit Agreement, the Corporation shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depositary, any Depositary's Agent, any Transfer Agent, any Registrar and any distribution agent under Sections 5.6 and 5.7; *provided further* that Section 5.2, 5.3, 5.6, 7.4, 7.8 and 7.11 shall survive the termination of this Deposit Agreement.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Counterparts. This Deposit Agreement may be executed in any number of counterparts, and by each of the parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Deposit Agreement by facsimile or pdf shall be effective as delivery of a manually executed counterpart of this Deposit Agreement.

Section 7.2 Exclusive Benefit of Parties. This Deposit Agreement is for the exclusive benefit of the parties hereto, and their respective successors hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other Person whatsoever.

Section 7.3 Invalidity of Provisions. In case any one or more of the provisions contained in this Deposit Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby; provided, however, that if such provision materially and adversely affects the rights, duties, liabilities or obligations of the Depositary, the Depositary shall be entitled to resign immediately upon prior written notice to the Corporation.

Section 7.4 Notices. Any and all notices to be given to the Corporation hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or recognized next day courier services, or by electronic mail, confirmed by letter, addressed to the Corporation at:

Northpointe Bancshares, Inc.
3333 Deposit Drive NE,
Grand Rapids, MI 49546
Attn: Chief Financial Officer

With a copy to: Alston & Bird LLP
One Atlantic Center

1201 West Peachtree Street
Atlanta, Georgia 30309
Attn: Mark C. Kanaly

Any and all notices to be given to the Depositary hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or recognized next day courier services, or by facsimile transmission confirmed by letter, addressed to the Depositary at the Depositary's Office at:

Computershare Inc.
Computershare Trust Company, N.A.
150 Royall Street
Canton, Massachusetts 02021
Attention: Relationship Manager
Facsimile: 781-575-4647

with a copy to:

Computershare Inc.
Computershare Trust Company, N.A.
150 Royall Street Canton, Massachusetts 02021
Attention: Legal Department
Facsimile: (781) 575-4210

or at any other address of which the Depositary shall have notified the Corporation in writing.

Except as otherwise provided herein, any and all notices to be given to any Record Holder of a Receipt hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, recognized next day courier services, facsimile transmission or electronic mail, confirmed by letter, addressed to such Record Holder at the address of such Record Holder as it appears on the books of the Depositary; or if such Holder shall have timely filed with the Depositary a written request that notices intended for such Holder be mailed to some other address, at the address designated in such request; or in the case of any Global Receipt Depository, in accordance with its applicable procedures and arrangements for notices.

Delivery of a notice sent by mail or as provided in this Section 7.4 shall be deemed to be effected at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a facsimile transmission or electronic mail) is deposited, postage prepaid, in a post office letter box; *provided*, that notice to a Global Receipt Depository shall be deemed to be effected at the time such notice is delivered or made as provided in this Section 7.4; *provided*, *further*, that the Depositary or the Corporation may, however, act upon any facsimile transmission or electronic mail received by it from the other or from any Holder of a Receipt, notwithstanding that such facsimile transmission or electronic mail shall not subsequently be confirmed by letter or as aforesaid.

Section 7.5 Depositary's Agents. The Depositary may from time to time appoint Depositary's Agents to act in any respect for the Depositary for the purposes of this Deposit Agreement and may at any time appoint additional Depositary's Agents and vary or terminate the appointment of such Depositary's Agents. The Depositary will, as soon as practicable, notify the Corporation of any such action.

Section 7.6 Appointment of Registrar, Dividend Disbursing Agent and Redemption Agent in Respect of the Series A Preferred Stock. The Corporation hereby appoints the Trust Company as Registrar and Transfer Agent, Computershare as dividend disbursing agent and the Trust Company and Computershare, jointly, as the redemption agent in respect of the shares of the Series A Preferred Stock deposited with the Depositary hereunder, and the Trust Company and Computershare hereby accept such respective appointments, subject to the express terms and conditions of this Deposit Agreement (and no implied terms or conditions) and, as such, will reflect changes in the number of shares of deposited Series A Preferred Stock held by it by notation, book-entry or other appropriate method. With respect to the appointment of the Trust Company as Registrar and Transfer Agent, Computershare as dividend disbursing agent, and the Trust Company and Computershare, jointly, as the redemption agent in respect of the shares of the Series A Preferred Stock, the Trust Company and Computershare, in their respective capacities under such appointments, shall be entitled to the same rights, indemnities, immunities and benefits as the Depositary hereunder as if explicitly named in each such provision, and shall provide the services as provided in the Transfer Agency Agreement, in the performance of its duties in such respective capacities.

Section 7.7 Holders of Receipts are Parties. The Holders of Receipts from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions hereof and of the Receipts by acceptance of delivery thereof.

Section 7.8 Governing Law. This Deposit Agreement and the Receipts and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable conflicts of law principles.

Section 7.9 Inspection of Deposit Agreement. Copies of this Deposit Agreement shall be filed with the Depositary and the Depositary's Agents and shall be made available for inspection during business hours upon reasonable notice to the Depositary by any Holder of a Receipt.

Section 7.10 Headings. The headings of articles and sections in this Deposit Agreement and in the form of the Receipt set forth in Exhibit A hereto have been inserted for convenience only and are not to be regarded as a part of this Deposit Agreement or the Receipts or to have any bearing upon the meaning or interpretation of any provision contained herein or in the Receipts.

Section 7.11 Confidentiality. The Depositary and the Corporation agree that all books, records, information and data pertaining to the business of the other party, including, *inter alia*, personal, non-public Holder information, which are exchanged or received pursuant to the negotiation or the carrying out of this Deposit Agreement and the fees for services to performed hereunder shall remain confidential, and shall not be voluntarily disclosed to any other Person, except as may be required by law or legal process. Notwithstanding anything contained herein, each party may disclose relevant aspects of the other party's confidential information to its officers, affiliates, agents, subcontractors and employees to the extent reasonably necessary to perform its duties and obligations under this Deposit Agreement and such disclosure is not prohibited by applicable law..

Section 7.12 Further Assurances. The Corporation shall perform, acknowledge and deliver or cause to be performed, acknowledged and delivered all such further and other acts, documents, instruments and assurances as may be reasonably required by the Depositary for the carrying out or performing by the Depositary of the provisions of this Deposit Agreement.

[*Remainder of page intentionally left blank; signature page follows.*]

IN WITNESS WHEREOF, the Corporation and the Depositary have duly executed this Deposit Agreement as of the day and year first above set forth, and all Holders of Receipts shall become parties hereto by and upon acceptance by them of delivery of Receipts issued in accordance with the terms hereof.

NORTHPOINTE BANCSHARES, INC.

By: /s/ Kevin Comps
Name: Kevin Comps
Title: Secretary

COMPUTERSHARE INC.,
as Depositary

By: /s/ Kathy Heagerty
Name: Kathy Heagerty
Title: Vice President & Manager

COMPUTERSHARE TRUST COMPANY, N.A.,
as Depositary and as Transfer Agent and Registrar for the shares of the Corporation's Series A Preferred Stock

By: /s/ Kathy Heagerty
Name: Kathy Heagerty
Title: Vice President & Manager

[Signature Page to Deposit Agreement]

EXHIBIT A

FORM OF RECEIPT

[FORM OF FACE OF RECEIPT]

THE DEPOSITARY SHARES REPRESENTED BY THIS CERTIFICATE ARE NOT SAVINGS ACCOUNTS, DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.

IF GLOBAL RECEIPT IS ISSUED: UNLESS THIS RECEIPT IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO NORTHPOINTE BANCSHARES, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY RECEIPT ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL RECEIPT SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL RECEIPT SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE DEPOSIT AGREEMENT REFERRED TO BELOW.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR AND TRANSFER AGENT MAY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

DEPOSITARY SHARES

DEPOSITARY RECEIPT FOR DEPOSITARY SHARES, EACH
REPRESENTING ONE-FOURTIETH OF ONE SHARE OF
8.25% FIXED-TO FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES A

OF

NORTHPOINTE BANCSHARES, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF MICHIGAN

CUSIP [•]

SEE REVERSE FOR CERTAIN DEFINITIONS

Computershare Inc., a Delaware corporation, and Computershare Trust Company, N.A., a national banking association, acting jointly as Depositary (the "Depositary"), hereby certify that CEDE & Co. is the registered owner of DEPOSITARY SHARES ("Depositary Shares"), each Depositary Share representing a one-fortieth of one share of "8.25% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series A, no par value per share, liquidation preference $1,000 per share (the "Series A Preferred Stock"), of Northpointe Bancshares, Inc. a Michigan corporation (the "Corporation"), on deposit with the Depositary, subject to the terms and entitled to the benefits of the Deposit Agreement dated as of December 29, 2020 (the "Deposit Agreement"), among the Corporation, the Depositary and the holders from time to time of the Depositary Receipts. By accepting this Depositary Receipt, the holder hereof becomes a party to and agrees to be bound by all the terms and conditions of the Deposit Agreement. This Depositary Receipt shall not be valid or obligatory for any purpose or entitled to any benefits under the Deposit Agreement unless it shall have been executed by the Depositary by either the manual or facsimile signature of a duly authorized officer. To the extent a Registrar (other than the Depositary) is also appointed, such Registrar may countersign by either manual or facsimile signature of a duly authorized officer thereof.

Dated: _____, 20

Computershare Inc. and Computershare Trust Company, N.A., acting jointly as Depositary

COMPUTERSHARE INC., as Depositary

By: _____
Name:
Title:

COMPUTERSHARE TRUST COMPANY, N.A., as Depositary

By: _____
Name:
Title:

[FORM OF REVERSE OF RECEIPT]

NORTHPOINTE BANCSHARES, INC.

NORTHPOINTE BANCSHARES, INC. WILL FURNISH WITHOUT CHARGE TO EACH RECEIPTHOLDER WHO SO REQUESTS A COPY OF THE DEPOSIT AGREEMENT AND A COPY OR SUMMARY OF THE CERTIFICATE OF DESIGNATIONS ESTABLISHING THE 8.25% FIXED-TO FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES A OF NORTHPOINTE BANCSHARES, INC. ANY SUCH REQUEST IS TO BE ADDRESSED TO THE DEPOSITARY NAMED ON THE FACE OF THIS RECEIPT.

The Corporation will furnish without charge to each receiptholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof of the Corporation, and the qualifications, limitations or restrictions of such preferences and/or rights. Such request may be made to the Corporation or to the Registrar.

EXPLANATION OF ABBREVIATIONS

The following abbreviations when used in the form of ownership on the face of this certificate shall be construed as though they were written out in full according to applicable laws or regulations. Abbreviations in addition to those appearing below may be used.

Abbreviation	Equivalent Phrase	Abbreviation	Equivalent Phrase
JT TEN	As joint tenants, with right of survivorship and not as tenants in common	TEN BY ENT	As tenants by the entireties
TEN IN COM	As tenants in common	UNIF GIFT MIN ACT	Uniform Gifts to Minors Act

Abbreviation	Equivalent Word	Abbreviation	Equivalent Word	Abbreviation	Equivalent Word
ADM	Administrator(s), Administratrix	EX	Executor(s), Executrix	PAR	Paragraph
AGMT	Agreement	FBO	For the benefit of	PL	Public Law
ART	Article	FDN	Foundation	TR	(As) trustee(s), for, of
CH	Chapter	GDN	Guardian(s)	U	Under
CUST	Custodian for	GDNSHP	Guardianship	UA	Agreement

Abbreviation	Equivalent Word	Abbreviation	Equivalent Word	Abbreviation	Equivalent Word
DEC	Declaration	MIN	Minor(s)	UW	Under will of, Of will of, Under last will & testament
EST	Estate, of Estate of				

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto _____
_____
_____
_____.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE
PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

Depositary Shares represented by the within Receipt, and do(es) hereby irrevocably constitute and appoint _____Attorney to transfer the said Depositary Shares on the books of the within named Depositary with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature: _____

NOTICE: The signature to the assignment must correspond with the name as written upon the face of this Receipt in every particular, without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED

NOTICE: The signature(s) should be guaranteed by a participant in a Medallion Signature Guarantee Program at a guarantee level acceptable to the Corporation's transfer agent. Guarantees by a notary public are not acceptable.

EXHIBIT A

FORM OF RECEIPT

[FORM OF FACE OF RECEIPT]

THE DEPOSITARY SHARES REPRESENTED BY THIS CERTIFICATE ARE NOT SAVINGS ACCOUNTS, DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.

IF GLOBAL RECEIPT IS ISSUED: UNLESS THIS RECEIPT IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO NORTHPOINTE BANCSHARES, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY RECEIPT ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL RECEIPT SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL RECEIPT SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE DEPOSIT AGREEMENT REFERRED TO BELOW.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR AND TRANSFER AGENT MAY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

DEPOSITARY SHARES

DEPOSITARY RECEIPT FOR DEPOSITARY SHARES, EACH
REPRESENTING ONE-FOURTIETH OF ONE SHARE OF
8.25% FIXED-TO FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES A

OF

NORTHPOINTE BANCSHARES, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF MICHIGAN

CUSIP [·]

SEE REVERSE FOR CERTAIN DEFINITIONS

Computershare Inc., a Delaware corporation, and Computershare Trust Company, N.A., a national banking association, acting jointly as Depositary (the "Depositary"), hereby certify that CEDE & Co. is the registered owner of DEPOSITARY SHARES ("Depositary Shares"), each Depositary Share representing a one-fortieth of one share of "8.25% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series A, no par value per share, liquidation preference $1,000 per share (the "Series A Preferred Stock"), of Northpointe Bancshares, Inc. a Michigan corporation (the "Corporation"), on deposit with the Depositary, subject to the terms and entitled to the benefits of the Deposit Agreement dated as of December 29, 2020 (the "Deposit Agreement"), among the Corporation, the Depositary and the holders from time to time of the Depositary Receipts. By accepting this Depositary Receipt, the holder hereof becomes a party to and agrees to be bound by all the terms and conditions of the Deposit Agreement. This Depositary Receipt shall not be valid or obligatory for any purpose or entitled to any benefits under the Deposit Agreement unless it shall have been executed by the Depositary by either the manual or facsimile signature of a duly authorized officer. To the extent a Registrar (other than the Depositary) is also appointed, such Registrar may countersign by either manual or facsimile signature of a duly authorized officer thereof.

Dated: _____, 20

Computershare Inc. and Computershare Trust Company, N.A., acting jointly as Depositary

COMPUTERSHARE INC., as Depositary

By: _____
Name:
Title:

COMPUTERSHARE TRUST COMPANY, N.A., as Depositary

By: _____
Name:
Title:

Exhibit 4.3

DEPOSIT AGREEMENT

AMONG

NORTHPOINTE BANCSHARES, INC.,
AS ISSUER

AND

COMPUTERSHARE INC. AND COMPUTERSHARE TRUST COMPANY, N.A.,
JOINTLY AS DEPOSITARY

AND

THE HOLDERS FROM TIME TO TIME OF THE DEPOSITARY RECEIPTS
DESCRIBED HEREIN

DATED AS OF DECEMBER 30, 2021

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DEPOSIT AGREEMENT

DEPOSIT AGREEMENT, dated as of December 30, 2021, among: (i) NORTHPOINTE BANCSHARES, INC., a Michigan corporation; (ii) COMPUTERSHARE INC., a Delaware corporation ("Computershare"), and its wholly owned subsidiary, COMPUTERSHARE TRUST COMPANY, N.A., a national banking association (the "Trust Company"), jointly as Depositary (as hereinafter defined); and (iii) the holders from time to time of the Receipts described herein.

WHEREAS, it is desired to provide, as hereinafter set forth in this Deposit Agreement, for the deposit of shares of the Series B Preferred Stock of the Corporation (as defined herein) from time to time with the Depositary for the purposes set forth in this Deposit Agreement and for the issuance hereunder of Receipts evidencing Depositary Shares in respect of shares of the Series B Preferred Stock so deposited; and

WHEREAS, the Receipts are to be substantially in the form of Exhibit A attached hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Deposit Agreement;

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

ARTICLE I
DEFINED TERMS

Section 1.1 Definitions. The following definitions shall for all purposes, unless otherwise indicated, apply to the respective terms used in this Deposit Agreement:

"Affiliate" shall mean, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For the purpose of this definition, "controlling," "controlled by" or "under common control with" mean the ownership, direct or indirect, of the power to direct or cause the direction of the operation or management and policies of a Person, whether through the ownership or control of voting interests, by contract or otherwise.

"Articles of Amendment" means those articles of amendment to the Articles of Incorporation of the Corporation filed by the Corporation with the Department of Licensing and Regulatory Affairs on December 28, 2021 establishing the Series B Preferred Stock, including the standard provisions included in Annex A thereto.

"Charter" means the Articles of Incorporation of the Corporation

"Computershare" shall have the meaning set forth in the preamble hereto.

"Corporation" shall mean Northpointe Bancshares, Inc., a Michigan corporation, and its successors.

"Deposit Agreement" shall mean this Deposit Agreement, as amended or supplemented from time to time in accordance with the terms hereof.

"Depositary" shall mean Computershare and the Trust Company, acting jointly, and any successor as Depositary hereunder.

"Depositary Shares" shall mean the depositary shares, each representing a one-fortieth ($1/40^{th}$) interest in one share of the Series B Preferred Stock, and evidenced by a Receipt.

"Depositary's Agent" shall mean an agent appointed by the Depositary pursuant to Section 7.5.

"Depositary's Office" shall mean the office of the Depositary at which at any particular time its depositary receipt business shall be administered, which at the date of this Deposit Agreement is located at 150 Royall Street, Canton, MA 02021.

"DTC" shall mean The Depository Trust Company.

"Exchange Event" shall mean with respect to any Global Registered Receipt:

(1)(A) the Global Receipt Depository which is the Holder of such Global Registered Receipt notifies the Corporation that it is no longer willing or able to properly discharge its responsibilities under any Letter of Representations or that it is no longer registered as a clearing agency under the Securities Exchange Act of 1934, as amended, and (B) the Corporation has not appointed a qualified successor Global Receipt Depository within ninety (90) calendar days after the Corporation received such notice, or

(2) the Corporation in its sole discretion notifies the Depositary in writing that the Receipts or portion thereof issued or issuable in the form of one or more Global Registered Receipts shall no longer be represented by such Global Registered Receipt.

"Funds" shall have the meaning set forth in Section 2.1.

"Global Receipt Depository" shall mean, with respect to any Receipt issued hereunder, DTC or such other entity designated as Global Receipt Depository by the Corporation in or pursuant to this Deposit Agreement, which entity must be, to the extent required by any applicable law or regulation, a clearing agency registered under the Securities Exchange Act of 1934, as amended.

"Global Registered Receipt" shall mean a global registered Receipt registered in the name of a nominee of DTC.

"Letter of Representations" shall mean any applicable agreement among the Corporation, the Depositary and a Global Receipt Depository with respect to such Global Receipt Depository's rights and obligations with respect to any Global Registered Receipt, as the same may be amended, supplemented, restated or otherwise modified from time to time and any successor agreement thereto.

"Person" shall mean any natural person, partnership, joint venture, firm, corporation, limited liability company, limited liability partnership, unincorporated association, trust or other entity, and shall include any successor (by merger or otherwise) of the foregoing.

"Receipt" shall mean one of the depositary receipts issued hereunder, substantially in the form set forth as Exhibit A hereto, whether in definitive or temporary form, and evidencing the number of Depositary Shares held of record by the Record Holder of such Depositary Shares.

"Record Holder" or "Holder" as applied to a Receipt shall mean the Person in whose name such Receipt is registered on the books of the Depositary maintained for such purpose.

"Redemption Date" shall have the meaning set forth in Section 2.8.

"Registrar" shall mean the Trust Company or such other successor bank or trust company which shall be appointed by the Corporation to register ownership and transfers of Receipts or the deposited shares of Series B Preferred Stock, as the case may be, as herein provided and if a successor Registrar shall be so appointed, references herein to "the books" of or maintained by the Depositary shall be deemed, as applicable, to refer as well to the register maintained by such Registrar for such purpose.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Series B Preferred Stock" shall mean the shares of the Corporation's Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series B, $1,000 liquidation preference per share, designated in the Articles of Amendment.

"Signature Guarantee" shall have the meaning set forth in Section 2.1.

"Transfer Agent" shall mean the Trust Company or such other successor bank or trust company which shall be appointed by the Corporation to transfer the Receipts or the deposited shares of Series B Preferred Stock, as the case may be, as herein provided.

"Trust Company" shall have the meaning set forth in the preamble hereto.

ARTICLE II
FORM OF RECEIPTS, DEPOSIT OF THE SERIES B PREFERRED STOCK, EXECUTION AND DELIVERY, TRANSFER, SURRENDER AND REDEMPTION OF RECEIPTS

Section 2.1 Form and Transfer of Receipts. The definitive Receipts shall be substantially in the form set forth in Exhibit A attached to this Deposit Agreement, with appropriate insertions, modifications and omissions, as hereinafter provided (but which do not affect the rights, duties, obligations or immunities of the Depositary as set forth in this Deposit Agreement without the Depositary's consent). Pending the preparation of definitive Receipts, the Depositary, upon the written order of the Corporation, delivered in compliance with Section 2.2, shall be authorized and instructed to, and shall execute and deliver temporary Receipts which may be printed, lithographed, typewritten, mimeographed or otherwise substantially of the tenor of the definitive Receipts in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the Persons executing such Receipts may determine, as evidenced by their execution of such Receipts. If temporary Receipts are issued, the Corporation and the Depositary will cause definitive Receipts to be prepared without unreasonable delay. After the preparation of definitive Receipts, the temporary Receipts shall be exchangeable for definitive Receipts upon surrender of the temporary Receipts at the Depositary's Office or at such other place or places as the Depositary shall determine, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Receipts, the Depositary is hereby authorized and instructed to, and shall execute and deliver in exchange therefor definitive Receipts representing the same number of Depositary Shares as represented by the surrendered temporary Receipt or Receipts registered in the name (and only in the name) of the holder of the temporary Receipt(s); *provided* that, the Depositary has been provided with all necessary information that it may request in order to execute and deliver such definitive Receipts. Such exchange shall be made at the Corporation's expense and without any charge therefor. Until so exchanged, the temporary Receipts shall in all respects be entitled to the same benefits under this Deposit Agreement, and with respect to the Series B Preferred Stock, as definitive Receipts.

Any Receipt to be executed by the Depositary pursuant to this Deposit Agreement shall be executed by the Depositary by the manual, electronic or facsimile signature of a duly authorized officer of the Depositary. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose unless it shall have been executed manually, electronically or by the facsimile signature of a duly authorized officer of the Depositary or, if a Registrar for the Receipts (other than the Depositary) shall have been appointed, by manual, electronic or facsimile signature of a duly authorized officer of such Registrar. The Depositary shall record on its books each Receipt so signed and delivered as hereinafter provided.

Receipts shall be in denominations of any number of whole Depositary Shares. All Receipts shall be dated the date of their issuance.

Receipts may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Deposit Agreement, all as may be required by the Depositary and approved by the Corporation or required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange upon which the Series B Preferred Stock, the Depositary Shares or the Receipts may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipt is subject (but which do not affect the rights, duties, obligations or immunities of the Depositary as set forth in this Deposit Agreement without the Depositary's consent).

Title to Depositary Shares evidenced by a Receipt which is properly endorsed or accompanied by a properly executed instrument of transfer accompanied by a guarantee of the signature thereon by a participant in a Medallion Signature Guarantee Program at a guarantee level acceptable to the Transfer Agent (a "Signature Guarantee"), shall be transferable by delivery of such Receipt with the same effect as if such Receipt were a negotiable instrument; *provided*, *however*, that until transfer of any particular Receipt shall be registered on the books of the Depositary as provided in Section 2.3, the Depositary may, notwithstanding any notice to the contrary, treat the Record Holder thereof at such time as the absolute owner thereof for the purpose of determining the Person entitled to distributions of dividends or other distributions or to any notice provided

for in this Deposit Agreement and for all other purposes.

The Corporation shall provide an opinion of counsel to the Depositary at the date of this Deposit Agreement in form and substance reasonably satisfactory to the Depositary containing opinions relating to, (A) the existence and good standing of the Corporation, (B) the due authorization of the Depositary Shares and the status of the Depositary Shares as validly issued, fully paid and non-assessable, and (C) the effectiveness of any registration statement under the Securities Act relating to the Depositary Shares or whether exemption from such registration is applicable.

Section 2.2 Deposit of the Series B Preferred Stock; Execution and Delivery of Receipts in Respect Thereof Subject to the terms and conditions of this Deposit Agreement, the Corporation may from time to time deposit shares of Series B Preferred Stock under this Deposit Agreement by delivery to the Depositary, including via direct registration for shares of Series B Preferred Stock in uncertificated form, for such shares of Series B Preferred Stock to be deposited (or in such other manner as may be agreed to by the Corporation and the Depositary), properly endorsed or accompanied, if required by the Depositary, by a duly executed instrument of transfer or endorsement, in a form reasonably satisfactory to the Depositary, together with (i) all such certifications as may be required by the Depositary pursuant to this Deposit Agreement, (ii) an opinion of counsel to the Corporation addressed to the Depositary containing opinions, or a letter of counsel to the Corporation authorizing reliance on such counsel's opinions delivered to the underwriters named therein, relating to, (A) the existence and good standing of the Corporation, (B) the due authorization of the Series B Preferred Stock and the status of the Series B Preferred Stock as validly issued, fully paid and non-assesable, (C) the valid issuance of the Depositary Shares and that the Depositary Shares are entitled to the rights set forth in this Deposit Agreement, and (D) the effectiveness of any registration statement under the Securities Act relating to the Series B Preferred Stock and the Depositary Shares or whether exemption from such registration is applicable and (iii) an instruction letter from the Corporation authorizing the Depositary to register such shares of the Series B Preferred Stock in uncertificated form by direct registration, each in form satisfactory to the Depositary, together with all such certifications as may be required by the Depositary in accordance with the provisions of this Deposit Agreement, and together with a written order of the Corporation directing the Depositary to execute and deliver to, or upon the written order of, the Person or Persons stated in such order, a Receipt or Receipts evidencing in the aggregate the number of Depositary Shares representing such deposited shares of the Series B Preferred Stock.

The shares of the Series B Preferred Stock that are deposited shall be held by the Depositary at the Depositary's Office or at such other place or places as the Depositary shall determine. As Registrar and Transfer Agent for the deposited Series B Preferred Stock, Trust Company will reflect changes in the number of shares of deposited Series B Preferred Stock held by it by notation, book-entry, or other appropriate method. The Depositary shall not lend any shares of the Series B Preferred Stock deposited hereunder.

Upon receipt by the Depositary of shares of the Series B Preferred Stock deposited in accordance with the provisions of this Section 2.2, together with the other documents required as above specified, and upon recordation of the shares of the Series B Preferred Stock on the books of the Corporation (or its duly appointed transfer agent) in the name of the Depositary or its nominee, the Depositary, subject to the terms and conditions of this Deposit Agreement, shall execute and deliver to or upon the order of the Person or Persons named in the written order delivered to the Depositary referred to in the first paragraph of this Section 2.2, a Receipt or Receipts evidencing in the aggregate the number of Depositary Shares representing the shares of the Series B Preferred Stock so deposited and registered in such name or names as may be requested by such Person or Persons. The Depositary shall execute and deliver such Receipt or Receipts at the Depositary's Office or such other offices, if any, as the Depositary may designate. Delivery at other offices shall be at the risk and expense of the Person requesting such delivery. For the avoidance of doubt, the Depositary may, if specified in a written direction from the Corporation, issue Receipts in book-entry, rather than certificated, form.

Section 2.3 Registration of Transfer of Receipts. The Corporation hereby appoints Computershare and the Trust Company, collectively as the Depositary and the Trust Company as the Registrar and Transfer Agent for the Receipts and appoints Computershare as distribution agent for the Receipts, and each of Computershare and the Trust Company hereby accept their respective appointments, subject to the express terms and conditions of this Deposit Agreement (and no implied terms or conditions). The Trust Company, as Registrar and Transfer Agent, shall register on its books from time to time transfers of Receipts upon any surrender thereof by the Holder in person or by duly authorized attorney, properly endorsed or accompanied by a properly executed instrument of transfer or endorsement, including a Signature Guarantee, together with (if applicable) evidence of the payment of any taxes or charges as may be required by law. Thereupon, the Depositary shall execute a new Receipt or Receipts evidencing the same aggregate number of Depositary Shares as those evidenced by the Receipt or Receipts surrendered and deliver such new Receipt or Receipts to or upon the order of the Person entitled thereto. With respect to the appointment of the Trust Company as Registrar and Transfer Agent in respect of the Receipts, the Trust Company, in its respective capacities under such appointments, shall be entitled to the same rights, indemnities, immunities and benefits as the Depositary hereunder as if explicitly named in each such provision, and shall provide services as provided in the Stock Transfer Agency Agreement, dated as of January 1, 2004 (as amended or supplemented from time to time in accordance with the terms thereof), between the Corporation and the Trust Company (the "Transfer Agency Agreement"), in the performance of its duties in such respective capacities.

Section 2.4 Split-ups and Combinations of Receipts; Surrender of Receipts and Withdrawal of the Series B Preferred Stock. Upon surrender of a Receipt or Receipts at the Depositary's Office or at such other offices as it may designate for the purpose of effecting a split-up or combination of such Receipt or Receipts, and the receipt by the Depositary of all other necessary information and documents, and subject to the terms and conditions of this Deposit Agreement, the Depositary shall execute a new Receipt or Receipts in the authorized denomination or denominations requested, evidencing the aggregate number of Depositary Shares evidenced by the Receipt or Receipts surrendered, and shall deliver such new Receipt or Receipts to or upon the order of the Holder of the Receipt or Receipts so surrendered.

Any Holder of a Receipt or Receipts may withdraw the number of whole shares of the Series B Preferred Stock and all money and other property, if any, represented thereby by surrendering such Receipt or Receipts at the Depositary's Office or at such other offices as the Depositary may designate for such withdrawals; *provided*, *however*, that a Holder of a Receipt or Receipts may not withdraw such whole shares of Series B Preferred Stock (or money and other property, if any, represented thereby) which has previously been called for redemption. After such surrender and upon the receipt of written instructions from the Holder of such Receipt or Receipts, without unreasonable delay (provided the Corporation has provided the Depositary with all necessary documentation), the Depositary shall deliver to such Holder, or to the Person or Persons designated by such Holder as hereinafter provided, the number of whole shares of the Series B Preferred Stock and all money and other property, if any, represented by the Receipt or Receipts so surrendered for withdrawal, but Holders of such whole shares of the Series B Preferred Stock will not thereafter be entitled to deposit such shares of the Series B Preferred Stock hereunder or to receive a Receipt evidencing Depositary Shares therefor. Delivery of such shares of the Series B Preferred Stock and such money and other property being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem appropriate (or in such other manner as may be agreed to by the Corporation and the Depositary), which, if required by the Depositary, shall be properly endorsed or accompanied by proper instruments of transfer. If a Receipt delivered by the Holder to the Depositary in connection with such withdrawal shall evidence a number of Depositary Shares in excess of the number of Depositary Shares representing the number of whole shares of the Series B Preferred Stock to be withdrawn, the Depositary shall at the same time, in addition to such number of whole shares of the Series B Preferred Stock and such money and other property, if any, to be so withdrawn, deliver to such Holder, or subject to Section 2.3 upon such Holder's order, a new Receipt evidencing such excess number of Depositary Shares.

In no event will fractional shares of the Series B Preferred Stock (or any cash payment in lieu thereof) be delivered by the Depositary. Delivery of shares of the Series B Preferred Stock and money and other property, if any, being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem appropriate (or in such other manner as may be agreed to by the Corporation and the Depositary).

If shares of the Series B Preferred Stock and the money and other property, if any, being withdrawn are to be delivered to a Person or Persons other than the Record Holder of the related Receipt or Receipts being surrendered for withdrawal of such shares of the Series B Preferred Stock, such Holder shall execute and deliver to the Depositary a written order so directing the Depositary and the Depositary may require that the Receipt or Receipts surrendered by such Holder for withdrawal of such shares of the Series B Preferred Stock be properly endorsed in blank or accompanied by a properly executed instrument of transfer in blank.

Delivery of shares of the Series B Preferred Stock and the money and other property, if any, represented by Receipts surrendered for withdrawal shall be made by the Depositary at the Depositary's Office, except that, at the request, risk and expense of the Holder surrendering such Receipt or Receipts and for the account of the Holder thereof, such delivery may be made at such other place as may be designated by such Holder.

Section 2.5 Limitations on Execution and Delivery, Transfer, Surrender and Exchange of Receipts. As a condition precedent to the execution and delivery, registration of transfer, split-up, combination, surrender or exchange of any Receipt, the Depositary, any of the Depositary's Agents or the Corporation may require (i) payment to it of a sum sufficient for the payment (or, in the event that the Depositary or the Corporation shall have made such payment, the reimbursement to it) of any charges, taxes or expenses payable by the Holder of a Receipt pursuant to Section 5.7 (including any such tax or charge with respect to the shares of Series B Preferred Stock being deposited or withdrawn or any charges or expense pursuant to Section 3.2), (ii) the production of evidence satisfactory to it as to the identity and genuineness of any signature (which evidence may include a Signature Guarantee), and (iii) any other reasonable evidence of authority that may be required by the Depositary, and may also require compliance with such regulations, if any, as the Depositary or the Corporation may establish consistent with the provisions of this Deposit Agreement and/or applicable law and as may be required by any securities exchange on which the Series B Preferred Stock, the Depositary Shares, or the Receipts may be listed.

The deposit of shares of the Series B Preferred Stock may be refused, the delivery of Receipts against shares of the Series B Preferred Stock may be suspended, the registration of transfer of Receipts may be refused and the registration of transfer, surrender or exchange of outstanding Receipts may be suspended (i) during any period when the register of shareholders of the Corporation is closed or (ii) if any such action is deemed necessary or advisable by the Depositary, any of the Depositary's Agents, or the Corporation at any time or from time to time because of any requirement of law or of any government or governmental body or commission or under any provision of this Deposit Agreement.

Section 2.6 Lost Receipts, etc. In case any Receipt shall be mutilated, destroyed, lost or stolen, the Depositary in its discretion may, absent notice to the Depositary that such Receipt has been acquired by a bona fide purchaser, execute and deliver a Receipt of like form and tenor in exchange and substitution for such mutilated Receipt, or in lieu of and in substitution for such destroyed, lost or stolen Receipt, only upon (i) the filing by the Holder thereof with the Depositary of evidence satisfactory to the Depositary of such destruction or loss or theft of such Receipt, of the authenticity thereof and of the Holder's ownership thereof; (ii) the Holder thereof furnishing the Depositary with an affidavit and an open penalty surety bond reasonably satisfactory to the Depositary, holding the Depositary and the Corporation harmless; and (iii) the payment of any reasonable expense (including reasonable fees, charges and expenses of the Depositary) in connection with such execution and delivery. Such Holder shall also comply with such other reasonable regulations and pay such other reasonable charges as the Depositary may prescribe and as required by Section 8-405 of the Uniform Commercial Code in effect in the State of New York.

Section 2.7 Cancellation and Destruction of Surrendered Receipts. All Receipts surrendered to the Depositary or any Depositary's Agent shall be cancelled by the Depositary. Except as prohibited by applicable law or regulation, the Depositary is authorized and directed to destroy all Receipts so cancelled.

Section 2.8 Redemption of the Series B Preferred Stock. Whenever the Corporation shall be permitted and shall elect to redeem shares of the Series B Preferred Stock in accordance with the terms of the Articles of Amendment, it shall (unless otherwise agreed to in writing with the Depositary) give or cause to be given to the Depositary, not less than thirty (30) days and not more than sixty (60) days prior to the Redemption Date (as defined below), notice of the date of such proposed redemption of shares of the Series B Preferred Stock and of the number of such shares held by the Depositary to be so redeemed and the applicable redemption price, which notice shall be accompanied by a certificate from the Corporation stating that such redemption of shares of the Series B Preferred Stock is in accordance with the provisions of the Articles of Amendment. On the date of such redemption, *provided* that the Corporation shall then have paid or caused to be paid in full to Computershare the redemption price of the Series B Preferred Stock to be redeemed, plus an amount equal to any declared and unpaid dividends, without accumulation of any undeclared dividends, thereon to the date fixed for redemption to be redeemed, in accordance with the provisions of the Articles of Amendment, the Depositary shall redeem the number of Depositary Shares representing such shares of the Series B Preferred Stock. The Depositary shall, if requested in writing and provided with all necessary information, mail the notice of the Corporation's redemption of shares of the Series B Preferred Stock and the proposed simultaneous redemption of the number of Depositary Shares representing such shares of the Series B Preferred Stock to be redeemed by first-class mail, postage prepaid, at the respective last addresses as they appear on the records of the Depositary, or transmit in accordance with the applicable procedures of any Global Receipt Depository or by such other method approved by the Depositary, in its reasonable discretion, in either case not less than twenty-five (25) days and not more than sixty (60) days prior to the date fixed for redemption of such shares of the Series B Preferred Stock and Depositary Shares (the "Redemption Date"), to the Record Holders of the Receipts evidencing the Depositary Shares to be so redeemed at the addresses of such Holders as they appear on the records of the Depositary; but neither failure to mail or transmit any such notice of redemption of Depositary Shares to one or more such Holders nor any defect in any notice of redemption of Depositary Shares to one or more such Holders shall affect the sufficiency of the proceedings for redemption as to the other Holders. Each such notice shall be prepared by the Corporation and shall state: (i) the Redemption Date; (ii) the number of Depositary Shares to be redeemed and, if less than all the Depositary Shares held by any such Holder are to be redeemed, the number of such Depositary Shares held by such Holder to be so redeemed; (iii) the redemption price; (iv) the place or places where Receipts evidencing such Depositary Shares are to be surrendered for payment of the redemption price; and (v) that dividends in respect of the Series B Preferred Stock represented by such Depositary Shares to be redeemed will cease to accrue on such Redemption Date. In case less than all the outstanding Depositary Shares are to be redeemed, the Depositary Shares to be so redeemed shall be selected either pro rata or by lot or in such other manner as the Corporation may determine to be fair and equitable and, if applicable, permitted by DTC and the rules of any national securities exchange on which any of the shares of Series B Preferred Stock or Depositary Shares are listed (which determination the Corporation will promptly notify the Depositary in writing). In any such case, the Depositary Shares shall only be redeemed in increments of 40 shares and any integral multiple thereof.

Notice having been mailed or transmitted by the Depositary as aforesaid, from and after the Redemption Date (unless the Corporation shall have failed to provide the

funds necessary to redeem shares of the Series B Preferred Stock evidenced by the Depositary Shares called for redemption) (i) all dividends on the shares of the Series B Preferred Stock so called for redemption shall cease to accrue from and after such date; (ii) the Depositary Shares being redeemed from such proceeds shall be deemed no longer to be outstanding; (iii) all rights of the Holders of Receipts evidencing such Depositary Shares (except the right to receive the redemption price) shall, to the extent of such Depositary Shares, cease and terminate; and (iv) upon surrender in accordance with such redemption notice of the Receipts evidencing any such Depositary Shares called for redemption (properly endorsed or assigned for transfer, if the Depositary or applicable law shall so require), such Depositary Shares shall be redeemed by the Depositary at a redemption price per Depositary Share equal to one-fortieth ($1/40^{th}$) of the redemption price per share of the Series B Preferred Stock so redeemed plus all money and other property, if any, represented by such Depositary Shares, including all amounts paid by the Corporation in respect of dividends which on the Redemption Date have been declared on the shares of the Series B Preferred Stock to be so redeemed and have not theretofore been paid (it being understood that, in accordance with the provisions of the Articles of Amendment, any declared but unpaid dividends payable on a Redemption Date that occurs subsequent to the record date fixed pursuant to Section 4.4 for a dividend period shall not be paid to the Holder of a Receipt entitled to receive the redemption price on the Redemption Date, but rather shall be paid to the Holder of such Receipt on such record date).

If fewer than all of the Depositary Shares evidenced by a Receipt are called for redemption, the Depositary will deliver to the Holder of such Receipt upon its surrender to the Depositary, together with the redemption payment, a new Receipt evidencing the Depositary Shares evidenced by such prior Receipt and not called for redemption.

Section 2.9 Receipts Issuable in Global Registered Form. If the Corporation shall determine in a writing delivered to the Depositary that the Receipts are to be issued in whole or in part in the form of one or more Global Registered Receipts, then the Depositary shall, if instructed and provided with all necessary information, in accordance with the other provisions of this Deposit Agreement, execute and deliver one or more Global Registered Receipts evidencing the Receipts of such series, which (i) shall represent, and shall be denominated in an amount equal to the aggregate number of Depositary Shares evidenced by, the Receipts to be represented by such Global Registered Receipt or Receipts and (ii) shall be registered in the name of the Global Receipt Depository therefor or its nominee.

Notwithstanding any other provision of this Deposit Agreement to the contrary, unless otherwise provided in the Global Registered Receipt, a Global Registered Receipt may only be transferred in whole and only by the applicable Global Receipt Depository for such Global Registered Receipt to a nominee of such Global Receipt Depository, or by a nominee of such Global Receipt Depository to such Global Receipt Depository or another nominee of such Global Receipt Depository, or by such Global Receipt Depository or any such nominee to a successor Global Receipt Depository for such Global Registered Receipt selected or approved by the Corporation or to a nominee of such successor Global Receipt Depository. Except as provided below, owners solely of beneficial interests in a Global Registered Receipt shall not be entitled to receive physical delivery of the Receipts represented by such Global Registered Receipt or to have such Receipts, or the Depositary Shares represented by those Receipts, registered in their names. Neither any such beneficial owner nor any direct or indirect participant of a Global Receipt Depository shall have any rights under this Deposit Agreement with respect to any Global Registered Receipt held on their behalf by a Global Receipt Depository and such Global Receipt Depository may be treated by the Corporation, the Depositary and any director, officer, employee or agent of the Corporation or the Depositary as the Holder of such Global Registered Receipt for all purposes whatsoever. Unless and until definitive Receipts are delivered to the owners of the beneficial interests in a Global Registered Receipt, (1) the applicable Global Receipt Depository will make book-entry transfers among its participants and receive and transmit all payments and distributions in respect of the Global Registered Receipts to such participants, in each case, in accordance with its applicable procedures and arrangements, and (2) whenever any notice, payment or other communication to the holders of Global Registered Receipts is required under this Deposit Agreement, the Corporation and the Depositary shall give all such notices, payments and communications specified herein to be given to such holders to the applicable Global Receipt Depository.

If an Exchange Event has occurred with respect to any Global Registered Receipt, then, in any such event, the Depositary shall, upon receipt of a written order from the Corporation authorizing and directing the Depositary to execute and deliver the individual definitive registered Receipts in exchange for such Global Registered Receipt, execute and deliver individual definitive registered Receipts, in authorized denominations and of like terms, in an aggregate number of Depositary Shares equal to the aggregate number of Depositary Shares represented by the Global Registered Receipt being delivered in exchange for such Receipts. The Depositary shall have no duties, obligations or liability under this paragraph unless and until such written order has been received by the Depositary.

Definitive registered Receipts issued in exchange for a Global Registered Receipt pursuant to this Section 2.9 shall be registered in such names and in such authorized denominations as the Global Receipt Depository for such Global Registered Receipt, pursuant to instructions from its participants, shall instruct the Depositary in writing. The Depositary shall deliver such Receipts to the Persons in whose names such Receipts are so registered.

Notwithstanding anything to the contrary in this Deposit Agreement, should the Corporation determine that the Receipts should be issued as a Global Registered Receipt, the parties hereto shall comply with the terms of each Letter of Representations.

Section 2.10 Bank Accounts. All funds received by Computershare under this Deposit Agreement that are to be distributed or applied by Computershare in the performance of services (the "Funds") shall be held by Computershare as agent for the Corporation and deposited in one or more bank accounts to be maintained by Computershare in its name as agent for the Corporation. Until paid pursuant to this Deposit Agreement, Computershare may hold or invest the Funds through such accounts in: (i) obligations of, or guaranteed by, the United States of America, (ii) commercial paper obligations rated A-1 or P-1 or better by Standard & Poor's Global Ratings (" S&P") or Moody's Investors Service, Inc. ("Moody's"), respectively, (iii) money market funds that comply with Rule 2a-7 of the Investment Company Act of 1940, or (iv) demand deposit accounts, short term certificates of deposit, bank repurchase agreements or bankers' acceptances, of commercial banks with Tier 1 capital exceeding $1 billion or with an average rating above investment grade by S&P (LT Local Issuer Credit Rating), Moody's (Long Term Rating) and Fitch Ratings, Inc. (LT Issuer Default Rating) (each as reported by Bloomberg Finance L.P.). Depositary shall have no responsibility or liability for any diminution of the Funds that may result from any deposit or investment made by Computershare in accordance with this paragraph, except for any losses resulting from a default by any bank, financial institution or other third party. Computershare may from time to time receive interest, dividends or other earnings in connection with such deposits or investments. Depositary shall not be obligated to pay such interest, dividends or earnings to the Corporation, any holder or any other party. On the date of this Deposit Agreement, Computershare shall provide the Corporation with the account information for the account to which the Corporation shall deliver the cash dividends and other cash distributions on the Series B Preferred Stock. Computershare may update such account information from time to time by notice to the Corporation provided in accordance with Section 7.4.

ARTICLE III
CERTAIN OBLIGATIONS OF HOLDERS OF RECEIPTS AND THE CORPORATION

Section 3.1 Filing Proofs, Certificates and Other Information. Any Holder of a Receipt may be required from time to time to file such proof of residence, or other matters or other information, to execute such certificates and to make such representations and warranties as the Depositary or the Corporation may reasonably deem necessary or proper. The Depositary or the Corporation may withhold the delivery, or delay the registration of transfer or redemption, of any Receipt or the withdrawal of shares of the Series B Preferred Stock represented by the Depositary Shares and evidenced by a Receipt or the distribution of any dividend or other distribution or the sale of any rights or of the proceeds thereof until such proof or other information is filed or such certificates are executed or such representations and warranties are made.

Section 3.2 Payment of Taxes or Other Governmental Charges. Holders of Receipts shall be obligated to make payments to the Depositary of certain taxes, charges

and expenses, as provided in Section 5.7. Registration of transfer of any Receipt or any withdrawal of shares of the Series B Preferred Stock and all money or other property, if any, represented by the Depositary Shares evidenced by such Receipt may be refused until any such payment due is made, and any dividends, interest payments or other distributions may be withheld or any part of or all shares of the Series B Preferred Stock or other property represented by the Depositary Shares evidenced by such Receipt and not theretofore sold may be sold for the account of the Holder thereof (after attempting by reasonable means to notify such Holder prior to such sale), and such dividends, interest payments or other distributions or the proceeds of any such sale may be applied to any payment of such charges or expenses, the Holder of such Receipt remaining liable for any deficiency. The Depositary shall not have any duty or obligation to take any action under any section of this Deposit Agreement that requires the payment of taxes and/or charges unless and until it is satisfied that all such payments have been made.

Section 3.3 Warranty as to the Series B Preferred Stock. The Corporation hereby represents and warrants that shares of the Series B Preferred Stock, when issued, will be duly authorized, validly issued, fully paid and nonassessable. Such representation and warranty shall survive the deposit of shares of the Series B Preferred Stock and the issuance of the related Receipts.

Section 3.4 Warranty as to Receipts. The Corporation hereby represents and warrants that the Receipts, when issued, will represent legal and valid interests in shares of the Series B Preferred Stock. Such representation and warranty shall survive the deposit of shares of the Series B Preferred Stock and the issuance of the Receipts.

ARTICLE IV
THE DEPOSITED SECURITIES; NOTICES

Section 4.1 Cash Distributions. Whenever Computershare, as distribution agent, shall receive any cash dividend or other cash distribution on the Series B Preferred Stock, Computershare shall, subject to Sections 3.1 and 3.2 and, if received, in accordance with written instructions from the Corporation, distribute to Record Holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of such dividend or distribution as are, as nearly as practicable, in proportion to the respective numbers of Depositary Shares evidenced by the Receipts held by such Holders; *provided*, *however*, that in case the Corporation or Computershare shall be required to withhold and shall withhold from any cash dividend or other cash distribution in respect of the Series B Preferred Stock an amount on account of taxes, the amount made available for distribution or distributed in respect of Depositary Shares shall be reduced accordingly. Computershare, as distribution agent, shall distribute or make available for distribution, as the case may be and, if received, in accordance with the Corporation's written instructions, only such amount, however, as can be distributed without attributing to any Holder of Receipts a fraction of one cent, and any balance not so distributable shall be held by Computershare (without liability for interest thereon) and shall be added to and be treated as part of the next sum received by Computershare for distribution to Record Holders of Receipts then outstanding. Each Holder of a Receipt shall provide the Depositary with its certified tax identification number on a properly completed Form W-8 or W-9 or other appropriate form, as may be applicable. Each Holder of a Receipt acknowledges that, in the event of non-compliance with the preceding sentence, the Internal Revenue Code of 1986, as amended, may require withholding by the Depositary of a portion of any of the distributions to be made to such Holder hereunder.

Section 4.2 Distributions Other than Cash, Rights, Preferences or Privileges. Whenever the Depositary shall receive any distribution other than cash, rights, preferences or privileges upon the Series B Preferred Stock, the Depositary shall, subject to Sections 3.1 and 3.2, distribute to Record Holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of the securities or property received by it as are, as nearly as practicable, in proportion to the respective numbers of Depositary Shares evidenced by such Receipts held by such Holders, in any manner that the Corporation, in consultation with the Depositary may deem equitable and practicable for accomplishing such distribution. If in the opinion of the Depositary and the Corporation that such distribution cannot be made proportionately among such Record Holders, or if for any other reason (including any requirement that the Corporation or the Depositary withhold an amount on account of taxes or charges), the Depositary deems, after consultation with the Corporation, such distribution not to be feasible, the Depositary may, with the approval of the Corporation, adopt such method as deemed equitable and practicable by the Corporation for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, in a commercially reasonable manner. The net proceeds of any such sale shall, subject to Sections 3.1 and 3.2, be distributed or made available for distribution, as the case may be, by Computershare to Record Holders of Receipts as provided by Section 4.1 in the case of a distribution received in cash. The Corporation shall not make any distribution of such securities or property to the Depositary and the Depositary shall not make any distribution of such securities or property to the Holders of Receipts unless the Corporation shall have provided to the Depositary an opinion of counsel stating that such securities or property have been registered under the Securities Act or do not need to be registered in connection with such distributions.

Section 4.3 Subscription Rights, Preferences or Privileges. If the Corporation shall at any time offer or cause to be offered to the Persons in whose names shares of the Series B Preferred Stock is recorded on the books of the Corporation any rights, preferences or privileges to subscribe for or to purchase any securities or any rights, preferences or privileges of any other nature, such rights, preferences or privileges shall in each such instance be communicated to the Depositary and made available by the Depositary to the Record Holders of Receipts in such manner as the Corporation shall direct and the Depositary shall agree, either by the issue to such Record Holders of warrants representing such rights, preferences or privileges or by such other method as may be approved by the Corporation in its discretion with the acknowledgement of the Depositary; *provided*, *however*, that (i) if at the time of issue or offer of any such rights, preferences or privileges the Corporation determines that it is not lawful or (after consultation with the Depositary) not feasible to make such rights, preferences or privileges available to Holders of Receipts by the issue of warrants or otherwise, or (ii) if and to the extent so instructed by Holders of Receipts who do not desire to exercise such rights, preferences or privileges, the Depositary shall then, if so directed by the Corporation, and if applicable laws or the terms of such rights, preferences or privileges permit such transfer, sell such rights, preferences or privileges at public or private sale, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale shall be delivered to Computershare and, subject to Sections 3.1 and 3.2, be distributed by Computershare to the Record Holders of Receipts entitled thereto as provided by Section 4.1 in the case of a distribution received in cash.

The Corporation shall notify the Depositary whether registration under the Securities Act of the securities to which any rights, preferences or privileges relate is required in order for Holders of Receipts to be offered or sold the securities to which such rights, preferences or privileges relate, and the Corporation agrees with the Depositary that it will file promptly a registration statement pursuant to the Securities Act with respect to such rights, preferences or privileges and securities and use its best efforts and take all steps available to it to cause such registration statement to become effective sufficiently in advance of the expiration of such rights, preferences or privileges to enable such Holders to exercise such rights, preferences or privileges. In no event shall the Depositary make available to the Holders of Receipts any right, preference or privilege to subscribe for or to purchase any securities unless and until such registration statement shall have become effective, or the Corporation shall have provided to the Depositary an opinion of counsel to the effect that the offering and sale of such securities to the Holders are exempt from registration under the provisions of the Securities Act.

The Corporation shall notify the Depositary whether any other action under the laws of any jurisdiction or any governmental or administrative authorization, consent or permit is required in order for such rights, preferences or privileges to be made available to Holders of Receipts, and the Corporation agrees with the Depositary that the Corporation will use its reasonable best efforts to take such action or obtain such authorization, consent or permit sufficiently in advance of the expiration of such rights, preferences or privileges to enable such Holders to exercise such rights, preferences or privileges.

Section 4.4 Notice of Dividends, etc.; Fixing Record Date for Holders of Receipts. Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or if rights, preferences or privileges shall at any time be offered, with respect to the Series B Preferred Stock, or whenever the Depositary shall receive notice of any meeting at which holders of the Series B Preferred Stock are entitled to vote or of which holders of the Series B Preferred Stock are

entitled to notice, or whenever the Depositary and the Corporation shall decide it is appropriate, the Depositary shall in each such instance fix a record date (which shall be the same date as the record date fixed by the Corporation with respect to or otherwise in accordance with the terms of the Series B Preferred Stock) for the determination of the Holders of Receipts who shall be entitled to receive such dividend, distribution, rights, preferences or privileges or the net proceeds of the sale thereof, or to give instructions for the exercise of voting rights at any such meeting, or who shall be entitled to notice of such meeting or for any other appropriate reasons.

Section 4.5 Voting Rights. Subject to the provisions of the Articles of Amendment, upon receipt of notice from the Corporation of any meeting at which the holders of the Series B Preferred Stock are entitled to vote, the Depositary shall, as soon as practicable thereafter, mail or transmit by such other method approved by the Depositary, in its reasonable discretion, to the Record Holders of Receipts, as determined on the record date fixed pursuant to Section 4.4, a notice prepared by the Corporation which shall contain (i) such information as is contained in such notice of meeting, (ii) a statement that the Holders of Receipts at the close of business on a specified record date fixed pursuant to Section 4.4 may, subject to any applicable restrictions, instruct the Depositary as to the exercise of the voting rights pertaining to the shares of the Series B Preferred Stock represented by their respective Depositary Shares (including an express indication that instructions may be given to the Depositary to give a discretionary proxy to a Person designated by the Corporation), and (iii) a brief statement as to the manner in which such instructions may be given. Upon the written request of the Holders of Receipts on the relevant record date, the Depositary shall to the extent possible vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of whole shares of the Series B Preferred Stock represented by the Depositary Shares evidenced by all Receipts as to which any particular voting instructions are received. The Corporation hereby agrees to take all reasonable action which may be deemed necessary by the Depositary in order to enable the Depositary to vote such shares of the Series B Preferred Stock or cause such shares to be voted. In the absence of specific instructions from Holders of Receipts, the Depositary will vote all shares of the Series B Preferred Stock held by it proportionately with instructions received.

Section 4.6 Changes Affecting Deposited Securities and Reclassifications, Recapitalizations, etc. Upon any change in liquidation preference, split-up, combination or any other reclassification of the Series B Preferred Stock, subject to the provisions of the Articles of Amendment, or upon any recapitalization, reorganization, merger, or consolidation affecting the Corporation or to which it is a party, the Depositary shall, upon the written instructions of the Corporation setting forth any adjustment, (i) make such adjustments as are certified by the Corporation in (a) the fraction of an interest represented by one Depositary Share in one share of the Series B Preferred Stock and (b) the ratio of the redemption price per Depositary Share to the redemption price per share of the Series B Preferred Stock, in each case as stated in such instructions and (ii) treat any securities or property (including cash) which shall be received by the Depositary in exchange for or upon conversion of or in respect of the Series B Preferred Stock as new deposited property so received in exchange for or upon conversion or in respect of such Series B Preferred Stock. In any such case, the Depositary shall, upon receipt of written instructions of the Corporation, execute and deliver additional Receipts or may call for the surrender of all outstanding Receipts to be exchanged for new Receipts specifically describing such new deposited property. Anything to the contrary herein notwithstanding, Holders of Receipts shall have the right from and after the effective date of any such change in liquidation preference, split-up, combination or other reclassification of the Series B Preferred Stock or any such recapitalization, reorganization, merger or consolidation to surrender such Receipts to the Depositary with instructions to convert, exchange or surrender the shares of the Series B Preferred Stock represented thereby only into or for, as the case may be, the kind and amount of shares and other securities and property and cash into which the shares of the Series B Preferred Stock represented by such Receipts might have been converted or for which such shares might have been exchanged or surrendered immediately prior to the effective date of such transaction; provided, that the Depositary shall not have any obligations under this sentence unless and until it has received written instructions from the Corporation.

Section 4.7 Delivery of Reports. The Depositary shall make available for inspection by Holders of Receipts at the Depositary's Office and at such other places as it may from time to time deem advisable during normal business hours any reports and communications received from the Corporation that are both received by the Depositary as the holder of the deposited shares of Series B Preferred Stock and which the Corporation is required to furnish to the holders of the Series B Preferred Stock. In addition, the Depositary shall transmit, upon written request by, and the expense of, the Corporation, certain notices and reports to the Holders of Receipts as provided in Section 5.5.

Section 4.8 Lists of Receipt Holders. Promptly upon request from time to time by the Corporation, the Registrar shall furnish to it a list, as of the most recent practicable date, of the names, addresses and holdings of Depositary Shares of all registered Holders of Receipts.

Section 4.9 Withholding. Notwithstanding any other provision of this Deposit Agreement, in the event that the Depositary determines that any distribution in property is subject to any tax or other charge that the Depositary is obligated by law to withhold, the Depositary may dispose of, by public or private sale, all or a portion of such property in such amounts and in such manner as the Depositary deems necessary and practicable to pay such taxes or charges, and the Depositary shall distribute the net proceeds of any such sale or the balance of any such property after deduction of such taxes or charges to the Holders of Receipts entitled thereto in proportion to the number of Depositary Shares held by them, respectively; *provided*, *however*, that in the event the Depositary determines that such distribution of property is subject to withholding tax only with respect to some but not all Holders of Receipts, the Depositary will use its best efforts (i) to sell only that portion of such property distributable to such holders that is required to generate sufficient proceeds to pay such withholding tax and (ii) to effect any such sale in such a manner so as to avoid affecting the rights of any other Holders of Receipts to receive such distribution in property.

ARTICLE V
THE DEPOSITARY, THE DEPOSITARY'S AGENTS, THE REGISTRAR AND THE CORPORATION

Section 5.1 Maintenance of Offices, Agencies and Transfer Books by the Depositary; Registrar. Upon execution of this Deposit Agreement, the Depositary shall maintain at the Depositary's Office, facilities for the execution and delivery, registration and registration of transfer, surrender and exchange of Receipts, and at the offices of the Depositary's Agents, if any, facilities for the delivery, registration of transfer, surrender and exchange of Receipts, all in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep books at the Depositary's Office for the registration and registration of transfer of Receipts. Upon direction by the Corporation and with reasonable notice to the Depositary, the Registrar shall, during regular business hours, open its books for inspection by the Record Holders of Receipts as directed by the Corporation; *provided* that any such Holder shall be granted such right by the Corporation only after certifying that such inspection shall be for a proper purpose reasonably related to such Person's interest as an owner of Depositary Shares evidenced by the Receipts.

The Depositary or Registrar may close such books, at any time or from time to time, when deemed necessary or advisable by the Depositary, the Registrar, any Depositary's Agent or the Corporation because of any requirement of law or of any government, governmental body or commission, stock exchange or any applicable self-regulatory body.

If the Receipts or the Depositary Shares evidenced thereby or the shares of the Series B Preferred Stock represented by such Depositary Shares shall be listed on one or more national securities exchanges, the Depositary shall, with the written approval of the Corporation, appoint a Registrar (reasonably acceptable to the Corporation) for registration of the Receipts or Depositary Shares in accordance with any requirements of such exchange. Such Registrar (which may be the Trust Company if so permitted by the requirements of any such exchange) may be removed and a substitute Registrar appointed by the Depositary upon the written request or with the written approval of the Corporation. If the Receipts, such Depositary Shares or the Series B Preferred Stock are listed on one or more other securities exchanges, the Depositary will, at the written request and expense of the Corporation, arrange such facilities for the delivery, registration, registration of transfer, surrender and exchange of such Receipts, such Depositary Shares or the Series B Preferred Stock as may be required by law or applicable securities exchange regulation.

Section 5.2 Prevention of or Delay in Performance by the Depositary, the Depositary's Agents, the Registrar or the Corporation. Neither the Depositary nor any Depositary's Agent nor any Registrar, nor any Transfer Agent nor the Corporation, as the case may be, shall incur any liability to any Holder of a Receipt if by reason of any provision of any present or future law, or regulation thereunder, of the United States of America or of any other governmental authority or, in the case of the Depositary, the Depositary's Agent or the Registrar or any Transfer Agent, as the case may be, by reason of any provision, present or future, of the Corporation's Charter (including the Articles of Amendment) or by reason of any act of God, terrorist acts, pandemics, epidemics, shortage of supply, breakdowns or malfunctions, interruptions or malfunctions of computer facilities, or loss of data due to power failures or mechanical difficulties with information storage or retrieval systems, labor difficulties, war, or civil unrest or other circumstance beyond the control of the relevant party, the Depositary, the Depositary's Agent, the Registrar, the Transfer Agent or the Corporation, as the case may be, shall be prevented or forbidden from, or subjected to any penalty on account of, doing or performing any act or thing which the terms of this Deposit Agreement provide shall be done or performed; nor shall the Depositary, any Depositary's Agent, any Registrar, any Transfer Agent or the Corporation, as the case may be, incur liability to any Holder of a Receipt (i) by reason of any nonperformance or delay, caused as aforesaid, in the performance of any act or thing which the terms of this Deposit Agreement shall provide shall or may be done or performed, or (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement except as otherwise explicitly set forth in this Deposit Agreement.

Section 5.3 Obligations of the Depositary, the Depositary's Agents, the Registrar, Transfer Agent and the Corporation. The Corporation does not assume any obligation nor shall it be subject to any liability under this Deposit Agreement or any Receipt to Holders of Receipts other than for its gross negligence, willful misconduct, bad faith or fraud (each as determined by a final non-appealable judgment, order, decree or ruling of a court of competent jurisdiction). Neither the Depositary nor any Depositary's Agent nor any Registrar, nor any Transfer Agent, as the case may be, assumes any obligation or shall be subject to any liability under this Deposit Agreement or the Receipts to the Corporation, the Holders of Receipts or to any other Person other than for its gross negligence, willful misconduct, bad faith or fraud (each as determined by a final non-appealable judgment, order, decree or ruling of a court of competent jurisdiction). Notwithstanding anything in this Deposit Agreement to the contrary, neither the Depositary, nor the Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be liable in any event for special, punitive, incidental, indirect or consequential losses or damages of any kind whatsoever (including lost profits), even if they have been advised of the likelihood of such loss or damage and regardless of the form of action. Any liability of the Depositary, any Depositary's Agent or the Registrar or Transfer Agent, as the case may be, under this Deposit Agreement will be limited in the aggregate to an amount equal to the fees paid by the Corporation to the Depositary pursuant to this Deposit Agreement during the twelve (12) months immediately preceding the event for which recovery from the Depositary, but not including reimbursable expenses.

Without limiting any of the rights or immunities or expanding any of the obligations of the Depositary, any Depositary's Agent, the Registrar or any Transfer Agent under this Deposit Agreement, neither the Depositary nor any Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of the Series B Preferred Stock, the Depositary Shares or the Receipts which in its opinion may involve it in expense or liability unless indemnity satisfactory to it against all expense and liability be furnished as often as may be required.

Neither the Depositary nor any Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be liable for any action or any failure to act by it in reliance upon the written advice of legal counsel or accountants, or information from any Person presenting the shares of the Series B Preferred Stock for deposit, any Holder of a Receipt or any other Person believed by it in the absence of bad faith, gross negligence, willful misconduct or fraud (each as determined by a final non-appealable judgement of a court of competent jurisdiction) to be competent to give such information. The Depositary, any Depositary's Agent, any Registrar, any Transfer Agent and the Corporation, as the case may be, may each rely and shall each be protected in acting upon or omitting to act upon any written notice, request, direction or other document believed by it in the absence of bad faith, gross negligence, willful misconduct or fraud (each as determined by a final non-appealable judgement of a court of competent jurisdiction) to be genuine and to have been signed or presented by the proper party or parties.

The Depositary, the Depositary's Agents, any Transfer Agent or Registrar, as the case may be, shall not be responsible for any failure to carry out any instruction to vote any of the shares of the Series B Preferred Stock or for the manner or effect of any such vote made, as long as any such action or non-action is not taken in bad faith or result from fraud, willful misconduct or gross negligence (each as determined by a final non-appealable judgment, order, decree or ruling of a court of competent jurisdiction). The Depositary undertakes, and any Depositary's Agent, Registrar and any Transfer Agent, as the case may be, shall be required to undertake, to perform such duties and only such duties as are specifically set forth in this Deposit Agreement, and no implied covenants or obligations shall be read into this Deposit Agreement against the Depositary, any Depositary's Agent, Registrar or any Transfer Agent.

The Depositary and its Affiliates, any Depositary's Agents, and any Transfer Agent and any Registrar, as the case may be, may own and deal in any class of securities of the Corporation and its Affiliates and in Receipts or Depositary Shares or become pecuniarily interested in any transaction in which the Corporation or its Affiliates may be interested or contract with or lend money to or otherwise act as fully or as freely as if it were not the Depositary, an Affiliate of the Depositary or the Depositary's Agent or Transfer Agent or Registrar hereunder. The Depositary may also act as transfer agent, trustee or registrar of any of the securities of the Corporation and its Affiliates or act in any other capacity for the Corporation or its Affiliates.

The Depositary shall not be under any liability for interest on any monies at any time received by it pursuant to any of the provisions of this Deposit Agreement or of the Receipts, the Depositary Shares or the Series B Preferred Stock nor shall it be obligated to segregate such monies from other monies held by it, except as required by law. The Depositary shall not be responsible for advancing funds on behalf of the Corporation and shall have no duty or obligation to make any payments if it has not timely received sufficient funds to make timely payments.

In the event the Depositary, the Depositary's Agents, any Transfer Agent or Registrar, as the case may be, believes any ambiguity or uncertainty exists hereunder or in any notice, instruction, direction, request or other communication, paper or document received by the Depositary, the Depositary's Agents, any Transfer Agent or Registrar hereunder, or in the administration of any of the provisions of this Deposit Agreement, the Depositary, the Depositary's Agents, any Transfer Agent or Registrar shall deem it necessary or desirable that a matter be proved or established prior to taking, omitting or suffering to take any action hereunder, the Depositary, the Depositary's Agents, any Transfer Agent or Registrar may, in its sole discretion upon providing written notice to the Corporation, refrain from taking any action and the Depositary, the Depositary's Agents, any Transfer Agent or Registrar shall be fully protected and shall not be liable in any way to the Corporation, any Holders of Receipts or any other Person or entity for refraining from taking such action, unless the Depositary, the Depositary's Agents, any Transfer Agent or Registrar receives written instructions or a certificate of the Corporation which eliminates such ambiguity or uncertainty to the satisfaction of the Depositary, the Depositary's Agents, any Transfer Agent or Registrar or which proves or establishes the applicable matter to the satisfaction of the Depositary, the Depositary's Agents, any Transfer Agent or Registrar.

In the event the Depositary, the Depositary's Agent, the Registrar or the Transfer Agent, as the case may be, shall receive conflicting claims, requests or instructions from any Holders of Receipts, on the one hand, and the Corporation, on the other hand, the Depositary, the Depositary's Agent, the Registrar or the Transfer Agent, as the case may be, shall be entitled to act on such claims, requests or instructions received from the Corporation, and shall be entitled to the full indemnification set forth in Section 5.6 hereof in connection with any action so taken.

It is intended that the Depositary shall not be deemed to be an "issuer" of the securities under the federal securities laws or applicable state securities laws, it being expressly understood and agreed that the Depositary is acting only in a ministerial capacity as Depositary for the deposited Series B Preferred Stock. The Depositary will not be under any duty or responsibility to ensure compliance with any applicable federal or state securities laws in connection with the issuance, transfer or exchange of the Receipts, the shares of Series B Preferred Stock or Depositary Shares.

Neither the Depositary (or its officers, directors, employees or agents), any Depositary's Agent nor any Registrar or any Transfer Agent makes any representation or has any responsibility as to the validity of any registration statement pursuant to which the Depositary Shares may be registered under the Securities Act, the deposited Series B Preferred Stock, the Depositary Shares, the Receipts (except its countersignature thereon) or any instruments referred to therein or herein, or as to the correctness of any statement made in any such registration statement or herein.

The Depositary assumes no responsibility for the correctness of the description that appears in the Receipts. Notwithstanding any other provision herein or in the Receipts, the Depositary makes no warranties or representations as to the validity or genuineness of any shares of Series B Preferred Stock at any time deposited with the Depositary hereunder or of the Depositary Shares, as to the validity or sufficiency of this Deposit Agreement (except as to due authorization and due execution by the Depositary), as to the value of the Depositary Shares or as to any right, title or interest of the record holders of Receipts in and to the Depositary Shares; nor shall the Depositary be liable or responsible for any failure of the Corporation to comply with any of its obligations relating to any registration statement filed with the Securities and Exchange Commission, including without limitation obligations under applicable regulation or law. The Depositary shall not be accountable for the use or application by the Corporation of the Depositary Shares or the Receipts or the proceeds thereof.

The Depositary may rely on and be fully authorized and protected in acting or failing to act upon (a) any guaranty of signature by an "eligible guarantor institution" that is a member or participant in the Securities Transfer Agents Medallion Program or other comparable "signature guarantee program" or insurance program in addition to, or in substitution for, the foregoing; or (b) any law, act, regulation or any interpretation of the same even though such law, act, or regulation may thereafter have been altered, changed, amended or repealed.

The Depositary may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Depositary shall not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation, to the holders of the Receipts or any other Person resulting from any such act, omission, default, neglect or misconduct, absent gross negligence or bad faith in the selection and continued employment thereof (which gross negligence or bad faith must be determined by a final, non appealable judgment of a court of competent jurisdiction).

The Depositary, Depositary's Agent, any Registrar, and any Transfer Agent hereunder:

(i) shall have no duties or obligations other than those specifically set forth herein (and no implied duties or obligations), or as may subsequently be agreed to in writing by the parties;

(ii)shall have no obligation to make payment hereunder unless the Corporation shall have provided the necessary federal or other immediately available funds or securities or property, as the case may be, to pay in full amounts due and payable with respect thereto;

(iii) may rely on and shall be authorized and protected in acting or failing to act upon any certificate, instrument, opinion, notice, letter, facsimile transmission or other document or security delivered to it and believed by it to be genuine and to have been signed by the proper party or parties, and shall have no responsibility for determining the accuracy thereof;

(iv) may rely on and shall be authorized and protected in acting or failing to act upon the written, telephonic, electronic and oral instructions given in accordance with this Deposit Agreement, with respect to any matter relating to its actions as covered by this Deposit Agreement (or supplementing or qualifying any such actions) of officers of the Corporation;

(v) may consult legal counsel satisfactory to it, and the advice or opinion of such legal counsel shall be full and complete authorization and protection in respect of, and it shall not be liable and shall be indemnified by the Corporation for any actions taken, suffered or omitted by it hereunder in accordance with the advice or opinion of such legal counsel;

(vi) shall not be called upon at any time to advise any Person with respect to the shares of Series B Preferred Stock or Receipts;

(vii)shall not be liable in any respect on account of the identity, authority or rights of the parties (other than with respect to the Depositary) executing or delivering or purporting to execute or deliver this Deposit Agreement or any documents or papers deposited or called for under this Deposit Agreement;

(viii)shall not be obligated to prosecute or defend any litigation or other proceeding hereunder; if, however, it determines to prosecute or defend any litigation or other proceeding hereunder, and, where the taking of such action might in its judgment subject or expose it to any expense or liability, it shall not be required to act unless it shall have been furnished with an indemnity satisfactory to it; and

(ix) shall not be required to take notice or be deemed to have notice of any event or condition hereunder, including any event or condition that may require action by any such Person, unless such Person shall be specifically notified in writing of such event or condition by the Corporation, and all notices or other instruments required by this Deposit Agreement to be delivered to the such Persons must, in order to be effective, shall be given in accordance with Section 7.4 hereof, and in the absence of such notice so delivered, such Persons may conclusively assume no such event or condition exists.

The obligations of the Corporation set forth in this Section 5.3 shall survive the replacement, removal or resignation of any of the Depositary, Registrar, Transfer Agent or Depositary's Agent or termination of this Deposit Agreement.

Section 5.4 Resignation and Removal of the Depositary; Appointment of Successor Depositary. The Depositary may at any time resign as Depositary hereunder by delivering notice of its election to do so to the Corporation upon at least forty-five (45) days prior written notice.

The Depositary may at any time be removed by the Corporation by at least forty-five (45) days prior written notice of such removal delivered to the Depositary, such removal to take effect upon the appointment of a successor Depositary hereunder and its acceptance of such appointment as hereinafter provided.

In case at any time the Depositary acting hereunder shall resign or be removed, the Corporation shall, within forty-five (45) days after the delivery of the notice of resignation or removal, as the case may be, appoint a successor Depositary, which shall be (i) a Person having its principal office in the United States of America and having a combined capital and surplus, along with its Affiliates, of at least $50,000,000 or (ii) an Affiliate of any such Person. In the event of such removal or resignation, the Corporation will appoint a successor depositary and inform the Depositary of the name and address of any successor depositary so appointed; *provided* that the Corporation shall use its best efforts to ensure that there is at all relevant times when the Series B Preferred Stock is outstanding, a Person appointed and serving as the Depositary; *provided*, *further*, that no failure by the Corporation to appoint such a successor depositary shall affect the termination of this Deposit Agreement or the discharge of the Corporation and the Depositary as depositary hereunder. Upon payment of all outstanding fees and expenses hereunder, the Depositary shall promptly forward to the successor depositary or its designee any shares of stock held by it and any certificates, letters, notices and other document that the Depositary may receive after its appointment has so terminated.

If no successor Depositary shall have been so appointed and have accepted appointment within forty-five (45) days after delivery of such notice, the resigning or removed Depositary or a Holder may petition any court of competent jurisdiction for the appointment of a successor Depositary. Every successor Depositary shall execute and deliver to its predecessor and to the Corporation an instrument in writing accepting its appointment hereunder, and thereupon such successor Depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor and for all purposes shall be the Depositary under this Deposit Agreement, and such predecessor, upon payment of all sums due it and on the written request of the Corporation, shall promptly execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the shares of the Series B Preferred Stock and any moneys or property held hereunder to such successor, and shall deliver to such successor a list of the Record Holders of all outstanding Receipts and such records, books and other information in its possession relating thereto. Any successor Depositary shall promptly mail or transmit by such other method approved by such successor Depositary, in its reasonable discretion, notice of its appointment to the Record Holders of Receipts.

Any Person into or with which the Depositary may be merged, consolidated or converted, or any Person to which all or a substantial part of the assets of the Depositary may be transferred or which succeeds to the shareholder services business of the Depositary shall be the successor of the Depositary without the execution or filing of any document or any further act, and notice thereof shall not be required hereunder. Such successor Depositary may authenticate the Receipts in the name of the predecessor Depositary or its own name as successor Depositary.

The removal or resignation of the Depositary shall automatically be deemed to be a removal of the Registrar, Transfer Agent, and distribution agent (to the extent Depositary is also acting in such capacities) herein without any further act or deed.

Section 5.5 Corporate Notices and Reports. The Corporation agrees that it will deliver to the Depositary, and the Depositary will, upon the Corporation's written instruction, promptly after receipt of all necessary information and documents, transmit to the Record Holders of Receipts, in each case at the addresses recorded in the Depositary's or Registrar's books, copies of all notices, reports and communications from the Corporation (including without limitation financial statements) required by law, by the rules of any national securities exchange upon which the Series B Preferred Stock, the Depositary Shares or the Receipts are listed or by the Corporation's Charter (including the Articles of Amendment), to be furnished to the Record Holders of Receipts. Such transmission will be at the Corporation's expense and the Corporation will provide the Depositary with such number of copies of such documents as the Depositary may reasonably request. In addition, the Depositary will transmit to the Record Holders of Receipts at the Corporation's expense such other documents as may be requested in writing by the Corporation.

Section 5.6 Indemnification by the Corporation. Notwithstanding Section 5.3 to the contrary, the Corporation shall indemnify the Depositary, any Depositary's Agent, any Registrar, any Transfer Agent, and any distribution agent (including each of their officers, directors, agents and employees) against, and hold each of them harmless from and against, any loss, damage, cost, penalty, fine, judgment, liability or expense (including the reasonable costs and expenses of its legal counsel) which may arise out of acts performed, suffered or omitted to be taken in connection with its acting as Depositary, Depositary's Agent, Registrar or Transfer Agent, respectively, under this Deposit Agreement (including, without limitation, the enforcement by the Depositary, Depositary's Agent, Registrar, Transfer Agent or distribution agent, as the case may be, of this Deposit Agreement) and the Receipts by the Depositary, any Registrar, any Transfer Agent, any distribution agent or any of their respective agents (including any Depositary's Agent) and any transactions or documents contemplated hereby, except for any liability arising out of gross negligence, willful misconduct, bad faith or fraud (each as finally determined by a non-appealable judgment, order, decree or ruling of a court of competent jurisdiction) on the respective parts of any such Person or Persons. The obligations of the Corporation set forth in this Section 5.6 shall survive the replacement, removal, resignation or any succession of any Depositary, Registrar, Transfer Agent or Depositary's Agent or termination of this Deposit Agreement.

Section 5.7 Fees, Charges and Expenses. The Corporation agrees promptly to pay the Depositary the compensation, as agreed upon with the Corporation in writing for all services rendered by the Depositary, Depositary's Agent, Transfer Agent, Registrar and any distribution agent hereunder and to reimburse the Depositary for its reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) incurred by the Depositary, Depositary's Agent, Transfer Agent, Registrar and any distribution agent. The Corporation shall pay all charges of the Depositary in connection with the initial deposit of shares of the Series B Preferred Stock and the initial issuance of the Depositary Shares, all withdrawals of shares of the Series B Preferred Stock by owners of Depositary Shares, and any redemption or exchange of shares of the Series B Preferred Stock at the option of the Corporation. The Corporation shall pay all transfer and other taxes and charges arising solely from the existence of the depositary arrangements. All other transfer and other taxes and charges shall be at the expense of Holders of Depositary Shares evidenced by Receipts. If, at the request of a Holder of Receipts, the Depositary incurs charges or expenses for which the Corporation is not otherwise liable hereunder, such Holder will be liable for such charges and expenses; provided, however, that the Depositary may, at its sole option, require a Holder of a Receipt to prepay the Depositary any charge or expense the Depositary has been asked to incur at the request of such Holder of Receipts. The Depositary shall present its statement for charges and expenses to the Corporation at such intervals as the Corporation and the Depositary may agree.

Section 5.8 Tax Compliance. The Depositary will comply in all material respects with all applicable certification, information reporting, and withholding (including "backup withholding") requirements imposed upon the Depositary by applicable tax laws, regulations, or administrative practice with respect to (i) any payments made with respect to the Depositary Shares or the Series B Preferred Stock or (ii) the issuance, delivery, holding, transfer, redemption, or exercise of rights under the Receipts or the Depositary Shares. Such compliance shall include, without limitation, the preparation and timely filing of required returns and the timely payment of all amounts required to be withheld to the appropriate taxing authority or its designated agent. The Depositary shall comply with any written direction received from the Corporation with respect to the

application of such requirements to particular payments or holders or in other particular circumstances and may, for purposes of this Deposit Agreement, rely on any such direction in accordance with the provisions of Section 5.3 hereof. The Depositary shall, in accordance with its record retention policies or procedures, maintain all appropriate records documenting compliance with such requirements, and shall make such records, without duplication, available on request to the Corporation or to its authorized representatives during the term of this Agreement. The Company acknowledges and agrees that this Section 5.8 shall not confer any audit rights upon the Company, any Holder or any of their representatives. The Company shall, and shall cause the Holders to, provide all information and material to facilitate the Depositary's compliance with this Section 5.8.

ARTICLE VI
AMENDMENT AND TERMINATION

Section 6.1 Amendment. The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Corporation and the Depositary in any respect which they may deem necessary or desirable; *provided*, *however*, that no such amendment (other than any change in the fees of any Depositary, Registrar or Transfer Agent) which shall materially and adversely alter the rights of the Holders of Receipts shall be effective against the Holders of Receipts unless such amendment shall have been approved by the Holders of Receipts representing in the aggregate at least two-thirds of the Depositary Shares then outstanding. Every Holder of an outstanding Receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right, subject to the provisions of Sections 2.5 and 2.6 and Article III, of any owner of Depositary Shares to surrender any Receipt evidencing such Depositary Shares to the Depositary with instructions to deliver to the Holder the shares of the Series B Preferred Stock and all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law or the rules and regulations of any governmental body, agency or commission, or applicable securities exchange. As a condition precedent to the Depositary's execution of any amendment, the Corporation shall deliver to the Depositary a certificate from an authorized officer of the Company that states that the proposed amendment is in compliance with the terms of this Section 6.1. No amendment to this Depositary Agreement shall be effective unless duly executed by the Depositary.

Section 6.2 Termination. This Deposit Agreement may be terminated by the Corporation at any time upon not less than sixty (60) days prior written notice to the Depositary, in which case, at least thirty (30) days prior to the date fixed in such notice for such termination, the Depositary will mail notice of such termination to the record Holders of all Receipts then outstanding. If any Receipts shall remain outstanding after the date of termination of this Deposit Agreement, the Depositary thereafter shall discontinue the transfer of Receipts, shall suspend the distribution of dividends to the Holders of the Receipts thereof and shall not give any further notices (other than notice of such termination) or perform any further acts under this Deposit Agreement, except that the Depositary shall continue to collect dividends and other distributions pertaining to the Series B Preferred Stock, and shall continue to deliver the Series B Preferred Stock and any money and other property, if any, represented by Receipts upon surrender thereof by the Holders of Receipts thereof. At any time after the expiration of two years from the date of termination, as may be instructed by the Corporation in writing, the Depositary shall (i) sell the shares of the Series B Preferred Stock then held hereunder at public or private sale, at such places and upon such terms as it deems proper and may thereafter hold the net proceeds of any such sale, together with any money and other property held by it hereunder, without liability for interest, for the benefit, pro rata in accordance with their holdings, of the Holders of Receipts that have not theretofore been surrendered, or (ii) return such shares of Series B Preferred Stock to the Corporation. After making such sale, the Depositary shall be discharged from all obligations under this Deposit Agreement except to account for such net proceeds and money and other property. The Depositary shall continue to receive its fees and expenses and shall continue to be entitled to its protections set forth herein after termination of this Deposit Agreement so long as the Depositary continues to provide services in connection with this Deposit Agreement. Nothing contained in this Section 6.2 shall impede the Depositary's right to resign under Section 5.4.

Subject to the first paragraph of this Section 6.2, this Deposit Agreement may be terminated by the Corporation or the Depositary only if (i) all outstanding Depositary Shares have been redeemed pursuant to Section 2.8; (ii) there shall have been made a final distribution in respect of the Series B Preferred Stock in connection with any liquidation, dissolution or winding up of the Corporation and such distribution shall have been distributed to the Holders of Receipts representing Depositary Shares pursuant to Section 4.1 or 4.2, as applicable; or (iii) upon the consent of Holders of Receipts representing in the aggregate not less than two-thirds of the Depositary Shares outstanding.

Upon the termination of this Deposit Agreement, the Corporation shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depositary, any Depositary's Agent, any Transfer Agent, any Registrar and any distribution agent under Sections 5.6 and 5.7; *provided further* that Section 5.2, 5.3, 5.6, 7.4, 7.8 and 7.11 shall survive the termination of this Deposit Agreement.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Counterparts. This Deposit Agreement may be executed in any number of counterparts, and by each of the parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Deposit Agreement by facsimile or pdf shall be effective as delivery of a manually executed counterpart of this Deposit Agreement.

Section 7.2 Exclusive Benefit of Parties. This Deposit Agreement is for the exclusive benefit of the parties hereto, and their respective successors hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other Person whatsoever.

Section 7.3 Invalidity of Provisions. In case any one or more of the provisions contained in this Deposit Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby; provided, however, that if such provision materially and adversely affects the rights, duties, liabilities or obligations of the Depositary, the Depositary shall be entitled to resign immediately upon prior written notice to the Corporation.

Section 7.4 Notices. Any and all notices to be given to the Corporation hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or recognized next day courier services, or by electronic mail, confirmed by letter, addressed to the Corporation at:

Northpointe Bancshares, Inc.
3333 Deposit Drive NE,
Grand Rapids, MI 49546
Attention: Chief Operating Officer
Facsimile: 616-588-6347
E-mail: kevin.comps@northpointe.com

With a copy (which shall not constitute notice) to:

Northpointe Bancshares, Inc.
3333 Deposit Drive NE,
Grand Rapids, MI 49546
Attention: General Counsel
Facsimile: 616-710-3973
E-mail: legal@northpointe.com

With a copy (which shall not constitute notice) to:

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309
Attn: Mark C. Kanaly

Any and all notices to be given to the Depositary hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or recognized next day courier services, or by facsimile transmission, confirmed by letter, addressed to the Depositary at the Depositary's Office at:

Computershare Inc.
Computershare Trust Company, N.A.
150 Royall Street
Canton, Massachusetts 02021
Attention: Relationship Manager
Facsimile: 781-575-4647

with a copy to:

Computershare Inc.
Computershare Trust Company, N.A.
150 Royall Street Canton, Massachusetts 02021
Attention: Legal Department
Facsimile: (781) 575-4210

or at any other address of which the Depositary shall have notified the Corporation in writing.

Except as otherwise provided herein, any and all notices to be given to any Record Holder of a Receipt hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, recognized next day courier services, facsimile transmission or electronic mail, confirmed by letter, addressed to such Record Holder at the address of such Record Holder as it appears on the books of the Depositary; or if such Holder shall have timely filed with the Depositary a written request that notices intended for such Holder be mailed to some other address, at the address designated in such request; or in the case of any Global Receipt Depository, in accordance with its applicable procedures and arrangements for notices.

Delivery of a notice sent by mail or as provided in this Section 7.4 shall be deemed to be effected at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a facsimile transmission or electronic mail) is deposited, postage prepaid, in a post office letter box; *provided*, that notice to a Global Receipt Depository shall be deemed to be effected at the time such notice is delivered or made as provided in this Section 7.4; *provided*, *further*, that the Depositary or the Corporation may, however, act upon any facsimile transmission or electronic mail received by it from the other or from any Holder of a Receipt, notwithstanding that such facsimile transmission or electronic mail shall not subsequently be confirmed by letter or as aforesaid.

Section 7.5 Depositary's Agents. The Depositary may from time to time appointDepositary's Agents to act in any respect for the Depositary for the purposes of this Deposit Agreement and may at any time appoint additional Depositary's Agents and vary or terminate the appointment of such Depositary's Agents. The Depositary will, as soon as practicable, notify the Corporation of any such action.

Section 7.6 Appointment of Registrar, Dividend Disbursing Agent and Redemption Agent in Respect of the Series B Preferred Stock. The Corporation hereby appoints the Trust Company as Registrar and Transfer Agent, Computershare as dividend disbursing agent and the Trust Company and Computershare, jointly, as the redemption agent in respect of the shares of the Series B Preferred Stock deposited with the Depositary hereunder, and the Trust Company and Computershare hereby accept such respective appointments, subject to the express terms and conditions of this Deposit Agreement (and no implied terms or conditions) and, as such, will reflect changes in the number of shares of deposited Series B Preferred Stock held by it by notation, book-entry or other appropriate method. With respect to the appointment of the Trust Company as Registrar and Transfer Agent, Computershare as dividend disbursing agent, and the Trust Company and Computershare, jointly, as the redemption agent in respect of the shares of the Series B Preferred Stock, the Trust Company and Computershare, in their respective capacities under such appointments, shall be entitled to the same rights, indemnities, immunities and benefits as the Depositary hereunder as if explicitly named in each such provision, and shall provide the services as provided in the Transfer Agency Agreement, in the performance of its duties in such respective capacities.

Section 7.7 Holders of Receipts are Parties. The Holders of Receipts from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions hereof and of the Receipts by acceptance of delivery thereof.

Section 7.8 Governing Law. This Deposit Agreement and the Receipts and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable conflicts of law principles.

Section 7.9 Inspection of Deposit Agreement. Copies of this Deposit Agreement shall be filed with the Depositary and the Depositary's Agents and shall be made available for inspection during business hours upon reasonable notice to the Depositary by any Holder of a Receipt.

Section 7.10 Headings. The headings of articles and sections in this Deposit Agreement and in the form of the Receipt set forth in Exhibit A hereto have been inserted for convenience only and are not to be regarded as a part of this Deposit Agreement or the Receipts or to have any bearing upon the meaning or interpretation of any

provision contained herein or in the Receipts.

Section 7.11 Confidentiality. The Depositary and the Corporation agree that all books, records, information and data pertaining to the business of the other party, including, *inter alia*, personal, non-public Holder information, which are exchanged or received pursuant to the negotiation or the carrying out of this Deposit Agreement and the fees for services to performed hereunder shall remain confidential, and shall not be voluntarily disclosed to any other Person, except as may be required by law or legal process. Notwithstanding anything contained herein, each party may disclose relevant aspects of the other party's confidential information to its officers, affiliates, agents, subcontractors and employees to the extent reasonably necessary to perform its duties and obligations under this Deposit Agreement and such disclosure is not prohibited by applicable law..

Section 7.12 Further Assurances. The Corporation shall perform, acknowledge and deliver or cause to be performed, acknowledged and delivered all such further and other acts, documents, instruments and assurances as may be reasonably required by the Depositary for the carrying out or performing by the Depositary of the provisions of this Deposit Agreement.

[*Remainder of page intentionally left blank; signature page follows.*]

IN WITNESS WHEREOF, the Corporation and the Depositary have duly executed this Deposit Agreement as of the day and year first above set forth, and all Holders of Receipts shall become parties hereto by and upon acceptance by them of delivery of Receipts issued in accordance with the terms hereof.

NORTHPOINTE BANCSHARES, INC.

By: /s/ Kevin Comps
Name: Kevin Comps
Title: Secretary

COMPUTERSHARE INC.,
as Depositary

By: /s/ Kathy Heagerty
Name: Kathy Heagerty
Title: Manager, Client Management

COMPUTERSHARE TRUST COMPANY, N.A.,
as Depositary and as Transfer Agent and Registrar for the shares of the Corporation's Series B Preferred Stock

By: /s/ Kathy Heagerty
Name: Kathy Heagerty
Title: Manager, Client Management

[Signature Page to Deposit Agreement]

EXHIBIT A

FORM OF RECEIPT

[FORM OF FACE OF RECEIPT]

THE DEPOSITARY SHARES REPRESENTED BY THIS CERTIFICATE ARE NOT SAVINGS ACCOUNTS, DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.

IF GLOBAL RECEIPT IS ISSUED: UNLESS THIS RECEIPT IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO NORTHPOINTE BANCSHARES, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY RECEIPT ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL RECEIPT SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL RECEIPT SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE DEPOSIT AGREEMENT REFERRED TO BELOW.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR AND TRANSFER AGENT MAY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

THE DEPOSITARY SHARES REPRESENTED BY THIS RECEIPT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS

AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE DEPOSITARY SHARES REPRESENTED BY THIS RECEIPT MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO NORTHPOINTE BANCSHARES, INC. AND ITS TRANSFER AGENT.

DEPOSITARY SHARES

DEPOSITARY RECEIPT FOR DEPOSITARY SHARES, EACH
REPRESENTING ONE-FOURTIETH OF ONE SHARE OF
7.25% FIXED-TO FLOATING RATE NON-CUMULATIVE PERPETUAL PREFERRED
STOCK, SERIES B

OF

NORTHPOINTE BANCSHARES, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF MICHIGAN

CUSIP 66661N 704

SEE REVERSE FOR CERTAIN DEFINITIONS

Computershare Inc., a Delaware corporation, and Computershare Trust Company, N.A., a national banking association, acting jointly as Depositary (the "Depositary"), hereby certify that PacWest Bancorp is the registered owner of DEPOSITARY SHARES (" Depositary Shares"), each Depositary Share representing a one-fortieth of one share of "7.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series B, no par value per share, liquidation preference $1,000 per share (the "Series B Preferred Stock"), of Northpointe Bancshares, Inc. a Michigan corporation (the "Corporation"), on deposit with the Depositary, subject to the terms and entitled to the benefits of the Deposit Agreement dated as of December 30, 2021 (the "Deposit Agreement"), among the Corporation, the Depositary and the holders from time to time of the Depositary Receipts. By accepting this Depositary Receipt, the holder hereof becomes a party to and agrees to be bound by all the terms and conditions of the Deposit Agreement. This Depositary Receipt shall not be valid or obligatory for any purpose or entitled to any benefits under the Deposit Agreement unless it shall have been executed by the Depositary by either the manual, electronic or facsimile signature of a duly authorized officer. To the extent a Registrar (other than the Depositary) is also appointed, such Registrar may countersign by either manual, electronic or facsimile signature of a duly authorized officer thereof.

Dated: _____, 20

Computershare Inc. and Computershare Trust Company, N.A., acting jointly as Depositary

COMPUTERSHARE INC., as Depositary

By: _____
Name:
Title:

COMPUTERSHARE TRUST COMPANY, N.A., as Depositary

By: _____
Name:
Title:

[FORM OF REVERSE OF RECEIPT]

NORTHPOINTE BANCSHARES, INC.

NORTHPOINTE BANCSHARES, INC. WILL FURNISH WITHOUT CHARGE TO EACH RECEIPTHOLDER WHO SO REQUESTS A COPY OF THE DEPOSIT AGREEMENT AND A COPY OR SUMMARY OF THE CERTIFICATE OF DESIGNATIONS ESTABLISHING THE 7.25% FIXED-TO FLOATING RATE NON-CUMULATIVE PERPETUAL PREFERRED STOCK, SERIES B OF NORTHPOINTE BANCSHARES, INC. ANY SUCH REQUEST IS TO BE ADDRESSED TO THE DEPOSITARY NAMED ON THE FACE OF THIS RECEIPT.

The Corporation will furnish without charge to each receiptholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof of the Corporation, and the qualifications, limitations or restrictions of such preferences and/or rights. Such request may be made to the Corporation or to the Registrar.

EXPLANATION OF ABBREVIATIONS

The following abbreviations when used in the form of ownership on the face of this certificate shall be construed as though they were written out in full according to applicable laws or regulations. Abbreviations in addition to those appearing below may be used.

Abbreviation	Equivalent Phrase	Abbreviation	Equivalent Phrase
JT TEN	As joint tenants, with right of survivorship and not as tenants in common	TEN BY ENT	As tenants by the entireties
TEN IN COM	As tenants in common	UNIF GIFT MIN ACT	Uniform Gifts to Minors Act

Abbreviation	Equivalent Word	Abbreviation	Equivalent Word	Abbreviation	Equivalent Word
ADM	Administrator(s), Administratrix	EX	Executor(s), Executrix	PAR	Paragraph
AGMT	Agreement	FBO	For the benefit of	PL	Public Law
ART	Article	FDN	Foundation	TR	(As) trustee(s), for, of
CH	Chapter	GDN	Guardian(s)	U	Under
CUST	Custodian for	GDNSHP	Guardianship	UA	Agreement

Abbreviation	Equivalent Word	Abbreviation	Equivalent Word	Abbreviation	Equivalent Word
DEC	Declaration	MIN	Minor(s)	UW	Under will of, Of will of, Under last will & testament
EST	Estate, of Estate of				

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto _____

_____

_____

_____.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE
PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

Depositary Shares represented by the within Receipt, and do(es) hereby irrevocably constitute and appoint _____Attorney to transfer the said Depositary Shares on the books of the within named Depositary with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature: _____

NOTICE: The signature to the assignment must correspond with the name as written upon the face of this Receipt in every particular, without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED

NOTICE: The signature(s) should be guaranteed by a participant in a Medallion Signature Guarantee Program at a guarantee level acceptable to the Corporation's transfer agent. Guarantees by a notary public are not acceptable.

EXHIBIT A

FORM OF RECEIPT

[FORM OF FACE OF RECEIPT]

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THE DEPOSITARY SHARES REPRESENTED BY THIS RECEIPT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE DEPOSITARY SHARES REPRESENTED BY THIS RECEIPT MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO NORTHPOINTE BANCSHARES, INC. AND ITS TRANSFER AGENT.

DEPOSITARY SHARES

DEPOSITARY RECEIPT FOR DEPOSITARY SHARES, EACH
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STOCK, SERIES B

OF

NORTHPOINTE BANCSHARES, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF MICHIGAN

CUSIP 66661N 704

SEE REVERSE FOR CERTAIN DEFINITIONS

Computershare Inc., a Delaware corporation, and Computershare Trust Company, N.A., a national banking association, acting jointly as Depositary (the "Depositary"), hereby certify that PacWest Bancorp is the registered owner of DEPOSITARY SHARES (" Depositary Shares"), each Depositary Share representing a one-fortieth of one share of "7.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series B, no par value per share, liquidation preference $1,000 per share (the "Series B Preferred Stock"), of Northpointe Bancshares, Inc. a Michigan corporation (the "Corporation"), on deposit with the Depositary, subject to the terms and entitled to the benefits of the Deposit Agreement dated as of December 30, 2021 (the "Deposit Agreement"), among the Corporation, the Depositary and the holders from time to time of the Depositary Receipts. By accepting this Depositary Receipt, the holder hereof becomes a party to and agrees to be bound by all the terms and conditions of the Deposit Agreement. This Depositary Receipt shall not be valid or obligatory for any purpose or entitled to any benefits under the Deposit Agreement unless it shall have been executed by the Depositary by either the manual, electronic or facsimile signature of a duly authorized officer. To the extent a Registrar (other than the Depositary) is also appointed, such Registrar may countersign by either manual, electronic or facsimile signature of a duly authorized officer thereof.

Dated: _____, 20

Computershare Inc. and Computershare Trust Company, N.A., acting jointly as Depositary

COMPUTERSHARE INC., as Depositary

By: _____
Name:
Title:

COMPUTERSHARE TRUST COMPANY, N.A., as Depositary

By: _____

Name:

Title:

Exhibit 4.5

NORTHPOINTE BANCSHARES, INC.
REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of May 30, 2019, by and among Northpointe Bancshares, Inc., a Michigan corporation (the "Company"), and the purchaser(s) signatory hereto (each a "Registration Rights Purchaser" and collectively, the "Registration Rights Purchasers").

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of May 30, 2019, between the Company and each Registration Rights Purchaser (the "Purchase Agreement").

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each of the Registration Rights Purchasers agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Advice" shall have the meaning set forth in Section 8(h).

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person.

"Agreement" shall have the meaning set forth in the Preamble.

"Allowable Grace Period" shall have the meaning set forth in Section 5(d).

"Business Day" means a day other than a Saturday or Sunday or other day on which banks located in Michigan are authorized or required by law to close.

"Capital Stock" means, with respect to any Person at any time, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, securities convertible into or exchangeable or exerciseable for any of its shares, interests, participations or other equivalents, partnership interests (whether general or limited), limited liability company interests, or equivalent ownership interests in or issued by such Person.

"Closing Date" has the meaning set forth in the Purchase Agreement.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the voting common stock of the Company, no par value per share, and any securities into which such shares of voting common stock may hereinafter be reclassified.

"Company" shall have the meaning set forth in the Preamble.

"Effective Date" means the date that the Registration Statement filed pursuant to Section 2(a) is first declared effective by the Commission.

"Effectiveness Deadline" means, with respect to the Initial Registration Statement or the New Registration Statement, the fifth (5th) Trading Day after the date the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review; provided, that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the Commission is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the Commission is open for business.

"Effectiveness Period" shall have the meaning set forth in Section 2(b).

"Event" shall have the meaning set forth in Section 2(c).

"Event Date" shall have the meaning set forth in Section 2(c).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Filing Deadline" means the date that is ninety (90) calendar days after receipt of the request from a Registration Rights Purchaser described in Section 2(a) (or, in the case of any registration eligible to be made on Form S-3 or comparable successor form, sixty (60) calendar days after the receipt of such request).

"FINRA" shall have the meaning set forth in Section 5(n).

"Grace Period" shall have the meaning set forth in Section 5(d).

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Holders Counsel" shall have the meaning set forth in Section 5(a).

"Indemnified Party" shall have the meaning set forth in Section 7(c).

"Indemnifying Party" shall have the meaning set forth in Section 7(c).

"Initial Registration Statement" means shall have the meaning set forth in Section 2(a).

"Inspectors" shall have the meaning set forth in Section 5(j).

"Liquidated Damages" shall have the meaning set forth in Section 2(c).

"Losses" shall have the meaning set forth in Section 7(a).

"New Registration Statement" shall have the meaning set forth in Section 2(a).

"Non-Responsive Holder" shall have the meaning set forth in Section 8(d).

"Non-Voting Common Stock" means the Company's non-voting common stock, no par value per share.

"Other Securities" means shares of Common Stock, Non- Voting Common Stock or shares of other Capital Stock or other securities of the Company which are contractually entitled to registration rights or Capital Stock which the Company is registering pursuant to a Registration Statement.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Piggyback Registration" shall have the meaning set forth in Section 3(a).

"Piggyback Registration Statement" shall have the meaning set forth in Section 3(a).

"Principal Market" means the Trading Market on which the Common Stock is primarily listed on and quoted for trading.

"Proceeding" means an action, claim, suit, investigation, or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition).

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Purchase Agreement" shall have the meaning set forth in the Recitals.

"Records" shall have the meaning set forth in Section 5(j).

"Registrable Securities" means all of the Shares and any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the Shares, provided that the Shares shall cease to be Registrable Securities upon the earliest to occur of the following: (A) a sale pursuant to a Registration Statement; (B) becoming eligible for sale without time, volume or manner of sale restrictions by the Holders under Rule 144; or (C) if such Shares have ceased to be outstanding.

"Registration Rights Purchaser" or "Registration Rights Purchasers" shall have the meaning set forth in the Preamble.

"Registration Statements" means any one or more registration statements of the Company filed under the Securities Act that covers the resale of any of the Registrable Securities pursuant to the provisions of this Agreement (including without limitation the Initial Registration Statement, the New Registration Statement and any Remainder Registration Statements), amendments and supplements to such Registration Statements, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such Registration Statements.

"Remainder Registration Statement" shall have the meaning set forth in Section 2(a).

"Requested Information" shall have the meaning set forth in Section 8(d).

"Required Registration Statement" means any Initial Registration Statement, New Registration Statement or Remainder Registration Statement.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 144A" means Rule 144A promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"SEC Guidance" means (i) any publicly-available written guidance, comments, requirements or requests of the Commission staff and (ii) the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shares" means the shares of Common Stock and Non-Voting Common Stock issued or issuable to the Registration Rights Purchaser pursuant to the Purchase Agreement.

"Shelf Offering" shall have the meaning set forth in Section 4(a).

"Take-Down Notice" shall have the meaning set forth in Section 4(a).

"Trading Day" means (i) a day on which the Common Stock is listed or quoted and traded on its Principal Market (other than the OTC Bulletin Board), or (ii) if the Common Stock is not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as

reported in the "pink sheets" by OTC Markets Group, Inc. (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

"Trading Market" means whichever of the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market or OTC Bulletin Board on which the Common Stock is listed or quoted for trading on the date in question.

2. Demand Registration.

(a) If at any time after five (5) years after the date of this Agreement, the Company receives a request from a Registration Rights Purchaser who at such time, together with its Affiliates, owns in the aggregate at least 225,761 shares of Common Stock and/or Non-Voting Common Stock (which number of shares shall be subject to adjustment to reflect any stock dividend, stock split, stock combination, reverse stock split, or similar reclassification of the Company's outstanding Capital Stock), then, prior to the Filing Deadline, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 or, if Rule 415 is not available for offers and sales of the Registrable Securities, by such other means of distribution of Registrable Securities as the Company may reasonably determine (the "Initial Registration Statement"). Notwithstanding the registration obligations set forth in this Section 2, in the event that (i) the Company's counsel determines that all such Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement prior to filing the Initial Registration Statement, or (ii) the Commission informs the Company that all such Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly (A) inform each of the Holders thereof and, as applicable, file the Initial Registration Statement, or use its reasonable best efforts to file amendments to the Initial Registration Statement as required by the Commission and/or (B) withdraw the Initial Registration Statement and file a new registration statement (a "New Registration Statement"), in each case covering the maximum number of such Registrable Securities permitted to be registered thereon, on such form available to the Company to register for resale the Registrable Securities as a secondary offering; provided, that in the case of (ii) above, prior to filing such amendment or New Registration Statement, the Company shall be obligated to use its reasonable best efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Securities Act Rules Compliance and Disclosure Interpretation 612.09, or any successor thereto. Notwithstanding any other provision of this Agreement, if the opinion of the Company's counsel or any SEC Guidance sets forth a limitation of the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and, in the case of clause (ii) above, notwithstanding that the Company used reasonable best efforts to reasonably advocate with the Commission for the registration of all or a greater number of Registrable Securities), the number of Registrable Securities to be registered on such Registration Statement will be reduced pro rata on the basis of the aggregate number of Registrable Securities owned by each applicable Holder, and under such circumstances, the Company will not be subject to the payment of Liquidated Damages in Section 2(c). In the event the Company amends the Initial Registration Statement or files a New Registration Statement, as the case may be, under clauses (A) or (B) above, the Company will use its reasonable best efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on such form available to the Company to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended, or the New Registration Statement (the "Remainder Registration Statements"). No Holder shall be named as an "underwriter" in any Registration Statement without such Holder's prior written consent.

(b) The Company shall use its reasonable best efforts to cause each Required Registration Statement to be declared effective by the Commission as soon as practicable, and, with respect to the Initial Registration Statement or the New Registration Statement, as applicable, no later than the Effectiveness Deadline, and shall use its reasonable best efforts to keep each Required Registration Statement continuously effective under the Securities Act until the earlier of (i) such time as all of the Registrable Securities covered by such Required Registration Statement have been publicly sold by the Holders or (ii) the date that all Registrable Securities covered by such Required Registration Statement may be sold by the Holders without volume or manner of sale restrictions under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent (the "Effectiveness Period"). The Company shall request effectiveness of a Required Registration Statement as of 5:00 p.m., New York City time, on a Trading Day. The Company shall promptly notify the Holders via facsimile or electronic mail of a ".pdf" format data file of the effectiveness of a Registration Statement within one (1) Business Day of the Effective Date. The Company shall file a final Prospectus for a Required Registration Statement with the Commission, as required by Rule 424(b) as promptly as reasonably practicable following the Effective Date.

(c) If: (i) the Initial Registration Statement is not filed with the Commission on or prior to the Filing Deadline, (ii) the Initial Registration Statement or the New Registration Statement, as applicable, is not declared effective by the Commission (or otherwise does not become effective) for any reason on or prior to the Effectiveness Deadline, or (iii) after its Effective Date, (A) such Registration Statement ceases to be effective for any reason (including without limitation by reason of a stop order, or the Company's failure to update the Registration Statement), to remain continuously effective as to all Registrable Securities for which it is required to be effective, or (B) the Holders are not permitted to utilize the Prospectus therein to resell such Registrable Securities (other than during an Allowable Grace Period), (iv) a Grace Period applicable to a Required Registration Statement exceeds the length of an Allowable Grace Period, or (v) after the Filing Deadline, and only in the event a Registration Statement is not effective or available to sell all Registrable Securities, the Holders are unable to sell Registrable Securities without restriction under Rule 144, (any such failure or breach in clauses (i) through (v) above being referred to as an "Event," and, for purposes of clauses (i), (ii), (iii) or (v), the date on which such Event occurs, or for purposes of clause (iv) the date on which such Allowable Grace Period is exceeded, being referred to as an "Event Date"), then in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash, as liquidated damages and not as a penalty ("Liquidated Damages"), equal to 2.0% of the aggregate purchase price paid by such Holder pursuant to the Purchase Agreement for any Registrable Securities held by such Holder on the Event Date. The parties agree that notwithstanding anything to the contrary herein or in the Purchase Agreement, no Liquidated Damages shall be payable (i) if as of the relevant Event Date, the Registrable Securities may be sold by the Holders without volume or manner of sale restrictions under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent, (ii) to a Holder causing an Event that relates to or is caused by any action or inaction taken by such Holder, (iii) to a Holder in the event it is unable to lawfully sell any of its Registrable Securities (including, without limitation, in the event a Grace Period exceeds the length of an Allowable Grace Period) because of possession of material non- public information or (iv) with respect to any period after the expiration of the Effectiveness Period (it being understood that this clause shall not relieve the Company of any Liquidated Damages accruing prior to the expiration of the Effectiveness Period). If the Company fails to pay any Liquidated Damages pursuant to this Section 2(c) in full within ten (10) Business Days after the date payable, the Company will pay interest on the amount of Liquidated Damages then owing to the Holder at a rate of 1.0% per month on an annualized basis (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such Liquidated Damages are due until such amounts, plus all such interest thereon, are paid in full. The Liquidated Damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event, except in the case of the first Event Date. With respect to a Holder, the Effectiveness Deadline for a Required Registration Statement shall be extended without default or Liquidated Damages hereunder in the event that the Company's failure to obtain the effectiveness of the Registration Statement on a timely basis results from the failure of such Holder to timely provide the Company with information requested by the Company and necessary to complete the Registration Statement in accordance with the requirements of the Securities Act (in which case the Effectiveness Deadline would be extended with respect to Registrable Securities held by such Registration Rights Purchaser).

3. Piggyback Registration.

(a) If the Company intends to file a Registration Statement covering a primary or secondary offering of any of its Common Stock, Non-Voting Common Stock or Other Securities, whether or not the sale is for its own account, which is not a registration solely to implement an employee benefit plan pursuant to a registration statement on Form S-8 (or successor form), a registration statement on Form S-4 (or successor form) or a transaction to which Rule 145 or any other similar rule of the Commission is applicable, the Company will promptly (and in any event at least ten (10) Business Days before the anticipated filing date) give written notice to the Holders of its intention to effect such a registration. The Company will effect the registration under the Securities Act of all Registrable Securities that the Holder(s) request(s) be included in such registration (a "Piggyback Registration") by a written notice delivered to the Company within five (5) Business Days after the notice given by the Company in the preceding sentence. Subject to Section 3(b), securities requested to be included in a Company registration pursuant to this Section 3 shall be included by the Company on the same form of Registration Statement as has been selected by the Company for the securities the Company is registering for sale referred to above. The Holders shall be permitted to withdraw all or part of the Registrable Securities from the Piggyback Registration at any time at least two (2) Business Days prior to the effective date of the Registration Statement relating to such Piggyback Registration (the "Piggyback Registration Statement"). If the Company elects to terminate any registration filed under this Section 3 prior to the effectiveness of such registration, the Company will have no obligation to register the securities sought to be included by the Holders in such registration under this Section 3. There shall be no limit to the number of Piggybank Registrations pursuant to this Section 3(a).

(b) If a Registration Statement under this Section 3 relates to an underwritten offering and the managing underwriter(s) advise(s) the Company that in its or their reasonable opinion the number of securities requested to be included in such offering exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on the per share offering price), the Company will include in such registration or Prospectus only such number of securities that in the reasonable opinion of such underwriter(s) can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (i) first, the Common Stock and Other Securities the Company proposes to sell, (ii) second, the Registrable Securities of the Holders who have requested inclusion of Registrable Securities pursuant to this Section 3, pro rata on the basis of the aggregate number of such securities or shares owned by each such person, or as such Holders may otherwise agree, and (iii) third, any Other Securities of the Company that have been requested to be so included, subject to the terms of this Agreement. The Company shall select the investment banking firm or firms to act as the lead underwriter or underwriters in connection with an underwritten offering made pursuant to this Section 3; provided that such underwriter(s) shall be reasonably acceptable to the applicable Holder(s). No Holder may participate in any underwritten registration under this Section 3 unless such Holder (i) agrees to sell the Registrable Securities it desires to have covered by the underwritten offering on the basis provided in any underwriting arrangements in customary form and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

4. Underwritten Shelf Offerings.

(a) At any time that a shelf registration statement covering Registrable Securities pursuant to Section 2 or Section 3 is effective, if any Holder delivers a notice to the Company (a "Take-Down Notice") stating that it intends to sell all or part of its Registrable Securities included by it on the shelf registration statement (a "Shelf Offering"), then the Company shall amend or supplement the shelf registration statement as may be necessary in order to enable such Registrable Securities to be distributed pursuant to the Shelf Offering (taking into account the inclusion of Registrable Securities by any other Holders pursuant to this Section 4(a)). In connection with any Shelf Offering, including any Shelf Offering that is an underwritten offering, such proposing Holder(s) shall also deliver the Take-Down Notice to all other holders of Registrable Securities included on such shelf Registration Statement and permit each such Holder to include its Registrable Securities included on the shelf Registration Statement in the Shelf Offering if such holder notifies the proposing Holder(s) and the Company within five days after delivery of the Take-Down Notice to such Holder.

(b) The Company shall have no obligation to (i) effect an underwritten offering under this Section 4 on behalf of the holders of Registrable Securities electing to participate in such offering unless the expected gross proceeds from such offering exceed $10,000,000 or (ii) effect an underwritten offering more than two times in any 12-month period.

(c) If a Shelf Offering of Registrable Securities included in a Required Registration Statement is to be conducted as an underwritten offering, then the Holders of the majority of the Registrable Securities included in a Required Registration Statement shall select the investment banking firm or firms to act as the lead underwriter or underwriters in connection with such offering; provided, that such selection shall be reasonably acceptable to the Company. If, in connection with any such underwritten offering, the managing underwriter(s) advise(s) the Company that in its or their reasonable opinion the number of securities requested to be included in such offering exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on the per share offering price), the Company will include in such registration or Prospectus only such number of securities that in the reasonable opinion of such underwriter(s) can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (i) first, the Common Stock and Other Securities the Company proposes to sell, (ii) second, the Registrable Securities of the Holders who have requested registration of Registrable Securities pursuant to this Section 4, pro rata on the basis of the aggregate number of such securities or shares owned by each such person, or as the Holders may otherwise agree amongst themselves, and (iii) third, any Other Securities of the Company that have been requested to be so included, subject to the terms of this Agreement. No Holder may participate in any underwritten registration under this Section 4 unless such Holder (i) agrees to sell the Registrable Securities it desires to include in the underwritten offering on the basis provided in any underwriting arrangements in customary form and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

5. Registration Procedures.

In connection with the Company's registration obligations hereunder:

(a) the Company shall, not less than three (3) Trading Days prior to the filing of a Registration Statement or any related Prospectus or any amendment or supplement thereto (except for Annual Reports on Form 10- K, Quarterly Reports on Form 10-Q, proxy statements and Current Reports on Form 8-K and any similar or successor reports), furnish to one counsel designated by a majority of the outstanding Registrable Securities ("Holders Counsel"), copies of such Registration Statement, Prospectus or amendment or supplement thereto, as proposed to be filed, which documents will be subject to the reasonable review of Holders Counsel; provided that each Holder shall have the right to review, prior to filing, its selling shareholder information. The Company shall not file any Registration Statement or amendment or supplement thereto containing information which Holders Counsel reasonably objects in good faith, unless the Company shall have been advised by its counsel that the information objected to is required under the Securities Act or the rules or regulations adopted thereunder.

(b) (i) the Company shall prepare and file with the Commission such amendments, including post-effective amendments and supplements, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period (except during an Allowable Grace Period); (ii) the Company shall cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424 (except during an Allowable Grace Period); (iii) the Company shall respond as promptly as reasonably practicable to any comments received from the Commission with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible, provide the Holders Counsel true and complete copies of all correspondence from and to the Commission relating to such Registration Statement that pertains to the Holders as "Selling Shareholders"; and (iv) the Company shall comply in all material respects

with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by a Registration Statement until such time as all of such Registrable Securities shall have been disposed of (subject to the terms of this Agreement) in accordance with the intended methods of disposition by the Holders thereof as set forth in such Registration Statement as so amended or in such Prospectus as so supplemented; provided, that each Holder shall be responsible for the delivery of the Prospectus to the Persons to whom such Registration Rights Purchaser sells any of the Registrable Securities (including in accordance with Rule 172 under the Securities Act), and each Holder agrees to dispose of Registrable Securities in compliance with applicable federal and state securities laws. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this Section 5(b)) by reason of the Company filing a report on Form 10-K, Form 10-Q or Form 8-K or any analogous report under the Exchange Act, the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the Commission as promptly as practicable.

(c) the Company shall notify the Holders (which notice shall, pursuant to clauses (ii) through (iv) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made, if applicable) as promptly as reasonably practicable following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement has been filed with the Commission; and (B) with respect to each Registration Statement or any post-effective amendment, when the same has become effective; (ii) of the issuance by the Commission or any other federal or state Governmental Entity of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (iv) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(d) Notwithstanding anything to the contrary herein, at any time after the Registration Statement has been declared effective by the Commission, the Company may delay the disclosure of material non-public information concerning the Company if the disclosure of such information at the time is not, in the good faith judgment of the Company, in the best interests of the Company (such delay, a "Grace Period"). During the Grace Period, the Company shall not be required to maintain the effectiveness of any Registration Statement filed hereunder and, in any event, Holders shall suspend sales of Registrable Securities pursuant to such Registration Statements during the pendency of the Grace Period provided, the Company shall promptly (i) notify the Holders in writing of the existence of material non-public information giving rise to a Grace Period or the need to file a post-effective amendment, as applicable, and the date on which such Grace Period will begin, (ii) use reasonable best efforts to terminate a Grace Period as promptly as practicable provided that such termination is, in the good faith judgment of the Company, in the best interest of the Company and (iii) notify the Holders in writing of the date on which the Grace Period ends; provided, further, that, with respect to a Required Registration Statement only, no single Grace Period shall exceed forty-five (45) consecutive days, and during any three hundred sixty-five (365) day period, the aggregate of all Grace Periods shall not exceed an aggregate of ninety (90) days (each Grace Period complying with this provision being an "Allowable Grace Period"). For purposes of determining the length of a Grace Period, the Grace Period shall be deemed to begin on and include the date the Holders receive the notice referred to in clause (i) above and shall end on and include the later of the date the Holders receive the notice referred to in clause (iii) above and the date referred to in such notice; provided, that no Grace Period shall be longer than an Allowable Grace Period. Notwithstanding anything to the contrary, the Company shall use reasonable best efforts to cause the Transfer Agent to deliver unlegended Shares to a transferee of a Holder in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect to which a Holder has entered into an irrevocable contract for sale prior to the Holder's receipt of the notice of a Grace Period and for which the Holder has not yet settled.

(e) the Company shall use reasonable best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, as soon as practicable.

(f) the Company shall, if requested by a Holder, furnish to such Holder, without charge, at least one (1) conformed copy of each Registration Statement and each amendment thereto and all exhibits to the extent requested by such Holder (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that the Company shall have no obligation to provide any document pursuant to this clause that is available on the Commission's EDGAR or successor system.

(g) the Company agrees to promptly deliver to each Holder whose Registrable Securities are included in the applicable Registration Statement, without charge, as many copies of each Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as such Persons may reasonably request. The Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of Registrable Securities covered by such Prospectus and any amendment or supplement thereto.

(h) the Company shall, prior to any resale of Registrable Securities by a Holder, use its reasonable best efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or "Blue Sky" laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any general tax in any such jurisdiction where it is not then so subject or file a consent to service of process in any such jurisdiction.

(i) the Company shall enter into such customary agreements (including an underwriting agreement in customary form) and take all such other actions reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith or by the managing underwriter(s), if any, in order to expedite or facilitate the disposition of such Registrable Securities. In connection with any such permitted underwritten offering of Registrable Securities, (i) the Company shall (A) make such representations and warranties to the selling Holders and the managing underwriter(s), if any, with respect to the business of the Company and its subsidiaries, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers in underwritten offerings, and, if true, confirm the same if and when requested, (B) use its reasonable best efforts to furnish opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriter(s), if any, addressed

to each of the managing underwriter(s), if any, covering the matters customarily covered in opinions requested in underwritten offerings, (C) use its reasonable best efforts to obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) who have certified the financial statements included in such Registration Statement, addressed to each of the managing underwriter(s), if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings, (D) include within the underwriting agreement indemnification provisions and procedures customary in such underwritten offerings and (E) deliver such documents and certificates as may be reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith, their counsel and the managing underwriter(s), if any, to evidence the continued validity of the representations and warranties made pursuant to clause (A) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company, (ii) each Holder shall not, during such period (which period shall in no event exceed one hundred and eighty (180) days, subject to any then customary "booster shot" extension (which extension shall not exceed thirty (30) days) following the effective date of any Registration Statement to the extent requested by any managing underwriter, sell, pledge, hypothecate, transfer, make any short sale of, loan, grant any option or right to purchase of, or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any Registrable Securities owned by it at any time during such period, except Registrable Securities included in such registration; provided that any release of Registrable Securities from such agreement shall be effected among the Holders on a pro rata basis according to the Registrable Securities then owned by them, and (iii) the Company shall use its reasonable best efforts to cause each of its directors and senior executive officers to execute and deliver customary lockup agreements in such form and for such time period up to one hundred and eighty (180) days (subject to any then customary "booster shot" extensions) as may be requested by any managing underwriter. The above shall be done at each closing under such underwriting or similar agreement, or as and to the extent required thereunder.

(j) the Company shall make available for inspection by any Holder of Registrable Securities included in such Registration Statement, any underwriter participating in any disposition pursuant to such Registration Statement, and any attorney, accountant or other agent retained by any such seller or underwriter (collectively, the "Inspectors"), at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and properties of the Company and its Subsidiaries (collectively, the "Records"), as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Inspector in connection with such Registration Statement; provided, however, that any Records that are not generally publicly available at the time of delivery of such Records shall be kept confidential by such Inspectors unless (i) the disclosure of such Records is necessary in the reasonable judgment of the Inspectors to avoid or correct a misstatement or omission in the Registration Statement, or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction; provided, further, that each Holder of Registrable Securities agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company to the extent legally permitted and allow the Company, at its expense, to undertake appropriate action and to prevent disclosure of the Records deemed confidential.

(k) the Company shall, in the case of an underwritten offering, cause its officers to use their reasonable best efforts to support the marketing of the Registrable Securities covered by the Registration Statement (including, without limitation, by participation in "road shows") if requested by the managing underwriter(s) and taking into account the Company's business needs.

(l) the Company shall reasonably cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to the Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement and under law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may reasonably request. Certificates for Registrable Securities free from all restrictive legends may be transmitted by the transfer agent to a Holder by crediting the account of such Holder's prime broker with DTC as directed by such Holder.

(m) the Company shall following the occurrence of any event contemplated by Sections 5(c)(ii)-(iv), as promptly as reasonably practicable, as applicable: (i) use its reasonable best efforts to prevent the issuance of any stop order or obtain its withdrawal at the earliest possible moment if the stop order have been issued, or (ii) taking into account the Company's good faith assessment of any adverse consequences to the Company and its shareholders of the premature disclosure of such event, prepare and file a supplement or amendment, including a post-effective amendment, to the affected Registration Statements or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, no Registration Statement nor any Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(n) the Company may require each selling Holder to furnish to the Company a certified statement as to (i) the number of securities of the Company beneficially owned by such Holder and any Affiliate thereof, (ii) any Financial Industry Regulatory Authority ("FINRA") affiliations, (iii) any natural persons who have the power to vote or dispose of the Common Stock and (iv) any other information as may be requested by the Commission, FINRA, any state securities commission or any other government or regulatory body with jurisdiction over the Company or its activities. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of Registrable Securities because any Holder fails to furnish such information within five (5) Trading Days of the Company's request, any Liquidated Damages that are accruing at such time as to such Holder only shall be tolled and any Event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

(o) the Company shall cooperate with any registered broker through which a Holder proposes to resell its Registrable Securities in effecting a filing with FINRA pursuant to FINRA Rule 5110 as requested by any such Holder and the Company shall pay the filing fee required for the first such filing (but not additional filings) within two (2) Business Days of the request therefore.

(p) if the Company becomes eligible to use Form S-3 during the term of this Agreement, the Company shall use its reasonable best efforts to maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of Registrable Securities.

(q) if requested by a Holders Counsel, the Company shall (i) promptly incorporate in a Prospectus supplement or post-effective amendment to the Registration Statement such information as the Company reasonably agrees (upon advice of counsel) is required to be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as reasonably practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

The Company may require each Holder of Registrable Securities as to which any registration is being effected to furnish to the Company in writing such information required in connection with such registration regarding such Holder and the distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing and the Company may exclude from such registration the Registrable Securities of any Holder who fails to furnish such information within a reasonable time after receiving such request.

6. Registration Expenses. All fees and expenses incident to the Company's performance of or compliance with its obligations under this Agreement (excluding

any underwriting discounts and selling commissions, stock transfer taxes and fees of counsel for the Holders) shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence that are the Company's responsibility shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, (B) with respect to compliance with applicable state securities or "Blue Sky" laws (including, without limitation, fees and disbursements of counsel for the Company in connection with "Blue Sky" qualifications or exemptions of the Registrable Securities and determination of the eligibility of the Registrable Securities for investment under the laws of such jurisdictions as requested by the Holders) and (C) if not previously paid by the Company in connection with an issuer filing, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by the Holders of a majority of the Registrable Securities included in the Registration Statement), (iii) messenger, telephone and delivery expenses of the Company, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, and (vii) up to a maximum of $50,000 of expenses of Castle Creek actually and reasonably incurred, including without limitation, reasonable attorneys' fees. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder.

7. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify, defend and hold harmless each Holder and each of their respective officers, directors, agents, general partners, managing members, managers, Affiliates and employees, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, general partners, managing members, managers, agents and employees of such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and investigation and reasonable and documented attorneys' fees) and expenses (collectively, "Losses"), as incurred, that arise out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, or (ii) any violation or alleged violation by the Company of the Securities Act, Exchange Act or any state securities law or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (A) such untrue statements, alleged untrue statements, omissions or alleged omissions are based primarily upon information regarding such Holder furnished in writing to the Company by such Holder or on behalf of such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder or Holders Counsel expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto, (B) Holder's failure to deliver or cause to be delivered the Prospectus or any amendment or supplement thereto made available by the Company in compliance with Section 8(g), or (C) in the case of an occurrence of an event of the type specified in Sections 5(c)(ii) -(iv), related to the use by a Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing or electronic mail that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated and defined in Section 8(h) below, but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party (as defined in Section 7(c)) and shall survive the transfer of the Registrable Securities by the Holders.

(b) Indemnification by Holders. Each Holder shall, notwithstanding any termination of this Agreement, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (A) to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by or on behalf of such Holder expressly for use therein, or (B) to the extent, but only to the extent, that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder or Holders Counsel expressly for use in a Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (C) in the case of an occurrence of an event of the type specified in Sections 5(c)(ii)- (iv), to the extent, but only to the extent, related to the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 8(h), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected, or (ii) Holder's failure to deliver or cause to be delivered the Prospectus or any amendment or supplement thereto made available by the Company in compliance with Section 8(g). In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of one (1) counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable and documented fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such written notice within a reasonable time of commencement of any such Proceeding shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that such failure shall have materially and adversely prejudiced the Indemnifying Party in its ability to defend such Proceeding.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel in writing that a conflict of interest exists if the same counsel were to represent such Indemnified Party and the Indemnifying Party; provided, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys plus local counsel at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or unreasonably conditioned. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all documented fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section 7(c)) shall be paid to the Indemnified Party, as incurred, within twenty (20) Trading Days of written notice thereof to the Indemnifying Party; provided, that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally judicially determined to not be entitled to indemnification hereunder.

(d) Contribution. If a claim for indemnification under Section 7(a) or 7(b) is unavailable to an Indemnified Party (other than in accordance with its terms) or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 7(d) was available to such party in accordance with its terms. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 7(d), no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this Section 7 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties and are not in diminution or limitation of the indemnification provisions under the Purchase Agreement.

8. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Prohibition on Other Registrations. The Company agrees not to effect or initiate a registration statement for any public sale or distribution of any securities similar to those being registered pursuant to this Agreement, or any securities convertible into or exchangeable or exercisable for such securities (other than a registration solely to implement an employee benefit plan pursuant to a registration statement on Form S-8 (or successor form), a registration statement on Form S-4 (or successor form) or a transaction to which Rule 145 or any other similar rule of the Commission is applicable), during the fourteen (14) calendar days prior to, and during the sixty (60) calendar-day period beginning on, the effective date of any Registration Statement in which the Holders of Registrable Securities are participating (except as part of any such registration, if permitted).

(c) Rule 144 Requirements. For so long as the Company is subject to the reporting requirements of the Exchange Act, the Company will use its reasonable best efforts to timely file with the Commission such reports and information required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder and as the Commission may require. The Company shall furnish to any Holder of Registrable Securities forthwith upon request a written statement as to its compliance with the reporting requirements of Rule 144 (or any successor exemptive rule), the Securities Act and the Exchange Act (at any time that it is subject to such reporting requirements); a copy of its most recent annual or quarterly report; and such other reports and documents as such Person may reasonably request in availing itself of any rule or regulation of the Commission allowing it to sell any such securities without registration.

(d) Obligations of Holders and Others in a Registration. Each Holder agrees to timely furnish in writing such information regarding such Person, the securities sought to be registered and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably be required to effect the registration of such Registrable Securities (the "Requested Information") and shall take such other action as the Company may reasonably request in connection with the registration, qualification or compliance or as otherwise provided herein. At least ten (10) Business Days prior to the first anticipated filing date of a Registration Statement, the Company shall notify each holder of the information the Company requires from such Holder if such Holder elects to have any of such Holder's Registrable Securities included in the Registration Statement. If at least five (5) Business Days prior to the filing date, the Company has not received the Requested Information from a Holder (a "Non-Responsive Holder"), then the Company may exclude from any Registration Statement the Registrable Securities of such Non-Responsive Holder.

(e) Rule 144A. The Company agrees that, upon the request of any Holder of Registrable Securities or any prospective purchaser of Registrable Securities designated by a Holder, the Company shall promptly provide (but in any case within fifteen (15) calendar days of a request) to such Holder or potential purchaser, the following information:

(i) a brief statement of the nature of the business of the Company and any subsidiaries and the products and services they offer;

(ii) the most recent consolidated balance sheets and profit and losses and retained earnings statements, and similar financial statements of the Company for the two (2) most recent fiscal years (such financial information shall be audited, to the extent reasonably available); and

(iii) such other information about the Company, any subsidiaries, and their business, financial condition and results of operations as the requesting Holder or purchaser of such Registrable Securities shall reasonably request in order to comply with Rule 144A, as amended, and in connection therewith the anti-fraud provisions of the federal and state securities laws.

The Company hereby represents and warrants to any such requesting Holder and any prospective purchaser of Registrable Securities from such Holder that the information provided by the Company pursuant to this Section 8(e) will, as of their dates, not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(f) Limitations on Subsequent Registration Rights. The Company will not enter into any agreements with any holder or prospective holder of any securities of the Company which would grant such holder or prospective holder registration rights with respect to the securities of the Company which would have priority over the Registrable Securities with respect to the inclusion of such securities in any registration. If the Company enters into an agreement that contains terms more favorable, in form or substance, to any shareholders than the terms provided to the Holders under this Agreement, then the Company will modify or revise the terms of this Agreement in order to reflect any such more favorable terms for the benefit of the Holders.

(g) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to the Registration Statement and shall sell the Registrable Securities only in accordance with a method of distribution described in the Registration Statement.

(h) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Sections 5(c)(ii)-(iv), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(i) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date hereof, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

(j) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, or waived unless the same shall be in writing and signed by the Company and Holders of a majority of the then outstanding Registrable Securities; provided that any such amendment, modification, supplement or waiver that materially, adversely and disproportionately effects the rights or obligations of any Holder vis-a-vis the other Holders shall require the prior written consent of such Holder.

(k) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail (provided the sender receives a machine-generated confirmation of successful facsimile transmission or e-mail notification or confirmation of receipt of an e-mail transmission) at the facsimile number or e-mail address specified in this Section prior to 5:00 p.m., New York City time, on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:00 p.m., New York City time, on any Trading Day, (c) the Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service with next day delivery specified, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company:	Northpointe Bancshares, Inc. 3333 Deposit Drive NE Grand Rapids, MI 49546 Attention: Charles Williams Email: Chuck.Williams@northpointe.com Facsimile: 616-726-2500
With a copy to:	Varnum LLP Bridgewater Place 333 Bridge Street NW, Suite 1700 Grand Rapids, MI 49504 Attention: Kimberly Baber Email: kababer@varnumlaw.com Facsimile: 616-336-7000

If to a Registration Rights Purchaser:

To the address set forth under such Registration Rights Purchaser's name on the signature page hereof or such other address as may be designated in writing hereafter, in the same manner, by such Person.

(l) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The Company may not assign its rights (except by merger or in connection with another entity acquiring all or substantially all of the Company's assets) or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. The rights to have the Company register Registrable Securities pursuant to this Agreement shall be automatically assigned by any Registration Rights Purchaser to any transferee of the Shares only if: (i) the Registration Rights Purchaser agrees in writing with the transferee or assignee to assign such rights; (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (A) the name and address of such transferee or assignee and (B) the securities with respect to which such registration rights are being transferred or assigned; and (iii) at or before the time the Company received the written notice contemplated by clause (ii) of this sentence, the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein with respect to a Holder or Registration Rights Purchaser. In the event of any delay in filing or effectiveness of the Registration Statement as a result of such assignment by a Registration Rights Purchaser or its transferee, the Company shall not be liable for any damages arising from such delay.

(m) Execution and Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature were the original thereof.

(n) Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware applicable to contracts made and to be performed entirely within such State. The parties hereby agree that all actions or proceedings arising out of or related to this Agreement

shall be subject to the exclusive jurisdiction of the state and federal courts in the State of Delaware. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(o) Cumulative Remedies . Except as provided in Section 2(c) with respect to Liquidated Damages, the remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(p) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their good faith reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(q) Headings. The headings in this Agreement are for convenience only and shall not limit or otherwise affect the meaning hereof.

(r) Independent Nature of Registration Rights Purchasers' Obligations and Rights. The obligations of each Registration Rights Purchaser under this Agreement are several and not joint with the obligations of any other Registration Rights Purchaser hereunder, and no Registration Rights Purchaser shall be responsible in any way for the performance of the obligations of any other Registration Rights Purchaser hereunder. The decision of each Registration Rights Purchaser to purchase the Shares pursuant to the Purchase Agreement has been made independently of any other Registration Rights Purchaser. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Registration Rights Purchaser pursuant hereto or thereto, shall be deemed to constitute the Registration Rights Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Registration Rights Purchasers are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Registration Rights Purchaser acknowledges that no other Registration Rights Purchaser has acted as agent for such Registration Rights Purchaser in connection with making its investment hereunder and that no Registration Rights Purchaser will be acting as agent of such Registration Rights Purchaser in connection with monitoring its investment in the Shares or enforcing its rights under the Purchase Agreement. Each Registration Rights Purchaser shall be entitled to protect and enforce its rights, including, without limitation, the rights arising out of this Agreement, and it shall not be necessary for any other Registration Rights Purchaser to be joined as an additional party in any Proceeding for such purpose. The Company acknowledges that each of the Registration Rights Purchasers has been provided with the same Registration Rights Agreement for the purpose of closing a transaction with multiple Registration Rights Purchasers and not because it was required or requested to do so by any Registration Rights Purchaser. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Registration Rights Purchaser, solely, and not between the Company and the Registration Rights Purchasers collectively and not between and among the Registration Rights Purchasers.

(s) Entire Agreement. This Agreement and the Purchase Agreement constitute the entire agreement among the parties hereto with respect to the subject matter hereof. There are no restrictions, promises, warranties or undertakings, other than as set forth or referred to herein and in the Purchase Agreement. This Agreement supersedes all prior agreements and understandings among the parties hereto with respect to the subject matter hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

NORTHPOINTE BANCSHARES, INC.

By: /s/ Charles A. Williams
Name: Charles A. Williams
Title: President & CEO

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

NAME OF INVESTING ENTITY:

CASTLE CREEK CAPITAL PARTNERS VII, LP
By: Castle Creek Capital Partners VII LLC, its general partner

By: /s/ Tony Scavuzzo
Name: Tony Scavuzzo
Title: Principal

Address for Notice:

6051 El Tordo
P.O. Box 1329
Rancho Santa Fe, CA 92067

Telephone No: (858) 756-8300

Facsimile No: (858) 756-8301

E-mail Address: tscavuzzo@castlecreek.com

Attention: Tony Scavuzzo, Principal

Exhibit 4.6

Execution Version

NORTHPOINTE BANCSHARES, INC.
REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of December 24, 2019, by and among Northpointe Bancshares, Inc., a Michigan corporation (the "Company"), and the purchaser(s) signatory hereto (each a "Registration Rights Purchaser" and collectively, the "Registration Rights Purchasers").

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of December 24, 2019, between the Company and each Registration Rights Purchaser (the "Purchase Agreement").

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each of the Registration Rights Purchasers agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Advice" shall have the meaning set forth in Section 8(h).

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person.

"Agreement" shall have the meaning set forth in the Preamble.

"Allowable Grace Period" shall have the meaning set forth in Section 5(d).

"Business Day" means a day other than a Saturday or Sunday or other day on which banks located in Michigan are authorized or required by law to close.

"Capital Stock" means, with respect to any Person at any time, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, securities convertible into or exchangeable or exerciseable for any of its shares, interests, participations or other equivalents, partnership interests (whether general or limited), limited liability company interests, or equivalent ownership interests in or issued by such Person.

"Closing Date" has the meaning set forth in the Purchase Agreement.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the voting common stock of the Company, no par value per share, and any securities into which such shares of voting common stock may hereinafter be reclassified.

"Company" shall have the meaning set forth in the Preamble.

"Effective Date" means the date that the Registration Statement filed pursuant to Section 2(a) is first declared effective by the Commission.

"Effectiveness Deadline" means, with respect to the Initial Registration Statement or the New Registration Statement, the fifth (5th) Trading Day after the date the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review; provided, that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the Commission is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the Commission is open for business.

"Effectiveness Period" shall have the meaning set forth in Section 2(b).

"Event" shall have the meaning set forth in Section 2(c).

"Event Date" shall have the meaning set forth in Section 2(c).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Filing Deadline" means the date that is ninety (90) calendar days after receipt of the request from a Registration Rights Purchaser described in Section 2(a) (or, in the case of any registration eligible to be made on Form S-3 or comparable successor form, sixty (60) calendar days after the receipt of such request).

"FINRA" shall have the meaning set forth in Section 5(n).

"Grace Period" shall have the meaning set forth in Section 5(d).

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Holders Counsel" shall have the meaning set forth in Section 5(a).

"Indemnified Party" shall have the meaning set forth in Section 7(c).

"Indemnifying Party" shall have the meaning set forth in Section 7(c).

"Initial Registration Statement" means shall have the meaning set forth in Section 2(a).

"Inspectors" shall have the meaning set forth in Section 5(j).

"Liquidated Damages" shall have the meaning set forth in Section 2(c).

"Losses" shall have the meaning set forth in Section 7(a).

"New Registration Statement" shall have the meaning set forth in Section 2(a).

"Non-Responsive Holder" shall have the meaning set forth in Section 8(d).

"Non-Voting Common Stock" means the Company's non-voting common stock, no par value per share.

"Other Securities" means shares of Common Stock, Non-Voting Common Stock or shares of other Capital Stock or other securities of the Company which are contractually entitled to registration rights or Capital Stock which the Company is registering pursuant to a Registration Statement.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Piggyback Registration" shall have the meaning set forth in Section 3(a).

"Piggyback Registration Statement" shall have the meaning set forth in Section 3(a).

"Principal Market" means the Trading Market on which the Common Stock is primarily listed on and quoted for trading.

"Proceeding" means an action, claim, suit, investigation, or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition).

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Purchase Agreement" shall have the meaning set forth in the Recitals.

"Records" shall have the meaning set forth in Section 5(j).

"Registrable Securities" means all of the Shares and any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the Shares, provided that the Shares shall cease to be Registrable Securities upon the earliest to occur of the following: (A) a sale pursuant to a Registration Statement; (B) becoming eligible for sale without time, volume or manner of sale restrictions by the Holders under Rule 144; or (C) if such Shares have ceased to be outstanding.

"Registration Rights Purchaser" or "Registration Rights Purchasers" shall have the meaning set forth in the Preamble.

"Registration Statements" means any one or more registration statements of the Company filed under the Securities Act that covers the resale of any of the Registrable Securities pursuant to the provisions of this Agreement (including without limitation the Initial Registration Statement, the New Registration Statement and any Remainder Registration Statements), amendments and supplements to such Registration Statements, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such Registration Statements.

"Remainder Registration Statement" shall have the meaning set forth in Section 2(a).

"Requested Information" shall have the meaning set forth in Section 8(d).

"Required Registration Statement" means any Initial Registration Statement, New Registration Statement or Remainder Registration Statement.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 144A" means Rule 144A promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"SEC Guidance" means (i) any publicly-available written guidance, comments, requirements or requests of the Commission staff and (ii) the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shares" means the shares of Common Stock and Non-Voting Common Stock issued or issuable to the Registration Rights Purchaser pursuant to the Purchase Agreement.

"Shelf Offering" shall have the meaning set forth in Section 4(a).

"Take-Down Notice" shall have the meaning set forth in Section 4(a).

"Trading Day" means (i) a day on which the Common Stock is listed or quoted and traded on its Principal Market (other than the OTC Bulletin Board), or (ii) if the

Common Stock is not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as reported in the "pink sheets" by OTC Markets Group, Inc. (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

"Trading Market" means whichever of the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market or OTC Bulletin Board on which the Common Stock is listed or quoted for trading on the date in question.

2. Demand Registration.

(a) If at any time after five (5) years after the date of this Agreement, the Company receives a request from a Registration Rights Purchaser who at such time, together with its Affiliates, owns in the aggregate at least 225,761 shares of Common Stock and/or Non-Voting Common Stock (which number of shares shall be subject to adjustment to reflect any stock dividend, stock split, stock combination, reverse stock split, or similar reclassification of the Company's outstanding Capital Stock), then, prior to the Filing Deadline, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 or, if Rule 415 is not available for offers and sales of the Registrable Securities, by such other means of distribution of Registrable Securities as the Company may reasonably determine (the "Initial Registration Statement"). Notwithstanding the registration obligations set forth in this Section 2, in the event that (i) the Company's counsel determines that all such Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement prior to filing the Initial Registration Statement, or (ii) the Commission informs the Company that all such Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly (A) inform each of the Holders thereof and, as applicable, file the Initial Registration Statement, or use its reasonable best efforts to file amendments to the Initial Registration Statement as required by the Commission and/or (B) withdraw the Initial Registration Statement and file a new registration statement (a "New Registration Statement"), in each case covering the maximum number of such Registrable Securities permitted to be registered thereon, on such form available to the Company to register for resale the Registrable Securities as a secondary offering; provided, that in the case of (ii) above, prior to filing such amendment or New Registration Statement, the Company shall be obligated to use its reasonable best efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Securities Act Rules Compliance and Disclosure Interpretation 612.09, or any successor thereto. Notwithstanding any other provision of this Agreement, if the opinion of the Company's counsel or any SEC Guidance sets forth a limitation of the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and, in the case of clause (ii) above, notwithstanding that the Company used reasonable best efforts to reasonably advocate with the Commission for the registration of all or a greater number of Registrable Securities), the number of Registrable Securities to be registered on such Registration Statement will be reduced pro rata on the basis of the aggregate number of Registrable Securities owned by each applicable Holder, and under such circumstances, the Company will not be subject to the payment of Liquidated Damages in Section 2(c). In the event the Company amends the Initial Registration Statement or files a New Registration Statement, as the case may be, under clauses (A) or (B) above, the Company will use its reasonable best efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on such form available to the Company to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended, or the New Registration Statement (the "Remainder Registration Statements"). No Holder shall be named as an "underwriter" in any Registration Statement without such Holder's prior written consent.

(b) The Company shall use its reasonable best efforts to cause each Required Registration Statement to be declared effective by the Commission as soon as practicable, and, with respect to the Initial Registration Statement or the New Registration Statement, as applicable, no later than the Effectiveness Deadline, and shall use its reasonable best efforts to keep each Required Registration Statement continuously effective under the Securities Act until the earlier of (i) such time as all of the Registrable Securities covered by such Required Registration Statement have been publicly sold by the Holders or (ii) the date that all Registrable Securities covered by such Required Registration Statement may be sold by the Holders without volume or manner of sale restrictions under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent (the "Effectiveness Period"). The Company shall request effectiveness of a Required Registration Statement as of 5:00 p.m., New York City time, on a Trading Day. The Company shall promptly notify the Holders via facsimile or electronic mail of a ".pdf" format data file of the effectiveness of a Registration Statement within one (1) Business Day of the Effective Date. The Company shall file a final Prospectus for a Required Registration Statement with the Commission, as required by Rule 424(b) as promptly as reasonably practicable following the Effective Date.

(c) If: (i) the Initial Registration Statement is not filed with the Commission on or prior to the Filing Deadline, (ii) the Initial Registration Statement or the New Registration Statement, as applicable, is not declared effective by the Commission (or otherwise does not become effective) for any reason on or prior to the Effectiveness Deadline, or (iii) after its Effective Date, (A) such Registration Statement ceases to be effective for any reason (including without limitation by reason of a stop order, or the Company's failure to update the Registration Statement), to remain continuously effective as to all Registrable Securities for which it is required to be effective, or (B) the Holders are not permitted to utilize the Prospectus therein to resell such Registrable Securities (other than during an Allowable Grace Period), (iv) a Grace Period applicable to a Required Registration Statement exceeds the length of an Allowable Grace Period, or (v) after the Filing Deadline, and only in the event a Registration Statement is not effective or available to sell all Registrable Securities, the Holders are unable to sell Registrable Securities without restriction under Rule 144, (any such failure or breach in clauses (i) through (v) above being referred to as an "Event," and, for purposes of clauses (i), (ii), (iii) or (v), the date on which such Event occurs, or for purposes of clause (iv) the date on which such Allowable Grace Period is exceeded, being referred to as an "Event Date"), then in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash, as liquidated damages and not as a penalty ("Liquidated Damages"), equal to 2.0% of the aggregate purchase price paid by such Holder pursuant to the Purchase Agreement for any Registrable Securities held by such Holder on the Event Date. The parties agree that notwithstanding anything to the contrary herein or in the Purchase Agreement, no Liquidated Damages shall be payable (i) if as of the relevant Event Date, the Registrable Securities may be sold by the Holders without volume or manner of sale restrictions under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent, (ii) to a Holder causing an Event that relates to or is caused by any action or inaction taken by such Holder, (iii) to a Holder in the event it is unable to lawfully sell any of its Registrable Securities (including, without limitation, in the event a Grace Period exceeds the length of an Allowable Grace Period) because of possession of material non-public information or (iv) with respect to any period after the expiration of the Effectiveness Period (it being understood that this clause shall not relieve the Company of any Liquidated Damages accruing prior to the expiration of the Effectiveness Period). If the Company fails to pay any Liquidated Damages pursuant to this Section 2(c) in full within ten (10) Business Days after the date payable, the Company will pay interest on the amount of Liquidated Damages then owing to the Holder at a rate of 1.0% per month on an annualized basis (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such Liquidated Damages are due until such amounts, plus all such interest thereon, are paid in full. The Liquidated Damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event, except in the case of the first Event Date. With respect to a Holder, the Effectiveness Deadline for a Required Registration Statement shall be extended without default or Liquidated Damages hereunder in the event that the Company's failure to obtain the effectiveness of the Registration Statement on a timely basis results from the failure of such Holder to timely provide the Company with information requested by the Company and necessary to complete the Registration Statement in accordance with the requirements of the Securities Act (in which case the Effectiveness Deadline would be extended with respect to Registrable Securities held by such Registration Rights Purchaser).

3. Piggyback Registration.

(a) If the Company intends to file a Registration Statement covering a primary or secondary offering of any of its Common Stock, Non-Voting Common Stock or Other Securities, whether or not the sale is for its own account, which is not a registration solely to implement an employee benefit plan pursuant to a registration statement on Form S-8 (or successor form), a registration statement on Form S-4 (or successor form) or a transaction to which Rule 145 or any other similar rule of the Commission is applicable, the Company will promptly (and in any event at least ten (10) Business Days before the anticipated filing date) give written notice to the Holders of its intention to effect such a registration. The Company will effect the registration under the Securities Act of all Registrable Securities that the Holder(s) request(s) be included in such registration (a "Piggyback Registration") by a written notice delivered to the Company within five (5) Business Days after the notice given by the Company in the preceding sentence. Subject to Section 3(b), securities requested to be included in a Company registration pursuant to this Section 3 shall be included by the Company on the same form of Registration Statement as has been selected by the Company for the securities the Company is registering for sale referred to above. The Holders shall be permitted to withdraw all or part of the Registrable Securities from the Piggyback Registration at any time at least two (2) Business Days prior to the effective date of the Registration Statement relating to such Piggyback Registration (the "Piggyback Registration Statement"). If the Company elects to terminate any registration filed under this Section 3 prior to the effectiveness of such registration, the Company will have no obligation to register the securities sought to be included by the Holders in such registration under this Section 3. There shall be no limit to the number of Piggybank Registrations pursuant to this Section 3(a).

(b) If a Registration Statement under this Section 3 relates to an underwritten offering and the managing underwriter(s) advise(s) the Company that in its or their reasonable opinion the number of securities requested to be included in such offering exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on the per share offering price), the Company will include in such registration or Prospectus only such number of securities that in the reasonable opinion of such underwriter(s) can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (i) first, the Common Stock and Other Securities the Company proposes to sell, (ii) second, the Registrable Securities of the Holders who have requested inclusion of Registrable Securities pursuant to this Section 3, pro rata on the basis of the aggregate number of such securities or shares owned by each such person, or as such Holders may otherwise agree, and (iii) third, any Other Securities of the Company that have been requested to be so included, subject to the terms of this Agreement. The Company shall select the investment banking firm or firms to act as the lead underwriter or underwriters in connection with an underwritten offering made pursuant to this Section 3; provided that such underwriter(s) shall be reasonably acceptable to the applicable Holder(s). No Holder may participate in any underwritten registration under this Section 3 unless such Holder (i) agrees to sell the Registrable Securities it desires to have covered by the underwritten offering on the basis provided in any underwriting arrangements in customary form and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

4. Underwritten Shelf Offerings.

(a) At any time that a shelf registration statement covering Registrable Securities pursuant to Section 2 or Section 3 is effective, if any Holder delivers a notice to the Company (a "Take-Down Notice") stating that it intends to sell all or part of its Registrable Securities included by it on the shelf registration statement (a "Shelf Offering"), then the Company shall amend or supplement the shelf registration statement as may be necessary in order to enable such Registrable Securities to be distributed pursuant to the Shelf Offering (taking into account the inclusion of Registrable Securities by any other Holders pursuant to this Section 4(a)). In connection with any Shelf Offering, including any Shelf Offering that is an underwritten offering, such proposing Holder(s) shall also deliver the Take-Down Notice to all other holders of Registrable Securities included on such shelf Registration Statement and permit each such Holder to include its Registrable Securities included on the shelf Registration Statement in the Shelf Offering if such holder notifies the proposing Holder(s) and the Company within five days after delivery of the Take-Down Notice to such Holder.

(b) The Company shall have no obligation to (i) effect an underwritten offering under this Section 4 on behalf of the holders of Registrable Securities electing to participate in such offering unless the expected gross proceeds from such offering exceed $10,000,000 or (ii) effect an underwritten offering more than two times in any 12-month period.

(c) If a Shelf Offering of Registrable Securities included in a Required Registration Statement is to be conducted as an underwritten offering, then the Holders of the majority of the Registrable Securities included in a Required Registration Statement shall select the investment banking firm or firms to act as the lead underwriter or underwriters in connection with such offering; provided, that such selection shall be reasonably acceptable to the Company. If, in connection with any such underwritten offering, the managing underwriter(s) advise(s) the Company that in its or their reasonable opinion the number of securities requested to be included in such offering exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on the per share offering price), the Company will include in such registration or Prospectus only such number of securities that in the reasonable opinion of such underwriter(s) can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (i) first, the Common Stock and Other Securities the Company proposes to sell, (ii) second, the Registrable Securities of the Holders who have requested registration of Registrable Securities pursuant to this Section 4, pro rata on the basis of the aggregate number of such securities or shares owned by each such person, or as the Holders may otherwise agree amongst themselves, and (iii) third, any Other Securities of the Company that have been requested to be so included, subject to the terms of this Agreement. No Holder may participate in any underwritten registration under this Section 4 unless such Holder (i) agrees to sell the Registrable Securities it desires to include in the underwritten offering on the basis provided in any underwriting arrangements in customary form and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

5. Registration Procedures.

In connection with the Company's registration obligations hereunder:

(a) the Company shall, not less than three (3) Trading Days prior to the filing of a Registration Statement or any related Prospectus or any amendment or supplement thereto (except for Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, proxy statements and Current Reports on Form 8-K and any similar or successor reports), furnish to one counsel designated by a majority of the outstanding Registrable Securities ("Holders Counsel"), copies of such Registration Statement, Prospectus or amendment or supplement thereto, as proposed to be filed, which documents will be subject to the reasonable review of Holders Counsel; provided that each Holder shall have the right to review, prior to filing, its selling shareholder information. The Company shall not file any Registration Statement or amendment or supplement thereto containing information which Holders Counsel reasonably objects in good faith, unless the Company shall have been advised by its counsel that the information objected to is required under the Securities Act or the rules or regulations adopted thereunder.

(b) (i) the Company shall prepare and file with the Commission such amendments, including post-effective amendments and supplements, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period (except during an Allowable Grace Period); (ii) the Company shall cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424 (except during an Allowable Grace Period); (iii) the Company shall respond as promptly as reasonably practicable to any comments received from the Commission with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible, provide the Holders Counsel true and complete copies of all correspondence from

and to the Commission relating to such Registration Statement that pertains to the Holders as "Selling Shareholders"; and (iv) the Company shall comply in all material respects with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by a Registration Statement until such time as all of such Registrable Securities shall have been disposed of (subject to the terms of this Agreement) in accordance with the intended methods of disposition by the Holders thereof as set forth in such Registration Statement as so amended or in such Prospectus as so supplemented; provided, that each Holder shall be responsible for the delivery of the Prospectus to the Persons to whom such Registration Rights Purchaser sells any of the Registrable Securities (including in accordance with Rule 172 under the Securities Act), and each Holder agrees to dispose of Registrable Securities in compliance with applicable federal and state securities laws. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this Section 5(b)) by reason of the Company filing a report on Form 10-K, Form 10-Q or Form 8-K or any analogous report under the Exchange Act, the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the Commission as promptly as practicable.

(c) the Company shall notify the Holders (which notice shall, pursuant to clauses (ii) through (iv) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made, if applicable) as promptly as reasonably practicable following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement has been filed with the Commission; and (B) with respect to each Registration Statement or any post-effective amendment, when the same has become effective; (ii) of the issuance by the Commission or any other federal or state Governmental Entity of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (iv) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(d) Notwithstanding anything to the contrary herein, at any time after the Registration Statement has been declared effective by the Commission, the Company may delay the disclosure of material non-public information concerning the Company if the disclosure of such information at the time is not, in the good faith judgment of the Company, in the best interests of the Company (such delay, a "Grace Period"). During the Grace Period, the Company shall not be required to maintain the effectiveness of any Registration Statement filed hereunder and, in any event, Holders shall suspend sales of Registrable Securities pursuant to such Registration Statements during the pendency of the Grace Period provided, the Company shall promptly (i) notify the Holders in writing of the existence of material non-public information giving rise to a Grace Period or the need to file a post-effective amendment, as applicable, and the date on which such Grace Period will begin, (ii) use reasonable best efforts to terminate a Grace Period as promptly as practicable provided that such termination is, in the good faith judgment of the Company, in the best interest of the Company and (iii) notify the Holders in writing of the date on which the Grace Period ends; provided, further, that, with respect to a Required Registration Statement only, no single Grace Period shall exceed forty-five (45) consecutive days, and during any three hundred sixty-five (365) day period, the aggregate of all Grace Periods shall not exceed an aggregate of ninety (90) days (each Grace Period complying with this provision being an "Allowable Grace Period"). For purposes of determining the length of a Grace Period, the Grace Period shall be deemed to begin on and include the date the Holders receive the notice referred to in clause (i) above and shall end on and include the later of the date the Holders receive the notice referred to in clause (iii) above and the date referred to in such notice; provided, that no Grace Period shall be longer than an Allowable Grace Period. Notwithstanding anything to the contrary, the Company shall use reasonable best efforts to cause the Transfer Agent to deliver unlegended Shares to a transferee of a Holder in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect to which a Holder has entered into an irrevocable contract for sale prior to the Holder's receipt of the notice of a Grace Period and for which the Holder has not yet settled.

(e) the Company shall use reasonable best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, as soon as practicable.

(f) the Company shall, if requested by a Holder, furnish to such Holder, without charge, at least one (1) conformed copy of each Registration Statement and each amendment thereto and all exhibits to the extent requested by such Holder (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that the Company shall have no obligation to provide any document pursuant to this clause that is available on the Commission's EDGAR or successor system.

(g) the Company agrees to promptly deliver to each Holder whose Registrable Securities are included in the applicable Registration Statement, without charge, as many copies of each Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as such Persons may reasonably request. The Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of Registrable Securities covered by such Prospectus and any amendment or supplement thereto.

(h) the Company shall, prior to any resale of Registrable Securities by a Holder, use its reasonable best efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or "Blue Sky" laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any general tax in any such jurisdiction where it is not then so subject or file a consent to service of process in any such jurisdiction.

(i) the Company shall enter into such customary agreements (including an underwriting agreement in customary form) and take all such other actions reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith or by the managing underwriter(s), if any, in order to expedite or facilitate the disposition of such Registrable Securities. In connection with any such permitted underwritten offering of Registrable Securities, (i) the Company shall (A) make such representations and warranties to the selling Holders and the managing underwriter(s), if any, with respect to the business of the Company and its subsidiaries, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers in underwritten offerings, and, if true, confirm the same if and when requested, (B) use its reasonable best efforts to furnish opinions of counsel to

the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriter(s), if any, addressed to each of the managing underwriter(s), if any, covering the matters customarily covered in opinions requested in underwritten offerings, (C) use its reasonable best efforts to obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) who have certified the financial statements included in such Registration Statement, addressed to each of the managing underwriter(s), if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings, (D) include within the underwriting agreement indemnification provisions and procedures customary in such underwritten offerings and (E) deliver such documents and certificates as may be reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith, their counsel and the managing underwriter(s), if any, to evidence the continued validity of the representations and warranties made pursuant to clause (A) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company, (ii) each Holder shall not, during such period (which period shall in no event exceed one hundred and eighty (180) days, subject to any then customary "booster shot" extension (which extension shall not exceed thirty (30) days) following the effective date of any Registration Statement to the extent requested by any managing underwriter, sell, pledge, hypothecate, transfer, make any short sale of, loan, grant any option or right to purchase of, or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any Registrable Securities owned by it at any time during such period, except Registrable Securities included in such registration; provided that any release of Registrable Securities from such agreement shall be effected among the Holders on a pro rata basis according to the Registrable Securities then owned by them, and (iii) the Company shall use its reasonable best efforts to cause each of its directors and senior executive officers to execute and deliver customary lockup agreements in such form and for such time period up to one hundred and eighty (180) days (subject to any then customary "booster shot" extensions) as may be requested by any managing underwriter. The above shall be done at each closing under such underwriting or similar agreement, or as and to the extent required thereunder.

(j) the Company shall make available for inspection by any Holder of Registrable Securities included in such Registration Statement, any underwriter participating in any disposition pursuant to such Registration Statement, and any attorney, accountant or other agent retained by any such seller or underwriter (collectively, the "Inspectors"), at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and properties of the Company and its Subsidiaries (collectively, the "Records"), as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Inspector in connection with such Registration Statement; provided, however, that any Records that are not generally publicly available at the time of delivery of such Records shall be kept confidential by such Inspectors unless (i) the disclosure of such Records is necessary in the reasonable judgment of the Inspectors to avoid or correct a misstatement or omission in the Registration Statement, or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction; provided, further, that each Holder of Registrable Securities agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company to the extent legally permitted and allow the Company, at its expense, to undertake appropriate action and to prevent disclosure of the Records deemed confidential.

(k) the Company shall, in the case of an underwritten offering, cause its officers to use their reasonable best efforts to support the marketing of the Registrable Securities covered by the Registration Statement (including, without limitation, by participation in "road shows") if requested by the managing underwriter(s) and taking into account the Company's business needs.

(l) the Company shall reasonably cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to the Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement and under law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may reasonably request. Certificates for Registrable Securities free from all restrictive legends may be transmitted by the transfer agent to a Holder by crediting the account of such Holder's prime broker with DTC as directed by such Holder.

(m) the Company shall following the occurrence of any event contemplated by Sections 5(c)(ii)-(iv), as promptly as reasonably practicable, as applicable: (i) use its reasonable best efforts to prevent the issuance of any stop order or obtain its withdrawal at the earliest possible moment if the stop order have been issued, or (ii) taking into account the Company's good faith assessment of any adverse consequences to the Company and its shareholders of the premature disclosure of such event, prepare and file a supplement or amendment, including a post-effective amendment, to the affected Registration Statements or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, no Registration Statement nor any Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(n) the Company may require each selling Holder to furnish to the Company a certified statement as to (i) the number of securities of the Company beneficially owned by such Holder and any Affiliate thereof, (ii) any Financial Industry Regulatory Authority (" FINRA") affiliations, (iii) any natural persons who have the power to vote or dispose of the Common Stock and (iv) any other information as may be requested by the Commission, FINRA, any state securities commission or any other government or regulatory body with jurisdiction over the Company or its activities. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of Registrable Securities because any Holder fails to furnish such information within five (5) Trading Days of the Company's request, any Liquidated Damages that are accruing at such time as to such Holder only shall be tolled and any Event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

(o) the Company shall cooperate with any registered broker through which a Holder proposes to resell its Registrable Securities in effecting a filing with FINRA pursuant to FINRA Rule 5110 as requested by any such Holder and the Company shall pay the filing fee required for the first such filing (but not additional filings) within two (2) Business Days of the request therefore.

(p) if the Company becomes eligible to use Form S-3 during the term of this Agreement, the Company shall use its reasonable best efforts to maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of Registrable Securities.

(q) if requested by a Holders Counsel, the Company shall (i) promptly incorporate in a Prospectus supplement or post-effective amendment to the Registration Statement such information as the Company reasonably agrees (upon advice of counsel) is required to be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as reasonably practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

The Company may require each Holder of Registrable Securities as to which any registration is being effected to furnish to the Company in writing such information required in connection with such registration regarding such Holder and the distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing and the Company may exclude from such registration the Registrable Securities of any Holder who fails to furnish such information within a reasonable time after receiving such request.

6. Registration Expenses. All fees and expenses incident to the Company's performance of or compliance with its obligations under this Agreement (excluding any underwriting discounts and selling commissions, stock transfer taxes and fees of counsel for the Holders) shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence that are the Company's responsibility shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, (B) with respect to compliance with applicable state securities or "Blue Sky" laws (including, without limitation, fees and disbursements of counsel for the Company in connection with "Blue Sky" qualifications or exemptions of the Registrable Securities and determination of the eligibility of the Registrable Securities for investment under the laws of such jurisdictions as requested by the Holders) and (C) if not previously paid by the Company in connection with an issuer filing, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by the Holders of a majority of the Registrable Securities included in the Registration Statement), (iii) messenger, telephone and delivery expenses of the Company, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, and (vii) up to a maximum of $50,000 of expenses of Castle Creek actually and reasonably incurred, including without limitation, reasonable attorneys' fees. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder.

7. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify, defend and hold harmless each Holder and each of their respective officers, directors, agents, general partners, managing members, managers, Affiliates and employees, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, general partners, managing members, managers, agents and employees of such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and investigation and reasonable and documented attorneys' fees) and expenses (collectively, "Losses"), as incurred, that arise out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, or (ii) any violation or alleged violation by the Company of the Securities Act, Exchange Act or any state securities law or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (A) such untrue statements, alleged untrue statements, omissions or alleged omissions are based primarily upon information regarding such Holder furnished in writing to the Company by such Holder or on behalf of such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder or Holders Counsel expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto, (B) Holder's failure to deliver or cause to be delivered the Prospectus or any amendment or supplement thereto made available by the Company in compliance with Section 8(g), or (C) in the case of an occurrence of an event of the type specified in Sections 5(c)(ii)-(iv), related to the use by a Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing or electronic mail that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated and defined in Section 8(h) below, but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party (as defined in Section 7(c)) and shall survive the transfer of the Registrable Securities by the Holders.

(b) Indemnification by Holders. Each Holder shall, notwithstanding any termination of this Agreement, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (A) to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by or on behalf of such Holder expressly for use therein, or (B) to the extent, but only to the extent, that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder or Holders Counsel expressly for use in a Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (C) in the case of an occurrence of an event of the type specified in Sections 5(c)(ii)- (iv), to the extent, but only to the extent, related to the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 8(h), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected, or (ii) Holder's failure to deliver or cause to be delivered the Prospectus or any amendment or supplement thereto made available by the Company in compliance with Section 8(g). In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of one (1) counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable and documented fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such written notice within a reasonable time of commencement of any such Proceeding shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that such failure shall have materially and adversely prejudiced the Indemnifying Party in its ability to defend such Proceeding.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel in writing that a conflict of interest exists if the same counsel were to represent such Indemnified Party and the Indemnifying Party; provided, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys plus local counsel at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or unreasonably conditioned. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any

settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all documented fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section 7(c)) shall be paid to the Indemnified Party, as incurred, within twenty (20) Trading Days of written notice thereof to the Indemnifying Party; provided, that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally judicially determined to not be entitled to indemnification hereunder.

(d) Contribution. If a claim for indemnification under Section 7(a) or 7(b) is unavailable to an Indemnified Party (other than in accordance with its terms) or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 7(d) was available to such party in accordance with its terms. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 7(d), no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this Section 7 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties and are not in diminution or limitation of the indemnification provisions under the Purchase Agreement.

8. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Prohibition on Other Registrations. The Company agrees not to effect or initiate a registration statement for any public sale or distribution of any securities similar to those being registered pursuant to this Agreement, or any securities convertible into or exchangeable or exercisable for such securities (other than a registration solely to implement an employee benefit plan pursuant to a registration statement on Form S-8 (or successor form), a registration statement on Form S-4 (or successor form) or a transaction to which Rule 145 or any other similar rule of the Commission is applicable), during the fourteen (14) calendar days prior to, and during the sixty (60) calendar-day period beginning on, the effective date of any Registration Statement in which the Holders of Registrable Securities are participating (except as part of any such registration, if permitted).

(c) Rule 144 Requirements. For so long as the Company is subject to the reporting requirements of the Exchange Act, the Company will use its reasonable best efforts to timely file with the Commission such reports and information required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder and as the Commission may require. The Company shall furnish to any Holder of Registrable Securities forthwith upon request a written statement as to its compliance with the reporting requirements of Rule 144 (or any successor exemptive rule), the Securities Act and the Exchange Act (at any time that it is subject to such reporting requirements); a copy of its most recent annual or quarterly report; and such other reports and documents as such Person may reasonably request in availing itself of any rule or regulation of the Commission allowing it to sell any such securities without registration.

(d) Obligations of Holders and Others in a Registration. Each Holder agrees to timely furnish in writing such information regarding such Person, the securities sought to be registered and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably be required to effect the registration of such Registrable Securities (the "Requested Information") and shall take such other action as the Company may reasonably request in connection with the registration, qualification or compliance or as otherwise provided herein. At least ten (10) Business Days prior to the first anticipated filing date of a Registration Statement, the Company shall notify each holder of the information the Company requires from such Holder if such Holder elects to have any of such Holder's Registrable Securities included in the Registration Statement. If at least five (5) Business Days prior to the filing date, the Company has not received the Requested Information from a Holder (a "Non-Responsive Holder"), then the Company may exclude from any Registration Statement the Registrable Securities of such Non-Responsive Holder.

(e) Rule 144A. The Company agrees that, upon the request of any Holder of Registrable Securities or any prospective purchaser of Registrable Securities designated by a Holder, the Company shall promptly provide (but in any case within fifteen (15) calendar days of a request) to such Holder or potential purchaser, the following information:

(i) a brief statement of the nature of the business of the Company and any subsidiaries and the products and services they offer;

(ii) the most recent consolidated balance sheets and profit and losses and retained earnings statements, and similar financial statements of the Company for the two (2) most recent fiscal years (such financial information shall be audited, to the extent reasonably available); and

(iii) such other information about the Company, any subsidiaries, and their business, financial condition and results of operations as the requesting Holder or purchaser of such Registrable Securities shall reasonably request in order to comply with Rule 144A, as amended, and in connection therewith the anti-fraud provisions of the federal and state securities laws.

The Company hereby represents and warrants to any such requesting Holder and any prospective purchaser of Registrable Securities from such Holder that the information

provided by the Company pursuant to this Section 8(e) will, as of their dates, not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(f) Limitations on Subsequent Registration Rights. The Company will not enter into any agreements with any holder or prospective holder of any securities of the Company which would grant such holder or prospective holder registration rights with respect to the securities of the Company which would have priority over the Registrable Securities with respect to the inclusion of such securities in any registration. If the Company enters into an agreement that contains terms more favorable, in form or substance, to any shareholders than the terms provided to the Holders under this Agreement, then the Company will modify or revise the terms of this Agreement in order to reflect any such more favorable terms for the benefit of the Holders.

(g) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to the Registration Statement and shall sell the Registrable Securities only in accordance with a method of distribution described in the Registration Statement.

(h) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Sections 5(c)(ii)-(iv), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(i) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date hereof, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

(j) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, or waived unless the same shall be in writing and signed by the Company and Holders of a majority of the then outstanding Registrable Securities; provided that any such amendment, modification, supplement or waiver that materially, adversely and disproportionately effects the rights or obligations of any Holder vis-a-vis the other Holders shall require the prior written consent of such Holder.

(k) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail (provided the sender receives a machine-generated confirmation of successful facsimile transmission or e-mail notification or confirmation of receipt of an e-mail transmission) at the facsimile number or e-mail address specified in this Section prior to 5:00 p.m., New York City time, on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:00 p.m., New York City time, on any Trading Day, (c) the Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service with next day delivery specified, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company:

Northpointe Bancshares, Inc.
3333 Deposit Drive NE
Grand Rapids, MI 49546
Attention: Charles Williams
Email: Chuck.Williams@northpointe.com
Facsimile: 616-726-2500

With a copy to:

Varnum LLP
Bridgewater Place
333 Bridge Street NW, Suite 1700
Grand Rapids, MI 49504
Attention: Kimberly Baber
Email: kababer@varnumlaw.com
Facsimile: 616-336-7000

If to a Registration Rights Purchaser:

To the address set forth under such Registration Rights Purchaser's name on the signature page hereof or such other address as may be designated in writing hereafter, in the same manner, by such Person.

(l) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The Company may not assign its rights (except by merger or in connection with another entity acquiring all or substantially all of the Company's assets) or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. The rights to have the Company register Registrable Securities pursuant to this Agreement shall be automatically assigned by any Registration Rights Purchaser to any transferee of the Shares only if: (i) the Registration Rights Purchaser agrees in writing with the transferee or assignee to assign such rights; (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (A) the name and address of such transferee or assignee and (B) the securities with respect to which such registration rights are being transferred or assigned; and (iii) at or before the time the Company received the written notice contemplated by clause (ii) of this sentence, the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein with respect to a Holder or Registration Rights Purchaser. In the event of any delay in filing or effectiveness of the Registration Statement as a result of such assignment by a Registration Rights Purchaser or its transferee, the Company shall not be liable for any damages arising from such delay.

(m) Execution and Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature were the original thereof.

(n) Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware applicable to contracts made and to be performed entirely within such State. The parties hereby agree that all actions or proceedings arising out of or related to this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts in the State of Delaware. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(o) Cumulative Remedies. Except as provided in Section 2(c) with respect to Liquidated Damages, the remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(p) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their good faith reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(q) Headings. The headings in this Agreement are for convenience only and shall not limit or otherwise affect the meaning hereof.

(r) Independent Nature of Registration Rights Purchasers' Obligations and Rights. The obligations of each Registration Rights Purchaser under this Agreement are several and not joint with the obligations of any other Registration Rights Purchaser hereunder, and no Registration Rights Purchaser shall be responsible in any way for the performance of the obligations of any other Registration Rights Purchaser hereunder. The decision of each Registration Rights Purchaser to purchase the Shares pursuant to the Purchase Agreement has been made independently of any other Registration Rights Purchaser. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Registration Rights Purchaser pursuant hereto or thereto, shall be deemed to constitute the Registration Rights Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Registration Rights Purchasers are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Registration Rights Purchaser acknowledges that no other Registration Rights Purchaser has acted as agent for such Registration Rights Purchaser in connection with making its investment hereunder and that no Registration Rights Purchaser will be acting as agent of such Registration Rights Purchaser in connection with monitoring its investment in the Shares or enforcing its rights under the Purchase Agreement. Each Registration Rights Purchaser shall be entitled to protect and enforce its rights, including, without limitation, the rights arising out of this Agreement, and it shall not be necessary for any other Registration Rights Purchaser to be joined as an additional party in any Proceeding for such purpose. The Company acknowledges that each of the Registration Rights Purchasers has been provided with the same Registration Rights Agreement for the purpose of closing a transaction with multiple Registration Rights Purchasers and not because it was required or requested to do so by any Registration Rights Purchaser. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Registration Rights Purchaser, solely, and not between the Company and the Registration Rights Purchasers collectively and not between and among the Registration Rights Purchasers.

(s) Entire Agreement. This Agreement and the Purchase Agreement constitute the entire agreement among the parties hereto with respect to the subject matter hereof. There are no restrictions, promises, warranties or undertakings, other than as set forth or referred to herein and in the Purchase Agreement. This Agreement supersedes all prior agreements and understandings among the parties hereto with respect to the subject matter hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

NORTHPOINTE BANCSHARES, INC.

By: /s/ Charles A. Williams
Name: Charles A. Williams
Title: President & CEO

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

NAME OF INVESTING ENTITY:

CASTLE CREEK CAPITAL PARTNERS VI, LP
By: Castle Creek Capital Partners VI LLC
Its: General Partner

By: /s/ David Volk
Name: David Volk
Title: Principal

ADDRESS FOR NOTICE

6051 El Tordo
P.O. Box 1329
Rancho Santa Fe, CA 92067

Telephone No.: (858) 756-8300

Facsimile No.: (858) 756-8301

Email: dvolk@castlecreek.com

Attn: David Volk, Principal

[Signature Page to Registration Rights Agreement]

Exhibit 4.7

Execution Version

NORTHPOINTE BANCSHARES, INC.
REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this "***Agreement***") is made and entered into as of December 29, 2020, by and among **NORTHPOINTE BANCSHARES, INC.**, a Michigan corporation (the "***Company***"), and each of the purchasers identified on the signature pages to the Purchase Agreement (as defined below), together with their permitted transferees (each, an "***Investor***" and collectively, the "***Investors***").

RECITALS:

A. This Agreement is made pursuant to the Securities Purchase Agreement, dated as of the even date herewith, between the Company and the Investors (the "***Purchase Agreement***").

B. The Company and the Investors desire to be granted and to grant the rights created herein.

C. The capitalized terms used herein and not otherwise defined have the meanings given them in Section 1 of this Agreement.

AGREEMENT

In consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Investors (severally and not jointly) hereby agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by, or is under common control with, such Person.

"Agreement" has the meaning set forth in the Preamble.

"Allowable Grace Period" has the meaning set forth in Section 4(e).

"Business Day" means a day other than a Saturday or Sunday or other day on which banks located in New York City are authorized or required by law to close.

"Capital Stock" means, with respect to any Person at any time, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, securities convertible into or exchangeable or exerciseable for any of its shares, interests, participations or other equivalents, partnership interests (whether general or limited), limited liability company interests, or equivalent ownership interests in or issued by such Person.

"Closing Date" has the meaning set forth in the Purchase Agreement.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the non-voting common stock, no par value per share, and the voting common stock, no par value to per share of the Company, and any securities into which such shares of common stock may hereinafter be reclassified.

"Company" has the meaning set forth in the Preamble.

"Effectiveness Deadline" means, with respect to the Initial Registration Statement or the New Registration Statement, the fifth (5^{th}) Trading Day after the date the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review; provided that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the Commission is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the Commission is open for business; provided, further, that the Company shall have the ability to delay the Effectiveness Deadline until the Listing Effectiveness Date so long as the Listing Effectiveness Date is on or prior to the Listing Effective Deadline.

"Effectiveness Period" has the meaning set forth in Section 2(b).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Filing Deadline" means ninety (90) days following the completion of a Public Offering by the Company.

"FINRA" has the meaning set forth in the Financial Industry Regulatory Authority, Inc.

"Grace Period" has the meaning set forth in Section 4(e).

"Holder" or ***"Holders"*** means, the holder or holders, as the case may be, from time to time of Registrable Securities.

"Holders Counsel" has the meaning set forth in Section 4(b).

"Indemnified Party" has the meaning set forth in Section 6(c).

"Indemnifying Party" has the meaning set forth in Section 6(c).

"Initial Public Offering" means the first underwritten Public Offering of Common Stock (or Other Securities) to the general public.

"***Initial Registration Statement***" means shall have the meaning set forth in Section 2(a).

"Investor" has the meaning set forth in the preamble.

"Listing" has the meaning set forth in Section 3.

"Listing Effectiveness Date" means the date on which the Listing becomes effective.

"Listing Effectiveness Deadline" has the meaning set forth in Section 3.

"Losses" has the meaning set forth in Section 6(a).

"New Registration Statement" shall have the meaning set forth in Section 2(a).

"Non-Responsive Holder" has the meaning set forth in Section 7(d)

"Other Securities" means shares of Common Stock or shares of other Capital Stock of the Company which are contractually entitled to registration rights or Capital Stock which the Company is registering pursuant to a Registration Statement.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Public Offering" means an offering and sale of Common Stock pursuant to an effective registration statement filed under the Securities Act; provided that a Public Offering does not include an offering made in connection with a business acquisition or combination pursuant to a registration statement on Form S-4, or any successor or similar form, or an employee benefit plan pursuant to a registration statement on Form S-8, or any successor or similar form.

"Principal Market" means the Trading Market on which the Common Stock is primarily listed on and quoted for trading.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Purchase Agreement" has the meaning set forth in the Recitals.

"Registrable Securities" means all of the Shares and any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the Shares, provided that Shares shall cease to be Registrable Securities upon the earliest to occur of the following: (A) a sale pursuant to a Registration Statement or Rule 144 under the Securities Act (in which case, only such security sold shall cease to be a Registrable Security); (B) if such Shares have ceased to be outstanding; (C) the sale or transfer of such Shares in accordance with an effective Registration Statement including such shares; (D) such Shares shall be eligible to be sold to the public in reliance upon Rule 144 without limitation (other than the current public information requirement set forth in Rule 144(c) so long as the requirements in Rule 144(c)(1) are satisfied); provided, that if any such Shares shall cease to be eligible to be sold to the public in reliance upon Rule 144 without limitation due to the failure of Rule 144(c)(1) to be satisfied or otherwise, then such Shares shall become Registrable Securities again; or (E) if such Shares have been sold in a private transaction in which the Investor's rights under this Agreement have not been assigned to the transferee.

"Registration Statement" means any registration statement of the Company under the Securities Act which covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"Remainder Registration Statement" shall have the meaning set forth in Section 2(a).

"Required Registration Statement" means any Initial registration Statement, New Registration Statement, or Remainder Registration Statement.

"Requested Information" has the meaning set forth in Section 7(d).

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 144A" means Rule 144A promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shares" means the depositary shares, representing 1/40th of a share of the Company's 8.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A, $1,000 liquidation preference per share issued or issuable to the Purchasers pursuant to the Purchase Agreement.

"Trading Day" means a day on which the Common Stock is listed or quoted and traded on its Principal Market; provided, that in the event that the Common Stock is not so listed or quoted, then Trading Day shall mean a Business Day.

"Trading Market" means the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market.

2. Mandatory Registration.

(a)On or prior to the Filing Deadline, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 or, if Rule 415 is not available for offers and sales of the Registrable Securities, by such other means of distribution of Registrable Securities as the Company may reasonably determine (the "***Initial Registration Statement***"). Notwithstanding the registration obligations set forth in this Section 2, in the event that the Commission informs the Company that all such Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly (i) inform each of the Holders thereof and, as applicable, file the Initial Registration Statement, or use its commercially reasonable efforts to file amendments to the Initial Registration Statement as required by the Commission and/or (ii) withdraw the Initial Registration Statement and file a new registration statement (a "***New Registration Statement***"), in either case covering the maximum number of Registrable Securities permitted to be registered by the Commission, on such form available to the Company to register for resale the Registrable Securities as a secondary offering; provided, that prior to filing such amendment or New Registration Statement, the Company shall be obligated to use its commercially reasonable efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Securities Act Rules Compliance and Disclosure Interpretation 612.09, or any successor thereto. Notwithstanding any other provision of this Agreement, if any SEC Guidance sets forth a limitation of the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used commercial reasonable efforts to reasonably advocate with the Commission for the registration of all or a greater number of Registrable Securities), the number of Registrable Securities to be registered on such Registration Statement will be reduced on a pro rata on the basis of the aggregate number of Registrable Securities owned by each such person, and under such circumstances, the Company will not be subject to the payment of Liquidated Damages in Section 7(i). In the event the Company amends the Initial Registration Statement or files a New Registration Statement, as the case may be, under clauses (i) or (ii) above, the Company will use its commercially reasonable efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on such form available to the Company to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended, or the New Registration Statement (the "***Remainder Registration Statements***"). No Holder shall be named as an "underwriter" in any Registration Statement without such Holder's prior written consent, which shall not be unreasonably withheld.

(b)The Company shall use its commercially reasonable efforts to cause each Required Registration Statement to be declared effective by the Commission as soon as practicable, and, with respect to the Initial Registration Statement or the New Registration Statement, as applicable, no later than the Effectiveness Deadline, and shall use its commercially reasonable efforts to keep each Required Registration Statement continuously effective under the Securities Act until the earlier of (i) such time as all of the Registrable Securities covered by such Required Registration Statement have been publicly sold by the Holders or (ii) the date that all Registrable Securities covered by such Required Registration Statement may be sold by the Holders without limitation under Rule 144 (other than the current public information requirement set forth in Rule 144(c) so long as the requirements in Rule 144(c)(1) are satisfied), as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent (the "***Effectiveness Period***"). The Company shall request effectiveness of a Required Registration Statement as of 5:00 p.m., New York City time, on a Trading Day. The Company shall promptly notify the Holders via facsimile or electronic mail of a ".pdf" format data file of the effectiveness of a Registration Statement within one (1) Business Day of the Effective Date. The Company shall file a final Prospectus for a Required Registration Statement with the Commission, as required by Rule 424(b) as promptly as reasonably practicable following the Effective Date.

(c)For the avoidance of doubt, if all of the Shares cease to be Registrable Securities at or prior to the Filing Deadline or Effectiveness Deadline, then the Company's obligations under Section 2(a) and (b) shall be immediately suspended. In the event that any of the Shares that ceased to be Registrable Securities become Registrable Securities again, then the Company's obligations under Section 2(a) and (b) shall be immediately reinstated, with the Filing Deadline being extended by the number of days that all of the Shares ceased to be Registrable Securities.

3. Mandatory Listing. The Company shall, no later than the Filing Deadline, submit an initial listing application or equivalent application with a Trading Market requesting that all issued and outstanding Shares be listed for public trading on such Trading Market (the "Listing"). The Company will use its reasonable best efforts to satisfy all applicable listing standards and respond to any questions or inquiries from the applicable Trading Market, such that it will cause the Listing to become effective as soon as reasonably practicable, but in no event later than sixty (60) days after the earlier of (a) the submission of the Listing Application or (b) the Filing Deadline (the "***Listing Effectiveness Deadline***").

4. Registration Procedures. If and whenever the Company is required to use its reasonable best efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Section 2 hereof, the Company shall effect such registration to permit the sale of such Registrable Securities in accordance with the intended method or methods of disposition thereof, and pursuant thereto the Company shall cooperate in the sale of the securities and shall, as expeditiously as possible:

(a)use its commercially reasonable efforts to cause the Registrable Securities to be listed on a Trading Market prior to the effectiveness of the Registration Statement;

(b)prepare and file with the SEC a Registration Statement or Registration Statements on such form as shall be available for the sale of the Registrable Securities by the applicable Holders thereof or by the Company in accordance with the intended method or methods of distribution thereof, and use its reasonable best efforts to cause such Registration Statement to become effective and to remain effective as provided herein (including by means of a shelf registration statement pursuant to Rule 415 under the Securities Act if so requested and if the Company is then eligible to use such registration); provided, however, that not less than three (3) Trading Days before filing a Registration Statement or Prospectus or any amendments or supplements thereto (including documents that would be incorporated or deemed to be incorporated therein by reference), the Company shall furnish or otherwise make available to the Holders to one counsel designated by a majority of the outstanding Registrable Securities ("***Holders Counsel***"), copies of all such documents proposed to be filed, which documents will be subject to the reasonable review and comment of Holders Counsel, and such other documents reasonably requested by Holders Counsel, including any comment letter(s) from the SEC, and, if requested by such counsel, provide such counsel reasonable opportunity to participate in the preparation of such Registration Statement and each Prospectus included therein and such other opportunities to conduct a reasonable investigation within the meaning of the Securities Act, including reasonable access to the Company's books and records, officers, accountants and other advisors, in all cases subject to Section 4(p) below; provided further, however, that the Company shall not file any Registration Statement containing information to which Holders Counsel reasonably objects in good faith, unless the Company shall be advised by its counsel that the information objected to is required under the Securities Act;

(c)(i) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period (except during an Allowable Grace Period) and comply in all material respects with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement; (ii) cause the related Prospectus to be supplemented by any Prospectus supplement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of the securities covered by such Registration Statement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act (except during an Allowable Grace Period); (iii) respond as promptly as reasonably practicable to any comments received from the Commission with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible, provide the Holders Counsel true and complete copies of all correspondence from and to the Commission relating to such Registration Statement that pertains to the Holders as "Selling Shareholders"; and (iv) comply in all material respects with the applicable provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by a Registration Statement until such time as all of such Registrable Securities shall have been disposed of (subject to the terms of this Agreement) in accordance with the intended methods of disposition by the Holders thereof as set forth in such Registration Statement as so amended or in such Prospectus as so supplemented; provided, that each Holder shall be responsible for the delivery of the Prospectus to the Persons to whom such Holder sells any of the Registrable Securities (including in accordance with Rule 172 under the Securities Act), and each Holder agrees to dispose of Registrable Securities in compliance with applicable federal and state securities laws. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this Section 4(c)) by reason of the Company filing a report on Form 10-K, Form 10-Q or Form 8-K or any analogous report under the Exchange Act, the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the Commission as promptly as practicable;

(d)notify each selling Holder, Holders Counsel and the managing underwriters, if any, promptly, and (if requested by any such Person) confirm such notice in writing, (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the SEC or any other federal or state governmental authority for amendments or supplements to a Registration Statement or related Prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, and (v) if the Company has knowledge of the happening of any event that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading (which notice shall notify the selling Holders only of the occurrence of such an event and shall provide no additional information regarding such event to the extent such information would constitute material non-public information);

(e)Notwithstanding anything to the contrary herein, at any time after the Registration Statement has been declared effective by the Commission, the Company may delay the disclosure of material non-public information concerning the Company if the disclosure of such information at the time is not, in the good faith judgment of the Company, in the best interests of the Company (such delay, a "***Grace Period***"). During the Grace Period, the Company shall not be required to maintain the effectiveness of any Registration Statement filed hereunder and, in any event, Holders shall suspend sales of Registrable Securities pursuant to such Registration Statements during the pendency of the Grace Period provided, the Company shall promptly (i) notify the Investors in writing of the existence of material non-public information giving rise to a Grace Period or the need to file a post-effective amendment, as applicable, and the date on which such Grace Period will begin, (ii) use commercially reasonable efforts to terminate a Grace Period as promptly as practicable provided that such termination is, in the good faith judgment of the Company, in the best interest of the Company and (iii) notify the Investors in writing of the date on which the Grace Period ends; provided, further, that no single Grace Period shall exceed forty-five (45) consecutive days, and during any three hundred sixty-five (365) day period, the aggregate of all Grace Periods shall not exceed an aggregate of ninety (90) days (each Grace Period complying with this provision being an "***Allowable Grace Period***"). For purposes of determining the length of a Grace Period, the Grace Period shall be deemed to begin on and include the date the Investors receive the notice referred to in clause (i) above and shall end on and include the later of the date the Investors receive the notice referred to in clause (iii) above and the date referred to in such notice; provided, that no Grace Period shall be longer than an Allowable Grace Period. Notwithstanding anything to the contrary, the Company shall use commercially reasonable efforts to cause its transfer agent to deliver unlegended Shares to a transferee of an Investor in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect to which an Investor has entered into an irrevocable contract for sale prior to the Investor's receipt of the notice of a Grace Period and for which the Investor has not yet settled.

(f) use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement, or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction at the earliest date reasonably practical;

(g)if requested by the managing underwriters, if any, or any Investor or the Holders of a majority of the then outstanding Registrable Securities being sold in connection with an underwritten offering, promptly include in a Prospectus supplement or post-effective amendment such information as the managing underwriters, if any, and such Investor or such Holders may reasonably request in order to permit the intended method of distribution of such securities and make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received such request; provided, however, that the Company shall not be required to take any actions under this Section 4(g) that are not, in the opinion of counsel for the Company, in compliance with applicable law;

(h)furnish or make available to each selling Holder, Holders Counsel and each managing underwriter, if any, without charge, at least one conformed copy of the Registration Statement, the Prospectus and Prospectus supplements, if applicable, and each post-effective amendment thereto, including financial statements (but excluding schedules, all documents incorporated or deemed to be incorporated therein by reference, and all exhibits, unless requested in writing by such Holder, counsel or underwriter);

(i) promptly deliver to each selling Holder, Holders Counsel, and the underwriters, if any, without charge, as many copies of the Prospectus or Prospectuses (including each form of Prospectus) and each amendment or supplement thereto as such Persons may reasonably request from time to time in connection with the distribution of the Registrable Securities; and the Company, subject to the last paragraph of this Section 4, hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any such amendment or supplement thereto;

(j) prior to any Public Offering, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders, the underwriters, if any, and Holders Counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or "Blue Sky" laws of such jurisdictions within the United States as any seller or underwriter reasonably requests in writing and to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to take any other action that may be necessary or advisable to enable such Holders to consummate the disposition of such Registrable Securities in such jurisdiction; *provided*, *however*, that the Company will not be required to (i) qualify generally to do

business in any jurisdiction where it is not then so qualified or (ii) take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject;

(k)cooperate with the selling Holders and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates (not bearing any legends) representing Registrable Securities to be sold after receiving written representations from each selling Holder that the Registrable Securities represented by the certificates so delivered by such Holder will be transferred in accordance with the Registration Statement, and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters, if any, or such Holders may request at least two (2) Business Days prior to any sale of Registrable Securities in a firm commitment public offering, but in any other such sale, within ten (10) business days prior to having to issue the securities;

(l) upon the occurrence of, and its knowledge of, any event contemplated by Section 4(d)(ii)-(v) above, as promptly as practicable, as applicable: (i) use its commercially reasonable efforts to prevent the issuance of any stop order or obtain its withdrawal at the earliest possible moment if the stop order has been issued, or (ii) prepare a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(m) prior to the effective date of the Registration Statement relating to the Registrable Securities, provide a CUSIP number for the Registrable Securities;

(n)provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such Registration Statement from and after a date not later than the effective date of such Registration Statement;

(o)with respect to any sale of Registrable Securities pursuant to a firm commitment underwritten offering, enter into such agreements (including an underwriting agreement in form, scope and substance as is customary in underwritten offerings) reasonably requested the Holders of a majority of the Registrable Securities being sold in connection therewith (including those reasonably requested by the managing underwriters, if any) to expedite or facilitate the disposition of such Registrable Securities, and in such connection, (i) make such representations and warranties to the selling Holders and the underwriters, if any, with respect to the business of the Company and its subsidiaries, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings, and, if true, confirm the same if and when requested, (ii) use its commercially reasonable efforts to furnish to the selling Holders opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any, and counsels to the selling Holders), addressed to each selling Holder of Registrable Securities and each of the underwriters, if any, covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such counsel and underwriters, (iii) use its commercially reasonable efforts to obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) who have certified the financial statements included in such Registration Statement, addressed to each selling Holder of Registrable Securities (unless such accountants shall be prohibited from so addressing such letters by applicable standards of the accounting profession) and each of the underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings, and (iv) deliver such documents and certificates as may be reasonably requested by any Investor or the Holders of a majority of the Registrable Securities being sold pursuant to such Registration Statement, Holders Counsel and the managing underwriters, if any, to evidence the continued validity of the representations and warranties made pursuant to Section 4(o)(i) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company. The above shall be done at each closing under such underwriting or similar agreement, or as and to the extent required thereunder;

(p) make available for inspection by a representative of the selling Holder of Registrable Securities, any underwriter participating in any such disposition of Registrable Securities, if any, and any attorneys or accountants retained by such selling Holders or underwriter, at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and cause the officers, directors and employees of the Company and its subsidiaries to supply all information in each case reasonably requested by any such representative, underwriter, attorney or accountant in connection with such Registration Statement; provided, however, that any information that is not generally publicly available at the time of delivery of such information shall be kept confidential by such Persons unless (i) disclosure of such information is required by court or administrative order, (ii) disclosure of such information, in the opinion of counsel to such Person, is required by law or applicable legal process, or (iii) such information becomes generally available to the public other than as a result of a non-permitted disclosure or failure to safeguard by such Person. In the case of a proposed disclosure pursuant to (i) or (ii) above, such Person shall be required to give the Company written notice of the proposed disclosure prior to such disclosure (to the extent permitted by law) and, if requested by the Company, assist the Company in seeking to prevent or limit the proposed disclosure. Without limiting the foregoing, no such information shall be used by such Person as the basis for any market transactions in securities of the Company or its subsidiaries in violation of law;

(q)cause its officers to use their commercially reasonable efforts to support the marketing of the Registrable Securities covered by the Registration Statement (including, without limitation, participation in "road shows");

(r)cooperate with each seller of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the FINRA; and

(s)if the Company becomes eligible to use Form S-3 during the term of this Agreement, the Company shall use its commercially reasonable efforts to maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of the Registrable Securities.

The Company may require each Holder of Registrable Securities as to which any registration is being effected to furnish to the Company in writing such information required in connection with such registration regarding such seller and the distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing and the Company may exclude from such registration the Registrable Securities of any Holder who unreasonably fails to furnish such information within a reasonable time after receiving such request.

Each Holder agrees if such Holder has Registrable Securities covered by such Registration Statement that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(d)(ii)-(v) hereof, such Holder will forthwith discontinue disposition of such Registrable Securities covered by such Registration Statement or Prospectus until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 4(i) hereof, or until it is advised in writing by the Company that the use of the applicable Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus; provided, however, that the time periods under Section 2 with respect to the length of time that the effectiveness of a Registration Statement must be maintained shall automatically be extended by the amount of time the Holder is required to discontinue disposition of such

securities.

5. Registration Expenses. All fees and expenses incident to the Company's performance of or compliance with its obligations under this Agreement (excluding any underwriting discounts and selling commissions, stock transfer taxes and fees of counsel for the Holders) shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence that are the Company's responsibility shall include, without limitation, (a) all registration and filing fees (including, without limitation, fees and expenses (i) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, (ii) with respect to compliance with applicable state securities or Blue Sky laws (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities and determination of the eligibility of the Registrable Securities for investment under the laws of such jurisdictions as requested by the Holders) and (iii) if not previously paid by the Company in connection with an issuer filing, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (b) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by the Holders of a majority of the Registrable Securities included in the Registration Statement), (c) messenger, telephone and delivery expenses of the Company, (d) fees and disbursements of counsel for the Company, (e) Securities Act liability insurance, if the Company so desires such insurance, and (f) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder.

The Company shall not be required to pay (i) fees and disbursements of any counsel retained by any Holder or by any underwriter, or (ii) any underwriter's fees (including discounts, commissions or fees of underwriters, selling brokers, dealer managers or similar securities industry professionals) relating to the distribution of the Registrable Securities (other than with respect to Registrable Securities sold by the Company or as otherwise set forth in this Section 5).

6. Indemnification

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless, to the fullest extent permitted by law, each Investor, the officers, directors, agents, general partners, managing members, managers, Affiliates, employees and investment advisers of such Investor, each Person who controls each such Investor (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, general partners, managing members, managers, Affiliates, employees and investment advisers of each such controlling person, and each underwriter, if any, and each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) such underwriter, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and reasonable attorneys' fees and any legal or other fees or expenses incurred by such party in connection with any investigation or Proceeding), expenses, judgments, fines, penalties, charges and amounts paid in settlement (collectively, "***Losses***"), as incurred, arising out of or based upon (i) any untrue statement (or alleged untrue statement) of a material fact contained in any Registration Statement, any preliminary, final or summary Prospectus, contained therein or related thereto, or any amendment or supplement thereto, together with the documents incorporated by reference therein, or any free writing prospectus utilized in connection therewith, incident to any such registration, qualification, or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any violation or alleged violation by the Company of the Securities Act, Exchange Act, or any state securities law or any rule or regulation thereunder, and (without limitation of the preceding portions of this Section 6(a)) will reimburse each such Investor and each Person who controls each such Investor, each such underwriter, and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability, or action; provided that the Company will not be liable to an Investor or underwriter in any such case to the extent that any such Losses arise out of or are based on any untrue statement or omission by such Investor or underwriter, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement, preliminary, final or summary Prospectus, contained therein or related thereto, or any amendment or supplement thereto, together with the documents incorporated by reference therein, or any free writing prospectus utilized in connection therewith in reliance upon and in conformity with written information that is furnished to the Company by such Investor or underwriter for use therein and relates to such Investor or underwriter, as applicable. It is agreed that the indemnity agreement contained in this Section 6(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld).

(b) Indemnification by Investors. Each Investor shall, notwithstanding any termination of this Agreement, indemnify and hold harmless, to the fullest extent permitted by law, severally and not jointly with any other Investors, the Company, its directors, its officers who sign the Registration Statement, and each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act) and all other prospective sellers, from and against all Losses arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in such Registration Statement under which such Registrable Securities were registered under the Securities Act, any preliminary, final or summary Prospectus, contained therein or related thereto, or any amendment or supplement thereto, together with the documents incorporated by reference therein, or any free writing prospectus utilized in connection therewith, incident to any such registration, qualification, or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will (without limitation of the portions of this Section 6(b)) reimburse the Company, its directors, its officers who sign the Registration Statement, and each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act) and all other prospective sellers for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action, in each case to the extent, but only to the extent, that such untrue statement or omission is made in such Registration Statement, preliminary, final or summary Prospectus, contained therein or related thereto, or any amendment or supplement thereto, together with the documents incorporated by reference therein, or any free writing prospectus utilized in connection therewith in reliance upon and in conformity with written information that is furnished to the Company by such Investor for inclusion therein and that relates to such Investor; provided, however, that the obligations of such Investor hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages, or liabilities (or actions in respect thereof) if such settlement is effected without the consent of such Investor (which consent shall not be unreasonably withheld); and provided, further, that the liability of such Investor shall be limited to the net proceeds received by such selling Investor from the sale of Registrable Securities covered by such Registration Statement.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "***Indemnified Party***"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "***Indemnifying Party***") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of one (1) counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable and documented fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such written notice within a reasonable time of commencement of any such Proceeding shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that such failure shall have materially and adversely prejudiced the Indemnifying Party in its ability to defend such Proceeding.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (i) the Indemnifying Party has agreed in writing to pay such fees and expenses; (ii) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (iii) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel in writing that a conflict of interest exists if the same counsel were to represent such Indemnified Party and the Indemnifying Party; provided, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or unreasonably conditioned. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all documented fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section 6(c)) shall be paid to the Indemnified Party, as incurred, within twenty (20) Trading Days of written notice thereof to the Indemnifying Party; provided, that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally judicially determined to not be entitled to indemnification hereunder.

(d) Contribution. If a claim for indemnification under Section 6(a) or 6(b) is unavailable to an Indemnified Party (other than in accordance with its terms) or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 6(d) was available to such party in accordance with its terms. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 6(d), no Investor shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Investor from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Investor has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) Non-Exclusive Remedies. The indemnity and contribution agreements contained in this Section 6 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties and are not in diminution or limitation of the indemnification provisions under the Purchase Agreement.

7. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by an Investor of any of their obligations under this Agreement, each Investor or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Investor agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Prohibition on Other Registrations. The Company agrees (i) not to effect or initiate a registration statement for any public sale or distribution of any securities similar to those being registered pursuant to this Agreement, or any securities convertible into or exchangeable or exercisable for such securities (other than a registration solely to implement an employee benefit plan pursuant to a registration statement on Form S-8 (or successor form), a registration statement on Form S-4 (or successor form) or a transaction to which Rule 145 or any other similar rule of the Commission is applicable), during the fourteen (14) calendar-day period prior to, and during the sixty (60) calendar-day period beginning on, the effective date of any Registration Statement in which the Holders of Registrable Securities are participating (except as part of any such registration, if permitted).

(c) Rule 144 Requirements. The Company will use its commercially reasonable efforts to timely file with the Commission such reports and information required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder and as the Commission may require. The Company shall furnish to any Investor forthwith upon request a written statement as to its compliance with the reporting requirements of Rule 144 (or any successor exemptive rule), the Securities Act and the Exchange Act (at any time that it is subject to such reporting requirements); a copy of its most recent annual or quarterly report; and such other reports and documents as such Person may reasonably request in availing itself of any rule or regulation of the Commission allowing it to sell any such securities without registration.

(d) Obligations of Holders and Others in a Registration. Each Holder that has elected to include Registrable Securities in a Registration Statement pursuant to Section 2 agrees to timely furnish in writing such information regarding such Person, the securities sought to be registered and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably be required to effect the registration of such Registrable Securities (the "***Requested Information***") and shall take such other action as the Company may reasonably request in connection with the registration, qualification or compliance or as otherwise provided herein. At least ten (10) Business Days prior to the first anticipated filing date of a Registration Statement, the Company shall notify each holder of the information the Company requires from such Holder if such Holder elects to have any of such Holder's Registrable Securities included in the Registration Statement. If at least five (5) Business Days prior to the filing date, the Company has not received the Requested Information from a Holder (a "***Non-Responsive Holder***"), then the Company may exclude from any Registration Statement the Registrable Securities of such Non-Responsive Holder.

(e) Rule 144A. The Company agrees that, upon the request of any Holder of Registrable Securities or any prospective purchaser of Registrable Securities designated by a Holder, the Company shall promptly provide (but in any case within fifteen (15) calendar days of a request) to such Holder or potential purchaser, the following

information:

(i) a brief statement of the nature of the business of the Company and any subsidiaries and the products and services they offer;

(ii)the most recent consolidated balance sheets and profit and losses and retained earnings statements, and similar financial statements of the Company for the two (2) most recent fiscal years (such financial information shall be audited, to the extent reasonably available); and

(iii)such other information about the Company, any subsidiaries, and their business, financial condition and results of operations as the requesting Holder or purchaser of such Registrable Securities shall reasonably request in order to comply with Rule 144A, as amended, and in connection therewith the anti-fraud provisions of the federal and state securities laws.

The Company hereby represents and warrants to any such requesting Holder and any prospective purchaser of Registrable Securities from such Holder that the information provided by the Company pursuant to this Section 7(e) will, as of their dates, not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(f) Limitations on Subsequent Registration Rights. The Company will not enter into any agreements with any holder or prospective holder of any securities of the Company which would grant such holder or prospective holder registration rights with respect to the securities of the Company which would have priority over the Registrable Securities with respect to the inclusion of such securities in any registration. If the Company enters into an agreement that contains terms more favorable, in form or substance, to any shareholders than the terms provided to the Holders under this Agreement, then the Company will modify or revise the terms of this Agreement in order to reflect any such more favorable terms for the benefit of the Holders.

(g) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to the Registration Statement and shall sell the Registrable Securities only in accordance with a method of distribution described in the Registration Statement.

(h) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Sections 4(d)(ii)-(iv), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(i) Liquidated Damages. If: (i) the Initial Registration Statement is required to be filed and is not filed with the Commission on or prior to the Filing Deadline, (ii) the Initial Registration Statement or the New Registration Statement, as applicable, is required to be declared effective and is not declared effective by the Commission (or otherwise does not become effective) for any reason on or prior to the Effectiveness Deadline, (iii) after its Effective Date, (A) such Registration Statement is required to be effective and ceases to be effective for any reason (including without limitation by reason of a stop order, or the Company's failure to update the Registration Statement), to remain continuously effective as to all Registrable Securities for which it is required to be effective, or (B) the Investors are required to be permitted to and are not permitted to utilize the Prospectus therein to resell such Registrable Securities (other than during an Allowable Grace Period), (iv) a Grace Period applicable to a Required Registration Statement exceeds the length of an Allowable Grace Period, (v) after the Filing Deadline, and only in the event a Registration Statement is not effective or available to sell all Registrable Securities, the Investors are unable to sell Shares without limitation under Rule 144 , (vi) the Listing Application is not filed with a Trading Market on or prior to the Filing Deadline, or (vii) the Listing is not effective on or prior to the Listing Effectiveness Deadline, (any such failure or breach in clauses (i) through (vii) above being referred to as an "***Event***," and, for purposes of clauses (i), (ii), (iii), (v), (vi) and (vii), the date on which such Event occurs, or for purposes of clause (iv) the date on which such Allowable Grace Period is exceeded, being referred to as an "***Event Date***"), then in addition to any other rights the Investors may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Investor an amount in cash or shares of Common Stock, at the election of the Investor, as liquidated damages and not as a penalty ("***Liquidated Damages***"), equal to 1.0% of the aggregate purchase price paid by such Investor pursuant to the Purchase Agreement for any Shares held by such Investor on the Event Date. If the Investor elects to receive payment in Common Shares, the value of the Common Shares will be the closing market price on the Trading Market on the Event Date or if the Event Date is not a Trading Day, the next preceding Trading Day. The parties agree that notwithstanding anything to the contrary herein or in the Purchase Agreement, no Liquidated Damages shall be payable with respect to clauses (i) through (v) above (w) if as of the relevant Event Date, the Registrable Securities may be sold by the Investors without volume or manner of sale restrictions under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent, (x) to an Investor causing an Event that relates to or is caused by any action or inaction taken by such Investor, (y) to an Investor in the event it is unable to lawfully sell any of its Registrable Securities (including, without limitation, in the event a Grace Period exceeds the length of an Allowable Grace Period) because of possession of material non-public information or (z) with respect to the Events described in clauses any period after the expiration of the Effectiveness Period (it being understood that this clause shall not relieve the Company of any Liquidated Damages accruing prior to the expiration of the Effectiveness Period). If the Company fails to pay any Liquidated Damages pursuant to this Section 7(i) in full within ten (10) Business Days after the date payable, the Company will pay interest on the amount of Liquidated Damages then owing to the Investor at a rate of 1.0% per month on an annualized basis (or such lesser maximum amount that is permitted to be paid by applicable law) to the Investor, accruing daily from the date such Liquidated Damages are due until such amounts, plus all such interest thereon, are paid in full. The Liquidated Damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event, except in the case of the first Event Date. With respect to an Investor, the Effectiveness Deadline for a Required Registration Statement shall be extended without default or Liquidated Damages hereunder in the event that the Company's failure to obtain the effectiveness of the Registration Statement on a timely basis results from the failure of such Investor to timely provide the Company with information requested by the Company and necessary to complete the Registration Statement in accordance with the requirements of the Securities Act (in which case the Effectiveness Deadline would be extended with respect to Registrable Securities held by such Investor).

(j) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date hereof, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Investors in this Agreement or otherwise conflicts with the provisions hereof.

(k) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, or waived unless the same shall be in writing and signed by the Company and Investors holding a majority of the then outstanding Shares; provided that any such amendment, modification, supplement or waiver that materially, adversely and disproportionately effects the rights or obligations of any Investor vis-à-vis the other Investors shall require the prior written consent of such Investor.

(l) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail (provided the sender receives a machine-generated confirmation of successful facsimile transmission or e-mail notification or confirmation of receipt of an e-mail transmission) at the facsimile number or

e-mail address specified in this Section prior to 5:00 p.m., New York City time, on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:00 p.m., New York City time, on any Trading Day, (c) the Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service with next day delivery specified, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company:	Northpointe Bancshares, Inc. 3333 Deposit Drive NE, Grand Rapids, MI 49546 Attention: Chief Operating Officer Facsimile: 616-588-6347 E-mail: kevin.comps@northpointe.com
With a copy (which shall not constitute notice) to:	Northpointe Bancshares, Inc. 3333 Deposit Drive NE, Grand Rapids, MI 49546 Attention: General Counsel Facsimile: 616-710-3973 E-mail: legal@northpointe.com
With a copy (which shall not constitute notice) to:	Mark C. Kanaly, Esq. Alston & Bird LLP One Atlantic Center 1201 West Peachtree Street Atlanta, Georgia 30309 Facsimile: (404) 881-7777 Email: Mark.Kanaly@alston.com

If to any Investor, to such Investor's address as set forth on the records of the Company.

(m) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The Company may not assign its rights (except by merger or in connection with another entity acquiring all or substantially all of the Company's assets) or obligations hereunder without the prior written consent of all the Investors holding the then outstanding Shares. The rights to have the Company register Registrable Securities pursuant to this Agreement shall be automatically assigned by any Investor to any transferee of the Shares only if: (a) the transferee or assignee (i) acquires Shares of the Investor's Registrable Securities with an original value as of the Closing Date of $500,000; (b) the Investor agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable period of time after such assignment; (c) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (i) the name and address of such transferee or assignee and (ii) the securities with respect to which such registration rights are being transferred or assigned; (d) immediately following such transfer or assignment the further disposition of such securities by the transferee or assignee is restricted under the Securities Act and applicable state securities laws; and (e) at or before the time the Company received the written notice contemplated by clause (c) of this sentence the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein with respect to a Holder or Investor. In the event of any delay in filing or effectiveness of the Registration Statement as a result of such assignment by the Investor or its transferee, the Company shall not be liable for any damages arising from such delay.

(n) Execution and Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature were the original thereof.

(o) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Michigan applicable to contracts made and to be performed entirely within such State. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(p) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(q) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their good faith reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(r) Headings. The headings in this Agreement are for convenience only and shall not limit or otherwise affect the meaning hereof.

(s) Independent Nature of Investors' Obligations and Rights. The obligations of each Investor under this Agreement are several and not joint with the obligations of any other Investor hereunder, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor hereunder. The decision of each Investor to purchase the Shares pursuant to the Purchase Agreement has been made independently of any other Investor. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Investor pursuant hereto or thereto, shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Investor acknowledges that no other Investor has acted as agent for such Investor in connection with making its investment hereunder and that no Investor will be acting as agent of such Investor in connection with monitoring its investment in the Shares or enforcing its rights under the Purchase Agreement. Each Investor shall be entitled to protect and enforce its rights, including, without limitation, the rights arising out of this Agreement, and it shall not be necessary for any other Investor to be joined as an additional party in any Proceeding for such purpose. The Company acknowledges that each of the Investors has been provided with the

same Registration Rights Agreement for the purpose of closing a transaction with multiple Investors and not because it was required or requested to do so by any Investor. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and an Investor, solely, and not between the Company and the Investors collectively and not between and among the Investors.

(t) Entire Agreement. This Agreement and the Purchase Agreement constitute the entire agreement among the parties hereto with respect to the subject matter hereof. There are no restrictions, promises, warranties or undertakings, other than as set forth or referred to herein and in the Purchase Agreement. This Agreement supersedes all prior agreements and understandings among the parties hereto with respect to the subject matter hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Registration Rights Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

COMPANY:

Dated: December 29, 2020

Northpointe Bancshares, Inc.

By: /s/ Brian Kuelbs
Name: Brian Kuelbs
Title: Chief Financial Officer

[Signature Page to Registration Rights Agreement]

INVESTORS:

Dated:

By:
Name:
Title:

[Signature Page to Registration Rights Agreement]

Exhibit 4.8

Execution Version

NORTHPOINTE BANCSHARES, INC.
REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this "***Agreement***") is made and entered into as of December 30, 2021, by and among **NORTHPOINTE BANCSHARES, INC.**, a Michigan corporation (the "***Company***"), and the purchaser identified on the signature page to the Purchase Agreement (as defined below), together with its permitted transferees ("***Investor***").

RECITALS:

A. This Agreement is made pursuant to the Securities Purchase Agreement, dated as of the even date herewith, between the Company and the Investor (the "***Purchase Agreement***").

B. The Company and the Investor desire to be granted and to grant the rights created herein.

C. The capitalized terms used herein and not otherwise defined have the meanings given them in Section 1 of this Agreement.

AGREEMENT

In consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Investor hereby agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by, or is under common control with, such Person.

"Agreement" has the meaning set forth in the Preamble.

"Allowable Grace Period" has the meaning set forth in Section 4(e).

"Business Day" means a day other than a Saturday or Sunday or other day on which banks located in New York City are authorized or required by law to close.

"Capital Stock" means, with respect to any Person at any time, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, securities convertible into or exchangeable or exercisable for any of its shares, interests, participations or other equivalents, partnership interests (whether general or limited), limited liability company interests, or equivalent ownership interests in or issued by such Person.

"Closing Date" has the meaning set forth in the Purchase Agreement.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the non-voting common stock, no par value per share, and the voting common stock, no par value to per share of the Company, and any securities into which such shares of common stock may hereinafter be reclassified.

"Company" has the meaning set forth in the Preamble.

"Effectiveness Deadline" means, with respect to the Initial Registration Statement or the New Registration Statement, the fifth (5^{th}) Trading Day after the date the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review; provided that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the Commission is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the Commission is open for business; provided, further, that the Company shall have the ability to delay the Effectiveness Deadline until the Listing Effectiveness Date so long as the Listing Effectiveness Date is on or prior to the Listing Effective Deadline.

"Effectiveness Period" has the meaning set forth in Section 2(b).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Filing Deadline" means ninety (90) days following the completion of a Public Offering by the Company.

"FINRA" has the meaning set forth in the Financial Industry Regulatory Authority, Inc.

"Grace Period" has the meaning set forth in Section 4(e).

"Holder" or ***"Holders"*** means, the holder or holders, as the case may be, from time to time of Registrable Securities.

"Holders Counsel" has the meaning set forth in Section 4(b).

"Indemnified Party" has the meaning set forth in Section 6(b).

"Indemnifying Party" has the meaning set forth in Section 6(b).

"Initial Public Offering" means the first underwritten Public Offering of Common Stock (or Other Securities) to the general public.

"***Initial Registration Statement***" means shall have the meaning set forth in Section 2(a).

"Investor" has the meaning set forth in the preamble.

"Listing" has the meaning set forth in Section 3.

"Listing Effectiveness Date" means the date on which the Listing becomes effective.

"Listing Effectiveness Deadline" has the meaning set forth in Section 3.

"Losses" has the meaning set forth in Section 6(a).

"New Registration Statement" shall have the meaning set forth in Section 2(a).

"Non-Responsive Holder" has the meaning set forth in Section 7(d)

"Other Securities" means shares of Common Stock or shares of other Capital Stock of the Company which are contractually entitled to registration rights or Capital Stock which the Company is registering pursuant to a Registration Statement.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Public Offering" means an offering and sale of Common Stock pursuant to an effective registration statement filed under the Securities Act; provided that a Public Offering does not include an offering made in connection with a business acquisition or combination pursuant to a registration statement on Form S-4, or any successor or similar form, or an employee benefit plan pursuant to a registration statement on Form S-8, or any successor or similar form.

"Principal Market" means the Trading Market on which the Common Stock is primarily listed on and quoted for trading.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Purchase Agreement" has the meaning set forth in the Recitals.

"Registrable Securities" means all of the Shares and any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the Shares, provided that Shares shall cease to be Registrable Securities upon the earliest to occur of the following: (A) a sale pursuant to a Registration Statement or Rule 144 under the Securities Act (in which case, only such security sold shall cease to be a Registrable Security); (B) if such Shares have ceased to be outstanding; (C) the sale or transfer of such Shares in accordance with an effective Registration Statement including such shares; (D) such Shares shall be eligible to be sold to the public in reliance upon Rule 144 without limitation (other than the current public information requirement set forth in Rule 144(c) so long as the requirements in Rule 144(c)(1) are satisfied); provided, that if any such Shares shall cease to be eligible to be sold to the public in reliance upon Rule 144 without limitation due to the failure of Rule 144(c)(1) to be satisfied or otherwise, then such Shares shall become Registrable Securities again; or (E) if such Shares have been sold in a private transaction in which the Investor's rights under this Agreement have not been assigned to the transferee.

"Registration Statement" means any registration statement of the Company under the Securities Act which covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"Remainder Registration Statement" shall have the meaning set forth in Section 2(a).

"Required Registration Statement" means any Initial registration Statement, New Registration Statement, or Remainder Registration Statement.

"Requested Information" has the meaning set forth in Section 7(d).

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 144A" means Rule 144A promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shares" means the depositary shares, representing 1/40th of a share of the Company's 7.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series B, $1,000 liquidation preference per share issued or issuable to the Purchasers pursuant to the Purchase Agreement.

"Trading Day" means a day on which the Common Stock is listed or quoted and traded on its Principal Market; provided, that in the event that the Common Stock is not so listed or quoted, then Trading Day shall mean a Business Day.

"Trading Market" means the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market.

2. Mandatory Registration.

(a) On or prior to the Filing Deadline, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 or, if Rule 415 is not available for offers and sales of the Registrable Securities, by such other means of distribution of Registrable Securities as the Company may reasonably determine (the "***Initial Registration Statement***"). Notwithstanding the registration obligations set forth in this Section 2, in the event that the Commission informs the Company that all such Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly (i) inform each of the Holders thereof and, as applicable, file the Initial Registration Statement, or use its commercially reasonable efforts to file amendments to the Initial Registration Statement as required by the Commission and/or (ii) withdraw the Initial Registration Statement and file a new registration statement (a " ***New Registration Statement***"), in either case covering the maximum number of Registrable Securities permitted to be registered by the Commission, on such form available to the Company to register for resale the Registrable Securities as a secondary offering; provided, that prior to filing such amendment or New Registration Statement, the Company shall be obligated to use its commercially reasonable efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Securities Act Rules Compliance and Disclosure Interpretation 612.09, or any successor thereto. Notwithstanding any other provision of this Agreement, if any SEC Guidance sets forth a limitation of the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used commercial reasonable efforts to reasonably advocate with the Commission for the registration of all or a greater number of Registrable Securities), the number of Registrable Securities to be registered on such Registration Statement will be reduced on a pro rata basis of the aggregate number of Registrable Securities owned by each such person, and under such circumstances, the Company will not be subject to the payment of Liquidated Damages in Section 7(i). In the event the Company amends the Initial Registration Statement or files a New Registration Statement, as the case may be, under clauses (i) or (ii) above, the Company will use its commercially reasonable efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on such form available to the Company to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended, or the New Registration Statement (the "***Remainder Registration Statements***"). No Holder shall be named as an "underwriter" in any Registration Statement without such Holder's prior written consent, which shall not be unreasonably withheld.

(b)The Company shall use its commercially reasonable efforts to cause each Required Registration Statement to be declared effective by the Commission as soon as practicable, and, with respect to the Initial Registration Statement or the New Registration Statement, as applicable, no later than the Effectiveness Deadline, and shall use its commercially reasonable efforts to keep each Required Registration Statement continuously effective under the Securities Act until the earlier of (i) such time as all of the Registrable Securities covered by such Required Registration Statement have been publicly sold by the Holders or (ii) the date that all Registrable Securities covered by such Required Registration Statement may be sold by the Holders without limitation under Rule 144 (other than the current public information requirement set forth in Rule 144(c) so long as the requirements in Rule 144(c)(1) are satisfied), as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent (the " ***Effectiveness Period***"). The Company shall request effectiveness of a Required Registration Statement as of 5:00 p.m., New York City time, on a Trading Day. The Company shall promptly notify the Holders via facsimile or electronic mail of a ".pdf" format data file of the effectiveness of a Registration Statement within one (1) Business Day of the Effective Date. The Company shall file a final Prospectus for a Required Registration Statement with the Commission, as required by Rule 424(b) as promptly as reasonably practicable following the Effective Date.

(c) For the avoidance of doubt, if all of the Shares cease to be Registrable Securities at or prior to the Filing Deadline or Effectiveness Deadline, then the Company's obligations under Section 2(a) and (b) shall be immediately suspended. In the event that any of the Shares that ceased to be Registrable Securities become Registrable Securities again, then the Company's obligations under Section 2(a) and (b) shall be immediately reinstated, with the Filing Deadline being extended by the number of days that all of the Shares ceased to be Registrable Securities.

3. Mandatory Listing. The Company shall, no later than the Filing Deadline, submit an initial listing application or equivalent application with a Trading Market requesting that all issued and outstanding Shares be listed for public trading on such Trading Market (the "Listing"). The Company will use its reasonable best efforts to satisfy all applicable listing standards and respond to any questions or inquiries from the applicable Trading Market, such that it will cause the Listing to become effective as soon as reasonably practicable, but in no event later than sixty (60) days after the earlier of (a) the submission of the Listing Application or (b) the Filing Deadline (the "***Listing Effectiveness Deadline***").

4. Registration Procedures. If and whenever the Company is required to use its reasonable best efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Section 2 hereof, the Company shall effect such registration to permit the sale of such Registrable Securities in accordance with the intended method or methods of disposition thereof, and pursuant thereto the Company shall cooperate in the sale of the securities and shall, as expeditiously as possible:

(a)use its commercially reasonable efforts to cause the Registrable Securities to be listed on a Trading Market prior to the effectiveness of the Registration Statement;

(b)prepare and file with the SEC a Registration Statement or Registration Statements on such form as shall be available for the sale of the Registrable Securities by the applicable Holders thereof or by the Company in accordance with the intended method or methods of distribution thereof, and use its reasonable best efforts to cause such Registration Statement to become effective and to remain effective as provided herein (including by means of a shelf registration statement pursuant to Rule 415 under the Securities Act if so requested and if the Company is then eligible to use such registration); provided, however, that not less than three (3) Trading Days before filing a Registration Statement or Prospectus or any amendments or supplements thereto (including documents that would be incorporated or deemed to be incorporated therein by reference), the Company shall furnish or otherwise make available to the Holders to one counsel designated by a majority of the outstanding Registrable Securities (" ***Holders Counsel***"), copies of all such documents proposed to be filed, which documents will be subject to the reasonable review and comment of Holders Counsel, and such other documents reasonably requested by Holders Counsel, including any comment letter(s) from the SEC, and, if requested by such counsel, provide such counsel reasonable opportunity to participate in the preparation of such Registration Statement and each Prospectus included therein and such other opportunities to conduct a reasonable investigation within the meaning of the Securities Act, including reasonable access to the Company's books and records, officers, accountants and other advisors, in all cases subject to Section 4(p) below; provided further, however, that the Company shall not file any Registration Statement containing information to which Holders Counsel reasonably objects in good faith, unless the Company shall be advised by its counsel that the information objected to is required under the Securities Act;

(c)(i) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period (except during an Allowable Grace Period) and comply in all material respects with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement; (ii) cause the related Prospectus to be supplemented by any Prospectus supplement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of the securities covered by such Registration Statement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act (except during an Allowable Grace Period); (iii) respond as promptly as reasonably practicable to any comments received from the Commission with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible, provide the Holders Counsel true and complete copies of all correspondence from and to the Commission relating to such Registration Statement that pertains to the Holders as "Selling Shareholders"; and (iv) comply in all material respects with the applicable provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by a Registration Statement until such time as all of such Registrable Securities shall have been disposed of (subject to the terms of this Agreement) in accordance with the intended methods of disposition by the Holders thereof as set forth in such Registration Statement as so amended or in such Prospectus as so supplemented; provided, that each Holder shall be responsible for the delivery of the Prospectus to the Persons to whom such Holder sells any of the Registrable Securities (including in accordance with Rule 172 under the Securities Act), and each Holder agrees to dispose of Registrable Securities in compliance with applicable federal and state securities laws. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this Section 4(c)) by reason of the Company filing a report on Form 10-K, Form 10-Q or Form 8-K or any analogous report under the Exchange Act, the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the Commission as promptly as practicable;

(d)notify each selling Holder, Holders Counsel and the managing underwriters, if any, promptly, and (if requested by any such Person) confirm such notice in writing, (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the SEC or any other federal or state governmental authority for amendments or supplements to a Registration Statement or related Prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, and (v) if the Company has knowledge of the happening of any event that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading (which notice shall notify the selling Holders only of the occurrence of such an event and shall provide no additional information regarding such event to the extent such information would constitute material non-public information);

(e)Notwithstanding anything to the contrary herein, at any time after the Registration Statement has been declared effective by the Commission, the Company may delay the disclosure of material non-public information concerning the Company if the disclosure of such information at the time is not, in the good faith judgment of the Company, in the best interests of the Company (such delay, a "***Grace Period***"). During the Grace Period, the Company shall not be required to maintain the effectiveness of any Registration Statement filed hereunder and, in any event, Holders shall suspend sales of Registrable Securities pursuant to such Registration Statements during the pendency of the Grace Period provided, the Company shall promptly (i) notify the Investor in writing of the existence of material non-public information giving rise to a Grace Period or the need to file a post-effective amendment, as applicable, and the date on which such Grace Period will begin, (ii) use commercially reasonable efforts to terminate a Grace Period as promptly as practicable provided that such termination is, in the good faith judgment of the Company, in the best interest of the Company and (iii) notify the Investor in writing of the date on which the Grace Period ends; provided, further, that no single Grace Period shall exceed forty-five (45) consecutive days, and during any three hundred sixty-five (365) day period, the aggregate of all Grace Periods shall not exceed an aggregate of ninety (90) days (each Grace Period complying with this provision being an "***Allowable Grace Period***"). For purposes of determining the length of a Grace Period, the Grace Period shall be deemed to begin on and include the date the Investor receive the notice referred to in clause (i) above and shall end on and include the later of the date the Investor receive the notice referred to in clause (iii) above and the date referred to in such notice; provided, that no Grace Period shall be longer than an Allowable Grace Period. Notwithstanding anything to the contrary, the Company shall use commercially reasonable efforts to cause its transfer agent to deliver unlegended Shares to a transferee of Investor in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect to which Investor has entered into an irrevocable contract for sale prior to the Investor's receipt of the notice of a Grace Period and for which the Investor has not yet settled.

(f)use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement, or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction at the earliest date reasonably practical;

(g)if requested by the managing underwriters, if any, or Investor or the Holders of a majority of the then outstanding Registrable Securities being sold in connection with an underwritten offering, promptly include in a Prospectus supplement or post-effective amendment such information as the managing underwriters, if any, and such Investor or such Holders may reasonably request in order to permit the intended method of distribution of such securities and make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received such request; provided, however, that the Company shall not be required to take any actions under this Section 4(g) that are not, in the opinion of counsel for the Company, in compliance with applicable law;

(h)furnish or make available to each selling Holder, Holders Counsel and each managing underwriter, if any, without charge, at least one conformed copy of the Registration Statement, the Prospectus and Prospectus supplements, if applicable, and each post-effective amendment thereto, including financial statements (but excluding schedules, all documents incorporated or deemed to be incorporated therein by reference, and all exhibits, unless requested in writing by such Holder, counsel or underwriter);

(i)promptly deliver to each selling Holder, Holders Counsel, and the underwriters, if any, without charge, as many copies of the Prospectus or Prospectuses (including each form of Prospectus) and each amendment or supplement thereto as such Persons may reasonably request from time to time in connection with the distribution of the Registrable Securities; and the Company, subject to the last paragraph of this Section 4, hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any such amendment or supplement thereto;

(j)prior to any Public Offering, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders, the underwriters, if any, and Holders Counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or "Blue Sky" laws of such jurisdictions within the United States as any seller or underwriter reasonably requests in writing and to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to take any other action that may be necessary or advisable to enable such Holders to consummate the disposition of such Registrable Securities in such jurisdiction; *provided*, *however*, that the Company will not be required to (i) qualify generally to do

business in any jurisdiction where it is not then so qualified or (ii) take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject;

(k)cooperate with the selling Holders and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates (not bearing any legends) representing Registrable Securities to be sold after receiving written representations from each selling Holder that the Registrable Securities represented by the certificates so delivered by such Holder will be transferred in accordance with the Registration Statement, and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters, if any, or such Holders may request at least two (2) Business Days prior to any sale of Registrable Securities in a firm commitment public offering, but in any other such sale, within ten (10) business days prior to having to issue the securities;

(l)upon the occurrence of, and its knowledge of, any event contemplated by Section 4(d)(ii)-(v) above, as promptly as practicable, as applicable: (i) use its commercially reasonable efforts to prevent the issuance of any stop order or obtain its withdrawal at the earliest possible moment if the stop order has been issued, or (ii) prepare a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(m) prior to the effective date of the Registration Statement relating to the Registrable Securities, provide a CUSIP number for the Registrable Securities;

(n) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such Registration Statement from and after a date not later than the effective date of such Registration Statement;

(o)with respect to any sale of Registrable Securities pursuant to a firm commitment underwritten offering, enter into such agreements (including an underwriting agreement in form, scope and substance as is customary in underwritten offerings) reasonably requested the Holders of a majority of the Registrable Securities being sold in connection therewith (including those reasonably requested by the managing underwriters, if any) to expedite or facilitate the disposition of such Registrable Securities, and in such connection, (i) make such representations and warranties to the selling Holders and the underwriters, if any, with respect to the business of the Company and its subsidiaries, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings, and, if true, confirm the same if and when requested, (ii) use its commercially reasonable efforts to furnish to the selling Holders opinions of counsel to the Company and updates thereof (which counsel and opinions – in form, scope and substance – shall be reasonably satisfactory to the managing underwriters, if any, and counsels to the selling Holders), addressed to each selling Holder of Registrable Securities and each of the underwriters, if any, covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such counsel and underwriters, (iii) use its commercially reasonable efforts to obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) who have certified the financial statements included in such Registration Statement, addressed to each selling Holder of Registrable Securities (unless such accountants shall be prohibited from so addressing such letters by applicable standards of the accounting profession) and each of the underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings, and (iv) deliver such documents and certificates as may be reasonably requested by Investor or the Holders of a majority of the Registrable Securities being sold pursuant to such Registration Statement, Holders Counsel and the managing underwriters, if any, to evidence the continued validity of the representations and warranties made pursuant to Section 4(o)(i) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company. The above shall be done at each closing under such underwriting or similar agreement, or as and to the extent required thereunder;

(p)make available for inspection by a representative of the selling Holder of Registrable Securities, any underwriter participating in any such disposition of Registrable Securities, if any, and any attorneys or accountants retained by such selling Holders or underwriter, at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and cause the officers, directors and employees of the Company and its subsidiaries to supply all information in each case reasonably requested by any such representative, underwriter, attorney or accountant in connection with such Registration Statement; provided, however, that any information that is not generally publicly available at the time of delivery of such information shall be kept confidential by such Persons unless (i) disclosure of such information is required by court or administrative order, (ii) disclosure of such information, in the opinion of counsel to such Person, is required by law or applicable legal process, or (iii) such information becomes generally available to the public other than as a result of a non-permitted disclosure or failure to safeguard by such Person. In the case of a proposed disclosure pursuant to (i) or (ii) above, such Person shall be required to give the Company written notice of the proposed disclosure prior to such disclosure (to the extent permitted by law) and, if requested by the Company, assist the Company in seeking to prevent or limit the proposed disclosure. Without limiting the foregoing, no such information shall be used by such Person as the basis for any market transactions in securities of the Company or its subsidiaries in violation of law;

(q)cause its officers to use their commercially reasonable efforts to support the marketing of the Registrable Securities covered by the Registration Statement (including, without limitation, participation in "road shows");

(r)cooperate with each seller of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the FINRA; and

(s)if the Company becomes eligible to use Form S-3 during the term of this Agreement, the Company shall use its commercially reasonable efforts to maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of the Registrable Securities.

The Company may require each Holder of Registrable Securities as to which any registration is being effected to furnish to the Company in writing such information required in connection with such registration regarding such seller and the distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing and the Company may exclude from such registration the Registrable Securities of any Holder who unreasonably fails to furnish such information within a reasonable time after receiving such request.

Each Holder agrees if such Holder has Registrable Securities covered by such Registration Statement that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(d)(ii)-(v) hereof, such Holder will forthwith discontinue disposition of such Registrable Securities covered by such Registration Statement or Prospectus until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 4(k) hereof, or until it is advised in writing by the Company that the use of the applicable Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus; provided, however, that the time periods under Section 2 with respect to the length of time that the effectiveness of a Registration Statement must be maintained shall automatically be extended by the amount of time the Holder is required to discontinue disposition of such

securities.

5. Registration Expenses. All fees and expenses incident to the Company's performance of or compliance with its obligations under this Agreement (excluding any underwriting discounts and selling commissions, stock transfer taxes and fees of counsel for the Holders) shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence that are the Company's responsibility shall include, without limitation, (a) all registration and filing fees (including, without limitation, fees and expenses (i) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, (ii) with respect to compliance with applicable state securities or Blue Sky laws (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities and determination of the eligibility of the Registrable Securities for investment under the laws of such jurisdictions as requested by the Holders) and (iii) if not previously paid by the Company in connection with an issuer filing, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (b) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by the Holders of a majority of the Registrable Securities included in the Registration Statement), (c) messenger, telephone and delivery expenses of the Company, (d) fees and disbursements of counsel for the Company, (e) Securities Act liability insurance, if the Company so desires such insurance, and (f) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder.

The Company shall not be required to pay (i) fees and disbursements of any counsel retained by any Holder or by any underwriter, or (ii) any underwriter's fees (including discounts, commissions or fees of underwriters, selling brokers, dealer managers or similar securities industry professionals) relating to the distribution of the Registrable Securities (other than with respect to Registrable Securities sold by the Company or as otherwise set forth in this Section 5).

6. Indemnification

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless, to the fullest extent permitted by law, the Investor, the officers, directors, agents, general partners, managing members, managers, Affiliates, employees and investment advisers of such Investor, each Person who controls such Investor (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, general partners, managing members, managers, Affiliates, employees and investment advisers of each such controlling person, and each underwriter, if any, and each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) such underwriter, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and reasonable attorneys' fees and any legal or other fees or expenses incurred by such party in connection with any investigation or Proceeding), expenses, judgments, fines, penalties, charges and amounts paid in settlement (collectively, "***Losses***"), as incurred, arising out of or based upon (i) any untrue statement (or alleged untrue statement) of a material fact contained in any Registration Statement, any preliminary, final or summary Prospectus, contained therein or related thereto, or any amendment or supplement thereto, together with the documents incorporated by reference therein, or any free writing prospectus utilized in connection therewith, incident to any such registration, qualification, or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any violation or alleged violation by the Company of the Securities Act, Exchange Act, or any state securities law or any rule or regulation thereunder, and (without limitation of the preceding portions of this Section 6(a)) will reimburse each such Investor and each Person who controls each such Investor, each such underwriter, and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability, or action; provided that the Company will not be liable to Investor or underwriter in any such case to the extent that any such Losses arise out of or are based on any untrue statement or omission by such Investor or underwriter, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement, preliminary, final or summary Prospectus, contained therein or related thereto, or any amendment or supplement thereto, together with the documents incorporated by reference therein, or any free writing prospectus utilized in connection therewith in reliance upon and in conformity with written information that is furnished to the Company by such Investor or underwriter for use therein and relates to such Investor or underwriter, as applicable. It is agreed that the indemnity agreement contained in this Section 6(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld).

(b) Indemnification by Investor. Investor shall, notwithstanding any termination of this Agreement, indemnify and hold harmless, to the fullest extent permitted by law the Company, its directors, its officers who sign the Registration Statement, and each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act) and all other prospective sellers, from and against all Losses arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in such Registration Statement under which such Registrable Securities were registered under the Securities Act, any preliminary, final or summary Prospectus, contained therein or related thereto, or any amendment or supplement thereto, together with the documents incorporated by reference therein, or any free writing prospectus utilized in connection therewith, incident to any such registration, qualification, or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will (without limitation of the portions of this Section 6(b)) reimburse the Company, its directors, its officers who sign the Registration Statement, and each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act) and all other prospective sellers for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action, in each case to the extent, but only to the extent, that such untrue statement or omission is made in such Registration Statement, preliminary, final or summary Prospectus, contained therein or related thereto, or any amendment or supplement thereto, together with the documents incorporated by reference therein, or any free writing prospectus utilized in connection therewith in reliance upon and in conformity with written information that is furnished to the Company by such Investor for inclusion therein and that relates to such Investor; provided, however, that the obligations of such Investor hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages, or liabilities (or actions in respect thereof) if such settlement is effected without the consent of such Investor (which consent shall not be unreasonably withheld); and provided, further, that the liability of such Investor shall be limited to the net proceeds received by such selling Investor from the sale of Registrable Securities covered by such Registration Statement.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "***Indemnified Party***"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "***Indemnifying Party***") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of one (1) counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable and documented fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such written notice within a reasonable time of commencement of any such Proceeding shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that such failure shall have materially and adversely prejudiced the Indemnifying Party in its ability to defend such Proceeding.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (i) the Indemnifying Party has agreed in writing to pay such fees and expenses; (ii) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (iii) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel in writing that a conflict of interest exists if the same counsel were to represent such Indemnified Party and the Indemnifying Party; provided, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or unreasonably conditioned. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all documented fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section 6(b)) shall be paid to the Indemnified Party, as incurred, within twenty (20) Trading Days of written notice thereof to the Indemnifying Party; provided, that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally judicially determined to not be entitled to indemnification hereunder.

(d) Contribution. If a claim for indemnification under Section 6(a) or 6(b) is unavailable to an Indemnified Party (other than in accordance with its terms) or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 6(d) was available to such party in accordance with its terms. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 6(d), no Investor shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Investor from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Investor has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) Non-Exclusive Remedies. The indemnity and contribution agreements contained in this Section 6(e) are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties and are not in diminution or limitation of the indemnification provisions under the Purchase Agreement.

7. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by Investor of any of their obligations under this Agreement, Investor or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and Investor agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Prohibition on Other Registrations. The Company agrees (i) not to effect or initiate a registration statement for any public sale or distribution of any securities similar to those being registered pursuant to this Agreement, or any securities convertible into or exchangeable or exercisable for such securities (other than a registration solely to implement an employee benefit plan pursuant to a registration statement on Form S-8 (or successor form), a registration statement on Form S-4 (or successor form) or a transaction to which Rule 145 or any other similar rule of the Commission is applicable), during the fourteen (14) calendar-day period prior to, and during the sixty (60) calendar-day period beginning on, the effective date of any Registration Statement in which the Holders of Registrable Securities are participating (except as part of any such registration, if permitted).

(c) Rule 144 Requirements. The Company will use its commercially reasonable efforts to timely file with the Commission such reports and information required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder and as the Commission may require. The Company shall furnish to Investor forthwith upon request a written statement as to its compliance with the reporting requirements of Rule 144 (or any successor exemptive rule), the Securities Act and the Exchange Act (at any time that it is subject to such reporting requirements); a copy of its most recent annual or quarterly report; and such other reports and documents as such Person may reasonably request in availing itself of any rule or regulation of the Commission allowing it to sell any such securities without registration.

(d) Obligations of Holders and Others in a Registration. Each Holder that has elected to include Registrable Securities in a Registration Statement pursuant to Section 2 agrees to timely furnish in writing such information regarding such Person, the securities sought to be registered and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably be required to effect the registration of such Registrable Securities (the " ***Requested Information***") and shall take such other action as the Company may reasonably request in connection with the registration, qualification or compliance or as otherwise provided herein. At least ten (10) Business Days prior to the first anticipated filing date of a Registration Statement, the Company shall notify each holder of the information the Company requires from such Holder if such Holder elects to have any of such Holder's Registrable Securities included in the Registration Statement. If at least five (5) Business Days prior to the filing date, the Company has not received the Requested Information from a Holder (a " ***Non-Responsive Holder***"), then the Company may exclude from any Registration Statement the Registrable Securities of such Non-Responsive Holder.

(e) Rule 144A. The Company agrees that, upon the request of any Holder of Registrable Securities or any prospective purchaser of Registrable Securities designated by a Holder, the Company shall promptly provide (but in any case within fifteen (15) calendar days of a request) to such Holder or potential purchaser, the following information:

(i) a brief statement of the nature of the business of the Company and any subsidiaries and the products and services they offer;

(ii)the most recent consolidated balance sheets and profit and losses and retained earnings statements, and similar financial statements of the Company for the two (2) most recent fiscal years (such financial information shall be audited, to the extent reasonably available); and

(iii)such other information about the Company, any subsidiaries, and their business, financial condition and results of operations as the requesting Holder or purchaser of such Registrable Securities shall reasonably request in order to comply with Rule 144A, as amended, and in connection therewith the anti-fraud provisions of the federal and state securities laws.

The Company hereby represents and warrants to any such requesting Holder and any prospective purchaser of Registrable Securities from such Holder that the information provided by the Company pursuant to this Section 7(e) will, as of their dates, not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(f) Limitations on Subsequent Registration Rights. The Company will not enter into any agreements with any holder or prospective holder of any securities of the Company which would grant such holder or prospective holder registration rights with respect to the securities of the Company which would have priority over the Registrable Securities with respect to the inclusion of such securities in any registration. If the Company enters into an agreement that contains terms more favorable, in form or substance, to any shareholders than the terms provided to the Holders under this Agreement, then the Company will modify or revise the terms of this Agreement in order to reflect any such more favorable terms for the benefit of the Holders.

(g) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to the Registration Statement and shall sell the Registrable Securities only in accordance with a method of distribution described in the Registration Statement.

(h) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Sections 4(d)(ii)-(iv), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(i) Liquidated Damages. If: (i) the Initial Registration Statement is required to be filed and is not filed with the Commission on or prior to the Filing Deadline, (ii) the Initial Registration Statement or the New Registration Statement, as applicable, is required to be declared effective and is not declared effective by the Commission (or otherwise does not become effective) for any reason on or prior to the Effectiveness Deadline, (iii) after its Effective Date, (A) such Registration Statement is required to be effective and ceases to be effective for any reason (including without limitation by reason of a stop order, or the Company's failure to update the Registration Statement), to remain continuously effective as to all Registrable Securities for which it is required to be effective, or (B) the Investor is required to be permitted to and is not permitted to utilize the Prospectus therein to resell such Registrable Securities (other than during an Allowable Grace Period), (iv) a Grace Period applicable to a Required Registration Statement exceeds the length of an Allowable Grace Period, (v) after the Filing Deadline, and only in the event a Registration Statement is not effective or available to sell all Registrable Securities, the Investor is unable to sell Shares without limitation under Rule 144 , (vi) the Listing Application is not filed with a Trading Market on or prior to the Filing Deadline, or (vii) the Listing is not effective on or prior to the Listing Effectiveness Deadline, (any such failure or breach in clauses (i) through (vii) above being referred to as an "***Event***," and, for purposes of clauses (i), (ii), (iii), (v), (vi) and (vii), the date on which such Event occurs, or for purposes of clause (iv) the date on which such Allowable Grace Period is exceeded, being referred to as an "***Event Date***"), then in addition to any other rights the Investor may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to Investor an amount in cash or shares of Common Stock, at the election of the Investor, as liquidated damages and not as a penalty ("***Liquidated Damages***"), equal to 1.0% of the aggregate purchase price paid by such Investor pursuant to the Purchase Agreement for any Shares held by such Investor on the Event Date. If the Investor elects to receive payment in Common Shares, the value of the Common Shares will be the closing market price on the Trading Market on the Event Date or if the Event Date is not a Trading Day, the next preceding Trading Day. The parties agree that notwithstanding anything to the contrary herein or in the Purchase Agreement, no Liquidated Damages shall be payable with respect to clauses (i) through (v) above (w) if as of the relevant Event Date, the Registrable Securities may be sold by the Investors without volume or manner of sale restrictions under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent, (x) to the Investor if an Event relates to or is caused by any action or inaction taken by such Investor, (y) to the Investor in the event it is unable to lawfully sell any of its Registrable Securities (including, without limitation, in the event a Grace Period exceeds the length of an Allowable Grace Period) because of possession of material non-public information or (z) with respect to the Events described in clauses any period after the expiration of the Effectiveness Period (it being understood that this clause shall not relieve the Company of any Liquidated Damages accruing prior to the expiration of the Effectiveness Period). If the Company fails to pay any Liquidated Damages pursuant to this Section 7(i) in full within ten (10) Business Days after the date payable, the Company will pay interest on the amount of Liquidated Damages then owing to the Investor at a rate of 1.0% per month on an annualized basis (or such lesser maximum amount that is permitted to be paid by applicable law) to the Investor, accruing daily from the date such Liquidated Damages are due until such amounts, plus all such interest thereon, are paid in full. The Liquidated Damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event, except in the case of the first Event Date. With respect to Investor, the Effectiveness Deadline for a Required Registration Statement shall be extended without default or Liquidated Damages hereunder in the event that the Company's failure to obtain the effectiveness of the Registration Statement on a timely basis results from the failure of such Investor to timely provide the Company with information requested by the Company and necessary to complete the Registration Statement in accordance with the requirements of the Securities Act (in which case the Effectiveness Deadline would be extended with respect to Registrable Securities held by such Investor).

(j) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date hereof, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Investor in this Agreement or otherwise conflicts with the provisions hereof.

(k) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified, supplemented, or waived unless the same shall be in writing and signed by the Company and the holders of a majority of the then outstanding Registrable Securities that are held by Investor or its permitted successors and assigns.

(l) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail (provided the sender receives a machine-generated confirmation of successful facsimile transmission or e-mail notification or confirmation of receipt of an e-mail transmission) at the facsimile number or e-mail address specified in this Section prior to 5:00 p.m., New York City time, on a Trading Day , (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:00 p.m., New York City time, on any Trading Day, (c) the Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service with next day delivery specified, or (d) upon

actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company:	Northpointe Bancshares, Inc. 3333 Deposit Drive NE, Grand Rapids, MI 49546 Attention: Chief Operating Officer Facsimile: 616-588-6347 E-mail: kevin.comps@northpointe.com
With a copy (which shall not constitute notice) to:	Northpointe Bancshares, Inc. 3333 Deposit Drive NE, Grand Rapids, MI 49546 Attention: General Counsel Facsimile: 616-710-3973 E-mail: legal@northpointe.com
With a copy (which shall not constitute notice) to:	Mark C. Kanaly, Esq. Alston & Bird LLP One Atlantic Center 1201 West Peachtree Street Atlanta, Georgia 30309 Facsimile: (404) 881-7777 Email: Mark.Kanaly@alston.com

If to Investor, to such Investor's address as set forth on the records of the Company.

(m) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The Company may not assign its rights (except by merger or in connection with another entity acquiring all or substantially all of the Company's assets) or obligations hereunder without the prior written consent holders of a majority of the then outstanding Registrable Securities that are held by Investor or its permitted successors and assigns. The rights to have the Company register Registrable Securities pursuant to this Agreement shall be automatically assigned by Investor to any transferee of the Shares only if: (a) the transferee or assignee (i) acquires Shares of the Investor's Registrable Securities with an original value as of the Closing Date of $5,000,000; (b) the Investor agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable period of time after such assignment; (c) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (i) the name and address of such transferee or assignee and (ii) the securities with respect to which such registration rights are being transferred or assigned; (d) immediately following such transfer or assignment the further disposition of such securities by the transferee or assignee is restricted under the Securities Act and applicable state securities laws; and (e) at or before the time the Company received the written notice contemplated by clause (c) of this sentence the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein with respect to a Holder or Investor. In the event of any delay in filing or effectiveness of the Registration Statement as a result of such assignment by the Investor or its transferee, the Company shall not be liable for any damages arising from such delay.

(n) Execution and Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature were the original thereof.

(o) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Michigan applicable to contracts made and to be performed entirely within such State. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(p) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(q) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their good faith reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(r) Headings. The headings in this Agreement are for convenience only and shall not limit or otherwise affect the meaning hereof.

(s) Independent Nature of Investor's Obligations and Rights. The decision of Investor to purchase the Shares pursuant to the Purchase Agreement has been made independently. The Investor shall be entitled to protect and enforce its rights, including, without limitation, the rights arising out of this Agreement. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and the Investor, solely.

(t) Entire Agreement. This Agreement and the Purchase Agreement constitute the entire agreement among the parties hereto with respect to the subject matter hereof. There are no restrictions, promises, warranties or undertakings, other than as set forth or referred to herein and in the Purchase Agreement. This Agreement supersedes all prior agreements and understandings among the parties hereto with respect to the subject matter hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Registration Rights Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

COMPANY:

Dated: December 30, 2021

Northpointe Bancshares, Inc.

By: /s/ Brian Kuelbs
Name: Brian Kuelbs
Title: Chief Financial Officer

[Signature Page to Registration Rights Agreement}

INVESTOR:

Dated:

By: _____
Name:
Title:

[Signature Page to Registration Rights Agreement]

NORTHPOINTE BANCSHARES, INC.
OMNIBUS INCENTIVE PLAN

Article 1
PURPOSE

1.1 GENERAL. The purpose of the Northpointe Bancshares, Inc. Omnibus Incentive Plan (the "Plan") is to promote the success, and enhance the value, of Northpointe Bancshares, Inc. (the "Company"), by linking the personal interests of employees, officers, directors and consultants of the Company or any Affiliate (as defined below) to those of Company shareholders and by providing such persons with an incentive for outstanding performance. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of employees, officers, directors and consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent. Accordingly, the Plan permits the grant of incentive awards from time to time to selected employees, officers, directors and consultants of the Company and its Affiliates.

Article 2
DEFINITIONS

2.1 DEFINITIONS. When a word or phrase appears in this Plan with the initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase shall generally be given the meaning ascribed to it in this Section or in Section 1.1 unless a clearly different meaning is required by the context. The following words and phrases shall have the following meanings:

(a) "Affiliate" means (i) any Subsidiary or Parent, or (ii) an entity that directly or through one or more intermediaries controls, is controlled by or is under common control with, the Company, as determined by the Committee.

(b) "Award" means an award of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Deferred Stock Units, Performance Awards, Other Stock-Based Awards, or any other right or interest relating to Stock or cash, granted to a Participant under the Plan.

(c) "Award Certificate" means a written document, in such form as the Committee prescribes from time to time, setting forth the terms and conditions of an Award. Award Certificates may be in the form of individual award agreements or certificates or a program document describing the terms and provisions of an Award or series of Awards under the Plan. The Committee may provide for the use of electronic, internet or other non-paper Award Certificates, and the use of electronic, internet or other non-paper means for the acceptance thereof and actions thereunder by a Participant.

(d) "Beneficial Owner" shall have the meaning given such term in Rule 13d-3 of the General Rules and Regulations under the 1934 Act.

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

(f) "Cause" as a reason for a Participant's termination of employment shall have the meaning assigned such term in the employment, severance or similar agreement, if any, between such Participant and the Company or an Affiliate, provided, however that if there is no such employment, severance or similar agreement in which such term is defined, and unless otherwise defined in the applicable Award Certificate, "Cause" shall mean any of the following acts by the Participant, as determined by the Committee or the Board in its sole discretion: (i) conduct by the Participant that amounts to willful misconduct, gross neglect, or a material failure to perform the Participant's duties and responsibilities; (ii) any willful violation of any material law, rule, or regulation applicable to banks or the banking industry generally (including but not limited to the regulations of the Board of Governors of the Federal Reserve, the FDIC, the Tennessee Department of Financial Institutions, or any other applicable regulatory authority); (iii) the exhibition by the Participant of a standard of behavior within the scope of or related to the Participant's employment that is in violation of any written policy, Board or committee charter, or code of ethics or business conduct (or similar code) of the Company to which the Participant is subject; (iv) any act of fraud, misappropriation, or embezzlement by the Participant, whether or not such act was committed in connection with the business of the Company; (v) the Participant's conviction of or the Participant's pleading guilty or nolo contendere to with respect to (a) a felony or a crime involving moral turpitude (including pleading guilty or nolo contendere to a felony or lesser charge which results from plea bargaining), whether or not such felony, crime, or lesser offense is connected with the business of the Company, or (b) any crime in connection with the business of the Company.

(g) "Change in Control" means and includes the occurrence of any one of the following events but shall specifically exclude a Public Offering:

i. individuals who, on the Effective Date, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of such Board, provided that any person becoming a director after the Effective Date and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; or

ii. any person becomes a Beneficial Owner, directly or indirectly, of either (A) 50% or more of the then-outstanding shares of common stock of the Company ("Company Common Stock") or (B) securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of directors (the "Company Voting Securities"); provided, however, that for purposes of this subsection (ii), the following acquisitions of Company Common Stock or Company Voting Securities shall not constitute a Change in Control: (w) an acquisition directly from the Company, (x) an acquisition by the Company or a Subsidiary of the Company, (y) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary of the Company, or (z) an acquisition pursuant to a Non-Qualifying Transaction (as defined in subsection (iii) below); or

iii. the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or a Subsidiary (a "Reorganization"), or the sale or other disposition of all or substantially all of the Company's assets (a "Sale") or the acquisition of assets or stock of another corporation (an "Acquisition"), unless immediately following such Reorganization, Sale or Acquisition: (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding Company Common Stock and outstanding Company Voting Securities immediately prior to such Reorganization, Sale or Acquisition beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Reorganization, Sale or Acquisition (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries, the "Surviving Corporation") in substantially the same proportions as their ownership, immediately prior to such Reorganization, Sale or Acquisition, of the outstanding Company Common Stock and the outstanding Company Voting Securities, as the case may be, and (B) no person (other than (x) the Company or any Subsidiary of the Company, (y) the Surviving Corporation or its ultimate parent corporation, or (z) any employee benefit plan (or related trust) sponsored or maintained by any of the foregoing is the beneficial owner, directly or indirectly, of 50% or more of the total common stock or 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Surviving Corporation, and (C) at least a majority of the members of the board of directors of the Surviving Corporation were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization, Sale or Acquisition (any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction"); or

iv. approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

(h) "Code" means the Internal Revenue Code of 1986, as amended from time to time. For purposes of this Plan, references to sections of the Code shall be deemed to include references to any applicable regulations thereunder and any successor or similar provision.

(i) "Committee" means the Compensation Committee of the Board, or such other committee designated by the Board to administer the Plan.

(j) "Company" means Northpointe Bancshares, Inc., a Michigan corporation, or any successor corporation.

(k) "Continuous Service" means the absence of any interruption or termination of service as an employee, officer, director or consultant of the Company or any Affiliate, as applicable; provided, however, that for purposes of an Incentive Stock Option "Continuous Service" means the absence of any interruption or termination of service as an employee of the Company or any Parent or Subsidiary, as applicable, pursuant to applicable tax regulations. Continuous Service shall not be considered interrupted in the following cases: (i) a Participant transfers employment between the Company and an Affiliate or between Affiliates, (ii) in the discretion of the Committee as specified at or prior to such occurrence, in the case of a spin-off, sale or disposition of the Participant's employer from the Company or any Affiliate, (iii) a Participant transfers from being an employee of the Company or an Affiliate to being a director of the Company or of an Affiliate, or vice versa, (iv) in the discretion of the Committee, a Participant transfers from being an employee of the Company or an Affiliate to being a consultant to the Company or of an Affiliate, or vice versa, (v) in the discretion of the Committee as specified at or prior to such occurrence, a Participant transfers from being an employee of the Company or an Affiliate to being a consultant to the Company or an Affiliate, or vice versa, or (vi) any leave of absence authorized in writing by the Company prior to its commencement; provided, however, that for purposes of Incentive Stock Options, no such leave may exceed 90 days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, on the 91st day of such leave any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option. Whether military, government or other service or other leave of absence shall constitute a termination of Continuous Service shall be determined in each case by the Committee at its discretion, and any determination by the Committee shall be final and conclusive; provided, however, that for purposes of any Award that is subject to Code Section 409A, the determination of a leave of absence must comply with the requirements of a "bona fide leave of absence" as provided in Treas. Reg. Section 1.409A-1(h).

(l) "Deferred Stock Unit" means a right granted to a Participant under Article 9 to receive Shares (or the equivalent value in cash or other property if the Committee so provides) at a future time as determined by the Committee, or as determined by the Participant within guidelines established by the Committee in the case of voluntary deferral elections.

(m) "Disability" means the inability of the Participant, as reasonably determined by the Company, to perform the essential functions of his or her regular duties and responsibilities, with or without reasonable accommodation, due to a medically determinable physical or mental illness which has lasted (or can reasonably be expected to last) for a period of six (6) consecutive months.

(n) "Dividend Equivalent" means a right granted to a Participant under Article 11.

(o) "Effective Date" has the meaning assigned such term in Section 3.1.

(p) "Eligible Participant" means an employee, officer, director or consultant of the Company or any Affiliate.

(q) "Exchange" means any national securities exchange on which the Stock may from time to time be listed or traded.

(r) "Fair Market Value," on any date, means (i) if the Stock is listed on a securities exchange, the closing sales price on such exchange on such date or, in the absence of reported sales on such date, the closing sales price on the immediately preceding date on which sales were reported, or (ii) if the Stock is not listed on a securities exchange, the mean between the bid and offered prices as quoted by the applicable interdealer quotation system for such date, provided that if the Stock is not quoted on an interdealer quotation system or it is determined that the fair market value is not properly reflected by such quotations, Fair Market Value will be determined by such other method as the Committee determines in good faith to be reasonable and in compliance with Code Section 409A.

(s) "Full-Value Award" means an Award other than in the form of an Option or SAR, and which is settled by the issuance of Stock (or at the discretion of the Committee, settled in cash valued by reference to Stock value).

(t) "Grant Date" of an Award means the first date on which all necessary corporate action has been taken to approve the grant of the Award as provided in the Plan, or such later date as is determined and specified as part of that authorization process. Notice of the grant shall be provided to the grantee within a reasonable time after the Grant Date.

(u) "Incentive Stock Option" means an Option that is intended to be an incentive stock option and meets the requirements of Section 422 of the Code or any successor provision thereto.

(v) "Independent Directors" means those members of the Board of Directors who qualify at any given time as (a) an "independent" director under the applicable rules of each Exchange on which the Shares are listed, and (b) a "non-employee" director under Rule 16b-3 of the 1934 Act.

(w) "Non-Employee Director" means a director of the Company who is not a common law employee of the Company or an Affiliate.

(x) "Nonstatutory Stock Option" means an Option that is not an Incentive Stock Option.

(y) "Option" means a right granted to a Participant under Article 7 of the Plan to purchase Stock at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Nonstatutory Stock Option.

(z) "Other Stock-Based Award" means a right, granted to a Participant under Article 13, that relates to or is valued by reference to Stock or other Awards relating to Stock.

(aa) "Parent" means a corporation, limited liability company, partnership or other entity which owns or beneficially owns a majority of the outstanding voting stock or voting power of the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Parent shall have the meaning set forth in Section 424(e) of the Code.

(bb) "Participant" means an Eligible Participant who has been granted an Award under the Plan; provided that in the case of the death of a Participant, the term "Participant" refers to a beneficiary designated pursuant to Section 13.4 or the legal guardian or other legal representative acting in a fiduciary capacity on behalf of the Participant under applicable state law and court supervision.

(cc) "Performance Award" means any award granted under the Plan pursuant to Article 10.

(dd) "Person" means any individual, entity or group, within the meaning of Section 3(a)(9) of the 1934 Act and as used in Section 13(d)(3) or 14(d)(2) of the 1934 Act.

(ee) "Plan" means the Northpointe Bancshares, Inc. Omnibus Incentive Plan, as amended from time to time.

(ff) "Public Offering" means a public offering of any class or series of the Company's equity securities pursuant to a registration statement filed by the Company under the 1933 Act.

(gg) "Restricted Stock" means Stock granted to a Participant under Article 9 that is subject to certain restrictions and to risk of forfeiture.

(hh) "Restricted Stock Unit" means the right granted to a Participant under Article 9 to receive shares of Stock (or the equivalent value in cash or other property if the Committee so provides) in the future, which right is subject to certain restrictions and to risk of forfeiture.

(ii) "Shares" means shares of the Company's Common Stock. If there has been an adjustment or substitution pursuant to Section 14.1, the term "Shares" shall also include any shares of stock or other securities that are substituted for Shares or into which Shares are adjusted pursuant to Section 14.1.

(jj) "Stock" means the Company's Common Stock, no par value and such other securities of the Company as may be substituted for Stock pursuant to Article 14.

(kk) "Stock Appreciation Right" or "SAR" means a right granted to a Participant under Article 8 to receive a payment equal to the difference between the Fair Market Value of a Share as of the date of exercise of the SAR over the base price of the SAR, all as determined pursuant to Article 8.

(ll) "Subsidiary" means any corporation, limited liability company, partnership or other entity, domestic or foreign, of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Subsidiary shall have the meaning set forth in Section 424(f) of the Code.

(mm) "1933 Act" means the Securities Act of 1933, as amended from time to time.

(nn) "1934 Act" means the Securities Exchange Act of 1934, as amended from time to time.

Article 3
EFFECTIVE TERM OF PLAN

3.1 EFFECTIVE DATE. The Plan shall be effective as of the date it is approved by the shareholders of the Company (the "Effective Date").

3.2 TERMINATION OF PLAN. Unless earlier terminated as provided herein, the Plan shall continue in effect until the date of the 2034 annual shareholders' meeting. The termination of the Plan on such date shall not affect the validity of any Award outstanding on the date of termination, which shall continue to be governed by the applicable terms and conditions of the Plan. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten (10) years after the Effective Date.

Article 4
ADMINISTRATION

4.1 COMMITTEE. The Plan shall be administered by the Committee or, at the discretion of the Board from time to time, the Plan may be administered by the Board. It is intended that at least two of the directors appointed to serve on the Committee shall be Independent Directors and that any such members of the Committee who do not so qualify shall abstain from participating in any decision to make or administer Awards that are made to Eligible Participants who at the time of consideration for such Award are persons subject to the short-swing profit rules of Section 16 of the 1934 Act. However, the mere fact that a Committee member shall fail to qualify as an Independent Director or shall fail to abstain from such action shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan. The Board may reserve to itself any or all of the authority and responsibility of the Committee under the Plan or may act as administrator of the Plan for any and all purposes. To the extent the Board has reserved any authority and responsibility or during any time that the Board is acting as administrator of the Plan, it shall have all the powers and protections of the Committee hereunder, and any reference herein to the Committee (other than in this Section 4.1) shall include the Board. To the extent any action of the Board under the Plan conflicts with actions taken by the Committee, the actions of the Board shall control.

4.2 ACTION AND INTERPRETATIONS BY THE COMMITTEE. For purposes of administering the Plan, the Committee may from time to time adopt rules, regulations, guidelines and procedures for carrying out the provisions and purposes of the Plan and make such other determinations, not inconsistent with the Plan, as the Committee may deem appropriate. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent it deems necessary to carry out the intent of the Plan. The Committee's interpretation of the Plan, any Awards granted under the Plan, any Award Certificate and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Affiliate, the Company's or an Affiliate's independent certified public accountants, Company counsel or any executive compensation consultant or other professional retained by the Company or the Committee to assist in the administration of the Plan. No member of the Committee will be liable for any good faith determination, act or omission in connection with the Plan or any Award.

4.3 AUTHORITY OF COMMITTEE. Except as provided in Section 4.1 hereof, the Committee has the exclusive power, authority and discretion to: (a) grant Awards; (b) designate Participants; (c) determine the type or types of Awards to be granted to each Participant; (d) determine the number of Awards to be granted and the number of Shares or dollar amount to which an Award will relate; (e) determine the terms and conditions of any Award granted under the Plan; (f) prescribe the form of each Award Certificate, which need not be identical for each Participant; (g) decide all other matters that must be determined in connection with an Award; (h) establish, adopt or revise any plan, program or policy for the grant of Awards as it may deem necessary or advisable, including but not limited to short-term incentive programs, and any special plan documents; (i) establish, adopt or revise any rules, regulations, guidelines or procedures as it may deem necessary or advisable to administer the Plan; (j) make all other decisions and determinations that may be required under the Plan or as the Committee deems necessary or advisable to administer the Plan; (k) amend the Plan or any Award Certificate as provided herein; and (l) adopt such modifications, procedures, and subplans as may be necessary or desirable to comply with provisions of the laws of the United States or any non-U.S. jurisdictions in which the Company or any Affiliate may operate, in order to assure the viability of the benefits of Awards granted to participants located in the United States or such other jurisdictions and to further the objectives of the Plan.

4.4 DELEGATION.

(a) The Committee may delegate to one or more of its members or to one or more officers of the Company or an Affiliate or to one or more agents or advisors such administrative duties or powers as it may deem advisable, and the Committee or any individuals to whom it has delegated duties or powers as aforesaid may employ one or more individuals to render advice with respect to any responsibility the Committee or such individuals may have under this Plan.

(b) The Board may, by resolution, expressly delegate to a special committee, consisting of one or more directors who may but need not be officers of the Company, the authority, within specified parameters as to the number and terms of Awards, to (i) designate officers and/or employees of the Company or any of its Affiliates to be recipients of Awards under the Plan, and (ii) to determine the number of such Awards to be received by any such Participants; provided, however, that such delegation of duties and responsibilities to an officer of the Company may not be made with respect to the grant of Awards to eligible participants who are subject to Section 16(a) of the 1934 Act at the Grant Date. The acts of such delegates shall be treated hereunder as acts of the Board and such delegates shall report regularly to the Board and the Committee regarding the delegated duties and responsibilities and any Awards so granted.

Article 5
SHARES SUBJECT TO THE PLAN

5.1 NUMBER OF SHARES. Subject to adjustment as provided in Section 5.2 and Section 14.1, the aggregate number of Shares reserved and available for issuance pursuant to Awards granted under the Plan shall be 4,500,000[1], all of which may be granted as Incentive Stock Options.

5.2 SHARE COUNTING. Shares covered by an Award shall be subtracted from the Plan share reserve as of the Grant Date but shall be added back to the Plan share reserve or otherwise treated in accordance with subsections (a) through (i) of this Section 5.2.

(a) To the extent that an Award is canceled, terminates, expires, is forfeited or lapses for any reason, any unissued or forfeited Shares subject to the Award will be added back to the Plan share reserve and again be available for issuance pursuant to Awards granted under the Plan.

[1] Split adjusted.

(b) Shares subject to Awards settled in cash will be added back to the Plan share reserve and again be available for issuance pursuant to Awards granted under the Plan.

(c) Shares withheld from an Award to satisfy tax withholding requirements will count against the number of Shares remaining available for issuance pursuant to Awards granted under the Plan, and Shares delivered by a participant to satisfy tax withholding requirements will not be added to the Plan share reserve.

(d) The full number of Shares subject to an Option shall count against the number of Shares remaining available for issuance pursuant to Awards granted under the Plan, even if the exercise price of an Option is satisfied through net-settlement or by delivering Shares to the Company (by either actual delivery or attestation).

(e) The full number of Shares subject to a SAR shall count against the number of Shares remaining available for issuance pursuant to Awards made under the Plan (rather than the net number of Shares actually delivered upon exercise).

(f) Substitute Awards granted pursuant to Section 13.10 of the Plan shall not count against the Shares otherwise available for issuance under the Plan

under Section 5.1.

(g) Subject to applicable Exchange requirements, shares available under a shareholder-approved plan of a company acquired by the Company (as appropriately adjusted to Shares to reflect the transaction) may be issued under the Plan pursuant to Awards granted to individuals who were not employees of the Company or its Affiliates immediately before such transaction and will not count against the maximum share limitation specified in Section 5.1.

5.3 STOCK DISTRIBUTED. Any Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Stock, treasury Stock or Stock purchased on the open market.

5.4 LIMITATION ON COMPENSATION FOR NON-EMPLOYEE DIRECTORS. With respect to any one calendar year, the aggregate compensation that may be granted to any Non-Employee Director, including all meeting fees, cash retainers and retainers granted in the form of Awards, shall not exceed $400,000, or $550,000 in the case of a non-employee Chairman of the Board or Lead Director. For purposes of such limit, the value of Awards will be determined based on the aggregate Grant Date fair value of all awards issued to the director in such year (computed in accordance with applicable financial accounting rules).

Article 6
ELIGIBILITY

6.1 GENERAL. Awards may be granted only to Eligible Participants. Incentive Stock Options may be granted only to Eligible Participants who are employees of the Company or a Parent or Subsidiary as defined in Section 424(e) and (f) of the Code. Eligible Participants who are service providers to an Affiliate may be granted Options or SARs under this Plan only if the Affiliate qualifies as an "eligible issuer of service recipient stock" within the meaning of §1.409A-1(b)(5)(iii)(E) of the final regulations under Code Section 409A.

Article 7
STOCK OPTIONS

7.1 GENERAL. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share under an Option shall be determined by the Committee, provided that the exercise price for any Option (other than an Option issued as a substitute Award pursuant to Section 13.10) shall not be less than the Fair Market Value as of the Grant Date.

(b) Prohibition on Repricing. Except as otherwise provided in Section 14.1, without the prior approval of shareholders of the Company: (i) the exercise price of an Option may not be reduced, directly or indirectly, (ii) an Option may not be cancelled in exchange for cash, other Awards or Options or SARs with an exercise or base price that is less than the exercise price of the original Option, and (iii) the Company may not repurchase an Option for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option is lower than the exercise price per share of the Option.

(c) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, subject to Section 7.1(e), and may include in the Award Certificate a provision that an Option that is otherwise exercisable and has an exercise price that is less than the Fair Market Value of the Stock on the last day of its term will be automatically exercised on such final date of the term by means of a "net exercise," thus entitling the optionee to Shares equal to the intrinsic value of the Option on such exercise date, less the number of Shares required for tax withholding. The Committee shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised or vested.

(d) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, and the methods by which Shares shall be delivered or deemed to be delivered to Participants. As determined by the Committee at or after the Grant Date, payment of the exercise price of an Option may be made, in whole or in part, in the form of (i) cash or cash equivalents, (ii) delivery (by either actual delivery or attestation) of previously-acquired Shares based on the Fair Market Value of the Shares on the date the Option is exercised, (iii) withholding of Shares from the Option based on the Fair Market Value of the Shares on the date the Option is exercised, (iv) broker-assisted market sales, or (iv) any other "cashless exercise" arrangement.

(e) Exercise Term. Except for Nonstatutory Options granted to Participants outside the United States, no Option granted under the Plan shall be exercisable for more than ten years from the Grant Date.

(f) No Deferral Feature. No Option shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise or disposition of the Option.

(g) No Dividend Equivalents. No Option shall provide for Dividend Equivalents.

7.2 INCENTIVE STOCK OPTIONS. The terms of any Incentive Stock Options granted under the Plan must comply with the requirements of Section 422 of the Code. Without limiting the foregoing, any Incentive Stock Option granted to a Participant who at the Grant Date owns more than 10% of the voting power of all classes of shares of the Company must have an exercise price per Share of not less than 110% of the Fair Market Value per Share on the Grant Date and an Option term of not more than five years. If all of the requirements of Section 422 of the Code (including the above) are not met, the Option shall automatically become a Nonstatutory Stock Option.

Article 8
STOCK APPRECIATION RIGHTS

8.1 GRANT OF STOCK APPRECIATION RIGHTS. The Committee is authorized to grant Stock Appreciation Rights to Participants on the following terms and conditions:

(a) Right to Payment. Upon the exercise of a SAR, the Participant has the right to receive, for each Share with respect to which the SAR is being exercised, the excess, if any, of: (i) the Fair Market Value of one Share on the date of exercise; over (ii) The base price of the SAR as determined by the Committee and set forth in the Award Certificate, which shall not be less than the Fair Market Value of one Share on the Grant Date.

(b) Prohibition on Repricing. Except as otherwise provided in Section 14.1, without the prior approval of the shareholders of the Company, (i) the base price of a SAR may not be reduced, directly or indirectly, (ii) a SAR may not be cancelled in exchange for cash, other Awards, or Options or SARs with an exercise or

base price that is less than the base price of the original SAR, and (iii) the Company may not repurchase a SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the SAR is lower than the base price per share of the SAR.

(c) Time and Conditions of Exercise. The Committee shall determine the time or times at which a SAR may be exercised in whole or in part, and may include in the Award Certificate a provision that a SAR that is otherwise exercisable and has a base price that is less than the Fair Market Value of the Stock on the last day of its term will be automatically exercised on such final date of the term, thus entitling the holder to cash or Shares equal to the intrinsic value of the SAR on such exercise date, less the cash or number of Shares required for tax withholding. Except for SARs granted to Participants outside the United States, no SAR shall be exercisable for more than ten years from the Grant Date.

(d) No Deferral Feature. No SAR shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise or disposition of the SAR.

(e) No Dividend Equivalents. No SAR shall provide for Dividend Equivalents.

(f) Other Terms. All SARs shall be evidenced by an Award Certificate. Subject to the limitations of this Article 8, the terms, methods of exercise, methods of settlement, form of consideration payable in settlement (e.g., cash, Shares or other property), and any other terms and conditions of the SAR shall be determined by the Committee at the time of the grant and shall be reflected in the Award Certificate.

Article 9
RESTRICTED STOCK AND STOCK UNITS

9.1 GRANT OF RESTRICTED STOCK AND STOCK UNITS. The Committee is authorized to make Awards of Restricted Stock, Restricted Stock Units or Deferred Stock Units to Participants in such amounts and subject to such terms and conditions as may be selected by the Committee. An Award of Restricted Stock, Restricted Stock Units or Deferred Stock Units shall be evidenced by an Award Certificate setting forth the terms, conditions, and restrictions applicable to the Award.

9.2 ISSUANCE AND RESTRICTIONS. Restricted Stock, Restricted Stock Units or Deferred Stock Units shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, for example, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, upon the satisfaction of performance goals or otherwise, as the Committee determines at the time of the grant of the Award or thereafter. Except as otherwise provided in an Award Certificate or any special Plan document governing an Award, a Participant shall have none of the rights of a shareholder with respect to Restricted Stock Units or Deferred Stock Units until such time as Shares of Stock are paid in settlement of such Awards.

9.3 DIVIDENDS ON RESTRICTED STOCK. Dividends accrued on shares of Restricted Stock before they are vested shall be credited by the Company to an account for the Participant and accumulated without interest until the date upon which the host Award becomes vested, and, in either case, any dividends accrued with respect to forfeited Restricted Stock will be reconveyed to the Company without further consideration or any act or action by the Participant. In no event shall dividends be paid or distributed until the vesting restrictions of the underlying Restricted Stock Award lapse.

9.4 FORFEITURE. Subject to the terms of the Award Certificate and except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of Continuous Service during the applicable restriction period or upon failure to satisfy a performance goal during the applicable restriction period, Restricted Stock or Restricted Stock Units that are at that time subject to restrictions shall be forfeited.

9.5 DELIVERY OF RESTRICTED STOCK. Shares of Restricted Stock shall be delivered to the Participant at the Grant Date either by book-entry registration or by delivering to the Participant, or a custodian or escrow agent (including, without limitation, the Company or one or more of its employees) designated by the Committee, a stock certificate or certificates registered in the name of the Participant. If physical certificates representing shares of Restricted Stock are registered in the name of the Participant, such certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

Article 10
PERFORMANCE AWARDS

10.1 GRANT OF PERFORMANCE AWARDS. The Committee is authorized to grant any Award under this Plan, including cash-based Awards, with performance-based vesting criteria, on such terms and conditions as may be selected by the Committee. Any such Awards with performance-based vesting criteria are referred to herein as Performance Awards. The Committee shall have the complete discretion to determine the number of Performance Awards granted to each Participant and to designate the provisions of such Performance Awards as provided in Section 4.3. All Performance Awards shall be evidenced by an Award Certificate or a written program established by the Committee, pursuant to which Performance Awards are awarded under the Plan under uniform terms, conditions and restrictions set forth in such written program.

10.2 PERFORMANCE GOALS. The Committee may establish performance goals for Performance Awards which may be based on any criteria selected by the Committee. Such performance goals may be described in terms of Company-wide objectives or in terms of objectives that relate to the performance of the Participant, an Affiliate or a division, region, department or function within the Company or an Affiliate. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company or the manner in which the Company or an Affiliate conducts its business, or other events or circumstances render performance goals to be unsuitable, the Committee may modify such performance goals in whole or in part, as the Committee deems appropriate. If a Participant is promoted, demoted or transferred to a different business unit or function during a performance period, the Committee may determine that the performance goals or performance period are no longer appropriate and may (i) adjust, change or eliminate the performance goals or the applicable performance period as it deems appropriate to make such goals and period comparable to the initial goals and period, or (ii) make a cash payment to the participant in an amount determined by the Committee.

Article 11
DIVIDEND EQUIVALENTS

11.1 GRANT OF DIVIDEND EQUIVALENTS. The Committee is authorized to grant Dividend Equivalents with respect to Full-Value Awards granted hereunder. Dividend Equivalents shall entitle the Participant to receive payments equal to ordinary cash dividends or distributions with respect to all or a portion of the number of Shares subject to a Full-Value Award, as determined by the Committee. Dividend Equivalents accruing on unvested Full-Value Awards shall, as provided in the Award Certificate, either (i) be reinvested in the form of additional Shares (subject to Share availability under Section 5.1 hereof), which shall be subject to the same vesting provisions as provided for the host Award, or (ii) be credited by the Company to an account for the Participant and accumulated without interest until the date upon which the host Award becomes vested, and, in either case, any Dividend Equivalents accrued with respect to forfeited Awards will be reconveyed to the Company without further consideration or any act or action by the Participant. In no event shall Dividend Equivalents be paid or distributed until the vesting restrictions of the underlying Full-Value Award lapse.

Article 12
STOCK OR OTHER STOCK-BASED AWARDS

12.1 GRANT OF STOCK OR OTHER STOCK-BASED AWARDS. The Committee 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 Committee 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, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, including limited partnership interests in a limited partnership entity of which the Company is general partner that may be exchanged or redeemed for Shares on a one-for-one basis, or any profits interest in such limited partnership entity that may be exchanged or converted into such limited partnership interests, 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 Committee shall determine the terms and conditions of such Awards.

Article 13
PROVISIONS APPLICABLE TO AWARDS

13.1 AWARD CERTIFICATES. Each Award shall be evidenced by an Award Certificate. Each Award Certificate shall include such provisions, not inconsistent with the Plan, as may be specified by the Committee.

13.2 FORM OF PAYMENT FOR AWARDS. At the discretion of the Committee, payment of Awards may be made in cash, Stock, a combination of cash and Stock, or any other form of property as the Committee shall determine. In addition, payment of Awards may include such terms, conditions, restrictions and/or limitations, if any, as the Committee deems appropriate, including, in the case of Awards paid in the form of Stock, restrictions on transfer and forfeiture provisions. Further, payment of Awards may be made in the form of a lump sum, or in installments, as determined by the Committee.

13.3 LIMITS ON TRANSFER. No right or interest of a Participant in any unexercised or restricted Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or an Affiliate, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or an Affiliate. No unexercised or restricted Award shall be assignable or transferable by a Participant other than by will or the laws of descent and distribution or, except in the case of an Incentive Stock Option, pursuant to a domestic relations order that would satisfy Section 414(p)(1)(A) of the Code if such Section applied to an Award under the Plan; provided, however, that the Committee may (but need not) permit other transfers (other than transfers for value) where the Committee concludes that such transferability (i) does not result in accelerated taxation, (ii) does not cause any Option intended to be an Incentive Stock Option to fail to be described in Code Section 422(b), and (iii) is otherwise appropriate and desirable, taking into account any factors deemed relevant, including without limitation, state or federal tax or securities laws applicable to transferable Awards.

13.4 BENEFICIARIES. Notwithstanding Section 13.3, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights under the Plan is subject to all terms and conditions of the Plan and any Award Certificate applicable to the Participant, except to the extent the Plan and Award Certificate otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives the Participant, any payment due to the Participant shall be made to the Participant's estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant, in the manner provided by the Company, at any time provided the change or revocation is filed with the Committee.

13.5 STOCK TRADING RESTRICTIONS. All Stock issuable under the Plan is subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal or state securities laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Stock is listed, quoted, or traded. The Committee may place legends on any Stock certificate or issue instructions to the transfer agent to reference restrictions applicable to the Stock.

13.6 ACCELERATION UPON DEATH OR DISABILITY. Except as otherwise provided in the Award Certificate or any special Plan document or separate agreement with a Participant governing an Award, upon the termination of a person's Continuous Service by reason of death or Disability: (a) all of that Participant's outstanding Options and SARs shall become fully exercisable; (b) all time-based vesting restrictions on that Participant's outstanding Awards shall lapse as of the date of termination; and (c) the target payout opportunities attainable under all of such Participant's outstanding performance-based Awards shall be deemed to have been fully earned as of the date of termination based upon an assumed achievement of all relevant performance goals at the "target" level, and there shall be a pro rata payout to the Participant or his or her estate within thirty (30) days following the date of termination (unless a later date is required by Section 16.3 hereof) based upon the length of time within the performance period that has elapsed prior to the date of termination. Any Awards shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Certificate. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Code Section 422(d), the excess Options shall be deemed to be Nonstatutory Stock Options.

13.7 EFFECT OF A CHANGE IN CONTROL. Unless otherwise provided in an Award Certificate, this Section 13.7 governs the treatment of Awards upon a Change in Control.

(a) Awards Assumed or Substituted by Surviving Entity. With respect to Awards assumed by the Surviving Entity or otherwise equitably converted or substituted in connection with a Change in Control: if within two years after the effective date of the Change in Control, a Participant's employment is terminated without Cause or the Participant resigns for Good Reason, then (i) all of that Participant's outstanding Options or SARs shall become fully exercisable, (ii) all time-based vesting restrictions on the his or her outstanding Awards shall lapse, and (iii) the target payout opportunities attainable under all outstanding of that Participant's performance-based Awards shall be deemed to have been fully earned as of the date of termination based upon an assumed achievement of all relevant performance goals at the "target" level. With regard to each Award, a Participant shall not be considered to have resigned for Good Reason unless either (i) the Award Certificate includes such provision or (ii) the Participant is party to an employment, severance or similar agreement with the Company or an Affiliate that includes provisions in

which the Participant is permitted to resign for Good Reason. Any Options or SARs shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Certificate. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Code Section 422(d), the excess Options shall be deemed to be Nonstatutory Stock Options.

(b) Awards not Assumed or Substituted by Surviving Entity. Upon the occurrence of a Change in Control, and except with respect to any Awards assumed by the Surviving Entity or otherwise equitably converted or substituted in connection with the Change in Control in a manner approved by the Committee or the Board: (i) outstanding Options or SARs shall become fully exercisable, (ii) time-based vesting restrictions on outstanding Awards shall lapse, and (iii) the target payout opportunities attainable under outstanding performance-based Awards shall be deemed to have been fully earned as of the effective date of the Change in Control based upon an assumed achievement of all relevant performance goals at the "target" level. Any Options or SARs shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Certificate. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Code Section 422(d), the excess Options shall be deemed to be Nonstatutory Stock Options.

13.8 DISCRETION TO ACCELERATE AWARDS. Regardless of whether an event has occurred as described in Section 13.6 or 13.7 above, the Committee may in its sole discretion determine that, at any time or for any reason, all or a portion of such Participant's Options or SARs shall become fully or partially exercisable, that all or a part of the restrictions on all or a portion of the Participant's outstanding Awards shall lapse, and/or that any performance-based criteria with respect to any Awards held by that Participant shall be deemed to be wholly or partially satisfied, in each case, as of such date as the Committee may, in its sole discretion, declare. The Committee may discriminate among Participants and among Awards granted to a Participant in exercising its discretion pursuant to this Section 13.8.

13.9 FORFEITURE EVENTS. Awards under the Plan shall be subject to any compensation recoupment policy that the Committee may adopt from time to time that is applicable by its terms to the Participant. In addition, the Committee may specify in an Award Certificate that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, (i) termination of employment for cause, (ii) violation of material Company or Affiliate policies, (iii) breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant, (iv) other conduct by the Participant that is detrimental to the business or reputation of the Company or any Affiliate, or (v) a later determination that the vesting of, or amount realized from, a Performance Award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not the Participant caused or contributed to such material inaccuracy.

13.10 SUBSTITUTE AWARDS. The Committee may grant Awards under the Plan in substitution for stock and stock-based awards held by employees of another entity who become employees of the Company or an Affiliate as a result of a merger or consolidation of the former employing entity with the Company or an Affiliate or the acquisition by the Company or an Affiliate of property or stock of the former employing corporation. The Committee may direct that the substitute awards be granted on such terms and conditions as the Committee considers appropriate in the circumstances.

Article 14
CHANGES IN CAPITAL STRUCTURE

14.1 MANDATORY ADJUSTMENTS. In the event of a nonreciprocal transaction between the Company and its shareholders that causes the per-share value of the Stock to change (including, without limitation, any stock dividend, stock split, spin-off, rights offering, or large nonrecurring cash dividend), the authorization limits under Section 5.1 shall be adjusted proportionately, and the Committee shall make such adjustments to the Plan and Awards as it deems necessary, in its sole discretion, to prevent dilution or enlargement of rights immediately resulting from such transaction. Action by the Committee may include: (i) adjustment of the number and kind of shares that may be delivered under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the exercise price of outstanding Awards or the measure to be used to determine the amount of the benefit payable on an Award; and (iv) any other adjustments that the Committee determines to be equitable. Notwithstanding the foregoing, the Committee shall not make any adjustments to outstanding Options or SARs that would constitute a modification or substitution of the stock right under Treas. Reg. Sections 1.409A-1(b)(5)(v) that would be treated as the grant of a new stock right or change in the form of payment for purposes of Code Section 409A. Without limiting the foregoing, in the event of a subdivision of the outstanding Stock (stock-split), a declaration of a dividend payable in Shares, or a combination or consolidation of the outstanding Stock into a lesser number of Shares, the authorization limits under Section 5.1 shall automatically be adjusted proportionately, and the Shares then subject to each Award shall automatically, without the necessity for any additional action by the Committee, be adjusted proportionately without any change in the aggregate purchase price therefor.

14.2 DISCRETIONARY ADJUSTMENTS. Upon the occurrence or in anticipation of any corporate event or transaction involving the Company (including, without limitation, any merger, reorganization, recapitalization, combination or exchange of shares, or any transaction described in Section 14.1), the Committee may, in its sole discretion, provide (i) that Awards will be settled in cash rather than Stock, (ii) that Awards will become immediately vested and non-forfeitable and exercisable (in whole or in part) and will expire after a designated period of time to the extent not then exercised, (iii) that Awards will be assumed by another party to a transaction or otherwise be equitably converted or substituted in connection with such transaction, (iv) that outstanding Awards may be settled by payment in cash or cash equivalents equal to the excess of the Fair Market Value of the underlying Stock, as of a specified date associated with the transaction, over the exercise or base price of the Award, (v) that performance targets and performance periods for Performance Awards will be modified, or (vi) any combination of the foregoing. The Committee's determination need not be uniform and may be different for different Participants whether or not such Participants are similarly situated.

14.3 GENERAL. Any discretionary adjustments made pursuant to this Article 14 shall be subject to the provisions of Section 15.2. To the extent that any adjustments made pursuant to this Article 14 cause Incentive Stock Options to cease to qualify as Incentive Stock Options, such Options shall be deemed to be Nonstatutory Stock Options.

Article 15
AMENDMENT, MODIFICATION AND TERMINATION

15.1 AMENDMENT, MODIFICATION AND TERMINATION. The Board or the Committee may, at any time and from time to time, amend, modify or terminate the Plan without shareholder approval; provided, however, that if an amendment to the Plan would, in the reasonable opinion of the Board or the Committee, either (i) materially increase the number of Shares available under the Plan, (ii) expand the types of awards under the Plan, (iii) materially expand the class of participants eligible to participate in the Plan, (iv) materially extend the term of the Plan, or (v) otherwise constitute a material change requiring shareholder approval under applicable laws, policies or regulations or the applicable listing or other requirements of an Exchange, then such amendment shall be subject to shareholder approval; and provided, further, that the Board or Committee may condition any other amendment or modification on the approval of shareholders of the Company for any reason, including by reason of such approval being necessary or deemed advisable (i) to comply with the listing or other requirements of an Exchange, or (ii) to satisfy any other tax, securities or other applicable laws, policies or regulations. Without the prior approval of the shareholders of the Company, the Plan may not be amended to permit: (i) the exercise price or base price of an Option or SAR to be reduced, directly or indirectly, (ii) an Option or SAR to be cancelled in exchange for cash, other Awards, or Options or SARs with an exercise or base price that is less than the exercise price or base price of the original Option or SAR, or (iii) the Company to repurchase an Option or SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option or SAR is lower than the exercise price or base price per share of the Option or SAR.

15.2 AWARDS PREVIOUSLY GRANTED. At any time and from time to time, the Committee may amend, modify or terminate any outstanding Award without approval of the Participant; provided, however:

(a) Subject to the terms of the applicable Award Certificate, such amendment, modification or termination shall not, without the Participant's consent, reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment or termination (with the per-share value of an Option or SAR for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment or termination over the exercise or base price of such Award);

(b) The original term of an Option or SAR may not be extended without the prior approval of the shareholders of the Company;

(c) Except as otherwise provided in Section 14.1, without the prior approval of the shareholders of the Company, (i) the exercise price of an Option or base price of a SAR may not be reduced, directly or indirectly, (ii) an option or SAR may not be cancelled in exchange for cash, other Awards or Options or SARs with an exercise or base price that is less than the exercise price or base price of the original Option or SAR, or otherwise, and (iii) the Company may not repurchase an Option or SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option or SAR is lower than the exercise price or base price per share of the Option or SAR; and

(d) No termination, amendment, or modification of the Plan shall adversely affect any Award previously granted under the Plan, without the written consent of the Participant affected thereby. An outstanding Award shall not be deemed to be "adversely affected" by a Plan amendment if such amendment would not reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment (with the per-share value of an Option or SAR for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment over the exercise or base price of such Award).

15.3 COMPLIANCE AMENDMENTS. Notwithstanding anything in the Plan or in any Award Certificate to the contrary, the Board may amend the Plan or an Award Certificate, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or Award Certificate to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code), and to the administrative regulations and rulings promulgated thereunder. By accepting an Award under this Plan, a Participant agrees to any amendment made pursuant to this Section 15.3 to any Award granted under the Plan without further consideration or action.

Article 16
GENERAL PROVISIONS

16.1 RIGHTS OF PARTICIPANTS.

(a) No Participant or any Eligible Participant shall have any claim to be granted any Award under the Plan. Neither the Company, its Affiliates nor the Committee is obligated to treat Participants or Eligible Participants uniformly, and determinations made under the Plan may be made by the Committee selectively among Eligible Participants who receive, or are eligible to receive, Awards (whether or not such Eligible Participants are similarly situated).

(b) Nothing in the Plan, any Award Certificate or any other document or statement made with respect to the Plan, shall interfere with or limit in any way the right of the Company or any Affiliate to terminate any Participant's employment or status as an officer, or any Participant's service as a director or consultant, at any time, nor confer upon any Participant any right to continue as an employee, officer, director or consultant of the Company or any Affiliate, whether for the duration of a Participant's Award or otherwise.

(c) Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company or any Affiliate and, accordingly, subject to Article 15, this Plan and the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Committee without giving rise to any liability on the part of the Company or any of its Affiliates.

(d) No Award gives a Participant any of the rights of a shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

16.2 WITHHOLDING. The Company or any Affiliate shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company or such Affiliate, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any exercise, lapse of restriction or other taxable event arising as a result of the Plan. The obligations of the Company under the Plan will be conditioned on such payment or arrangements and the Company or such Affiliate will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant. Unless otherwise determined by the Committee at the time the Award is granted or thereafter, any such withholding requirement may be satisfied, in whole or in part, by withholding from the Award Shares having a Fair Market Value on the date of withholding equal to the amount required to be withheld in accordance with applicable tax requirements (up to the maximum individual statutory rate in the applicable jurisdiction as may be permitted under then-current accounting principles to qualify for equity classification), in accordance with such procedures as the Committee establishes. All such elections shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

16.3 SPECIAL PROVISIONS RELATED TO SECTION 409A OF THE CODE.

(a) It is intended that the payments and benefits provided under the Plan and any Award shall either be exempt from the application of, or comply with, the requirements of Section 409A of the Code. The Plan and all Award Certificates shall be construed in a manner that effects such intent. Nevertheless, the tax treatment of the benefits provided under the Plan or any Award is not warranted or guaranteed. Neither the Company, its Affiliates nor their respective directors, officers, employees or advisers (other than in his or her capacity as a Participant) shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant or other taxpayer as a result of the Plan or any Award.

(b) Notwithstanding anything in the Plan or in any Award Certificate to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code ("Non-Exempt Deferred Compensation") would otherwise be payable or distributable, or a different form of payment (e.g., lump sum or installment) of such Non-Exempt Deferred Compensation would be effected, under the Plan or any Award Certificate by reason of the occurrence of a Change in Control, or the Participant's Disability or separation from service, such Non-Exempt Deferred Compensation will not be payable or distributable to the Participant, and/or such different form of payment will not be effected, by reason of such circumstance unless the circumstances giving rise to such Change in Control, Disability or separation from service meet any description or definition of "change in control event", "disability" or "separation from service", as the case may be, in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available under such definition). This provision does not prohibit the vesting of any Award upon a Change in Control, Disability or separation from service, however defined. If this provision prevents the payment or distribution of any amount or benefit, or the application of a different form of payment of any amount or benefit, such payment or distribution shall be made at the time and in the form that would have applied absent the Change in Control, Disability or separation from service as applicable.

(c) Notwithstanding anything in the Plan or in any Award Certificate to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Plan or any Award Certificate by reason of a Participant's separation from service during a period in which the Participant is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Committee under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes): (i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following the Participant's separation from service will be accumulated through and paid or provided on the first day of the seventh month following the Participant's separation from service (or, if the Participant dies during such period, within thirty (30) days after the Participant's death) (in either case, the "Required Delay Period"); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period. For purposes of this Plan, the term "Specified Employee" has the meaning given such term in Code Section 409A and the final regulations thereunder.

(d) If, pursuant to an Award, a Participant is entitled to a series of installment payments, such Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not to a single payment. For purposes of the preceding sentence, the term "series of installment payments" has the meaning provided in Treas. Reg. Section 1.409A-2(b)(2)(iii) (or any successor thereto).

(e) Whenever an Award conditions a payment or benefit on the Participant's execution and non-revocation of a release of claims, such release must be executed and all revocation periods shall have expired within sixty (60) days after the date of termination of the Participant's employment; failing which such payment or benefit shall be forfeited. If such payment or benefit is exempt from Section 409A of the Code, the Company may elect to make or commence payment at any time during such 60-day period. If such payment or benefit constitutes Non-Exempt Deferred Compensation, then, subject to subsection (c) above, (i) if such 60-day period begins and ends in a single calendar year, the Company may make or commence payment at any time during such period at its discretion, and (ii) if such 60-day period begins in one calendar year and ends in the next calendar year, the payment shall be made or commence during the second such calendar year (or any later date specified for such payment under the applicable Award), even if such signing and non-revocation of the release occur during the first such calendar year included within such 60-day period. In other words, a Participant is not permitted to influence the calendar year of payment based on the timing of signing the release.

16.4 UNFUNDED STATUS OF AWARDS. The Plan is intended to be an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Certificate shall give the Participant any rights that are greater than those of a general creditor of the Company or any Affiliate. In its sole discretion, the Committee may authorize the creation of grantor trusts or other arrangements to meet the obligations created under the Plan to deliver Shares or payments in lieu of Shares or with respect to Awards. This Plan is not intended to be subject to ERISA.

16.5 RELATIONSHIP TO OTHER BENEFITS. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or benefit plan of the Company or any Affiliate unless provided otherwise in such other plan. Nothing contained in the Plan will prevent the Company from adopting other or additional compensation arrangements, subject to shareholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

16.6 EXPENSES. The expenses of administering the Plan shall be borne by the Company and its Affiliates.

16.7 TITLES AND HEADINGS. The titles and headings of the Sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

16.8 GENDER AND NUMBER. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

16.9 FRACTIONAL SHARES. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down.

16.10 GOVERNMENT AND OTHER REGULATIONS.

(a) Notwithstanding any other provision of the Plan, no Participant who acquires Shares pursuant to the Plan may, during any period of time that such Participant is an affiliate of the Company (within the meaning of the rules and regulations of the Securities and Exchange Commission under the 1933 Act), sell such Shares, unless such offer and sale is made (i) pursuant to an effective registration statement under the 1933 Act, which is current and includes the Shares to be sold, or (ii) pursuant to an appropriate exemption from the registration requirement of the 1933 Act, such as that set forth in Rule 144 promulgated under the 1933 Act.

(b) Notwithstanding any other provision of the Plan, if at any time the Committee shall determine that the registration, listing or qualification of the Shares covered by an Award upon any Exchange or under any foreign, federal, state or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Award or the purchase or receipt of Shares thereunder, no Shares may be purchased,

delivered or received pursuant to such Award unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Committee. Any Participant receiving or purchasing Shares pursuant to an Award shall make such representations and agreements and furnish such information as the Committee may request to assure compliance with the foregoing or any other applicable legal requirements. The Company shall not be required to issue or deliver any certificate or certificates for Shares under the Plan prior to the Committee's determination that all related requirements have been fulfilled. The Company shall in no event be obligated to register any securities pursuant to the 1933 Act or applicable state or foreign law or to take any other action in order to cause the issuance and delivery of such certificates to comply with any such law, regulation or requirement.

16.11 GOVERNING LAW. To the extent not governed by federal law, the Plan and all Award Certificates shall be construed in accordance with and governed by the laws of the State of Michigan.

16.12 SEVERABILITY. In the event that any provision of this Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.

16.13 NO LIMITATIONS ON RIGHTS OF COMPANY. The grant of any Award shall not in any way affect the right or power of the Company to make adjustments, reclassification or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets. The Plan shall not restrict the authority of the Company, for proper corporate purposes, to draft or assume awards, other than under the Plan, to or with respect to any person. If the Committee so directs, the Company may issue or transfer Shares to an Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Affiliate will transfer such Shares to a Participant in accordance with the terms of an Award granted to such Participant and specified by the Committee pursuant to the provisions of the Plan.

The foregoing is hereby acknowledged as being the Northpointe Bancshares, Inc. Omnibus Incentive Plan as adopted by the Board on December 3, 2024 and approved by the Company's shareholders on December 19, 2024.

Exhibit 10.2

RESTRICTED STOCK UNIT AWARD CERTIFICATE

Non-transferable

GRANT TO

_____
("Grantee")

by Northpointe Bancshares, Inc. (the "Company") of

_____ restricted stock units convertible, on a one-for-one basis, into shares of Stock (the "Units").

The Units are granted pursuant to and subject to the provisions of the Northpointe Bancshares, Inc. Omnibus Incentive Plan (the "Plan") and to the terms and conditions set forth on the following pages (the "Terms and Conditions"). By accepting the Units, Grantee shall be deemed to have agreed to the Terms and Conditions set forth in this Award Certificate and the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan.

Unless vesting is accelerated in accordance with the Plan or Section 1 of the Terms and Conditions, the Units shall vest (become non-forfeitable) in accordance with the following schedule, subject to Grantee's Continuous Service on each vesting date.

Vesting Date	Percent of Units Vesting
December 19, 2025	33.3%
December 19, 2026	33.3%
December 19, 2027	33.4%

IN WITNESS WHEREOF, Northpointe Bancshares, Inc., acting by and through its duly authorized officers, has caused this Award Certificate to be duly executed.

NORTHPOINTE BANCSHARES, INC.

By: _____
Its:

Grant Date: December 19, 2024

TERMS AND CONDITIONS

1. Vesting of Units. The Units will vest and become non-forfeitable on the earliest to occur of the following (each, a "Vesting Date"):

(a) as to the percentages of the Units specified on the cover page hereof, on the respective Vesting Dates specified on the cover page hereof, subject to Grantee's Continuous Service on each vesting date;

(b) as to all of the Units, on the termination of Grantee's Continuous Service by the Company by reason of Grantee's death;

(c) as to all of the Units, on the termination of Grantee's Continuous Service by the Company by reason of Grantee's Disability;

(e) as to all of the Units, on the termination of Grantee's Continuous Service by the Company without Cause;

(f) as to all of the Units, on the occurrence of a Change in Control, unless the Units are assumed by the surviving entity or otherwise equitably converted or substituted in connection with the Change in Control; or

(g) as to all of the Units, if the Units are assumed by the surviving entity or otherwise equitably converted or substituted in connection with a Change in Control, on the termination of Grantee's employment by the Company without Cause (or Grantee's resignation for Good Reason as provided in any employment, severance or similar agreement between Grantee and the Company or an Affiliate) within two years after the effective date of the Change in Control.

If Grantee's Continuous Service terminates prior to a Vesting Date for any reason other than as described in (b), (c), (e) or (g) above, Grantee shall forfeit all right, title and interest in and to the then unvested Units as of the date of such termination and the unvested Units will be reconveyed to the Company without further consideration or any act or action by Grantee.

2. Conversion to Stock. The Units that vest upon a Vesting Date will be converted to shares of Stock on the Vesting Date (the "Conversion Date"). The shares of Stock will be registered in the name of Grantee as of the Conversion Date, and certificates for the shares of Stock (or, at the option of the Company, statements of book entry notation of the shares of Stock in the name of Grantee in lieu thereof) shall be delivered to Grantee or Grantee's designee upon request of Grantee as soon as practicable after the Conversion Date.

3. Dividend Rights. If any dividends or other distributions are paid with respect to the Stock while the Units are outstanding, the dollar amount or fair market value of such dividends or distributions with respect to the number of shares of Stock then underlying the Units shall be credited to a bookkeeping account and held (without interest) by the Company for the account of Grantee. Such amounts shall be subject to the same vesting and forfeiture provisions as the Units to which they relate. The number of dividend equivalents credited to Grantee's account shall be be paid by the Company in the form of a cash payment to Grantee as soon as reasonably practicable following the applicable Vesting Date.

4. Voting Rights. Grantee shall not have voting rights with respect to the Units. Upon conversion of the Units into shares of Stock, Grantee will obtain full voting rights and other rights as a shareholder of the Company.

5. No Right of Continued Service. Nothing in this Award Certificate shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Grantee's service at any time, nor confer upon Grantee any right to continue to provide services to the Company or any Affiliate.

6. Restrictions on Transfer and Pledge. No right or interest of Grantee in the Units may be pledged, encumbered, or hypothecated to or in favor of any party, or shall be subject to any lien, obligation, or liability of Grantee to any other party. The Units are not assignable or transferable by Grantee other than by will or the laws of descent and distribution.

7. Restrictions on Issuance of Shares. If at any time the Committee shall determine, in its discretion, that registration, listing or qualification of the Shares underlying the Units upon any Exchange or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the settlement of the Units, the Units will not be converted to Shares in whole or in part unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

8. Payment of Taxes. The Company or any employer Affiliate has the authority and the right to deduct or withhold, or require Grantee to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including Grantee's FICA obligation) required by law to be withheld with respect to any taxable event arising in connection with the Units. The withholding requirement shall be satisfied by withholding from the settlement of the Units Shares having a Fair Market Value on the date of withholding equal to the minimum amount required to be withheld for tax purposes.

9. Plan Controls; Employment Agreement. The terms contained in the Plan are incorporated into and made a part of this Award Certificate, and this Award Certificate shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Award Certificate, the provisions of the Plan shall be controlling and determinative. Any conflict between this Award Certificate and the terms of a written employment or change-in-control agreement with Grantee that has been approved by the Committee shall be decided in favor of the provisions of such employment or change-in-control agreement.

10. Successors. This Award Certificate shall be binding upon any successor of the Company, in accordance with the terms of this Award Certificate and the Plan.

11. Severability. If any provision or portion of this Award Certificate shall be or become illegal, invalid or unenforceable in whole or in part for any reason, such provision shall be ineffective only to the extent of such illegality, invalidity or unenforceability without invalidating the remainder of such provision or the remaining provisions of this Award Certificate. Upon such determination that any term or other provision is illegal, invalid, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Award Certificate so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the agreements contemplated hereby are fulfilled to the extent possible.

12. Non-Waiver of Rights and Breaches. No failure or delay of any party hereto in the exercise of any right given to such party hereunder shall constitute a waiver thereof unless the time specified herein for the exercise of such right has expired, nor shall any single or partial exercise of any right preclude other or further exercise thereof or of any other right. The waiver of a party hereto of any default of any other party shall not be deemed to be a waiver of any subsequent default or other default by such party, whether similar or dissimilar in nature.

13. Interpretation. The headings contained in this Award Certificate are for reference purposes only and shall not affect in any way the meaning or interpretation of this Award Certificate. The language in all parts of this Award Certificate shall in all cases be construed according to its fair meaning, and not strictly for or against any party hereto. In this Award Certificate, unless the context otherwise requires, the masculine, feminine and neuter genders and the singular and the plural include one another.

14. Notice. Notices hereunder must be in writing, delivered personally or sent by registered or certified U.S. mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to 3333 Deposit Drive Northeast, Grand Rapids, Michigan 49546; Attn: Corporate Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

15. Clawback. The Units shall be subject to the Company's Compensation Recovery Policy to the extent applicable, or any other compensation recoupment policy of the Company that is applicable by its terms to Grantee and to awards of this type.

16. Applicable Law. This Award Certificate shall be governed by and construed and interpreted in accordance with the laws of the State of Michigan without giving effect to its conflicts of law principles.

Exhibit 10.3

RESTRICTED STOCK UNIT AWARD CERTIFICATE

Non-transferable

GRANT TO

Charles "Chuck" Williams
("Grantee")

by Northpointe Bancshares, Inc. (the "Company") of

25,769 restricted stock units convertible, on a one-for-one basis, into shares of Stock (the "Units").

The Units are granted pursuant to and subject to the provisions of theNorthpointe Bancshares, Inc. Omnibus Incentive Plan (the "Plan") and to the terms and conditions set forth on the following pages (the "Terms and Conditions"). By accepting the Units, Grantee shall be deemed to have agreed to the Terms and Conditions set forth in this Award Certificate and the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan.

Unless vesting is accelerated in accordance with the Plan or Section 1 of the Terms and Conditions, the Units shall vest (become non-forfeitable) in accordance with the following schedule, subject to Grantee's Continuous Service on each vesting date.

Vesting Date	# of Units Vesting
April 1, 2025	49,560
April 1, 2026	49,560
April 1, 2027	49,560
April 1, 2028	49,560
April 1, 2029	59,450

IN WITNESS WHEREOF, Northpointe Bancshares, Inc., acting by and through its duly authorized officers, has caused this Award Certificate to be duly executed.

NORTHPOINTE BANCSHARES, INC.

By: _____ Grant Date: December 19, 2024
Its:

TERMS AND CONDITIONS

1. Vesting of Units. The Units will vest and become non-forfeitable on the earliest to occur of the following (each, a "Vesting Date"):

(a) as to all of the Units, on the Vesting Date specified on the cover page hereof, subject to Grantee's Continuous Service on such vesting date;

(b) as to all of the Units, on the occurrence of Grantee's death;

(c) as to all of the Units, on the occurrence of a Change in Control; or

(d) as to all of the Units, on the occurrence of Grantee's Separation from Service at any time after the Participant has reached age 62.

2. Conversion to Stock. The Units that vest upon a Vesting Date will be converted to shares of Stock on the Vesting Date (the "Conversion Date"). Notwithstanding the foregoing, if (i) the Vesting Date occurs by reason of Section 1(d) hereof, and (ii) Grantee is a "specified employee" of the Company (as defined in Section 409A of the Code and applicable regulations) as of the date of his termination of employment, then, to the extent required by Section 409A of the Code, the shares of Stock will be delivered to Grantee on the first day of the seventh month following the date of Grantee's termination of employment. The shares of Stock will be registered in the name of Grantee as of the Conversion Date, and certificates for the shares of Stock (or, at the option of the Company, statements of book entry notation of the shares of Stock in the name of Grantee in lieu thereof) shall be delivered to Grantee or Grantee's designee upon request of Grantee as soon as practicable after the Conversion Date.

3. Dividend Rights. If any dividends or other distributions are paid with respect to the Stock while the Units are outstanding, the dollar amount or fair market value of such dividends or distributions with respect to the number of shares of Stock then underlying the Units shall be credited to a bookkeeping account and held (without interest) by the Company for the account of Grantee. Such amounts shall be subject to the same vesting and forfeiture provisions as the Units to which they relate. The number of dividend equivalents credited to Grantee's account shall be be paid by the Company in the form of a cash payment to Grantee as soon as reasonably practicable following the applicable Vesting Date.

4. Voting Rights. Grantee shall not have voting rights with respect to the Units. Upon conversion of the Units into shares of Stock, Grantee will obtain full voting rights and other rights as a shareholder of the Company.

5. No Right of Continued Service. Nothing in this Award Certificate shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Grantee's service at any time, nor confer upon Grantee any right to continue to provide services to the Company or any Affiliate.

6. Restrictions on Transfer and Pledge. No right or interest of Grantee in the Units may be pledged, encumbered, or hypothecated to or in favor of any party, or shall be subject to any lien, obligation, or liability of Grantee to any other party. The Units are not assignable or transferable by Grantee other than by will or the laws of descent and distribution.

7. Restrictions on Issuance of Shares. If at any time the Committee shall determine, in its discretion, that registration, listing or qualification of the Shares underlying the Units upon any Exchange or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the settlement of the Units, the Units will not be converted to Shares in whole or in part unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

8. Payment of Taxes. The Company or any employer Affiliate has the authority and the right to deduct or withhold, or require Grantee to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including Grantee's FICA obligation) required by law to be withheld with respect to any taxable event arising in connection with the Units. The withholding requirement shall be satisfied by withholding from the settlement of the Units Shares having a Fair Market Value on the date of withholding equal to the minimum amount required to be withheld for tax purposes.

9. Plan Controls; Employment Agreement. The terms contained in the Plan are incorporated into and made a part of this Award Certificate, and this Award Certificate shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Award Certificate, the provisions of the Plan shall be controlling and determinative. Any conflict between this Award Certificate and the terms of a written employment or change-in-control agreement with Grantee that has been approved by the Committee shall be decided in favor of the provisions of such employment or change-in-control agreement.

10. Successors. This Award Certificate shall be binding upon any successor of the Company, in accordance with the terms of this Award Certificate and the Plan.

11. Severability. If any provision or portion of this Award Certificate shall be or become illegal, invalid or unenforceable in whole or in part for any reason, such provision shall be ineffective only to the extent of such illegality, invalidity or unenforceability without invalidating the remainder of such provision or the remaining provisions of this Award Certificate. Upon such determination that any term or other provision is illegal, invalid, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Award Certificate so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the agreements contemplated hereby are fulfilled to the extent possible.

12. Non-Waiver of Rights and Breaches. No failure or delay of any party hereto in the exercise of any right given to such party hereunder shall constitute a waiver thereof unless the time specified herein for the exercise of such right has expired, nor shall any single or partial exercise of any right preclude other or further exercise thereof or of any other right. The waiver of a party hereto of any default of any other party shall not be deemed to be a waiver of any subsequent default or other default by such party, whether similar or dissimilar in nature.

13. Interpretation. The headings contained in this Award Certificate are for reference purposes only and shall not affect in any way the meaning or interpretation of this Award Certificate. The language in all parts of this Award Certificate shall in all cases be construed according to its fair meaning, and not strictly for or against any party hereto. In this Award Certificate, unless the context otherwise requires, the masculine, feminine and neuter genders and the singular and the plural include one another.

14. Notice. Notices hereunder must be in writing, delivered personally or sent by registered or certified U.S. mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to 3333 Deposit Drive Northeast, Grand Rapids, Michigan 49546; Attn: Corporate Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

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15. Clawback. The Units shall be subject to the Company's Compensation Recovery Policy to the extent applicable, or any other compensation recoupment policy of the Company that is applicable by its terms to Grantee and to awards of this type.

16. Applicable Law. This Award Certificate shall be governed by and construed and interpreted in accordance with the laws of the State of Michigan without giving effect to its conflicts of law principles.

Exhibit 10.7

Execution Version

SECURITIES PURCHASE AGREEMENT

dated May 30, 2019

by and among

NORTHPOINTE BANCSHARES, INC.

and

THE PURCHASERS IDENTIFIED ON THE SIGNATURE PAGES HERETO

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "**Agreement**") is dated as of May 30, 2019, by and among Northpointe Bancshares, Inc., a Michigan corporation (the "**Company**"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "**Purchaser**" and collectively, the "**Purchasers**").

RECITALS

A. The Company and each Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and Rule 506 of Regulation D ("**Regulation D**") as promulgated by the United States Securities and Exchange Commission (the "**Commission**") under the Securities Act.

B. Each Purchaser, severally and not jointly, wishes to purchase, and the Company wishes to sell, upon the terms and conditions stated in this Agreement, that number of (i) shares of voting common stock, no par value per share, of the Company (the "**Common Stock**"), set forth below such Purchaser's name on the signature page of this Agreement (which shall be collectively referred to herein as the "**Common Shares**") and (ii) shares of non-voting common stock, no par value per share, of the Company (the "**Non-Voting Common Stock**"), set forth below such Purchaser's name on the signature page of this Agreement (which shall be collectively referred to herein as the "**Non-Voting Common Shares**"). The Common Shares and the Non-Voting Common Shares shall be collectively referred herein to as the "**Shares**." Any Purchaser that proposes to acquire a number of Common Shares that would equal or exceed 10% of the total number of shares of Common Stock (or any other class of voting securities of the Company) issued and outstanding immediately following the closing of this offering shall instead acquire Common Shares representing 9.9% of the total number of shares of Common Stock (or other class of voting securities of the Company, as applicable) issued and outstanding immediately following the offering and any shares acquired in excess of this amount shall be issued as Non-Voting Common Stock.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Purchasers hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms shall have the meanings indicated in this Section 1.1:

"**Action**" means any action, suit, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition), or investigation pending or, to the Company's Knowledge, threatened against the Company, any Subsidiary, or any of their respective properties or any officer, director, or employee of the Company or any Subsidiary acting in his or her capacity as an officer, director, or employee, before or by any Governmental Entity.

"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is controlled by, or is under common control with such Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"**Agency**" has the meaning set forth in Section 3.1(pp).

"**Agreement**" shall have the meaning ascribed to such term in the Preamble.

"**Articles of Incorporation"** means the Restated Articles of Incorporation of the Company and all amendments thereto, as amended as of the date hereof.

"**Bank**" means Northpointe Bank, a Michigan state-chartered bank and wholly owned Subsidiary of the Company.

"**Bank Boards**" has the meaning set forth in Section 4.16(a).

"**Bank Regulatory Approvals**" means that a Purchaser shall have received, in its sole discretion, satisfactory feedback from the Federal Reserve and the Michigan Department of Insurance and Financial Services (which may be the absence of any communication from the Federal Reserve or the Michigan Department of Insurance and Financial Services) that it will not have "control" of the Company or the Bank for purposes of the BHCA and applicable laws of the State of Michigan and that no notice is required under the CIBC Act (or if such notice is required, it has been submitted to the applicable Governmental Entity, and there has been no objection by such Governmental Entity after the expiration or earlier termination of any applicable waiting period), and Purchaser shall have submitted all other filings with and received all other approvals required by applicable Governmental Entities, in each case as necessary to permit Purchaser to hold up to twenty-four point nine percent (24.9%) of any class of voting securities of the Company.

"**Benefit Plan**" has the meaning set forth in Section 3.1(rr).

"**BHCA**" has the meaning set forth in Section 3.1(b).

"**BHCA Control**" has the meaning set forth in Section 3.1(uu).

"**Board**" means the Board of Directors of the Company.

"**Board Representative**" has the meaning set forth in Section 4.16(a).

"**Burdensome Condition**" has the meaning set forth in Section 4.13.

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks in the State of Michigan are open for the general transaction of business.

"**Buy-In**" has the meaning set forth in Section 4.1(d).

"**Buy-In Broker**" has the meaning set forth in Section 4.1(d).

"**Castle Creek**" means Castle Creek Capital Partners VII, L.P. Castle Creek is also a Purchaser as such term is used in this Agreement.

"**Change in Control**" means, with respect to the Company, the occurrence of any one of the following events:

(1) any Person or "group" (other than the Purchasers and their Affiliates) becomes a beneficial owner (as defined in Rules 13d-3 of the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the aggregate shares of Common Stock;

(2) any Person or "group" (other than the Purchasers and their Affiliates) becomes a beneficial owner (as defined in Rules 13d-3 of the Exchange Act), directly or indirectly, of twenty-four point nine percent (24.9%) or more of the aggregate shares of Common Stock, and in connection with such event, individuals who, on the date of this Agreement, constitute the Board cease for any reason to constitute at least a majority of the Board;

(3) the consummation of a merger, consolidation, statutory share exchange, or similar transaction that requires adoption by the Company's shareholders (a "**Business Combination**"), unless immediately following such Business Combination more than 50% of the total voting power of the corporation resulting from such Business Combination (the "**Surviving Corporation**"), or, if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership (as defined in Rules 13d-3 of the Exchange Act) of 100% of the voting securities eligible to elect directors of the Surviving Corporation, is represented by Common Stock that was outstanding immediately before such Business Combination;

(4) the shareholders of the Company approve a plan of liquidation or dissolution of the Company or a sale of all or substantially all of the Company's assets; or

(5) the Company has entered into a definitive agreement, the consummation of which would result in the occurrence of any of the events described in clauses (1) through (4) of this definition above.

"**CIBC Act**" means the Change in Bank Control Act of 1978.

"**Closing**" means the closing of the purchase and sale of the Shares pursuant to this Agreement.

"**Closing Date**" means the date on which the Closing shall occur, which (unless otherwise agreed by the Parties in writing) shall be no later than ten (10) Business Days after the satisfaction (or waiver, as applicable) of the last to be satisfied of the conditions set forth in Article V.

"**Code**" means the Internal Revenue Code of 1986, including the regulations and published interpretations thereunder.

"**Commission**" has the meaning set forth in the Recitals.

"**Common Shares**" has the meaning set forth in the Recitals.

"**Common Stock**" has the meaning set forth in the Recitals, and also includes any securities into which the Common Stock may hereafter be reclassified or changed.

"**Company**" has the meaning set forth in the preamble.

"**Company Counsel**" means Varnum LLP.

"**Company Deliverables**" has the meaning set forth in Section 2.2(a).

"**Company Financial Statements**" has the meaning set forth in Section 3.1(h).

"**Company Reports**" has the meaning set forth in Section 3.1(kk).

"**Company's Knowledge**" means with respect to any statement made to the knowledge of the Company, that the statement is based upon the actual knowledge, after reasonable inquiry, of the executive officers of the Company having responsibility for the matter or matters that are the subject of the statement.

"**Control**" (including the terms "controlling," "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise for purposes of the BHCA or the CIBC Act.

"**Covered Person**" has the meaning set forth in Section 3.1(ww).

"**CRA**" has the meaning set forth in Section 3.1(nn).

"**Deductible**" has the meaning set forth in Section 4.7(e).

"**Delaware Courts**" has the meaning set forth in Section 5.8.

"**Disqualification Events**" has the meaning set forth in Section 3.1(ww).

"**Effective Date**" means the date on which the initial Registration Statement required by Section 2(a) of the Registration Rights Agreement is first declared effective by the Commission.

"**Environmental Laws**" has the meaning set forth in Section 3.1(k).

"**ERISA**" has the meaning set forth in Section 3.1(rr).

"**ERISA Affiliates**" has the meaning set forth in Section 3.1(rr).

"**ERISA Plan**" has the meaning set forth in Section 3.1(rr).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"**Expedited Issuance**" has the meaning set forth in Section 4.17(f).

"**FDIC**" means the Federal Deposit Insurance Corporation.

"**Federal Reserve**" means the Board of Governors of the Federal Reserve System.

"**Future Bank**" means any commercial bank that becomes a Subsidiary of the Company at any time following the date hereof.

"**GAAP**" means U.S. generally accepted accounting principles as applied by the Company.

"**Governmental Entity**" means any court, administrative agency, arbitrator, or commission or other governmental or regulatory authority or instrumentality, whether federal, state, local, or foreign, and any applicable industry self-regulatory organization or securities exchange.

"**Information**" has the meaning set forth in Section 4.3(b).

"**Insurer**" has the meaning set forth in Section 3.1(pp).

"**Intellectual Property**" has the meaning set forth in Section 3.1(q).

"**IRS**" has the meaning set forth in Section 3.1(rr).

"**Law**" means any federal, state, county, municipal or local ordinance, permit, concession, grant, franchise, law, statute, code, rule or regulation or any judgment, ruling, order, writ, injunction or decree promulgated by any Governmental Entity.

"**Legend Removal Date**" has the meaning set forth in Section 4.1(c).

"**Lien**" means any lien, charge, claim, encumbrance, security interest, right of first refusal, preemptive right, mortgage, deed of trust, pledge, conditional sale agreement, restriction on transfer or other restrictions of any kind.

"**Loan**" has the meaning set forth in Section 3.1(pp).

"**Losses**" has the meaning set forth in Section 4.7(a).

"**Material Adverse Effect**" means any event, circumstance, change or occurrence that has had or would reasonably be expected to have (i) a material and adverse effect on the legality, validity, or enforceability of any Transaction Document, (ii) a material and adverse effect on the operations, results of operations, assets, liabilities, properties, business, or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, or (iii) any adverse impairment to the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document; provided, however, that clause (ii) shall not include the impact of (A) changes in banking and similar Laws of general applicability or interpretations thereof by any applicable Governmental Entity, (B) changes in GAAP or regulatory accounting requirements applicable to banks and their holding companies generally, (C) changes in general economic or political conditions, including interest rates, affecting banks generally, (D) conditions generally affecting the banking and/or residential mortgage industries; (E) any changes in financial or securities markets in general; (F) acts of war (whether or not declared), armed hostilities, or terrorism, or the escalation or worsening thereof; (G) the public announcement, pendency or completion of the transactions contemplated by this Agreement; or (H) the effects of any action or omission taken by the Company or the Bank either in accordance with this Agreement or otherwise with the prior written consent of Purchaser, except, with respect to clauses (A) through (F), to the extent that the effect of such changes has a disproportionate impact on the Company and the Subsidiaries, taken as a whole, relative to other similarly situated banks and their holding companies generally.

"**Material Contract**" means any of the following agreements of the Company or any of its Subsidiaries:

(1) any contract containing covenants that limit in any material respect the ability of the Company or any of its Subsidiaries to compete in any line of business or with any Person or which involve any material restriction of the geographical area in which, or method by which or with whom, the Company or any of its Subsidiaries may carry on its business (other than as may be required by Law or applicable regulatory authorities), and any contract that could require the disposition of any material assets or line of business of the Company or of its Subsidiaries;

(2) any joint venture, partnership, strategic alliance, or other similar contract (including any franchising agreement, but in any event excluding introducing broker agreements), and any contract relating to the acquisition or disposition of any material business or material assets (whether by merger, sale of stock or assets, or otherwise), which acquisition or disposition is not yet complete orwhere such contract contains continuing material obligations or contains continuing indemnity obligations of the Company or any of its Subsidiaries;

(3) any real property lease and any other lease with annual rental payments aggregating $100,000 or more;

(4) other than with respect to loans, any contract providing for, or reasonably likely to result in, the receipt or expenditure of more than $500,000 on an annual basis, including the payment or receipt of royalties or other amounts calculated based upon revenues or income;

(5) any contract or arrangement under which the Company or any of its Subsidiaries is licensed or otherwise permitted by a third party to use any Intellectual Property that is material to its business (except for any "shrinkwrap" or "click through" license agreements or other agreements for software that is generally available to the public and has not been customized for the Company or its Subsidiaries) or under which a third party is licensed or otherwise permitted to use any Intellectual Property owned by the Company or any of its Subsidiaries;

(6) any contract that by its terms limits the payment of dividends or other distributions by the Company or any of its Subsidiaries;

(7) any standstill or similar agreement pursuant to which any party has agreed not to acquire assets or securities of another person;

(8) any contract that would reasonably be expected to prevent, materially delay, or materially impede the Company's ability to consummate the transactions contemplated by this Agreement and the other Transaction Documents;

(9) any contract providing for indemnification by the Company or any of its Subsidiaries of any person, except for immaterial contracts entered into in the ordinary course of business consistent with past practice;

(10) any contract that contains a put, call, or similar right pursuant to which the Company or any of its Subsidiaries could be required to purchase or sell, as applicable, any equity interests or assets that have a fair market value or purchase price of more than $100,000; and

(11) any other contract or agreement which is a "material contract" within the meaning of Item 601(b)(10) of Regulation S-K.

"**Material Permits**" has the meaning set forth in Section 3.1(o).

"**Minimum Ownership Interest**" has the meaning set forth in Section 4.16(a).

"**Money Laundering Laws**" has the meaning set forth in Section 3.1(ii).

"**New Security**" has the meaning set forth in Section 4.17(a).

"**Non-Voting Common Shares**" has the meaning set forth in the Recitals.

"**Non-Voting Common Stock**" has the meaning set forth in the Recitals.

"**OFAC**" has the meaning set forth in Section 3.1(hh).

"**Offering**" has the meaning set forth in Section 4.17(c).

"**Outside Date**" means six (6) months after the date hereof.

"**Pension Plan**" has the meaning set forth in Section 3.1(rr).

"**Permitted Transferee**" means with respect to any Purchaser, an Affiliate of such Purchaser.

"**Person**" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization or Governmental Entity.

"**Personally Identifiable Information**" means any information that is publicly available or is held or controlled by the Company or any of its Subsidiaries that, alone or in combination with other information, can be used to identify an individual or a specific device.

"**Preferred Stock**" has the meaning set forth in Section 3.1(g)(i).

"**Principal Trading Market**" means the Trading Market on which the Common Stock is primarily listed on and quoted for trading.

"**Proceeding**" means an action, claim, suit, investigation, or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition).

"**Purchase Price**" means an amount equal to $43.00 per Share.

"**Purchased Shares**" means the number of Shares to be purchased by each Purchaser hereunder.

"**Purchaser**" has the meaning set forth in the Preamble.

"**Purchaser Deliverables**" has the meaning set forth in Section 2.2(b).

"**Purchaser Party**" has the meaning set forth in Section 4.7(a).

"**Questionnaire**" has the meaning set forth in Section 2.2(b)(ii).

"**Registration Rights Agreement**" has the meaning set forth in Section 2.2(a)(viii).

"**Registration Statement**" means a registration statement meeting the requirements set forth in the Registration Rights Agreement and covering the resale by the

Purchasers of the Registrable Securities (as defined in the Registration Rights Agreement).

"**Regulation D**" has the meaning set forth in the Recitals.

"**Regulatory Agreement**" has the meaning set forth in Section 3.1(mm).

"**Required Approvals**" has the meaning set forth in Section 3.1(e).

"**Response Period**" has the meaning set forth in Section 4.17(c).

"**Rule 144**" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"**Securities Act**" has the meaning set forth in the Recitals.

"**Shareholder Litigation**" has the meaning set forth in Section 4.14.

"**Shares**" has the meaning set forth in the Recitals.

"**Subsidiary**" means any entity in which the Company or the Bank, directly or indirectly, owns fifty percent (50%) or more of the outstanding capital stock or otherwise has Control over such entity. For the avoidance of doubt, the Subsidiaries of the Company include the Bank.

"**Surviving Corporation**" has the meaning set forth in this Section 1.1.

"**Takeover Law**" has the meaning set forth in Section 3.1(bb).

"**Tax**" or "**Taxes**" mean (i) any federal, state, local or foreign income, gross receipts, property, sales, use, license, excise, franchise, employment, payroll, withholding, alternative or add on minimum, ad valorem, transfer or excise tax, or any other tax, custom, duty, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or penalty, imposed by any Governmental Entity and (ii) any liability in respect of any items described in clause (i) above payable by reason of contract, assumption, transferee or successor liability, operation of law, Treasury Regulations Section 1.1502-6(a) (or any predecessor or successor thereof or analogous or similar provisions of Law) or otherwise.

"**Tax Return**" means any return, declaration, report or similar statement filed or required to be filed with respect to any Tax (including any attached schedules), including, without limitation, any information return, claim for refund, amended return or declaration of estimated Tax.

"**Trading Day**" means (i) a day on which the Common Stock is listed or quoted and traded on its Principal Trading Market, or (ii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over- the-counter market as reported by OTC Markets Group, Inc. (including the OTC Pink); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i) and (ii) hereof, then Trading Day shall mean a Business Day.

"**Trading Market**" means whichever of the New York Stock Exchange, the NYSE Amex, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market, or the OTC Pink on which the Common Stock is listed or quoted for trading on the date in question.

"**Transaction Documents**" means this Agreement, the schedules and exhibits attached hereto, including the VCOC Letter Agreement, the Registration Rights Agreement, and any other documents or agreements executed by the Company or the Purchasers in connection with the transactions contemplated hereunder.

"**Transfer**" means, in respect of any Shares, property or other assets, any sale, assignment, hypothecation, lien, encumbrance, transfer, distribution or other disposition thereof or of a participation therein, or other conveyance of legal or beneficial interest therein, including rights to vote and to receive dividends or other income with respect thereto, or any short position in a security or any other action orposition otherwise reducing risk related to ownership through hedging or other derivative instruments, whether voluntarily or by operation of Law, or any agreement or commitment to do any of the foregoing.

"**Transfer Agent**" means Computershare Trust Company, N.A., a federally chartered trust company, or any successor transfer agent for the Company.

"**Transferee**" means any Person that is a transferee of all or a portion of a Purchaser's Shares.

"**Treasury Regulations**" means the final regulations issued by the United States Department of Treasury pursuant to its authority under the Code, and any successor regulations.

"**U.S. Sanctions Laws**" has the meaning set forth in Section 3.2(m).

"**VCOC Letter Agreement**" means the letter agreement in the form attached hereto as Exhibit F, dated as of the Closing Date, between the Company and Castle Creek.

"**Voting Securities**" means the capital stock of the Company that is then entitled to vote generally in the election of directors of the Company.

ARTICLE II
PURCHASE AND SALE

Section 2.1 Closing.

(a) Purchase of Shares. Subject to the terms and conditions set forth in this Agreement, at the Closing, the Company shall issue and sell to each Purchaser, and each Purchaser shall, severally and not jointly, purchase from the Company, the number of Shares set forth below such Purchaser's name on the signature page of this Agreement at a per Share price equal to the Purchase Price.

(b) Closing. The Closing of the purchase and sale of the Shares shall take place remotely by electronic transmission of closing documents and signature pages on the Closing Date, or such other means and/or date as the parties may mutually agree.

Section 2.2 Closing Deliveries.

(a) On or prior to the Closing, the Company shall issue, deliver or cause to be delivered to each Purchaser (unless otherwise indicated) the following (the "**Company Deliverables**"):

(i) evidence of book entry of the Shares purchased by the Purchaser pursuant to this Agreement, registered in the name of such Purchaser or its nominee;

(ii) a legal opinion of Company Counsel, dated as of the Closing Date and in the form attached hereto as Exhibit C, executed by such counsel and addressed to the Purchasers;

(iii) a certificate of the Secretary of the Company, in the form attached hereto as Exhibit D, dated as of the Closing Date, (a) certifying the resolutions adopted by the Board or a duly authorized committee thereof approving the transactions contemplated by this Agreement and the other Transaction Documents and the issuance of the Shares, (b) certifying the current versions of the Articles of Incorporation and bylaws, as amended, of the Company, and (c) certifying as to the signatures and authority of persons signing the Transaction Documents and related documents on behalf of the Company;

(iv) a certificate, dated as of the Closing Date and signed by of the President and Chief Executive Officer or Chief Financial Officer of the Company, in the form attached hereto as Exhibit E;

(v) a Certificate of Good Standing of the Company from the Michigan Secretary of State as of a recent date;

(vi) a certificate of the Michigan Department of Insurance and Financial Services as of a recent date evidencing the corporate existence of the Bank;

(vii) a certificate of the FDIC to the effect that the Bank's deposit accounts are insured by the FDIC under the provisions of the Federal Deposit Insurance Act; and

(viii) with respect to Castle Creek, the VCOC Letter Agreement and a registration rights agreement, substantially in the form attached hereto as Exhibit A (the "**Registration Rights Agreement**"), each duly executed by the Company and Castle Creek.

(b) On or prior to the Closing, each Purchaser shall deliver or cause to be delivered to the Company the following (the '**Purchaser Deliverables**"):

(i)in U.S. dollars and in immediately available funds, the amount indicated below such Purchaser's name on the applicable signature page hereto under the heading "Aggregate Purchase Price" by wire transfer to the account provided by the Company;

(ii) a fully completed and duly executed Accredited Investor Questionnaire (the " **Questionnaire**") reasonably satisfactory to the Company, in the form attached hereto as Exhibit B; and

(iii) with respect to Castle Creek, the VCOC Letter and the Registration RightsAgreement.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Company. The Company hereby represents and warrants as of the date hereof (except for the representations and warranties that speak as of a specific date, which shall be made as of such date), with each of the following representations and warranties qualified by those matters set forth in the Disclosure Schedules attached to this Agreement, to each of the Purchasers that:

(a) Subsidiaries. The Company owns all of the outstanding shares of the Bank. The Company has no other direct or indirect Subsidiaries. The Company owns, directly or indirectly, all of the capital stock or comparable equity interests of each Subsidiary free and clear of any and all Liens, and all the issued and outstanding shares of capital stock or comparable equity interest of each Subsidiary are validly issued and are fully paid, non-assessable (to the extent such concept is applicable to an equity interest of a Subsidiary) and free of preemptive and similar rights to subscribe for or purchase securities. Except in respect of the Company's Subsidiaries, the Company does not own beneficially, directly or indirectly, more than five percent (5%) of any class of equity securities or similar interests of any corporation, bank, business trust, association or similar organization, and is not, directly or indirectly, a partner in any partnership or party to any joint venture.

(b) Organization and Qualification. The Company and each of its Subsidiaries is an entity duly incorporated or otherwise organized, validly existing, and in good standing under the Laws of the jurisdiction of its incorporation or organization (as applicable), with the requisite power and authority to own or lease and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation of any of the provisions of its respective certificate or articles of incorporation, bylaws, or other organizational or charter documents. The Company and each of its Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not in the reasonable judgment of the Company be expected to be material to the Company or any of its Subsidiaries. The Company is duly registered as a bank holding company under the Bank Holding Company Act of 1956, as amended (the "**BHCA**"). The Bank is the Company's only Subsidiary banking institution. The Bank's deposit accounts are insured up to applicable limits by the FDIC, and all premiums and assessments required to be paid in connection therewith have been paid when due and no Proceeding for the termination of such insurance is pending or, to the Company's Knowledge, threatened. The Company and its Subsidiaries have conducted its business in compliance with all applicable federal, state and foreign Laws, orders, judgments, decrees, rules, regulations, and applicable stock exchange requirements, including all Laws and regulations restricting activities of bank holding companies and banking organizations, in all material respects.

(c) Authorization; Enforcement; Validity. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder, including, without limitation, to issue the Shares in accordance with the terms hereof. The Company's execution and delivery of each of the Transaction Documents and the consummation by it of the transactions contemplated hereby and thereby (including, but not limited to, the sale and delivery of the Shares pursuant to this Agreement and the other Transaction Documents) have been duly authorized by all necessary corporate action on the part of the Company, and no further corporate action is required by the Company, the Board, or the Company's shareholders in connection therewith other than in connection with the Required Approvals. Each of the Transaction Documents has been (or upon delivery will have been) duly executed by

the Company and is, or when delivered in accordance with the terms hereof or thereof, will (assuming the due authorization, execution, and delivery thereof by the other parties thereto) constitute the legal, valid, and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, or similar Laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application,(ii)as limited by Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (iii) insofar as indemnification and contribution provisions may be limited by applicable Law. There are no shareholder agreements, voting agreements, or other similar arrangements with respect to the Company's capital stock to which the Company is a party or, to the Company's Knowledge, between or among any of the Company's shareholders.

(d) No Conflicts. The execution, delivery, and performance by the Company of the Transaction Documents and the consummation by the Company of the transactions contemplated hereby or thereby (including, without limitation, the issuance of the Shares pursuant to this Agreement and theother Transaction Documents) do not and will not, subject to receipt of the Required Approvals,(i) conflict with or violate any provisions of the Company's or any Subsidiary's articles of incorporation, bylaws, or otherwise result in a violation of the organizational documents of the Company or any Subsidiary, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would result in a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary or give to others any rights of termination, amendment, acceleration, orcancellation (with or without notice, lapse of time or both) of, any agreement, indenture or instrument to which the Company or any Subsidiary is a party, or (iii) conflict with or result in a violation of any Law, rule, regulation, order, judgment, injunction, decree, or other restriction of any court or Governmental Entity to which the Company is subject (including federal and state securities Laws and regulations and the rules and regulations thereunder, assuming, without investigation, the correctness of the representations and warranties made by the Purchasers herein, of any self-regulatory organization to which the Company or its securities are subject, including all applicable Trading Markets), or by which any property or asset of the Company is bound or affected, except in the case of clauses (ii) and (iii) such as would not be, or would not reasonably be expected to be, material to the Company or any of its Subsidiaries.

(e) Filings, Consents and Approvals. Neither the Company nor any of its Subsidiaries is required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any Governmental Entity or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents (including, without limitation, the issuance of the Shares), other than (i) the filing with the Commission of one or more Registration Statements in accordance with the requirements of the Registration Rights Agreement, (ii) filings required by applicable state securities Laws, (iii) the filing of a Notice of Exempt Offering of Securities on Form D with the Commission under Regulation D of the Securities Act, (iv) the filing of any applicable notices and/or applications to or the receipt of any applicable consents or non-objections from the state or federal bank regulatory authorities that govern the Company or the Bank, and (v) those that have been made or obtained prior to the date of this Agreement (collectively, the "**Required Approvals**"). The Company is unaware of any facts or circumstances relating to the Company or its Subsidiaries that would be likely to prevent the Company from obtaining or effecting any of the foregoing.

(f) Issuance of the Shares. The issuance of the Shares has been duly authorized and the Shares, when issued and paid for in accordance with the terms of the Transaction Documents, will be duly and validly issued, fully paid, and non-assessable and free and clear of all Liens, other than restrictions on transfer imposed by applicable securities Laws, restrictions contemplated by this Agreement and Liens, if any, created by a Purchaser, and shall not be subject to preemptive or similar rights. Assuming the accuracy of the representations and warranties of the Purchasers in this Agreement, the Shares will be issued in compliance with all applicable federal and state securities Laws.

(g) Capitalization.

(i) The authorized capital stock of the Company consists of (i) 4,000,000 shares of Common Stock, no par value per share, (ii) 2,000,000 shares of Non-Voting Common Stock, no par value per share, and (iii) 500,000 shares of preferred stock, no par value per share. As of the date hereof, but prior to giving effect to the Closing, there are 1,676,212 shares of Common Stock issued and outstanding, and there are no shares of preferred stock and/or Non-Voting Common Stock issued and outstanding. No shares of Common Stock are reserved for issuance. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and non-assessable, have been issued in compliance in all material respects with all applicable federal and state securities Laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase any capital stock of the Company. The shares of Common Stock issuable upon any conversion of the Non-Voting Common Stock will have been duly authorized by all necessary corporate action and when so issued upon such conversion will be validly issued, fully paid and non-assessable, and free of preemptive rights except for those stated herein. The Company will reserve, free of any preemptive or similar rights of shareholders of the Company, a number of unissued shares of Common Stock sufficient to issue and deliver the Common Stock into which the issued and outstanding Non-Voting Common Stock is then convertible. No shares of the Company's outstanding capital stock are subject to preemptiverights or any other similar rights. There are no outstanding options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares of capital stock of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares of capital stock of the Company or any of its Subsidiaries. There are no material outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing indebtedness of the Company or any of its Subsidiaries or by which the Company or any of its Subsidiaries is bound. Except for the Registration Rights Agreement, if applicable, there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of its securities under the Securities Act. There are no outstanding securities or instruments of the Company or any of its Subsidiaries that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries. The Company and its Subsidiaries do not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. Neither the Company nor any of its Subsidiaries has any liabilities or obligations required to be disclosed in the Company Financial Statements but not so disclosed in the Company Financial Statements, which, individually or in the aggregate, will be or would reasonably be expected to be material to the Company or any of its Subsidiaries. There are no securities or instruments issued by or to which the Company or any of its Subsidiaries is a party containing anti-dilution or similar provisions that will be triggered by the issuance of the Shares pursuant to this Agreement and the other Transaction Documents.

(ii) Immediately following the Closing, (i) 1,860,390 shares of Common Stock will be issued and outstanding and (ii) 397,218 shares of Non-Voting Common Stock will be issued and outstanding.

(h) Company Financial Statements. The audited consolidated balance sheets of the Company and its Subsidiaries as of December 31, 2018 and 2017 and the related consolidated statements of operations, changes in shareholders' equity and cash flows for the two years ended December 31, 2018, together with the notes thereto, and the unaudited consolidated balance sheets of the Company and its Subsidiaries as of March 31, 2019 and the related consolidated statements of operations, changes to shareholders' equity and cash flows for the three (3) months then ended (the "**Company Financial Statements**") (1) have been prepared from, and are in accordance with the books and records of the Company and its Subsidiaries, and (2) have been prepared in accordance with GAAP applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto and except that the unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the balance sheet of the Company and its Subsidiaries taken as a whole as of and for the dates thereof and the results of operations, shareholders' equity, and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments, which would not be material, either individually or in the aggregate. The Company has made available to the Purchasers complete and accurate copies of the Company Financial Statements.

(i) Tax Matters. The Company and each of its Subsidiaries has (i) timely filed all material foreign, U.S. federal, state and local Tax Returns that are or were required to be filed, and all such Tax Returns are true, correct and complete in all material respects, (ii) paid all material Taxes required to bepaid by it and any other material assessment, fine or penalty levied against it, whether or not shown or determined to be due on such Tax Returns, other than any such amounts (x) currently payable withoutpenalty or interest, or (y) being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP; (iii) timely withheld, collected or deposited as the case may be all material Taxes (determined both individually and in the aggregate) required to be withheld, collected or deposited by it, and to the extent required, have been paid to the relevant taxing authority in accordance with applicable Law; and (iv) complied with all applicable information reporting requirements in all material respects. Neither the Company nor any Subsidiary(i) is subject to any outstanding audit, assessment, dispute or claim concerning any material Tax liability of the Company or any of its Subsidiaries either within the Company's Knowledge or claimed, pending or raised by an authority in writing; (ii) is a party to, bound by or otherwise subject to any obligation under any Tax sharing or Tax indemnity agreement or similar contract or arrangement (other than an agreement, similar contract or arrangement to which only the Company and its Subsidiaries are parties); (iii) has participated in a "listed transaction" within the meaning of Treasury Regulation Section 1.6011- 4(b)(2); or (iv) has any liability for Taxes of any Person arising from the application of Treasury Regulation Section 1.1502-6 or any analogous provision of state, local or foreign Law, or as a transferee or successor, by contract, or otherwise. No claim has been made by a tax authority in a jurisdiction where the Company or any Subsidiary does not pay Taxes or file Tax Returns asserting that the Company or any Subsidiary is or may be subject to Taxes assessed by such jurisdiction. Neither the Company nor any Subsidiary will be required to include any item of income in, or exclude any item of deduction from, taxable income for any period (or any portion thereof) ending after the Closing as a result of any:(1) installment sale or other open transaction disposition made on or prior to the Closing; (2) prepaid amount received on or prior to the Closing; (3) written and legally binding agreement with a Governmental Entity relating to taxes for any taxable period ending on or before the Closing; (4) change in method of accounting in any taxable period ending on or before the Closing; or (5) election under Section 108(i) of the Code.

(j) Material Changes. Since the date of the latest audited financial statements included within the Company Financial Statements, (i) there have been no events, occurrences, or developments that have had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (ii) the Company and its Subsidiaries have not incurred any material liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses, and other liabilities incurred in the ordinary course of business consistent with past practice, and (B) liabilities not required to be reflected in the Company Financial Statements pursuant to GAAP, (iii) the Company and its Subsidiaries have not altered materially their method of accounting or the manner in which they keep their accounting books and records, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed, or made any agreements to purchase or redeem any shares of its capital stock, (v) the Company and its Subsidiaries have not issued any equity to any Person, (vi) there has not been any material change or amendment to, or any waiver of any material right by the Company or any of its Subsidiaries under, any Material Contract under which the Company or any of its Subsidiaries is bound or subject, and (vii) there has not been a material increase in the aggregate dollar amount of (A) the Bank's nonperforming loans (including nonaccrual loans and loans 90 days or more past due and still accruing interest) or (B) the reserves or allowances established on and in respect to the Company Financial Statements.

(k) Environmental Matters. Neither the Company nor any of its Subsidiaries (i) is or during the past four years has been in violation of any Law of any Governmental Entity relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "**Environmental Laws**"), (ii) is or during the past four years has been liable for any off-site disposal or contamination pursuant to any Environmental Laws, (iii) owns or operates, or has owned or operated during the past four years any real property contaminated with any substance that is in violation of any Environmental Laws or (iv) is or during the past four years has been subject to any claim relating to any Environmental Laws; in each case,which violation, contamination, liability or claim has had or would reasonably be expected to be material to the Company or any of its Subsidiaries; and there is no pending or, to the Company's Knowledge, threatened investigation that might lead to such a claim. Except as would not be material to the Company or any of its Subsidiaries, there are and during the past four years have been no circumstances or conditions (including the presence of asbestos, underground storage tanks, lead products, polychlorinated biphenyls, prior manufacturing operations, dry-cleaning or automotive services) involving the Company or any of its Subsidiaries, or any currently or formerly owned or operated property of the Company or any of its Subsidiaries, that could reasonably be expected to result in any claim, liability, investigation, cost or restriction against the Company or any of its Subsidiaries, or result in any restriction on the ownership, use, or transfer of any property pursuant to any Environmental Law, or adversely affect the value of any currently owned property of the Company or any of its Subsidiaries.

(l) Litigation. There is and during the past four years has been no Action pending or, to the Company's Knowledge, threatened, which (i) adversely affects or challenges the legality, validity, or enforceability of any of the Transaction Documents, the issuance of Purchased Shares pursuant to this Agreement and the other Transaction Documents, or (ii) is reasonably likely to be material to the Company or any Subsidiary, individually or in the aggregate, if there were an unfavorable decision. Neither the Company nor any Subsidiary, nor any director or officer thereof in his capacity as a director or officer of the Company or any Subsidiary, is or, to the Company's Knowledge, has been the subject of any Action involving a claim of violation of or liability under federal or state securities Laws or a claim of breach of fiduciary duty nor is any Action, to the Company's Knowledge, currently threatened. There is no Action by the Company or any Subsidiary pending or which the Company or any Subsidiary intends to initiate (other than collection or similar claims in the ordinary course of business). There has not been, and to the Company's Knowledge there is not pending or threatened, any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any of its Subsidiaries under the Exchange Act or the Securities Act. There are and during the past four years have been no outstanding orders, judgments, injunctions, awards or decrees of any court, arbitrator or governmental or regulatory body against the Company or any executive officers or directors of the Company in their capacities as such, which individually or in the aggregate, would reasonably be expected to be material to the Company or any Subsidiary.

(m) Employment Matters. No labor dispute exists or, to the Company's Knowledge, is imminent with respect to any of the employees of the Company or any Subsidiary that would be, or would reasonably be expected to be, material to the Company or any of its Subsidiaries. None of the employees of the Company or any Subsidiary is a member of a union that relates to such employee's relationship with the Company or any Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and each Subsidiary believes that its relationship with its employees is good. To the Company's Knowledge, there is no activity involving any of the employees of the Company or any of its Subsidiaries seeking to certify a collective bargaining unit or similar organization. To the Company's Knowledge, no executive officer is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of a third party, and to the Company's Knowledge, the continued employment of each such executive officer does not subject the Company or any Subsidiary to any liability with respect to any of the foregoing matters. The Company and each of its Subsidiaries are and at all times have been in compliance with all Laws and regulations relating to employment and employment practices, immigration, terms and conditions of employment and wages and hours, except where the failure to be in compliance would not have or reasonably be material to the Company or any of its Subsidiaries. As of the date of this Agreement, no material employee has given notice to the Company or any of its Subsidiaries of his or her intent to terminate his or her employment or service relationshipwith the Company or any of its Subsidiaries. The Company and its Subsidiaries are in material compliance with all Laws concerning the classification of employees and independent contractors and have properly classified all such individuals for purposes of participation in employee benefit plans.

(n) Compliance. Neither the Company nor any of its Subsidiaries (i) are in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any of its Subsidiaries under), nor has the Company or any of its Subsidiaries received written notice of a claim that it is in default under or that it is in violation of, any Material Contract (whether or not such default or violation has been waived), (ii) are or during the past four years have been in violation of any order of which the Company has been made aware in writing of any court, arbitrator, or governmental body having jurisdiction over the Company or its Subsidiaries or their respective properties or assets, (iii) are or during the past four years have been in violation of, or in receipt of written notice that it is in violation of, any statute, rule, regulation, policy, guideline, or order of any Governmental Entity or self-regulatory organization (including the Principal Trading Market), applicable to the Company or any of its Subsidiaries, or which would have the effect of revoking or limiting FDIC deposit insurance, except in each case as would not have or reasonably be material to the Company or any of its Subsidiaries.

(o) Regulatory Permits. The Company and each of its Subsidiaries possess all required certificates, authorizations, consents, licenses, franchises, variances, exceptions, orders, approvals and permits issued by the appropriate Governmental Entities with respect to the Company and its Subsidiaries' business, except where the failure to possess such certificates, authorizations, consents, or permits, individually or in the aggregate, has not had and would not reasonably be expected to have a material adverse impact on the Company or any of its Subsidiaries ("**Material Permits**"), and (i) neither the Company nor any of its Subsidiaries has received any notice in writing of Proceedings relating to the revocation or material adverse modification of any such Material Permits, and (ii) the Company is unaware of any facts or circumstances that would give rise to the revocation or material adverse modification of any Material Permits.

(p) Title to Assets. The Company and its Subsidiaries have good and marketable title to all real property and tangible personal property owned by them which is material to the business of the Company and its Subsidiaries, taken as a whole, in each case free and clear of all Liens, except such as do not materially affect the value of such property or do not interfere with the use made and proposed to be made of such property by the Company and any of its Subsidiaries. Any real property and facilities held under lease by the Company and any of its Subsidiaries are held by them under valid, subsisting, and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and facilities by the Company and its Subsidiaries. No notice of a claim of default by any party to any lease entered into by the Company or any of its Subsidiaries has been delivered to either the Company or any of its Subsidiaries or is now pending, and there does not exist any event or circumstance that with notice or passing of time, or both, would constitute a default or excuse performance by any party thereto. None of the owned or leased premises or properties of the Company or any of its Subsidiaries is subject to any current or potential interests of third parties or other restrictions or limitations that would impair or be inconsistent in any material respect with the current use of such property by the Company or any of its Subsidiaries, as the case may be. Notwithstanding the foregoing, the Company does not make any representation or warranty set forth in this paragraph with respect to any other real estate owned (OREO) acquired by the Company or any of its Subsidiaries through foreclosure, by deed-in-lieu of foreclosure, or similar process.

(q) Intellectual Property; Data Security. The Company and its Subsidiaries own, possess, license, or have other rights to use all foreign and domestic patents, patent applications, trade and servicemarks, trade and service mark registrations, trade names, copyrights, inventions, trade secrets,technology, Internet domain names, know-how, and other intellectual property (collectively, the "**Intellectual Property**") necessary for the conduct of their respective businesses as now conducted or as proposed to be conducted free and clear of all Liens and such Intellectual Property is valid, subsisting and enforceable, and is not subject to any outstanding order, judgment, decree or agreement adversely affecting the Company's or its Subsidiaries' use of, or rights to, such Intellectual Property, except where the failure to own, possess, license, or have such rights would not have or reasonably be expected to be material to the Company or any of its Subsidiaries. Except where such violations or infringements would not be material to the Company or any of its Subsidiaries, (i) other than with respect to licensed Intellectual Property, there are no rights of third parties to any such Intellectual Property, (ii) there is and during the past four years has been no infringement by third parties of any such Intellectual Property, (iii) there is and during the past four years has been no pending or threatened Proceeding by others challenging the Company's and its Subsidiaries' rights in or to any such Intellectual Property, (iv) there is and during the past four years has been no pending or threatened Proceeding by others challenging the validity or scope of any such Intellectual Property, and (v) there is and during the past four years has been no pending or threatened Proceeding by others that the Company and/or any Subsidiary infringes or otherwise violates any patent, trademark, copyright, trade secret, or other proprietary rights of others. Except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, (A) the Company and its Subsidiaries are in compliance with all applicable Laws related to data privacy and data security and (B) there has been no material loss or theft of data or security breach or unauthorized access or use relating to data (including Personally Identifiable Information) in the possession, custody or control of the Company or any of its Subsidiaries. (1) No claims have been asserted or, to the Company's Knowledge, threatened in writing against the Company or any of its Subsidiaries relating to data security, privacy, or the storage, transfer, use or processing of data (including Personally Identifiable Information), and (2) to the Company's Knowledge, the Company and its Subsidiaries are not and have never been the subject of any audits, investigations or other inquiries or Proceedings relating to data security, privacy, or the storage, transfer, use or processing of data (including Personally Identifiable Information) from any Governmental Entity, in the case of clause (1) or clause (2).

(r) Insurance. The Company and each of the Subsidiaries are, and following the Closing Date will remain, insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as the Company reasonably believes to be prudent and customary in the businesses and locations in which and where the Company and its Subsidiaries are engaged. The Company and its Subsidiaries have not been refused any insurance coverage sought or applied for, and the Company and its Subsidiaries do not have any reason to believe that they will not be able to renew their existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue their business at a cost that would not be material to the Company or any of its Subsidiaries. All premiums due and payable under all such policies and bonds have been timely paid, and the Company and its Subsidiaries are in material compliance with the terms of such policies and bonds. Neither the Company nor any of its Subsidiaries has received any notice of cancellation of any such insurance, nor, to the Company's Knowledge, will it or any Subsidiary be unable to renew their respective existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not be materially higher than their existing insurance coverage. The Company (i) maintains directors' and officers' liability insurance and fiduciary liability insurance with financially sound and reputable insurance companies with benefits and levels of coverage as disclosed in Schedule 3.1(r), (ii) has timely paid all premiums on such policies, and (iii) there has been no lapse in coverage during the term of such policies.

(s) Transactions With Affiliates and Employees. None of the Affiliates, officers or directors of the Company or any Subsidiary and, to the Company's Knowledge, none of the employees of the Company or any Subsidiary, is presently a party to any transaction with the Company or any Subsidiary or to a presently contemplated transaction (other than for services as employees, officers, and directors)that would be required to be disclosed pursuant to Item 404 of Regulation S-K promulgated under the Securities Act.

(t) Internal Control Over Financial Reporting. The Company and its Subsidiaries maintain internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and have disclosed, based on its most recent evaluation prior to the date of this Agreement, to the Company's outside auditors and the audit committee of the Board (A) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial information, and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting. Since December 31, 2013, (i) neither the Company nor any of its Subsidiaries nor, to the Company's Knowledge, any director, officer, employee, auditor, accountant or representative of the Company or any of its Subsidiaries has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or

auditing practices, procedures, methodologies or methods of the Company or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that the Company or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no attorney representing the Company or any of its Subsidiaries, whether or not employed by the Company or any of its Subsidiaries, has reported evidence of a violation of securities Laws, breach of fiduciary duty or similar violation by the Company, its Subsidiaries or any of its officers, directors, employees or agents to the Board or any committee thereof or to any director or officer of the Company or any of its Subsidiaries.

(u) Certain Fees. No person or entity will have, as a result of the transactions contemplated by this Agreement, any valid right, interest, or claim against or upon the Company, any Subsidiary or any Purchaser for any commission, fee, or other compensation pursuant to any agreement, arrangement, or understanding entered into by or on behalf of the Company or any Subsidiary.

(v) Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2 of this Agreement and the accuracy of the information disclosed in the Questionnaires, compliance by the Purchasers with the offering and transfer restrictions and procedures described in this Agreement, the accuracy of all information and certifications provided to the Company by those Persons (other than the Company) subject to Rule 506(d) of Regulation D regarding the absence of any disqualifying event or circumstances described in Rule 506(d) concerning such Persons and the receipt of the Required Approvals and the completion of all filings associated therewith, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Purchasers under the Transaction Documents. The issuance and sale of the Shares hereunder does not contravene the rules and regulations of the Principal Trading Market.

(w) Registration Rights. Other than as set forth in the Registration Rights Agreement, no Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiary.

(x) No Objections. None of the Federal Reserve, the FDIC or the Michigan Department of Insurance and Financial Services has issued any order or taken any similar action preventing or suspending the issuance or sale of the Purchased Shares to the Purchasers. The Company and the Bank have filed, and will continue to file, with the Federal Reserve, the FDIC and the Michigan Department of Insurance and Financial Services, as applicable, all materials required to be filed by the Company or the Bank in connection with the issuance and sale of the Shares.

(y) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, none of the Company, its Subsidiaries nor, to the Company's Knowledge, any of its Affiliates or any Person acting on its behalf has, directly or indirectly, at any time within the past six months, made any offers or sales of any Company security or solicited any offers to buy any security under circumstances that would eliminate the availability of the exemption from registration under Regulation D under the Securities Act in connection with the offer and sale by the Company of the Shares as contemplated hereby.

(z) Investment Company. Neither the Company nor any of its Subsidiaries is required to be registered as, and is not an Affiliate of, and immediately following the Closing will not be required to register as, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and neither the Company nor any Subsidiary sponsors any person that is such an investment company.

(aa) Unlawful Payments. Neither the Company nor any of its Subsidiaries, nor to the Company's Knowledge, any directors, officers, employees, agents, or other Persons acting at the direction of or on behalf of the Company or any of its Subsidiaries has, in the course of its actions for, or on behalf of, the Company or any of its Subsidiaries (a) directly or indirectly, used any corporate funds for unlawful contributions, gifts, entertainment, or other unlawful expenses relating to foreign or domestic political activity, (b) made any direct or indirect unlawful payments to any foreign or domestic governmental officials or employees or to any foreign or domestic political parties or campaigns from corporate funds,(c)violated any provision of the Foreign Corrupt Practices Act of 1977, or (d) made any other unlawful bribe, rebate, payoff, influence payment, kickback, or other material unlawful payment to any foreign or domestic government official or employee.

(bb) Application of Takeover Protections; Rights Agreements. The Company has not adopted any shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of its Common Stock or a Change in Control of the Company. The Company and the Board have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement), or other similar anti-takeover provision under the Articles of Incorporation or other organizational documents or the Laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to Purchaser solely as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Shares and any Purchaser's ownership of the Purchased Shares (each, a "**Takeover Law**").

(cc) No Undisclosed Liabilities. There are no material liabilities or obligations of the Company or any of the Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable, or otherwise, except for (i) liabilities appropriately reflected or reserved against in accordance with GAAP in the Company's audited balance sheet or that are otherwise disclosed in the footnotes to the financial statements for the year ended December 31, 2018, and (ii) liabilities that have arisen in the ordinary and usual course of business and consistent with past practice since December 31, 2018.

(dd) Disclosure. The Company confirms that neither it nor any of its officers or directors nor any other Person acting on its or their behalf has provided any Purchaser or its agents or counsel with any information that it believes constitutes or could reasonably be expected to constitute material, non-public information except insofar as the existence, provisions, and terms of the Transaction Documents and the proposed transactions hereunder may constitute such information. The Company understands and confirms that the Purchasers will rely on the foregoing representations in effecting transactions in securities of the Company.

(ee) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company (or any of its Subsidiaries) and an unconsolidated or other off-balance sheet entity that is required to be disclosed by the Company in its Company Financial Statements and is not so disclosed.

(ff) Acknowledgment Regarding Purchasers' Purchase of Shares. The Company acknowledges and agrees that each Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby. The Company further acknowledges that each Purchaser is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to such Purchaser's purchase of the Shares.

(gg) Absence of Manipulation. The Company has not, and to the Company's Knowledge no one acting on its behalf has, taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Purchased Shares.

(hh) OFAC. Neither the Company nor any Subsidiary nor, to the Company's Knowledge, any director, officer, agent, employee, Affiliate, or Person acting on behalf of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Company will not knowingly use the proceeds of the sale of the Purchased Shares towards any sales or operations in Cuba, Iran, Syria, Sudan or any other

country sanctioned by OFAC or for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC.

(ii) Money Laundering Laws. The operations of each of the Company and any Subsidiary are, and have been conducted at all times, in compliance in all material respects with the money laundering statutes of applicable jurisdictions, the rules and regulations thereunder, and any related or similar rules, regulations, or guidelines, issued, administered, or enforced by any applicable Governmental Entity (collectively, the "**Money Laundering Laws**"), and to the Company's Knowledge, no action, suit, or proceeding by or before any court or Governmental Entity, authority, or body or any arbitrator involving the Company and/or any Subsidiary with respect to the Money Laundering Laws is pending or threatened.

(jj) No Additional Agreements. The Company has no agreements or understandings (including, without limitation, side letters) with any Person to purchase shares of Common Stock or Non-Voting Common Stock on terms more favorable to such Person than as set forth herein.

(kk) Reports, Registrations and Statements. Since January 1, 2016, the Company and each Subsidiary have filed all material reports, registrations, documents, filings, submissions and statements, together with any required amendments thereto, that it was required to file with the Federal Reserve, the FDIC, the Michigan Department of Insurance and Financial Services and any other applicable federal or state securities or banking authorities. All such reports and statements filed with any such regulatory body or authority are collectively referred to herein as the "**Company Reports**." All such Company Reports were filed on a timely basis or the Company or the applicable Subsidiary, as applicable, received a valid extension of such time of filing and has filed any such Company Reports prior to the expiration of any such extension. As of their respective dates, the Company Reports complied in all material respects with all the rules and regulations promulgated by the Federal Reserve, the FDIC, the MichiganDepartment of Insurance and Financial Services and any other applicable foreign, federal, or state securities or banking authorities, as the case may be.

(ll) Regulatory Capitalization. As of March 31, 2019, the Bank was considered "well capitalized" under the FDIC's regulatory framework for prompt corrective action (12 C.F.R. § 324.403(b)(1)).

(mm) Agreements with Regulatory Agencies. Neither the Company nor any Subsidiary is subject to any cease-and-desist or other similar order or enforcement action issued by, or is a party to any written agreement, consent agreement, or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any capital directive by, or since December 31, 2016, has adopted any board resolutions at the request of, any Governmental Entity that currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its liquidity and funding policies and practices, its ability to pay dividends, its credit, risk management or compliance policies, its internal controls, its management, or its operations or business (each item in this sentence, a "**Regulatory Agreement**"), nor has the Company or any Subsidiary been advised in writing since December 31, 2016 by any Governmental Entity that it intends to issue, initiate, order, or request any such Regulatory Agreement. The Company and each of its Subsidiaries are in compliance in all material respects with all Regulatory Agreements applicable to them.

(nn) Compliance with Certain Banking Regulations. There are no facts or circumstances, and the Company has no reason to believe that any facts or circumstances exist, that would cause the Bank(i) to be deemed not to be in satisfactory compliance with the Community Reinvestment Act (" **CRA**") and the regulations promulgated thereunder or to be assigned a CRA rating by federal or state banking regulators of lower than "satisfactory," (ii) to be deemed to be operating in violation, in any material respect, of the Bank Secrecy Act, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001, any order issued with respect to anti-money laundering by OFAC, or any other anti-money laundering Law, (iii) to be deemed not to be in satisfactory compliance, in any material respect, with the Home Mortgage Disclosure Act, the Fair Housing Act, the Equal Credit Opportunity Act, the Flood Disaster Protection Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the regulations promulgated thereunder, or (iv) to be deemed not to be in satisfactory compliance, in any material respect, with all applicable privacy of customer information requirements contained in any applicable federal and state privacy Laws as well as the provisions of all information security programs adopted by the Bank or the Company.

(oo) No General Solicitation or General Advertising. Neither the Company nor, to the Company's Knowledge, any person acting on its behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with any offer or sale of the Shares pursuant to this Agreement and the other Transaction Documents.

(pp) Loan Portfolio.

(i) Other than as may not be reasonably expected to have a Material Adverse Effect, each of the Company and its Subsidiaries has complied with in all material respects, and all documentation in connection with the origination, processing, underwriting and credit approval of any loan, lease or other extension of credit or commitment to extend credit (each, a "**Loan**") originated, purchased or serviced by the Company or any of its Subsidiaries satisfied in all material respects, (A) all applicable Laws with respect to the origination, insuring, purchase, sale, pooling, servicing, subservicing or filing of claims in connection with Loans, including all Laws relating to real estate settlement procedures, consumer credit protection, truth in lending Laws, usury limitations, fair housing, transfers ofservicing, collection practices, equal credit opportunity and adjustable rate mortgages, (B) the responsibilities and obligations relating to Loans set forth in any contract or agreement between the Company or any of its Subsidiaries and any Agency, Loan Investor or Insurer, (C) the applicable rules, regulations, guidelines, handbooks and other requirements of any Agency, Loan Investor or Insurer,(D) the terms and provisions of any mortgage or other collateral documents and other Loan documents with respect to each Loan and (E) the underwriting guidelines and other loan policies and procedures of the Company or its applicable Subsidiary;

(ii) No Agency, Loan Investor or Insurer has (A) claimed in writing that the Company or any of its Subsidiaries has violated or has not complied with the applicable underwriting standards with respect to Loans sold by the Company or any of its Subsidiaries to a Loan Investor or Agency, or with respect to any sale of Loan servicing rights to a Loan Investor, (B) imposed in writing restrictions on the activities (including commitment authority) of the Company or any of its Subsidiaries or (C) indicated in writing to the Company or any of its Subsidiaries that it has terminated or intends to terminate its relationship with the Company or any of its Subsidiaries for poor performance, poor Loan quality or concern with respect to the Company's or any of its Subsidiary's compliance with Laws; and

(iii) The characteristics of the loan portfolio of the Company have not materially changed from the characteristics of the loan portfolio of the Company as of December 31, 2018.

For purposes of this Section 3.1(pp): (A) "**Agency**" means the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Farmers Home Administration (now known as Rural Housing and Community Development Services), the Federal National Mortgage Association, the United States Department of Veterans' Affairs, the Government National Mortgage Association, the Rural Housing Service of the U.S. Department of Agriculture or any other Governmental Entity with authority to (i) determine any investment, origination, lending or servicing requirements with regard to Loans originated, purchased or serviced by the Company or any of its Subsidiaries or (ii) originate, purchase, or service Loans, or otherwise promote lending, including state and local housing finance authorities;(B) " **Loan Investor**" means any person (including an Agency) having a beneficial interest in any Loan originated, purchased or serviced by the Company or any of its Subsidiaries or a security backed by or representing an interest in any such Loan; and (C) "**Insurer**" means a person who insures or guarantees for the benefit of the Loan holder all or any portion of the risk of loss upon borrower

default on any of the Loans originated, purchased or serviced by the Company or any of its Subsidiaries, including the Federal Housing Administration, the United States Department of Veterans' Affairs, the Rural Housing Service of the U.S. Department of Agriculture and any private mortgage insurer, and providers of hazard, title or other insurance with respect to such Loans or the related collateral.

(qq) Risk Management Instruments. The Company and the Subsidiaries have in place risk management policies and procedures sufficient in scope and operation to protect against risks of the type and in amounts reasonably expected to be incurred by companies of similar size and in similar lines of business as the Company and the Subsidiaries. Except as would not reasonably be expected to be material to the Company or any of its Subsidiaries, since January 1, 2016, all derivative instruments, including, swaps, caps, floors, and option agreements, whether entered into for the Company's own account, or for the account of one or more of the Subsidiaries, were entered into (1) only in the ordinary course of business, (2) in accordance with prudent practices and in all respects with all applicable Laws, and (3) with counterparties believed to be financially responsible at the time, and each of them constitutes the valid and legally binding obligation of the Company or one of the Subsidiaries, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.Neither the Company nor the Subsidiaries, nor, to the Company's Knowledge, any other party thereto, is in breach of any of its obligations under any such agreement or arrangement.

(rr) Company Benefit Plans.

(i) " **Benefit Plan**" means all material employee benefit plans, programs, agreements, contracts, policies, practices, or other arrangements providing benefits to any current or former employee, officer, director or consultant of the Company or any of its Subsidiaries or any beneficiary or dependent thereof that is sponsored or maintained by the Company or any of its Subsidiaries or to which the Company or any of its Subsidiaries contributes or is obligated to contribute or is party, whether or not written, including any material "employee welfare benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), any "employee pension benefit plan" within the meaning of Section 3(2) of ERISA (whether or not such plan is subject to ERISA) and any material bonus, incentive, deferred compensation, vacation, stock purchase, stock option or equity award, equity-based severance, employment, change of control, consulting or fringe benefit plan, program, agreement or policy. Each Benefit Plan is listed on Schedule 3.1(rr)(i). True and complete copies of all Benefit Plans listed on Schedule 3.1(rr)(i) have been made available to the Purchasers prior to the date hereof.

(ii) With respect to each Benefit Plan, (A) the Company and its Subsidiaries have complied, and are now in compliance in all material respects with the applicable provisions of ERISA, and the Code and all other Laws and regulations applicable to such Benefit Plan and (B) each Benefit Plan has been administered in all material respects in accordance with its terms. Except as would not reasonably be expected to be material to the Company or any of its Subsidiaries, none of the Company or any of its Subsidiaries nor any of their respective ERISA Affiliates has incurred any withdrawal liability as a result of a complete or partial withdrawal from a multiemployer plan, as those terms are defined in Part I of Subtitle E of Title IV of ERISA, that has not been satisfied in full. "**ERISA Affiliate**" means any entity, trade or business, whether or not incorporated, which together with the Company and its Subsidiaries, would be deemed a "single employer" within the meaning of Section 4001 of ERISA or Sections 414(b), (c), (m) or (o) of the Code.

(iii) Each Benefit Plan which is subject to ERISA (an " **ERISA Plan**") that is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA ("**Pension Plan**") and that is intended to be qualified under Section 401 (a) of the Code is so qualified, has received a favorable determination letter from the Internal Revenue Service (the "**IRS**") and, to the Company's Knowledge, nothing has occurred, whether by action or failure to act, that could likely result in revocation of any such favorable determination or opinion letter or the loss of the qualification of such Benefit Plan under Section 401(a) of the Code. Neither the Company nor any of its Subsidiaries has engaged in a transaction with respect to any ERISA Plan that, assuming the taxable period of such transaction expired as of the date hereof, could subject the Company or any of its Subsidiaries to a material tax or material penalty imposed by either Section 4975 of the Code or Section 502(i) of ERISA. Neither the Company nor any of its Subsidiaries has incurred or reasonably expects to incur a material tax or penalty imposed by Section 4980F of the Code or Section 502 of ERISA.

(iv) Neither the Company, any of its Subsidiaries nor any ERISA Affiliate (x) sponsors, maintains or contributes to or has within the past six years sponsored, maintained or contributed to a Pension Plan that is subject to Subtitles C or D of Title IV of ERISA or (y) sponsors, maintains or has any liability with respect to or an obligation to contribute to or has within the past six years sponsored, maintained, had any liability with respect to, or had an obligation to contribute to a "multiemployer plan" within the meaning of Section 3(37) of ERISA.

(v) None of the execution and delivery of this Agreement, the issuance of Purchased Shares, nor the consummation of the transactions contemplated hereby will, whether alone or in connection with another event, (i) constitute a "change in control" or "change of control" within the meaning of any Benefit Plan or result in any material payment or benefit (including severance, unemployment compensation, "excess parachute payment" (within the meaning of Section 280G of the Code), forgiveness of indebtedness or otherwise) becoming due to any current or former employee, officer, director or consultant of the Company or any of its Subsidiaries from the Company or any of its Subsidiaries under any Benefit Plan or any other agreement with any employee, including, for the avoidance of doubt, any employment or change in control agreements, (ii) result in payments under any of the Benefit Plans which would not be deductible under Section 162(m) or Section 280G of the Code, (iii) materially increase any compensation or benefits otherwise payable under any Benefit Plan, (iv) result in any acceleration of the time of payment or vesting of any such benefits, (v) require the funding or increase in the funding of any such benefits, or (vi) result in any limitation on the right of the Company or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Benefit Plan or related trust.

(vi) There is no material pending or, to the Company's Knowledge, threatened, litigation relating to the Benefit Plans (other than claims for benefits in the ordinary course). Neither the Company nor any of its Subsidiaries has any obligations for retiree health and life benefits under any ERISA Plan or collective bargaining agreement, except for health continuation coverage as required by Section 4980B of the Code or Part 6 of Title I of ERISA and at no expense to the Company and its Subsidiaries.

(vii) Except as would not reasonably be expected to be material to the Company and except for liabilities fully reserved for or identified in the Company Financial Statements, there are no pending or, to the Company's Knowledge, threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations which have been asserted or instituted against (i) the Benefit Plans, (ii) any fiduciaries thereof with respect to their duties to the Benefit Plans, or (iii) the assets of any of the trusts under any of the Benefit Plans.

(ss) Nonperforming Assets. The Company believes that the amount of reserves and allowances for loan and lease losses and other nonperforming assets established on the Company's and Bank's financial statements is adequate, and such belief is reasonable under all the facts and circumstances known to the Company and Bank.

(tt) No Change in Control. Neither the Company nor any of its Subsidiaries is a party to any employment, Change in Control, severance, or other compensatory agreement or any benefit plan pursuant to which the issuance of the Shares to the Purchasers as contemplated by this Agreement would trigger a "change of control" or other similar provision in any of the agreements, which results in payments to the counterparty or the acceleration of vesting of benefits.

(uu) Common Control. The Company is not under the control (as defined in the BHCA and the Federal Reserve's Regulation Y (12 C.F.R. Part 225) ("**BHCA Control**") of any company (as defined in the BHCA and the Federal Reserve's Regulation Y). The Company is not in BHCA Control of any federally insured depository institution other than the Bank. The Bank is not under the BHCA Control of any company (as defined in the BHCA and the Federal Reserve's Regulation Y) other than Company. Except for the Company's ownership interest in the Bank, neither the Company nor the Bank controls, in the aggregate, more than five percent (5%) of the outstanding shares of any class of voting securities, directly or indirectly, of any federally insured depository institution. The Bank is not subject to the liability of any commonly controlled depository institution pursuant to Section 5(e) of the Federal Deposit Insurance Act (12 U.S.C. § 1815(e)).

(vv) Material Contracts. The Company has made available to each Purchaser or its respective representatives, prior to the date hereof, true, correct, and complete copies of, and listed on Schedule 3.1(vv), each Material Contract to which the Company or any of its Subsidiaries is a party or subject (whether written or oral, express or implied) as of the date of this Agreement. Each Material Contract is a valid and binding obligation of the Company or any of its Subsidiaries (as applicable) that is a party thereto and, to the Company's Knowledge, each other party to such Material Contract, except for such failures to be valid and binding as, individually or in the aggregate, would not reasonably be expected to be material to the Company or any of its Subsidiaries. Each such Material Contract is enforceable against the Company or any of its Subsidiaries (as applicable) that is a party thereto and, to the Company's Knowledge, each other party to such Material Contract in accordance with its terms (subject in each case to applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding of law or at equity), except for such failures to be enforceable as, individually or in the aggregate, would not reasonably be expected to be material to the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries, nor to the Company's Knowledge, any other party to a Material Contract, is in material default or material breach of a Material Contract and there does not exist any event, condition or omission that would constitute such a default or breach (whether by lapse of time or notice or both), in each case, except as, individually or in the aggregate, would not reasonably be expected to be material to the Company or any of its Subsidiaries.

(ww) No "Bad Actor" Disqualification. The Company has exercised reasonable care, in accordance with Commission rules and guidance, and has conducted a factual inquiry including the procurement of relevant questionnaires from each Covered Person (as defined below) or other means, the nature and scope of which reflect reasonable care under the relevant facts and circumstances, to determine whether any Covered Person is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act ("**Disqualification Events**"). To the Company's Knowledge, after conducting such sufficiently diligent factual inquiries, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act. "**Covered Persons**" are those persons specified in Rule 506(d)(1) under the Securities Act, including the Company, any predecessor or affiliate of the Company, any director, executive officer, other officer participating in the offering, general partner or managing member of the Company, any beneficial owner of twenty percent (20%) or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Shares, and any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Shares (a "**Solicitor**"), any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of any Solicitor or general partner or managing member of any Solicitor.

(xx) Knowledge as to Conditions. The Company knows of no reason why it would be reasonable to expect that any regulatory approvals and, to the extent necessary, any other approvals, authorizations, filings, registrations, and notices required or otherwise a condition to the consummation of the transactions contemplated by the Transaction Documents will not be obtained.

(yy) Shell Company Status. The Company is not, and has never been, an issuer identified in Rule 144(i)(1).

Section 3.2 Representations and Warranties of the Purchasers. Each Purchaser hereby, for itself and for no other Purchaser, represents and warrants as of the date of this Agreement and as of the Closing Date to the Company as follows:

(a) Organization; Authority. If such Purchaser is an entity, it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization with the requisite corporate, partnership, limited liability company or other power and authority to enter into and to consummate the transactions contemplated by the applicable Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. If such Purchaser is an entity, the execution and delivery of this Agreement and performance by such Purchaser of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate or, if such Purchaser is not a corporation, such partnership, limited liability company or other applicable like action, on the part of such Purchaser, and no further approval or authorization by any of such persons, as the case may be, is required. This Agreement has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, or similar Laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

(b) No Conflicts. The execution, delivery, and performance by such Purchaser of this Agreement and the Registration Rights Agreement, if applicable, and the consummation by such Purchaser of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of such Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, or instrument to which such Purchaser is a party, or (iii) result in a violation of any Law, rule, regulation, order, judgment, or decree (including federal and state securities Laws) applicable to such Purchaser, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights, or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Purchaser to perform its obligations hereunder.

(c) Investment Intent. Such Purchaser understands that the understands that the Shares are "restricted securities" and have not been registered under the Securities Act or any applicable state securities Law and is acquiring the Shares as principal for its own account and not with a view to, or for distributing or reselling such Shares or any part thereof in violation of the Securities Act or any applicable state securities Laws, provided, however, that by making the representations herein, such Purchaser does not agree to hold any of the Shares for any minimum period of time and reserves the right at all times to sell or otherwise dispose of all or any part of such Shares pursuant to an effective registration statement under the Securities Act or under an exemption from such registration and in compliance with applicable federal and state securities Laws. Such Purchaser is acquiring the Shares hereunder in the ordinary course of its business. Such Purchaser does not presently have any agreement, plan, or understanding, directly or indirectly, with any Person to distribute or effect any distribution of any of the Shares (or any securities which are derivatives thereof) to or through any person or entity.

(d) Purchaser Status. At the time such Purchaser was offered the Shares, it was, and at the date hereof it is, an "accredited investor" as defined in Rule 501(a) under the Securities Act.

(e) Residency. Such Purchaser's office in which its investment decision with respect to the Shares was made is located at the address for such Purchaser set forth under such Purchaser's name on the signature page hereof.

(f) Reliance. The Company will be entitled to rely upon this Agreement and is irrevocablyauthorized to produce this Agreement to (A) any regulatory authority having jurisdiction over the Company and its Affiliates, and (B) any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby, in each case, to the extent required by any court or governmental authority to which the Company or any of its Subsidiaries is subject, provided that the Company provides the Purchaser with prior written notice of such disclosure to the extent practicable and allowed by applicable Law.

(g) General Solicitation. Such Purchaser (i) is not purchasing the Shares as a result of any advertisement, article, notice, or other communication regarding the Shares published in any newspaper, magazine, or similar media or broadcast over television or radio or presented at any seminar or any other form of "general solicitation" or "general advertising" (as such terms are used in Regulation D), (ii) has entered into no agreements with shareholders of the Company for the purpose of controlling the Company or any Subsidiary; and (iii) has entered into no agreements with shareholders of the Company regarding voting or transferring Purchaser's interest or expected interest in the Company.

(h) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication, and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Shares and has so evaluated the merits and risks of such investment. Such Purchaser is capable of protecting its own interests in connection with this investment and has experience as an investor in securities of companies like the Company. Such Purchaser is able to bear the economic risk of an investment in the Shares and, at the present time, is able to afford a complete loss of such investment. Further, Purchaser understands that no representation is being made as to the future trading value or trading volume of the Shares.

(i) Access to Information. The Purchaser is sufficiently aware of the Company's business affairs and financial condition to reach an informed and knowledgeable decision to acquire the Shares. Such Purchaser acknowledges that it has had the opportunity to review this Agreement and all matters disclosed in the Disclosure Schedules and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, management and representatives of the Company concerning the terms and conditions of the offering of the Shares and the merits and risks of investing in the Shares and any such questions have been answered to such Purchaser's reasonable satisfaction; (ii) access to information about the Company and the Subsidiaries and their respective financial condition, results of operations, business, properties, management, and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. The Purchaser has received all information it deems appropriate for assessing the risk of an investment in the Shares. Neither such inquiries nor any other investigation conducted by or on behalf of such Purchaser or its representatives or counsel shall modify, amend, or affect such Purchaser's right to rely on the accuracy of the Company's representations and warranties contained in this Agreement. Purchaser acknowledges that the Company has not made any representation, express or implied, with respect to the accuracy, completeness, or adequacy of any available information except that the Company has made the express representations and warranties contained in Section 3.1 of this Agreement.

(j) Brokers and Finders. No Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest, or claim against or upon the Company or any Purchaser for any commission, fee, or other compensation pursuant to any agreement, arrangement, or understanding entered into by or on behalf of such Purchaser.

(k) Independent Investment Decision. Such Purchaser has independently evaluated the merits of its decision to purchase Shares pursuant to the Transaction Documents, and such Purchaser confirms that it has not relied on the advice of the Company (or any of its agents, counsel, or Affiliates) or any other Purchaser or other Purchaser's business and/or legal counsel in making such decision; provided thatthe foregoing shall in no way limit such Purchaser's right to rely on the accuracy of the Company's representations and warranties in this Agreement. Such Purchaser understands that nothing in this Agreement or any other materials presented by or on behalf of the Company to the Purchaser in connection with the purchase of the Shares constitutes legal, regulatory, tax, or investment advice. Such Purchaser has consulted such legal, tax, and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Shares. Such Purchaser has not relied on the business, legal, or regulatory advice of the Company's agents, counsel, or Affiliates in making its investment decision hereunder, and confirms that none of such Persons has made any representations or warranties to such Purchaser in connection with the transactions contemplated by the Transaction Documents.

(l) Antitrust and Other Consents and Filings. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Entity or authority or any other person or entity in respect of any Law or regulation is necessary or required to be obtained or made by such Purchaser, and no lapse of a waiting period under law applicable to such Purchaser is necessary or required, in each case in connection with the execution, delivery, or performance by such Purchaser of this Agreement or the purchase of the Shares contemplated hereby, other than passivity or anti-association commitments or other documentation that may be required by the Federal Reserve or other federal or state banking authority.

(m) OFAC and Anti-Money Laundering. The Purchaser understands, acknowledges, represents, and agrees that (i) to the knowledge of the Purchaser, the Purchaser is not the target of any sanction, regulation, or law promulgated by the Office of Foreign Assets Control, the Financial Crimes Enforcement Network, or any other U.S. Governmental Entity ("**U.S. Sanctions Laws**"), (ii) the Purchaser is not owned by, controlled by, under common control with, or acting on behalf of any person that is the target of U.S. Sanctions Laws, (iii) the Purchaser is not a "foreign shell bank" and is not acting on behalf of a "foreign shell bank" under applicable anti-money laundering laws and regulations, (iv) the Purchaser's entry into this Agreement or consummation of the transactions contemplated hereby will not contravene U.S. Sanctions Laws or applicable anti- money laundering laws or regulations, (v) to the extent permitted under applicable Law, the Purchaser will promptly provide to the Company or any regulatory or law enforcement authority such information or documentation as may be required to comply with U.S. Sanctions Laws or applicable anti-money laundering laws or regulations, and (vi) the Company may provide to any regulatory or law enforcement authority information or documentation regarding, or provided by, the Purchaser for the purposes of complying with U.S. Sanctions Laws or applicable anti-money laundering laws or regulations.

(n) Bank Holding Company Status. Assuming the accuracy of the Company's representations and warranties in Section 3.1, the Purchaser, either alone or together with any other Person whose Company securities would (to the knowledge of the Purchaser) be aggregated with such Purchaser's Company securities for purposes of any applicable banking regulation or Law, will not, directly or indirectly, own, control or have the power to vote, immediately after giving effect to its purchase of Shares pursuant to this Agreement, in excess of 9.99% of the outstanding shares of any class or series of the Company's voting securities.

(o) No Other Representation. Such Purchaser has not made and does not make any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in this Section 3.2.

ARTICLE IV
OTHER AGREEMENTS OF THE PARTIES

Section 4.1 Transfer Restrictions.

(a) Compliance with Laws. Notwithstanding any other provision of this Article IV, each Purchaser covenants that the Purchased Shares may be disposed of only pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and in compliance with any applicable state, federal or foreign securities Laws. In connection with any transfer of the Purchased Shares other than (i) pursuant to an effective registration statement, (ii) to the Company or (iii) pursuant to Rule 144 (provided that the transferor provides the Company with reasonable assurances (in the form of a seller representation letter and, if applicable, a broker representation letter) that such securities may be sold pursuant to such rule), the Company may require the transferor thereof to provide to the Company and the Transfer Agent, at the transferor's expense, an opinion of counsel selected by the transferor and reasonably acceptable to the Company and the Transfer Agent, the form and substance of which opinion shall be reasonably satisfactory to the Company and the Transfer Agent, to the effect that such transfer does not require registration of such Shares under the Securities Act. As a condition of transfer (other than pursuant to clauses (i), (ii) or (iii) of the preceding sentence), any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights of a Purchaser under this Agreement and the Registration Rights Agreement, if applicable, with respect to such transferred Shares.

(b) Legends. Certificates evidencing the Shares shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form, until such time as they are not required under Section 4.1(c) or applicable Law:

> THE ISSUANCE OF THESE SECURITIES HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF(A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY AND ITS TRANSFER AGENT OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT (PROVIDED THAT THE TRANSFEROR PROVIDES THE COMPANY WITH REASONABLE ASSURANCES (IN THE FORM OF A SELLER REPRESENTATION LETTER AND, IF APPLICABLE, A BROKER REPRESENTATION LETTER) THAT THE SECURITIES MAY BE SOLD PURSUANT TO SUCH RULE).

(c) Removal of Legends. Upon the request of the holder, the restrictive legend set forth in Section 4.1(b) above shall be removed and the Company shall issue a certificate without such restrictive legend or any other restrictive legend to the holder of the applicable Shares upon which it is stamped, if(i) such Shares are registered for resale under the Securities Act, (ii) such Shares are sold or transferredpursuant to Rule 144, or (iii) such Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable) as to such securities and without volume or manner-of-sale restrictions. Following the earlier of (i) the Effective Date or (ii) Rule 144 becoming available for the resale of Shares, without the requirement for the Company to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable) as to the Shares and without volume or manner-of-sale restrictions, the Company, upon the written request of the holder, shall instruct the Transfer Agent to remove the legend from the Shares and shall cause its counsel to issue any legend removal opinion required by the Transfer Agent. Any fees (with respect to the Company or the Transfer Agent, Company counsel or otherwise) associated with the issuance of such opinion or the removal of such legend shall be borne by the Company. If a legend is no longer required pursuant to the foregoing, the Company will no later than three (3) Trading Days following the delivery by a Purchaser to the Transfer Agent (with notice to the Company) of a legended certificate representing such Shares (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer) and a representation letter to the extent required by Section 4.1(a) (such third Trading Date, the "**Legend Removal Date**"), deliver or cause to be delivered to Purchaser a certificate representing such Shares that is free from all restrictive legends. Except as may be required to ensure compliance with applicable law and expressly provided in this Agreement, the Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4.1(c).

(d) If the Company shall fail for any reason or for no reason to issue to any Purchaser unlegended certificates by the Legend Removal Date, then, in addition to all other remedies available to such Purchaser, if on or after the trading day immediately following such three trading day period, such Purchaser purchases, or a broker (a "**Buy-In Broker**") purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of such sale in lieu of shares of Common Stock Purchaser anticipated receiving from the Company without any restrictive legend (a "**Buy-In**"), then the Company shall, within three Business Days after such Purchaser's request, honor its obligation to deliver to such Purchaser a certificate or certificates without restrictive legends representing such shares of Common Stock and pay cash to such Purchaser in an amount equal to the excess (if any) of such Purchaser's or Buy-In Broker's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased over the product of (i) such number of shares of Common Stock, times (ii) the closing bid price on the Legend Removal Date.

(e) The Company shall cooperate, in accordance with reasonable and customary business practices, with any and all transfers, whether by direct or indirect sale, assignment, award, confirmation, distribution, bequest, donation, trust, pledge, encumbrance, hypothecation or other transfer or disposition, for consideration or otherwise, whether voluntarily or involuntarily, by operation of law or otherwise, by the Purchasers or any of their respective successors and assigns of the Shares and other shares of Common Stock and/or Non-Voting Common Stock such party may beneficially own prior to or subsequent to the date hereof; provided that each such transfer is being made in accordance with applicable Law and all applicable contractual restrictions, including pursuant to this Agreement and the Registration Rights Agreement, if applicable.

(f) Each Purchaser agrees it will not sell or otherwise transfer the Purchased Shares, or any interest therein without complying with the requirements of the Securities Act. Except as otherwise provided below, to the extent applicable to a Purchaser's Shares, while the above-referenced registration statement remains effective, such Purchaser may sell the Shares in accordance with the plan of distribution contained in the registration statement, if applicable, and if it does so, it will comply therewith and with the related prospectus delivery requirements, unless an exemption therefrom is available. Each Purchaser who is a party to the Registration Rights Agreement agrees that if it is notifiedby the Company in writing at any time that the registration statement registering the resale of the Shares is not effective or that the prospectus included in such registration statement no longer complies with the requirements of Section 10 of the Securities Act, the Purchaser will refrain from selling such Shares until such time as the Purchaser is notified by the Company that such registration statement is effective or such prospectus is compliant with Section 10 of the Securities Act, unless such Purchaser is able to, and does, sell such Shares pursuant to an available exemption from the registration requirements of Section 5 of the Securities Act, such as under Rule 144 of the Securities Act.

Section 4.2 Acknowledgment of Dilution. The Company acknowledges that the issuance of the Shares may result in dilution of the outstanding shares of Common Stock. The Company further acknowledges that its obligations under the Transaction Documents, including without limitation its obligation to issue the Shares pursuant to the Transaction Documents, are unconditional (except as otherwise set forth herein), absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Company may have against any Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of

the other shareholders of the Company.

Section 4.3 Access; Information.

(a) Castle Creek and its Affiliates shall be provided with access, information, and other rights as provided in the VCOC Letter Agreement.

(b) Each party to this Agreement will hold, and will cause its respective subsidiaries and their directors, officers, employees, agents, consultants and advisors to hold, in strict confidence, unless disclosure to a Governmental Entity is necessary or appropriate in connection with any necessary regulatory approval, or request for information or similar process, or unless compelled to disclose by judicial or administrative process or, based on the advice of its counsel, by other requirement of law or the applicable requirements of any Governmental Entity (in which case, the party permitted to disclose such information shall, to the extent legally permissible and reasonably practicable, provide the other party with prior written notice of such permitted disclosure), all nonpublic records, books, contracts, instruments, computer data and other data and information (collectively, "**Information**") concerning the other party hereto furnished to it by such other party or its representatives pursuant to this Agreement (except to the extent that such information (1) was previously known by or in the possession of such party on a non-confidential basis, (2) is or becomes in the public domain through no fault of such party, (3) is later lawfully acquired from other sources by the party to which it was furnished, or (4) is independently developed by such party without the use of the Information and without any violation of this Section 4.3(b)), and neither party hereto shall release or disclose such Information to any other person, except its auditors, attorneys, financial advisors, other consultants and advisors with the express understanding that such parties will maintain the confidentiality of the Information and, to the extent permitted above, to bank and securities regulatory authorities; provided, however, that each Purchaser may identify the Company and the number and value of such Purchaser's security holdings in the Company in accordance with applicable investment reporting and disclosure regulations or internal policies without prior notice to or consent from the Company.

(c) Without limiting Section 4.3(a), for so long as Castle Creek together with its Affiliates has a Minimum Ownership Interest, irrespective of whether Castle Creek has a right to designate a director to serve on or an observer to attend meetings of the Board, Castle Creek shall be provided with all documents and information provided to members of the Board in connection with monthly Board meetings; provided, however, that the Company shall not be required to provide such documents and information to the extent (and only to the extent) (i) they constitute confidential supervisory information or documents or information the disclosure of which is prohibited by applicable Law or (ii) doing sowould jeopardize the application of the attorney-client or any similar privilege; provided, further, that the Company shall use commercially reasonable efforts to provide such information to Purchaser in an alternate manner. All documents and information provided under this Section 4.3(a) will be subject to the confidentiality provisions contained in the VCOC Letter Agreement.

Section 4.4 Form D and Blue Sky. The Company agrees to timely file a Form D with respect to the Purchased Shares as required under Regulation D. The Company, on or before the Closing Date, shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for or to qualify the Purchased Shares for sale to the Purchasers at the Closing pursuant to this Agreement under applicable securities or "Blue Sky" Laws of the states of the United States (or to obtain an exemption from such qualification). The Company shall make all filings and reports relating to the offer and sale of the Purchased Shares required under applicable securities or "Blue Sky" Laws of the states of the United States following the Closing Date.

Section 4.5 No Integration. The Company shall not, and shall use its reasonable best efforts to ensure that no Affiliate of the Company shall, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that will be integrated with the offer or sale of the Purchased Shares in a manner that would require the registration under the Securities Act of the sale of the Purchased Shares to the Purchasers.

Section 4.6 Bank Regulatory Approvals. Upon Castle Creek's request, the Company shall use its reasonable best efforts to cooperate with Castle Creek to receive the Bank Regulatory Approvals. Notwithstanding anything to the contrary in this Agreement, upon the receipt of such Bank Regulatory Approvals, (a) all references in this Agreement to ownership and voting limitations (but not the Minimum Ownership Interest) of nine point nine percent (9.9%) shall, with respect to Castle Creek only, be deemed to be deleted and replaced with twenty-four point nine percent (24.9%), and (b) the Company will cooperate in good faith to make any changes to the Transaction Documents to implement the intent of this Section 4.6 and address any bank regulatory concerns of Castle Creek. At any time after receipt of the Bank Regulatory Approvals, at the request of Castle Creek, the Company shall use its reasonable best efforts to exchange all shares of Non-Voting Common Stock held by Castle Creek into the applicable number of shares of Common Stock and to deliver such shares of Common Stock to Castle Creek in book-entry form.

Section 4.7 Indemnification.

(a) Indemnification of Purchasers. In addition to any other indemnity provided in the Transaction Documents, if applicable, the Company will indemnify and hold each Purchaser and its directors, officers, shareholders, members, partners, employees, agents, and investment advisors (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners, employees, agents, or investment advisors (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling person (each, a "**Purchaser Party**") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs, and expenses, including all judgments, amounts paid in settlements, court costs, and reasonable attorneys' fees and costs of investigation (collectively, "**Losses**") that any such Purchaser Party may suffer or incur as a result of (i) any breach of any of the representations, warranties, covenants, or agreements made by the Company in this Agreement or in the other Transaction Documents, and (ii) any action instituted against a Purchaser Party in any capacity, or any of them or their respective affiliates, by any shareholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by this Agreement.Any indemnification payment made pursuant to this Agreement shall be treated as an adjustment to purchase price for Tax purposes, except as otherwise required by Law or deemed impermissible under GAAP. Such payment shall not result in an adjustment to the value of the original investment reported by the Company under GAAP.

(b) Third Party Claims. Promptly after receipt by any Purchaser Party of notice of any demand, claim, or circumstances which would or might give rise to a claim or the commencement of any Action in respect of which indemnity may be sought pursuant to Section 4.7(a), such Purchaser Party shall promptly notify the Company in writing and the Company may assume the defense thereof, including the employment of counsel reasonably satisfactory to such Purchaser Party, and shall assume the payment of all fees and expenses; provided, however, that the failure of any Purchaser Party so to notify the Company shall not relieve the Company of its obligations hereunder except to the extent that the Company is actually materially and adversely prejudiced by such failure to notify. In any such Action, any Purchaser Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party unless (i) the Company and the Purchaser Party shall have mutually agreed to the retention of such counsel, (ii) the Company shall have failed promptly to assume the defense of such Action and to employ counsel reasonably satisfactory to such Purchaser Party in such Action, or (iii) in the reasonable judgment of counsel to such Purchaser Party, representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not be liable for any settlement of any Action effected without its written consent, which consent shall not be unreasonably withheld, delayed or conditioned. Without the prior written consent of the Purchaser Party, the Company shall not effect any settlement of any pending or threatened Action in respect of which any Purchaser Party is or could have been a party and indemnity could have been sought hereunder by such Purchaser Party, unless such settlement includes an unconditional release of such Purchaser Party from all liability arising out of such Action.

(c) Knowledge and Materiality Scrape. For purposes of the indemnity contained in Section 4.7(a), all qualifications and limitations set forth in the parties' representations and warranties as to "Company's Knowledge," "materiality," "Material Adverse Effect" and words of similar import shall be disregarded in determining whether there shall have been any inaccuracy in or breach of any representations and warranties in this Agreement and the Losses arising therefrom.

(d) Investigation. No investigation by any Purchaser, whether prior to or after the date of this Agreement, shall limit any Purchaser Party's exercise of any right hereunder or be deemed to be a waiver of any such right.

(e) Limitation on Company's Indemnification Obligations. Notwithstanding anything to the contrary in this Agreement, (i) the Company will not be liable for Losses that otherwise are indemnifiable under Section 4.7(a) until the total amount of all Losses under Section 4.7(a) incurred by all Purchaser Parties exceeds $125,000 (the "**Deductible**"), at which point the amount of all Losses in excess of the Deductible shall be recoverable in accordance with Section 4.7, and (ii) the maximum aggregate liability of the Company for all Losses pursuant to this Agreement shall be $25,000,000 (provided, that solely with respect to Losses indemnifiable under Section 4.7(a)(i), other than Losses arising from the representations and warranties set forth in Section 5.9(a), the Company's maximum aggregate liability for such Losses shall be $5,000,000).

Section 4.8 Use of Proceeds. The Company intends to use the net proceeds from the sale of the Shares hereunder to strengthen the Company's current balance sheet, improve the regulatory capital of the Bank, support organic growth opportunities and for general corporate purposes.

Section 4.9 Limitation on Beneficial Ownership. No Purchaser (and its Affiliates or any other Persons with which it is acting in concert) shall be entitled to purchase a number of Common Shares that would result in such Purchaser becoming, directly or indirectly, the beneficial owner (as determined under Rule 13d-3 under the Exchange Act) at the Closing of more than nine point nine percent (9.9%) of the number of shares of the Company's voting securities issued and outstanding.

Section 4.10 Anti-Takeover Matters. If any Takeover Law may become, or may purport to be, applicable to the transactions contemplated or permitted by this Agreement, the Company and the Board shall grant such approvals and take such actions as are necessary so that the transactions contemplated or permitted by this Agreement and the other Transaction Documents may be consummated, as promptly as practicable, on the terms contemplated by this Agreement and the other Transaction Documents, as the case may be, and otherwise act to eliminate or minimize the effects of any Takeover Law on any of the transactions contemplated or permitted by this Agreement and the other Transaction Documents.

Section 4.11 Avoidance of Control.

(a) Notwithstanding anything to the contrary in this Agreement, except as provided in Section 4.6, no Purchaser (together with its affiliates (as such term is used under the BHCA)) shall have the ability to purchase or exercise any voting rights of any securities in excess of nine point nine percent (9.9%) of the outstanding shares of any class of voting securities of the Company. In the event any Purchaser breaches its obligations under this Section 4.11 or believes that it is reasonably likely to breach such an obligation, it shall promptly notify the Company and shall cooperate in good faith with such parties to modify ownership or make other arrangements or take any other action, in each case, as is necessary to cure or avoid such breach.

(b) Notwithstanding anything to the contrary in this Agreement, neither the Company nor any Subsidiary shall take any action (including, without limitation, any redemption, repurchase, rescission or recapitalization of Common Stock, or securities or rights, options or warrants to purchase Common Stock, or securities of any type whatsoever that are, or may become, convertible into or exchangeable into or exercisable for Common Stock in each case, where each Purchaser is not given the right to participate in such redemption, repurchase, rescission, or recapitalization to the extent of such Purchaser's pro rata proportion) that would reasonably be expected to pose a substantial risk that (a) a Purchaser's equity securities of the Company (together with equity securities owned by such Purchaser's affiliates (as such term is used under the BHCA)) would exceed thirty-three point three percent (33.3%) of the Company's total equity or (b) a Purchaser's ownership of any class of voting securities of the Company (together with the ownership by such Purchaser's affiliates (as such term is used under the BHCA) of voting securities of the Company) would (i) exceed nine point nine percent (9.9%), in each case without the prior written consent of such Purchaser and receipt of any required Bank Regulatory Approvals, or (ii) increase to an amount that would constitute "control" under the BHCA, the CIBC Act, any applicable provisions of the Laws of the State of Michigan, or any rules or regulations promulgated thereunder (or any successor provisions) or otherwise cause such Purchaser to "control" the Company under and for purposes of the BHCA, the CIBC Act, any applicable provisions of the Laws of the State of Michigan, or any rules or regulations promulgated thereunder (or any successor provisions). Notwithstanding anything to the contrary in this Agreement, no Purchaser (together with its respective affiliates (as such term is used under the BHCA)) shall have the ability to purchase more than thirty-three point three percent (33.3%) of the Company's total equity or exercise any voting rights of any class of securities in excess of nine point nine percent (9.9%) of any outstanding class of voting securities of the Company (except as provided in Section 4.6). In the event either the Company or any Purchaser breaches its obligations under this Section 4.11 or believes that it is reasonably likely to breach such an obligation, it shall promptly notify the other party hereto and shall cooperate in good faith with such parties to modify ownership or, to the extent commercially reasonable, make other arrangements or take any other action, in each case, as is necessary to cure or avoid such breach.

Section 4.12 No Change of Control. The Company shall use reasonable best efforts to obtain all necessary irrevocable waivers, adopt any required amendments and make all appropriate determinations so that the issuance of the Shares to the Purchasers will not trigger a "change of control" or other similar provision in any Material Contracts and any employment, "change in control," severance or other employee or director compensation agreements or any benefit plan of the Company or any of its Subsidiaries, which results in payments to the counterparty or the acceleration of vesting of benefits.

Section 4.13 Filings; Other Actions. Each Purchaser, with respect to itself only, on the one hand, and the Company, on the other hand, will reasonably cooperate and consult with the other and use commercially reasonable efforts to provide all necessary and customary information and data, to prepare and file all necessary and customary documentation, to effect all necessary and customary applications, notices, petitions, filings and other documents, to provide evidence of non-control of the Company and the Bank, as requested by the applicable Governmental Entity, including executing and delivering to the applicable Governmental Entities customary passivity commitments, disassociation commitments, and commitments not to act in concert, with respect to the Company or the Bank, and to obtain all necessary and customary permits, consents, orders, approvals, and authorizations of, or any exemption by, all third parties and Governmental Entities, in each case, (i) necessary or advisable to consummate the transactions contemplated by this Agreement, and to perform the covenants contemplated by this Agreement, in each case required by it, and (ii) with respect to a Purchaser, to the extent typically provided by such Purchaser to such third parties or Governmental Entities, as applicable, under such Purchaser's policies consistently applied, to the extent such Purchaser has such policies, and subject to such confidentiality requests as such Purchaser may reasonably seek. Each of the parties hereto shall execute and deliver such further certificates, agreements, and other documents and take such other actions as the other parties may reasonably request to consummate or implement such transactions or to evidence such events or matters, subject, in each case, to clauses (i) and (ii) of the first sentence of this Section 4.13. Each Purchaser, with respect to itself only, and the Company will have the right to review in advance, and to the extent practicable each will consult with the other, in each case subject to applicable Laws relating to the exchange of information (other than confidential information related to such Purchaser and any of its respective Affiliates), which appears in any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions to which it will be party contemplated by this Agreement; provided that (i) for the avoidance of doubt, no Purchaser shall have the right to review any such information relating to another Purchaser and (ii) a Purchaser shall not be required to disclose to the Company or any other Purchaser any information that is confidential and proprietary to such Purchaser, its Affiliates, its investment advisors, or its or their control persons or

equity holders. In exercising the foregoing right, the parties hereto agree to act reasonably and as promptly as practicable. Each Purchaser, with respect to itself only, on the one hand, and the Company, on the other hand, agrees to keep each other reasonably apprised of the status of matters referred to in this Section 4.13. Each Purchaser, with respect to itself only, on the one hand, and the Company, on the other hand, shall promptly furnish each other with copies of written communications received by it or its Affiliates from, or delivered by any of the foregoing to, any Governmental Entity in respect of the transactions contemplated by this Agreement; provided, that the party delivering any such document may redact any confidential information contained therein or information that cannot be shared under applicable Laws. Notwithstanding anything in this Section 4.13 or elsewhere in this Agreement to the contrary, no Purchaser shall be required to provide to any Person pursuant to this Agreement any of its, its Affiliates', its investment advisors' or its or their control persons' or equity holders' nonpublic, proprietary, personal, or otherwise confidential information including the identities or financial condition of limited partners, shareholders, or non-managing members of such Purchaser or its Affiliates or their investment advisors. Notwithstanding anything to the contrary in this Section 4.13, no Purchaser shall berequired to perform any of the above actions if such performance would constitute or could reasonably result in any restriction or condition that such Purchaser determines, in its reasonable good faith judgment, (i) is materially and unreasonably burdensome, or (ii) would reduce the benefits of the transactions contemplated hereby to such Purchaser to such a degree that such Purchaser would not have entered into this Agreement had such condition or restriction been known to it on the date of this Agreement (any such condition or restriction, a "**Burdensome Condition**"); for the avoidance of doubt, any requirement to disclose the identities or financial condition of limited partners, shareholders, or non-managing members of such Purchaser or its Affiliates or its investment advisers shall be deemed a Burdensome Condition unless otherwise determined by such Purchaser in its sole discretion.

Section 4.14 Shareholder Litigation. The Company shall promptly inform the Purchasers of any Proceeding ("**Shareholder Litigation**") against the Company, any of its Subsidiaries or any of the past or present executive officers or directors of the Company or any of its Subsidiaries that is threatened in writing or initiated by or on behalf of any shareholder of the Company in connection with or relating to the transactions contemplated hereby or by the Transaction Documents. The Company shall consult with the Purchasers and keep the Purchasers informed of all material filings and developments relating to any such Shareholder Litigation.

Section 4.15 Corporate Opportunities. Each of the parties hereto acknowledges that the Purchasers and their respective Affiliates and related investment funds may review the business plans and related proprietary information of any enterprise, including enterprises that may have products or services that compete directly or indirectly with those of the Company and its Subsidiaries, and may trade in the securities of such enterprise. None of the Purchasers, any Affiliates thereof, any related investments funds or any of their respective Affiliates shall be precluded or in any way restricted from investing or participating in any particular enterprise, or trading in the securities thereof whether or not such enterprise has products or services that compete with those of the Company and its Subsidiaries. The parties expressly acknowledge and agree that: (a) the Purchasers, any Affiliates thereof, any related investment funds, the Board Representative and any of their respective Affiliates have the right to, and shall have no duty (contractual or otherwise) not to, directly or indirectly, engage in the same or similar business activities or lines of business as the Company and its Subsidiaries; and (b) in the event that any Purchaser, the Board Representative, any Affiliate of any Purchaser, any related investment funds or any of their respective Affiliates acquires knowledge of a potential transaction or matter that may be a corporate opportunity for the Company or any of its Subsidiaries, the Purchasers, the Board Representative, Affiliates of the Purchasers, any related investment funds or any of their respective Affiliates shall have no duty (contractual or otherwise) to communicate or present such corporate opportunity to the Company or any of its Subsidiaries, and, notwithstanding any provision of this Agreement to the contrary, shall not be liable to the Company or any of its Subsidiaries or shareholders of the Company for breach of any duty (contractual or otherwise) by reason of the fact that such Purchaser, any Affiliate thereof, any related investment fund thereof or any of their respective Affiliates, directly or indirectly, pursues or acquires such opportunity for itself, directs such opportunity to another person, or does not present such opportunity to the Company; provided, however, that this clause (b) shall not apply to any potential transaction or matter that was brought to or became known to the Board Representative primarily in his capacity as a director of the Company or any of its Subsidiaries.

Section 4.16 Board Representative and Observer.

(a) Following the Closing, the Company will promptly cause an individual designated by Castle Creek, but reasonably acceptable to the Company (provided that all managing principals and principals of Castle Creek shall be deemed reasonably acceptable to the Company for purposes hereof) (the "**Board Representative**"), to be elected or appointed to the Board, subject to satisfaction of all legal and regulatory requirements and the Company's internal policies and principles regarding service andelection or appointment as a director of the Company, and the boards of directors of the Bank and any Future Bank (the "**Bank Boards**"), subject to satisfaction of all legal and regulatory requirements and the internal policies and principles of the Bank and any such Future Bank regarding service and election or appointment as a director of the Bank or any Future Bank, as the case may be; provided that Castle Creek's right to designate the Board Representative will continue only so long as Castle Creek, together with its Affiliates, in the aggregate owns at least four point nine percent (4.9%) of the Common Stock then outstanding (the "**Minimum Ownership Interest**"). So long as Castle Creek, together with its Affiliates, has a Minimum Ownership Interest, the Company will recommend to its shareholders the election of the Board Representative to the Board at all of the Company's meetings of shareholders at which Board members are to be elected (unless the Board Representative is not up for reelection at any such meeting), subject to satisfaction of all legal requirements regarding service and election or appointment as a director of the Company. If Castle Creek no longer has a Minimum Ownership Interest, Castle Creek will have no further rights under Section 4.16(a) through (b) and, at the written request of the Board, shall use commercially reasonable efforts to cause the Board Representative to resign from the Board and the Bank Boards as promptly as possible thereafter. Castle Creek shall promptly inform the Company when it ceases to hold a Minimum Ownership Interest in the Company.

(b) Subject to applicable Law and Section 4.16(a), the Board Representative shall be one of the Company's nominees to serve on the Board. The Company shall use its reasonable best efforts to have the Board Representative elected as a director of the Company by the shareholders of the Company, and the Company shall solicit proxies for the Board Representative to the same extent as it does for any of its other Company nominees to the Board. The Company shall ensure that the Board and the Bank Boards shall each have at least four (4) members for so long as Castle Creek shall have the right to appoint a Board Representative.

(c) Subject to Section 4.16(a), upon the death, resignation, retirement, disqualification, or removal from office as a member of the Board or the Bank Boards of the Board Representative, Castle Creek shall have the right to designate the replacement for the Board Representative, which replacement shall be reasonably acceptable to the Company (provided that all managing principals and principals of Castle Creek shall be deemed reasonably acceptable to the Company for purposes hereof) and shall meet the other requirements set forth in Section 4.16(a). The Board and the Bank Boards shall use their reasonable best efforts to take all action required to fill the vacancy resulting therefrom with such person (including such person, subject to applicable Law, being one of the Company's nominees to serve on the Board and the Bank Boards), using reasonable best efforts to have such person elected as director of the Company by the shareholders of the Company and the Company soliciting proxies for such person to the same extent as it does for any of its other nominees to the Board, as the case may be.

(d) The Company hereby agrees that, from and after the Closing Date, for so long as Castle Creek and its Affiliates in the aggregate have a Minimum Ownership Interest, and do not have a Board Representative currently serving on the Board and the Bank Boards (or have a Board Representative whose appointment is subject to receipt of regulatory approvals), the Company shall invite a person designated by Castle Creek, who shall be reasonably acceptable to the Company (the "**Observer**"), to attend meetings of the Board or the Bank Boards, as applicable, in a nonvoting, nonparticipating observer capacity. The Observer shall not have any right to vote on any matter presented to the Board, the Bank Boards or any committee thereof. The Company shall give the Observer written notice of each meeting of the Board or the Bank Boards at the same time and in the same manner as the members of the Board or the Bank Boards, shall provide the Observer with all written materials and other information given to members of the Board or the Bank Boards at the same time such materials and information are given to such members (provided, however, that the Observer shall not be provided any confidential supervisory information or any information the disclosure of which would jeopardize the application of the attorney-client or any similar privilege) and shall permit the

Observer to attend as an observer at all meetingsthereof. In the event the Company, the Bank or any Future Bank proposes to take any action by written consent in lieu of a meeting, the Company, the Bank or any Future Bank shall give written notice thereof to the Observer prior to the effective date of such consent describing the nature and substance of such action and including the proposed text of such written consents. If Castle Creek no longer has a Minimum Ownership Interest, Castle Creek will have no further rights under this Section 4.16(d).

(e) The Board Representative shall be entitled to compensation and indemnification and insurance coverage in connection with his or her role as a director to the same extent as other directors on the Board or the Bank Boards, as applicable, and shall be entitled to monthly reimbursement for reasonable and documented out-of-pocket expenses incurred in attending meetings of the Board, or any committee thereof in accordance with the policies of the Company, the Bank and any Future Bank, as applicable. The Company, the Bank and any Future Bank shall notify the Board Representative of all regular meetings and special meetings of the Board and the Bank Boards and of all regular and special meetings of any committee of the Board and the Bank Boards on which the Board Representative serves. The Company, the Bank and any Future Banks shall provide the Board Representative with copies of all notices, minutes, consents and other material that it provides to all members of the Board and the Bank Boards, respectively, at the same time such materials are provided to the other respective members.

(f) The Company acknowledges that the Board Representative may have certain rights to indemnification, advancement of expenses and/or insurance provided by Castle Creek and/or its respective Affiliates (collectively, the "**Castle Creek Indemnitors**"). The Company hereby agrees that, with respect to a claim by a Board Representative for indemnification arising out his or her service as a director of the Company, the Bank or any Future Bank, (1) it is the indemnitor of first resort (*i.e.*, its obligations to the Board Representative with respect to indemnification, advancement of expenses and/or insurance (which obligations shall be the same as, but in no event greater than, any such obligations to members of the Board or the Bank Boards, as applicable) are primary and any obligation of the Castle Creek Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by the Board Representative are secondary), and (2) the Castle Creek Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Board Representative against the Company.

(g) In addition to the foregoing, the Company will reimburse Castle Creek and its Affiliates for all reasonable fees and expenses arising out of or related to the Board Representative's or the Observer's travel to monthly meetings of the Board and the Bank Boards.

(h) Notwithstanding anything to the contrary in this Agreement, (i) the Company and/or any Subsidiary may exclude the Board Representative and/or the Observer from portions of any meeting at which any matter directly related to Castle Creek, the Transaction Documents, or any of Castle Creek's rights or obligations under any of the Transaction Documents are to be discussed, and (ii) the Company and/or any Subsidiary may exclude the Observer from portions of any meeting at which there is to be any discussion or review of exam-related or confidential correspondence with the Federal Reserve, the FDIC or the Michigan Department of Insurance and Financial Services, in each case to the extent required by applicable Law as reasonably determined by the Company's legal counsel. Castle Creek covenants and agrees to hold any information obtained from its Board Representative and/or Observer in confidence (except to the extent that such information (1) was previously known by or in the possession of Castle Creek on a non-confidential basis, (2) is or becomes in the public domain through no fault of Castle Creek or the Board Representative, (3) is later lawfully acquired from other sources by Castle Creek, or (4) is independently developed by Castle Creek without the use of such information).

Section 4.17 Preemptive Rights.

(a) For so long as a Purchaser, together with its Affiliates, holds a Minimum Ownership Interest, if at any time after the date hereof the Company or any of its Subsidiaries makes any public or nonpublic offering or sale of any equity (including Common Stock, Non-Voting Common Stock or restricted stock), or any securities, options or debt that is convertible or exchangeable into equity or that includes an equity component (such as, an "equity kicker") (including any hybrid security) (any such security, a "**New Security**") (provided that New Securities shall not include any Common Stock or other securities issuable (i) upon the exercise or conversion of any securities of the Company issued or agreed or contemplated (and disclosed to the Purchasers in writing) to be issued as of the date hereof; (ii) pursuant to the granting or exercise of employee stock options, restricted stock or other stock incentives pursuant to the Company's stock incentive plans approved by the Board or the issuance of stock pursuant to the Company's employee stock purchase plan approved by the Board or similar plan where stock is being issued or offered to a trust, other entity or otherwise, for the benefit of any employees, officers or directors of the Company, in each case in the ordinary course of providing incentive compensation (for the avoidance of doubt, including the Company's employee stock ownership plan but excluding the Performance-Based Equity Incentive Award Program described in Section 4.18) in all cases not to exceed in the aggregate five percent (5%) of the outstanding shares of Common Stock, determined on a fully-diluted basis, after giving effect to the transactions contemplated by this Agreement; (iii) pursuant to the Performance-Based Equity Incentive Award Program described in Section 4.18; or (iv) as full or partial consideration for a merger, acquisition, joint venture, strategic alliance, license agreement or other similar non-financing transaction), then that Purchaser shall be afforded the opportunity to acquire from the Company for the same price (net of any underwriting discounts or sales commissions) and on the same terms as such securities are proposed to be offered to others, up to the amount of New Securities in the aggregate required to enable it to maintain its proportionate Common Stock equivalent interest in the Company (or its Subsidiaries) immediately prior to any such issuance of New Securities. The amount of New Securities that such Purchaser shall be entitled to purchase in the aggregate shall be determined by multiplying (x) the total number or principal amount of such offered New Securities by (y) a fraction, the numerator of which is the total number of shares of Common Stock then held by such Purchaser (counting for such purposes all shares of Common Stock into or for which any securities owned by such Purchaser are directly or indirectly convertible or exercisable, including the Non-Voting Common Stock), if any, and the denominator of which is the total number of shares of Common Stock then outstanding (counting for such purposes all shares of Common Stock into or for which any issued and outstanding securities are directly or indirectly convertible or exercisable, including the Non-Voting Common Stock). Notwithstanding anything herein to the contrary, in no event shall a Purchaser have the right to purchase New Securities hereunder to the extent such purchase would result in such Purchaser, together with any other person whose Company securities would be aggregated with such Purchaser's Company securities for purposes of any bank regulation or law, to collectively be deemed to own, control or have the power to vote securities which (assuming, for this purpose only, full conversion and/or exercise of such securities by such Purchaser) would represent more than 9.9% (or, following the Bank Regulatory Approvals, 24.9% with respect to Castle Creek) of the Voting Securities or more than 33.3% of the Company's total equity outstanding.

(b) Notwithstanding anything in this Section 4.17 to the contrary, upon the request of any Purchaser that such Purchaser not be issued Voting Securities in whole or in part upon the exercise of its rights to purchase New Securities, the Company shall cooperate with such Purchaser to modify the proposed issuance of New Securities to the Purchaser to provide for the issuance of the Non-Voting Common Stock or other non-voting securities in lieu of Voting Securities; provided, however, that to the extent, following such reasonable cooperation, such modification would cause any other Purchaser to exceed its respective ownership limitation set forth in this Agreement, the Company shall, and shall only be obligated to, issue and sell to the Purchaser such number of Voting Securities and nonvoting securities as will not cause any other Purchaser to exceed its respective ownership limitation set forth in this Agreement and that the Purchaser has indicated it is willing to hold following consummation of suchOffering (as defined in Section 4.17(c) below), and any remaining securities may be offered, sold or otherwise transferred to any other person or persons in accordance withSection 4.17(e).

(c) In the event the Company proposes to offer or sell New Securities (the " **Offering**"), it shall give each Purchaser written notice of its intention, describing the price (or range of prices), anticipated amount of New Securities, timing, and other terms upon which the Company proposes to offer the same (including, in the case of a registered public offering and to the extent possible, a copy of the prospectus included in the registration statement filed with respect to such Offering). Each such Purchaser shall have fifteen (15) Business Days from the date of receipt of such a notice (the "**Response Period**") to notify the Company in writing that it intends to exercise its rights provided in this Section 4.17 and as to the amount of New Securities such Purchaser desires to purchase, up to the maximum amount calculated pursuant to Section 4.17. Such notice shall constitute a binding agreement of such Purchaser to purchase the amount of New Securities so specified at the price and on the terms set forth in the Company's notice to such Purchaser, but subject to such Purchaser's receipt of any required approvals described in this Section 4.17. The failure of such Purchaser to respond within the Response Period shall be deemed to be a waiver of such Purchaser's rights under this Section 4.17 only with respect to the Offering described in the applicable notice, but shall not impact any other Purchaser's rights under this Section 4.17.

(d) If a Purchaser exercises its rights provided in this Section 4.17, the closing of the purchase of the New Securities in connection with the closing of the Offering with respect to which such right has been exercised shall take place within sixty (60) calendar days after the giving of notice of such exercise, which period of time shall be extended for a maximum of 180 days in order to comply with applicable Laws and regulations (including receipt of any applicable regulatory or shareholder approvals). Notwithstanding anything to the contrary herein, the closing of the purchase of the New Securities by a Purchaser will occur no earlier than the closing of the Offering triggering the right being exercised by such Purchaser. Each of the Company and such Purchaser agrees to use its commercially reasonable efforts to secure any regulatory or shareholder approvals or other consents, and to comply with any law or regulation necessary in connection with the offer, sale and purchase of, such New Securities.

(e) In the event a Purchaser fails to exercise its rights provided in this Section 4.17 within this Response Period or, if so exercised, such Purchaser is unable to consummate such purchase within the time period specified in Section 4.17(d) above because of its failure to obtain any required regulatory or shareholder consent or approval, the Company shall thereafter be entitled (during the period of sixty(60) days following the conclusion of the applicable period) to sell or enter into an agreement (pursuant to which the sale of the New Securities covered thereby shall be consummated, if at all, within ninety(90) days from the date of such agreement) to sell the New Securities not elected to be purchased pursuant to this Section 4.17 by such Purchaser or which such Purchaser is unable to purchase because of such failure to obtain any such consent or approval, at a price and upon terms no more favorable in the aggregate to the purchasers of such New Securities than were specified in the Company's notice to such Purchaser. Notwithstanding the foregoing, if such sale is subject to the receipt of any regulatory or shareholder approval or consent or the expiration of any waiting period, the time period during which such sale may be consummated shall be extended until the expiration of five (5) Business Days after all such approvals or consents have been obtained or waiting periods expired, but in no event shall such time period exceed 180 days from the date of the applicable agreement with respect to such sale. In the event the Company has not sold the New Securities or entered into an agreement to sell the New Securities within such 60-day period (or sold and issued New Securities in accordance with the foregoing within ninety (90) days from the date of such agreement (as such period may be extended in the manner described above for a period not to exceed 180 days from the date of such agreement)), the Company shall not thereafter offer, issue or sell such New Securities without first offering such New Securities to each Purchaser in the manner provided above.

(f) Notwithstanding the foregoing provisions of this Section 4.17, if a majority of the directors of the Board determines that the Company must issue equity or debt securities on an expedited basis, then the Company may consummate the proposed issuance or sale of such securities ("**Expedited Issuance**") and then comply with the provisions of this Section 4.17 provided that (i) the purchasers of such New Securities have consented in writing to the issuance of additional New Securities in accordance with the provisions of this Section 4.17, and (ii) the sale of any such additional New Securities under this Section 4.17(f) to each Purchaser shall be consummated as promptly as is practicable but in any event no later than 90 days subsequent to the date on which the Company consummates the Expedited Issuance under this Section 4.17(f). Notwithstanding anything to the contrary herein, the provisions of this Section 4.17(f) (other than as provided in subclause (ii) of this Section 4.17(f)) shall not be applicable and the consent of the purchasers of such New Securities shall not be required in connection with any Expedited Issuance undertaken at the written direction of the applicable federal regulator of the Company or the Bank. Notwithstanding anything to the contrary in this Agreement, no rights of a Purchaser under this Agreement will be adversely affected solely as the result of the temporary dilution of its percentage ownership of Common Stock due to an Expedited Issuance under this Section 4.17(f); *provided*, *however*, that such rights may be adversely affected from and after such time, if any, that a Purchaser declines or is otherwise unable to purchase Common Stock offered to such Purchaser under this Section 4.17(f).

(g) In the case of the offering of securities for a consideration in whole or in part other than cash, including securities acquired in exchange therefor (other than securities by their terms so exchangeable), the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board; *provided*, *however*, that such fair value as determined by the Board shall not exceed the aggregate market price of the securities being offered as of the date the Board authorizes the offering of such securities.

(h) The Company and each of the Purchasers shall cooperate in good faith to facilitate the exercise of such Purchaser's rights under this Section 4.17, including to secure any required approvals or consents.

(i) The Company shall not be under any obligation to consummate any proposed issuance of New Securities, and there will be no liability on the part of the Company to any Purchaser if the Company has not consummated any proposed issuance of New Securities pursuant to this Section 4.17 for whatever reason, regardless of whether it shall have delivered notice in respect of such proposed issuance.

Section 4.18 Equity Incentive Award Program. The Company shall adopt a "Performance-Based Equity Incentive Award Program" in a form reasonably acceptable to Castle Creek, and the Company shall consult in good faith with Castle Creek regarding the list of recipients, award amounts (not to exceed five percent (5%) of the outstanding Common Stock in the aggregate, determined on a fully-diluted basis, after giving effect to the transactions contemplated hereby), and ROA and/or ROE targets.

ARTICLE V
MISCELLANEOUS

Section 5.1 Fees and Expenses. The Company shall reimburse Castle Creek and its Affiliates for all reasonable fees and expenses incurred by Castle Creek and/or its Affiliates in connection with due diligence efforts, legal fees and undertaking of the transactions contemplated by the Transaction Documents (including the preparation, negotiation and review of definitive documentation and regulatory filings, travel expenses and other disbursements); provided that the maximum amount the Company shall be required to reimburse to Castle Creek and its Affiliates shall be limited to $ 200,000 less the aggregate amount the Company pays to Gateway Asset Management Company, LLC and Performance Trust CapitalPartners, as described in this Section. The Company shall pay the full cost of (a) the independent loan review obtained by the Company from Gateway Asset Management Company, LLC at Castle Creek's request, with member(s) of Castle Creek onsite during the review and (b) the review of the asset and liability position of the Bank obtained by the Company from Performance Trust Capital Partners at Castle Creek's request. Except as set forth above and elsewhere in the Transaction Documents, the parties hereto shall be responsible for the payment of all expenses incurred by them in connection with the preparation and negotiation of the Transaction Documents and the consummation of the transactions contemplated hereby. The Company shall pay all Transfer Agent fees, stamp taxes and other taxes and duties levied in connection with the Company's sale and issuance of the Shares to the Purchasers.

Section 5.2 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, discussions and representations, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules. At or after the Closing, and without further consideration, the Company and the Purchasers will execute and deliver to the other parties such further documents as may be reasonably requested in order to give practical effect to the intention of the parties under the Transaction Documents.

Section 5.3 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail (provided the sender receives a machine-generated confirmation of successful facsimile transmission or e-mail notification or confirmation of receipt of an e-mail transmission) at the facsimile number or e-mail address specified in this Section 5.3 prior to 5:00 p.m., Eastern time, on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile or e-mail at the facsimile number or e-mail address specified in this Section 5.3 on a day that is not a Trading Day or later than 5:00 p.m., Eastern time, on any Trading Day, (c) if sent by U.S. nationally recognized overnight courier service with next day delivery specified (receipt requested) the Trading Day following delivery to such courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company:	Northpointe Bancshares, Inc. 3333 Deposit Drive NE Grand Rapids, MI 49546 Attention: Charles Williams Email: Chuck.Williams@northpointe.com Facsimile: 616-726-2500
With a copy to:	Varnum LLP Bridgewater Place 333 Bridge Street NW, Suite 1700 Grand Rapids, MI 49504 Attention: Kimberly Baber Email: kababer@varnumlaw.com Facsimile: 616-336-7000
If to a Purchaser:	To the address set forth under such Purchaser's name on the signature page hereof;

or such other address as may be designated in writing hereafter, in the same manner, by such Person.

Section 5.4 Amendments; Waivers; No Additional Consideration. No amendment or waiver of any provision of this Agreement will be effective with respect to any party unless made in writing and signed by a duly authorized representative of such party. No waiver of any default with respect to any provision, condition, or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition, or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right. No consideration shall be offered or paid to any Purchaser to amend or consent to a waiver or modification of any provision of any Transaction Document unless the same consideration is also offered to all Purchasers who then hold Shares.

Section 5.5 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. This Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement or any of the Transaction Documents.

Section 5.6 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties and their successors and permitted assigns. This Agreement, or any rights or obligations hereunder, may not be assigned by the Company without the prior written consent of the Purchasers. Except as otherwise provided in Section 4.16, any Purchaser may assign its rights and obligations hereunder in whole or in part to any Affiliate of such Purchaser, provided such transferee shall agree in writing to be bound, with respect to the transferred Shares, by the terms and conditions of this Agreement that apply to the "Purchasers."

Section 5.7 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than, solely with respect to the provisions of Section 4.7, the Purchaser Parties.

Section 5.8 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed in accordance with the internal Laws of the State of Delaware applicable to contracts made and to be performed entirely within such State. Each party agrees that all Proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective Affiliates, employees or agents) shall occur, on an exclusive basis, in the state or federal courts located in the State of Delaware (the "**Delaware Courts**"). Each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of the Delaware Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any such Delaware Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by Law. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANYLEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

Section 5.9 Survival. The representations and warranties contained herein shall survive the Closing, the delivery of the Shares, and any conversion of Non-Voting Common Stock into Common Stock as follows: (a) the representations and warranties of the Company set forth in Section 3.1(a), the first two sentences of 3.1(b), 3.1(c), 3.1(e), 3.1(f) , 3.1(g), 3.1(u), and 3.1(bb) shall survive for a period of six (6) years following the Closing and delivery of Shares, (b) the representations and warranties of the Company set forth in Section 3.1(i), 3.1(k), 3.1(m), and 3.1(rr) shall survive for the applicable statute of limitations, (c) all other representations and warranties of the Company set forth in

Section 3.1 shall survive for a period of 12 months following the Closing and the delivery of the Shares, and (d) all representations and warranties of the Purchasers set forth in Section 3.2 shall survive for a period of 12 months following the Closing and the delivery of the Shares.

Section 5.10 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

Section 5.11 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

Section 5.12 Replacement of Shares. If any certificate or instrument evidencing any Shares is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company and the Transfer Agent of such loss, theft or destruction and the execution by the holder thereof of a customary lost certificate affidavit of that fact and an agreement to indemnify and hold harmless the Company and the Transfer Agent for any losses in connection therewith or, if required by the Transfer Agent, a bond in such form and amount as is required by the Transfer Agent. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement Shares. If a replacement certificate or instrument evidencing any Shares is requested due to a mutilation thereof, the Company may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

Section 5.13 Remedies. In addition to being entitled to exercise all rights provided herein or granted by Law, including recovery of damages, each of the Purchasers and the Company shall be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agree to waive in any action for specific performance of any such obligation (other than in connection with any action for a temporary restraining order) the defense that a remedy at law would be adequate.

Section 5.14 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises itsrights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other person under any Law (including, without limitation, any bankruptcy Law, state or federal Law, common Law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

Section 5.15 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under any Transaction Document. The decision of each Purchaser to purchase Shares pursuant to the Transaction Documents has been made by such Purchaser independently of any other Purchaser and independently of any information, materials, statements or opinions as to the business, affairs, operations, assets, properties, liabilities, results of operations, condition (financial or otherwise) or prospects of the Company or any Subsidiary which may have been made or given by any other Purchaser or by any agent or employee of any other Purchaser, and no Purchaser and none of its agents or employees shall have any liability to any other Purchaser (or any other Person) relating to or arising from any such information, materials, statements or opinions. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser acknowledges that no other Purchaser has acted as agent for such Purchaser in connection with making its investment hereunder and that no Purchaser will be acting as agent of such Purchaser in connection with monitoring its investment in the Shares or enforcing its rights under the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any Proceeding for such purpose. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Purchaser, solely, and not between the Company and the Purchasers collectively and not between and among the Purchasers.

Section 5.16 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

NORTHPOINTE BANCSHARES, INC.

By: /s/ Charles A. Williams
Name: Charles A. Williams
Title: President & CEO

[Signature Page to Securities Purchase Agreement]

NAME OF PURCHASER:

CASTLE CREEK CAPITAL PARTNERS VII, LP
By: Castle Creek Capital Partners VII LLC, its general partner

By: /s/ Tony Scavuzzo
Name: Tony Scavuzzo
Title: Principal

Signature Page to Stock Purchase Agreement

EXHIBITS

Exhibit A: Form of Registration Rights Agreement

Exhibit B: Accredited Investor Questionnaire

Exhibit C: Form of Opinion of Company Counsel

Exhibit D: Form of Secretary's Certificate

Exhibit E: Form of Officer's Certificate

Exhibit F: Form of VCOC Letter Agreement

[Signature Page to Stock Purchase Agreement]

EXHIBIT A

FORM OF REGISTRATION RIGHTS AGREEMENT

See attached

NORTHPOINTE BANCSHARES, INC.
REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of May 30, 2019, by and among Northpointe Bancshares, Inc., a Michigan corporation (the "Company"), and the purchaser(s) signatory hereto (each a "Registration Rights Purchaser" and collectively, the "Registration Rights Purchasers").

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of May 30, 2019, between the Company and each Registration Rights Purchaser (the "Purchase Agreement").

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each of the Registration Rights Purchasers agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Advice" shall have the meaning set forth in Section 8(h).

" Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person.

"Agreement" shall have the meaning set forth in the Preamble.

"Allowable Grace Period" shall have the meaning set forth in Section 5(d).

"Business Day" means a day other than a Saturday or Sunday or other day on which banks located in Michigan are authorized or required by law to close.

"Capital Stock" means, with respect to any Person at any time, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, securities convertible into or exchangeable or exerciseable for any of its shares, interests, participations or other equivalents, partnership interests (whether general or limited), limited liability company interests, or equivalent ownership interests in or issued by such Person.

"Closing Date" has the meaning set forth in the Purchase Agreement.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the voting common stock of the Company, no par value per share, and any securities into which such shares of voting common stock may hereinafter be reclassified.

"Company" shall have the meaning set forth in the Preamble.

"Effective Date" means the date that the Registration Statement filed pursuant to Section 2(a) is first declared effective by the Commission.

"Effectiveness Deadline" means, with respect to the Initial Registration Statement or the New Registration Statement, the fifth (5th) Trading Day after the date the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review; provided, that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the Commission is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the Commission is open for business.

"Effectiveness Period" shall have the meaning set forth in Section 2(b).

"Event" shall have the meaning set forth in Section 2(c).

"Event Date" shall have the meaning set forth in Section 2(c).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Filing Deadline" means the date that is ninety (90) calendar days after receipt of the request from a Registration Rights Purchaser described in Section 2(a) (or, in the case of any registration eligible to be made on Form S-3 or comparable successor form, sixty (60) calendar days after the receipt of such request).

"FINRA" shall have the meaning set forth in Section 5(n).

"Grace Period" shall have the meaning set forth in Section 5(d).

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Holders Counsel" shall have the meaning set forth in Section 5(a).

"Indemnified Party" shall have the meaning set forth in Section 7(c).

"Indemnifying Party" shall have the meaning set forth in Section 7(c).

"Initial Registration Statement" means shall have the meaning set forth in Section 2(a).

"Inspectors" shall have the meaning set forth in Section 5(j).

"Liquidated Damages" shall have the meaning set forth in Section 2(c).

"Losses" shall have the meaning set forth in Section 7(a).

"New Registration Statement" shall have the meaning set forth in Section 2(a).

"Non-Responsive Holder" shall have the meaning set forth in Section 8(d).

"Non-Voting Common Stock" means the Company's non-voting common stock, no par value per share.

"Other Securities" means shares of Common Stock, Non- Voting Common Stock or shares of other Capital Stock or other securities of the Company which are contractually entitled to registration rights or Capital Stock which the Company is registering pursuant to a Registration Statement.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Piggyback Registration" shall have the meaning set forth in Section 3(a).

"Piggyback Registration Statement" shall have the meaning set forth in Section 3(a).

"Principal Market" means the Trading Market on which the Common Stock is primarily listed on and quoted for trading.

"Proceeding" means an action, claim, suit, investigation, or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition).

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Purchase Agreement" shall have the meaning set forth in the Recitals.

"Records" shall have the meaning set forth in Section 5(j).

"Registrable Securities" means all of the Shares and any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the Shares, provided that the Shares shall cease to be Registrable Securities upon the earliest to occur of the following: (A) a sale pursuant to a Registration Statement; (B) becoming eligible for sale without time, volume or manner of sale restrictions by the Holders under Rule 144; or (C) if such Shares have ceased to be

outstanding.

"Registration Rights Purchaser" or "Registration Rights Purchasers" shall have the meaning set forth in the Preamble.

"Registration Statements" means any one or more registration statements of the Company filed under the Securities Act that covers the resale of any of the Registrable Securities pursuant to the provisions of this Agreement (including without limitation the Initial Registration Statement, the New Registration Statement and any Remainder Registration Statements), amendments and supplements to such Registration Statements, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such Registration Statements.

"Remainder Registration Statement" shall have the meaning set forth in Section 2(a).

"Requested Information" shall have the meaning set forth in Section 8(d).

"Required Registration Statement" means any Initial Registration Statement, New Registration Statement or Remainder Registration Statement.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 144A" means Rule 144A promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"SEC Guidance" means (i) any publicly-available written guidance, comments, requirements or requests of the Commission staff and (ii) the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shares" means the shares of Common Stock and Non-Voting Common Stock issued or issuable to the Registration Rights Purchaser pursuant to the Purchase Agreement.

"Shelf Offering" shall have the meaning set forth in Section 4(a).

"Take-Down Notice" shall have the meaning set forth in Section 4(a).

" Trading Day" means (i) a day on which the Common Stock is listed or quoted and traded on its Principal Market (other than the OTC Bulletin Board), or (ii) if the Common Stock is not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as reported in the "pink sheets" by OTC Markets Group, Inc. (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

"Trading Market" means whichever of the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market or OTC Bulletin Board on which the Common Stock is listed or quoted for trading on the date in question.

2. Demand Registration.

(a) If at any time after five (5) years after the date of this Agreement, the Company receives a request from a Registration Rights Purchaser who at such time, together with its Affiliates, owns in the aggregate at least 225,761 shares of Common Stock and/or Non-Voting Common Stock (which number of shares shall be subject to adjustment to reflect any stock dividend, stock split, stock combination, reverse stock split, or similar reclassification of the Company's outstanding Capital Stock), then, prior to the Filing Deadline, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 or, if Rule 415 is not available for offers and sales of the Registrable Securities, by such other means of distribution of Registrable Securities as the Company may reasonably determine (the "Initial Registration Statement"). Notwithstanding the registration obligations set forth in this Section 2, in the event that (i) the Company's counsel determines that all such Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement prior to filing the Initial Registration Statement, or (ii) the Commission informs the Company that all such Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly (A) inform each of the Holders thereof and, as applicable, file the Initial Registration Statement, or use its reasonable best efforts to file amendments to the Initial Registration Statement as required by the Commission and/or (B) withdraw the Initial Registration Statement and file a new registration statement (a "New Registration Statement"), in each case covering the maximum number of such Registrable Securities permitted to be registered thereon, on such form available to the Company to register for resale the Registrable Securities as a secondary offering; provided, that in the case of (ii) above, prior to filing such amendment or New Registration Statement, the Company shall be obligated to use its reasonable best efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Securities Act Rules Compliance and Disclosure Interpretation 612.09, or any successor thereto. Notwithstanding any other provision of this Agreement, if the opinion of the Company's counsel or any SEC Guidance sets forth a limitation of the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and, in the case of clause (ii) above, notwithstanding that the Company used reasonable best efforts to reasonably advocate with the Commission for the registration of all or a greater number of Registrable Securities), the number of Registrable Securities to be registered on such Registration Statement will be reduced pro rata on the basis of the aggregate number of Registrable Securities owned by each applicable Holder, and under such circumstances, the Company will not be subject to the payment of Liquidated Damages in Section 2(c). In the event the Company amends the Initial Registration Statement or files a New Registration Statement, as the case may be, under clauses (A) or (B) above, the Company will use its reasonable best efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on such form available to the Company to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended, or the New Registration Statement (the " Remainder Registration Statements"). No Holder shall be named as an "underwriter" in any Registration Statement without

such Holder's prior written consent.

(b) The Company shall use its reasonable best efforts to cause each Required Registration Statement to be declared effective by the Commission as soon as practicable, and, with respect to the Initial Registration Statement or the New Registration Statement, as applicable, no later than the Effectiveness Deadline, and shall use its reasonable best efforts to keep each Required Registration Statement continuously effective under the Securities Act until the earlier of (i) such time as all of the Registrable Securities covered by such Required Registration Statement have been publicly sold by the Holders or (ii) the date that all Registrable Securities covered by such Required Registration Statement may be sold by the Holders without volume or manner of sale restrictions under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent (the "Effectiveness Period"). The Company shall request effectiveness of a Required Registration Statement as of 5:00 p.m., New York City time, on a Trading Day. The Company shall promptly notify the Holders via facsimile or electronic mail of a ".pdf" format data file of the effectiveness of a Registration Statement within one (1) Business Day of the Effective Date. The Company shall file a final Prospectus for a Required Registration Statement with the Commission, as required by Rule 424(b) as promptly as reasonably practicable following the Effective Date.

(c) If: (i) the Initial Registration Statement is not filed with the Commission on or prior to the Filing Deadline, (ii) the Initial Registration Statement or the New Registration Statement, as applicable, is not declared effective by the Commission (or otherwise does not become effective) for any reason on or prior to the Effectiveness Deadline, or (iii) after its Effective Date, (A) such Registration Statement ceases to be effective for any reason (including without limitation by reason of a stop order, or the Company's failure to update the Registration Statement), to remain continuously effective as to all Registrable Securities for which it is required to be effective, or (B) the Holders are not permitted to utilize the Prospectus therein to resell such Registrable Securities (other than during an Allowable Grace Period), (iv) a Grace Period applicable to a Required Registration Statement exceeds the length of an Allowable Grace Period, or (v) after the Filing Deadline, and only in the event a Registration Statement is not effective or available to sell all Registrable Securities, the Holders are unable to sell Registrable Securities without restriction under Rule 144, (any such failure or breach in clauses (i) through (v) above being referred to as an "Event," and, for purposes of clauses (i), (ii), (iii) or (v), the date on which such Event occurs, or for purposes of clause (iv) the date on which such Allowable Grace Period is exceeded, being referred to as an "Event Date"), then in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash, as liquidated damages and not as a penalty ("Liquidated Damages"), equal to 2.0% of the aggregate purchase price paid by such Holder pursuant to the Purchase Agreement for any Registrable Securities held by such Holder on the Event Date. The parties agree that notwithstanding anything to the contrary herein or in the Purchase Agreement, no Liquidated Damages shall be payable (i) if as of the relevant Event Date, the Registrable Securities may be sold by the Holders without volume or manner of sale restrictions under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent, (ii) to a Holder causing an Event that relates to or is caused by any action or inaction taken by such Holder, (iii) to a Holder in the event it is unable to lawfully sell any of its Registrable Securities (including, without limitation, in the event a Grace Period exceeds the length of an Allowable Grace Period) because of possession of material non- public information or (iv) with respect to any period after the expiration of the Effectiveness Period (it being understood that this clause shall not relieve the Company of any Liquidated Damages accruing prior to the expiration of the Effectiveness Period). If the Company fails to pay any Liquidated Damages pursuant to this Section 2(c) in full within ten (10) Business Days after the date payable, the Company will pay interest on the amount of Liquidated Damages then owing to the Holder at a rate of 1.0% per month on an annualized basis (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such Liquidated Damages are due until such amounts, plus all such interest thereon, are paid in full. The Liquidated Damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event, except in the case of the first Event Date. With respect to a Holder, the Effectiveness Deadline for a Required Registration Statement shall be extended without default or Liquidated Damages hereunder in the event that the Company's failure to obtain the effectiveness of the Registration Statement on a timely basis results from the failure of such Holder to timely provide the Company with information requested by the Company and necessary to complete the Registration Statement in accordance with the requirements of the Securities Act (in which case the Effectiveness Deadline would be extended with respect to Registrable Securities held by such Registration Rights Purchaser).

3. Piggyback Registration.

(a) If the Company intends to file a Registration Statement covering a primary or secondary offering of any of its Common Stock, Non-Voting Common Stock or Other Securities, whether or not the sale is for its own account, which is not a registration solely to implement an employee benefit plan pursuant to a registration statement on Form S-8 (or successor form), a registration statement on Form S-4 (or successor form) or a transaction to which Rule 145 or any other similar rule of the Commission is applicable, the Company will promptly (and in any event at least ten (10) Business Days before the anticipated filing date) give written notice to the Holders of its intention to effect such a registration. The Company will effect the registration under the Securities Act of all Registrable Securities that the Holder(s) request(s) be included in such registration (a "Piggyback Registration") by a written notice delivered to the Company within five (5) Business Days after the notice given by the Company in the preceding sentence. Subject to Section 3(b), securities requested to be included in a Company registration pursuant to this Section 3 shall be included by the Company on the same form of Registration Statement as has been selected by the Company for the securities the Company is registering for sale referred to above. The Holders shall be permitted to withdraw all or part of the Registrable Securities from the Piggyback Registration at any time at least two (2) Business Days prior to the effective date of the Registration Statement relating to such Piggyback Registration (the "Piggyback Registration Statement"). If the Company elects to terminate any registration filed under this Section 3 prior to the effectiveness of such registration, the Company will have no obligation to register the securities sought to be included by the Holders in such registration under this Section 3. There shall be no limit to the number of Piggybank Registrations pursuant to this Section 3(a).

(b) If a Registration Statement under this Section 3 relates to an underwritten offering and the managing underwriter(s) advise(s) the Company that in its or their reasonable opinion the number of securities requested to be included in such offering exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on the per share offering price), the Company will include in such registration or Prospectus only such number of securities that in the reasonable opinion of such underwriter(s) can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (i) first, the Common Stock and Other Securities the Company proposes to sell, (ii) second, the Registrable Securities of the Holders who have requested inclusion of Registrable Securities pursuant to this Section 3, pro rata on the basis of the aggregate number of such securities or shares owned by each such person, or as such Holders may otherwise agree, and (iii) third, any Other Securities of the Company that have been requested to be so included, subject to the terms of this Agreement. The Company shall select the investment banking firm or firms to act as the lead underwriter or underwriters in connection with an underwritten offering made pursuant to this Section 3; provided that such underwriter(s) shall be reasonably acceptable to the applicable Holder(s). No Holder may participate in any underwritten registration under this Section 3 unless such Holder (i) agrees to sell the Registrable Securities it desires to have covered by the underwritten offering on the basis provided in any underwriting arrangements in customary form and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

4. Underwritten Shelf Offerings.

(a) At any time that a shelf registration statement covering Registrable Securities pursuant to Section 2 or Section 3 is effective, if any Holder delivers a notice to the Company (a "Take-Down Notice") stating that it intends to sell all or part of its Registrable Securities included by it on the shelf registration statement (a "Shelf Offering"), then the Company shall amend or supplement the shelf registration statement as may be necessary in order to enable such Registrable Securities to be distributed pursuant to the Shelf Offering (taking into account the inclusion of Registrable Securities by any other Holders pursuant to this Section 4(a)). In connection with any Shelf

Offering, including any Shelf Offering that is an underwritten offering, such proposing Holder(s) shall also deliver the Take-Down Notice to all other holders of Registrable Securities included on such shelf Registration Statement and permit each such Holder to include its Registrable Securities included on the shelf Registration Statement in the Shelf Offering if such holder notifies the proposing Holder(s) and the Company within five days after delivery of the Take-Down Notice to such Holder.

(b) The Company shall have no obligation to (i) effect an underwritten offering under this Section 4 on behalf of the holders of Registrable Securities electing to participate in such offering unless the expected gross proceeds from such offering exceed $10,000,000 or (ii) effect an underwritten offering more than two times in any 12-month period.

(c) If a Shelf Offering of Registrable Securities included in a Required Registration Statement is to be conducted as an underwritten offering, then the Holders of the majority of the Registrable Securities included in a Required Registration Statement shall select the investment banking firm or firms to act as the lead underwriter or underwriters in connection with such offering; provided, that such selection shall be reasonably acceptable to the Company. If, in connection with any such underwritten offering, the managing underwriter(s) advise(s) the Company that in its or their reasonable opinion the number of securities requested to be included in such offering exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on the per share offering price), the Company will include in such registration or Prospectus only such number of securities that in the reasonable opinion of such underwriter(s) can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (i) first, the Common Stock and Other Securities the Company proposes to sell, (ii) second, the Registrable Securities of the Holders who have requested registration of Registrable Securities pursuant to this Section 4, pro rata on the basis of the aggregate number of such securities or shares owned by each such person, or as the Holders may otherwise agree amongst themselves, and (iii) third, any Other Securities of the Company that have been requested to be so included, subject to the terms of this Agreement. No Holder may participate in any underwritten registration under this Section 4 unless such Holder (i) agrees to sell the Registrable Securities it desires to include in the underwritten offering on the basis provided in any underwriting arrangements in customary form and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

5. Registration Procedures.

In connection with the Company's registration obligations hereunder:

(a) the Company shall, not less than three (3) Trading Days prior to the filing of a Registration Statement or any related Prospectus or any amendment or supplement thereto (except for Annual Reports on Form 10- K, Quarterly Reports on Form 10-Q, proxy statements and Current Reports on Form 8-K and any similar or successor reports), furnish to one counsel designated by a majority of the outstanding Registrable Securities ("Holders Counsel"), copies of such Registration Statement, Prospectus or amendment or supplement thereto, as proposed to be filed, which documents will be subject to the reasonable review of Holders Counsel; provided that each Holder shall have the right to review, prior to filing, its selling shareholder information. The Company shall not file any Registration Statement or amendment or supplement thereto containing information which Holders Counsel reasonably objects in good faith, unless the Company shall have been advised by its counsel that the information objected to is required under the Securities Act or the rules or regulations adopted thereunder.

(b) (i) the Company shall prepare and file with the Commission such amendments, including post-effective amendments and supplements, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period (except during an Allowable Grace Period); (ii) the Company shall cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424 (except during an Allowable Grace Period); (iii) the Company shall respond as promptly as reasonably practicable to any comments received from the Commission with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible, provide the Holders Counsel true and complete copies of all correspondence from and to the Commission relating to such Registration Statement that pertains to the Holders as "Selling Shareholders"; and (iv) the Company shall comply in all material respects with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by a Registration Statement until such time as all of such Registrable Securities shall have been disposed of (subject to the terms of this Agreement) in accordance with the intended methods of disposition by the Holders thereof as set forth in such Registration Statement as so amended or in such Prospectus as so supplemented; provided, that each Holder shall be responsible for the delivery of the Prospectus to the Persons to whom such Registration Rights Purchaser sells any of the Registrable Securities (including in accordance with Rule 172 under the Securities Act), and each Holder agrees to dispose of Registrable Securities in compliance with applicable federal and state securities laws. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this Section 5(b)) by reason of the Company filing a report on Form 10-K, Form 10-Q or Form 8-K or any analogous report under the Exchange Act, the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the Commission as promptly as practicable.

(c) the Company shall notify the Holders (which notice shall, pursuant to clauses (ii) through (iv) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made, if applicable) as promptly as reasonably practicable following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement has been filed with the Commission; and (B) with respect to each Registration Statement or any post-effective amendment, when the same has become effective; (ii) of the issuance by the Commission or any other federal or state Governmental Entity of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (iv) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(d) Notwithstanding anything to the contrary herein, at any time after the Registration Statement has been declared effective by the Commission, the Company may delay the disclosure of material non-public information concerning the Company if the disclosure of such information at the time is not, in the good faith judgment of the Company, in the best interests of the Company (such delay, a " Grace Period"). During the Grace Period, the Company shall not be required to maintain the effectiveness of any Registration Statement filed hereunder and, in any event, Holders shall suspend sales of Registrable Securities pursuant to such Registration Statements during the pendency of the Grace Period provided, the Company shall promptly (i) notify the Holders in writing of the existence of material non-public information giving rise to a Grace Period or the need to file a post-effective amendment, as applicable, and the date on which such Grace Period will begin, (ii) use reasonable best efforts to terminate a Grace Period as promptly as practicable provided that such termination is, in the good faith judgment of the Company, in the best interest of the Company and (iii) notify the Holders in writing of the date on which the Grace Period ends; provided, further, that, with respect to a Required Registration Statement only, no single Grace Period shall exceed forty-five (45) consecutive days, and during any three hundred sixty-five (365) day period, the aggregate of all Grace Periods shall not exceed an aggregate of ninety (90) days (each Grace Period complying with this provision being an "Allowable Grace Period"). For purposes of determining the length of a Grace Period, the Grace Period

shall be deemed to begin on and include the date the Holders receive the notice referred to in clause (i) above and shall end on and include the later of the date the Holders receive the notice referred to in clause (iii) above and the date referred to in such notice; provided, that no Grace Period shall be longer than an Allowable Grace Period. Notwithstanding anything to the contrary, the Company shall use reasonable best efforts to cause the Transfer Agent to deliver unlegended Shares to a transferee of a Holder in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect to which a Holder has entered into an irrevocable contract for sale prior to the Holder's receipt of the notice of a Grace Period and for which the Holder has not yet settled.

(e) the Company shall use reasonable best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, as soon as practicable.

(f) the Company shall, if requested by a Holder, furnish to such Holder, without charge, at least one (1) conformed copy of each Registration Statement and each amendment thereto and all exhibits to the extent requested by such Holder (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that the Company shall have no obligation to provide any document pursuant to this clause that is available on the Commission's EDGAR or successor system.

(g) the Company agrees to promptly deliver to each Holder whose Registrable Securities are included in the applicable Registration Statement, without charge, as many copies of each Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as such Persons may reasonably request. The Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of Registrable Securities covered by such Prospectus and any amendment or supplement thereto.

(h) the Company shall, prior to any resale of Registrable Securities by a Holder, use its reasonable best efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or "Blue Sky" laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any general tax in any such jurisdiction where it is not then so subject or file a consent to service of process in any such jurisdiction.

(i) the Company shall enter into such customary agreements (including an underwriting agreement in customary form) and take all such other actions reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith or by the managing underwriter(s), if any, in order to expedite or facilitate the disposition of such Registrable Securities. In connection with any such permitted underwritten offering of Registrable Securities, (i) the Company shall (A) make such representations and warranties to the selling Holders and the managing underwriter(s), if any, with respect to the business of the Company and its subsidiaries, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers in underwritten offerings, and, if true, confirm the same if and when requested, (B) use its reasonable best efforts to furnish opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriter(s), if any, addressed to each of the managing underwriter(s), if any, covering the matters customarily covered in opinions requested in underwritten offerings, (C) use its reasonable best efforts to obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) who have certified the financial statements included in such Registration Statement, addressed to each of the managing underwriter(s), if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings, (D) include within the underwriting agreement indemnification provisions and procedures customary in such underwritten offerings and (E) deliver such documents and certificates as may be reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith, their counsel and the managing underwriter(s), if any, to evidence the continued validity of the representations and warranties made pursuant to clause (A) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company, (ii) each Holder shall not, during such period (which period shall in no event exceed one hundred and eighty (180) days, subject to any then customary "booster shot" extension (which extension shall not exceed thirty (30) days) following the effective date of any Registration Statement to the extent requested by any managing underwriter, sell, pledge, hypothecate, transfer, make any short sale of, loan, grant any option or right to purchase of, or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any Registrable Securities owned by it at any time during such period, except Registrable Securities included in such registration; provided that any release of Registrable Securities from such agreement shall be effected among the Holders on a pro rata basis according to the Registrable Securities then owned by them, and (iii) the Company shall use its reasonable best efforts to cause each of its directors and senior executive officers to execute and deliver customary lockup agreements in such form and for such time period up to one hundred and eighty (180) days (subject to any then customary "booster shot" extensions) as may be requested by any managing underwriter. The above shall be done at each closing under such underwriting or similar agreement, or as and to the extent required thereunder.

(j) the Company shall make available for inspection by any Holder of Registrable Securities included in such Registration Statement, any underwriter participating in any disposition pursuant to such Registration Statement, and any attorney, accountant or other agent retained by any such seller or underwriter (collectively, the "Inspectors"), at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and properties of the Company and its Subsidiaries (collectively, the "Records"), as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Inspector in connection with such Registration Statement; provided, however, that any Records that are not generally publicly available at the time of delivery of such Records shall be kept confidential by such Inspectors unless (i) the disclosure of such Records is necessary in the reasonable judgment of the Inspectors to avoid or correct a misstatement or omission in the Registration Statement, or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction; provided, further, that each Holder of Registrable Securities agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company to the extent legally permitted and allow the Company, at its expense, to undertake appropriate action and to prevent disclosure of the Records deemed confidential.

(k) the Company shall, in the case of an underwritten offering, cause its officers to use their reasonable best efforts to support the marketing of the Registrable Securities covered by the Registration Statement (including, without limitation, by participation in "road shows") if requested by the managing underwriter(s) and taking into account the Company's business needs.

(l) the Company shall reasonably cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to the Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement and under law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may reasonably request. Certificates for Registrable Securities free from all restrictive legends may be transmitted by the transfer agent to a Holder by crediting the account of such Holder's prime broker with DTC as directed by such Holder.

(m) the Company shall following the occurrence of any event contemplated by Sections 5(c)(ii)-(iv), as promptly as reasonably practicable, as applicable: (i) use its reasonable best efforts to prevent the issuance of any stop order or obtain its withdrawal at the earliest possible moment if the stop order have been issued, or (ii) taking into account the Company's good faith assessment of any adverse consequences to the Company and its shareholders of the premature disclosure of such event, prepare and file a supplement or amendment, including a post-effective amendment, to the affected Registration Statements or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, no Registration Statement nor any Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(n) the Company may require each selling Holder to furnish to the Company a certified statement as to (i) the number of securities of the Company beneficially owned by such Holder and any Affiliate thereof, (ii) any Financial Industry Regulatory Authority ("FINRA") affiliations, (iii) any natural persons who have the power to vote or dispose of the Common Stock and (iv) any other information as may be requested by the Commission, FINRA, any state securities commission or any other government or regulatory body with jurisdiction over the Company or its activities. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of Registrable Securities because any Holder fails to furnish such information within five (5) Trading Days of the Company's request, any Liquidated Damages that are accruing at such time as to such Holder only shall be tolled and any Event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

(o) the Company shall cooperate with any registered broker through which a Holder proposes to resell its Registrable Securities in effecting a filing with FINRA pursuant to FINRA Rule 5110 as requested by any such Holder and the Company shall pay the filing fee required for the first such filing (but not additional filings) within two (2) Business Days of the request therefore.

(p)if the Company becomes eligible to use Form S-3 during the term of this Agreement, the Company shall use its reasonable best efforts to maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of Registrable Securities.

(q)if requested by a Holders Counsel, the Company shall (i) promptly incorporate in a Prospectus supplement or post-effective amendment to the Registration Statement such information as the Company reasonably agrees (upon advice of counsel) is required to be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as reasonably practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

The Company may require each Holder of Registrable Securities as to which any registration is being effected to furnish to the Company in writing such information required in connection with such registration regarding such Holder and the distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing and the Company may exclude from such registration the Registrable Securities of any Holder who fails to furnish such information within a reasonable time after receiving such request.

6. Registration Expenses. All fees and expenses incident to the Company's performance of or compliance with its obligations under this Agreement (excluding any underwriting discounts and selling commissions, stock transfer taxes and fees of counsel for the Holders) shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence that are the Company's responsibility shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, (B) with respect to compliance with applicable state securities or "Blue Sky" laws (including, without limitation, fees and disbursements of counsel for the Company in connection with "Blue Sky" qualifications or exemptions of the Registrable Securities and determination of the eligibility of the Registrable Securities for investment under the laws of such jurisdictions as requested by the Holders) and (C) if not previously paid by the Company in connection with an issuer filing, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by the Holders of a majority of the Registrable Securities included in the Registration Statement), (iii) messenger, telephone and delivery expenses of the Company, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, and (vii) up to a maximum of $50,000 of expenses of Castle Creek actually and reasonably incurred, including without limitation, reasonable attorneys' fees. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder.

7. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify, defend and hold harmless each Holder and each of their respective officers, directors, agents, general partners, managing members, managers, Affiliates and employees, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, general partners, managing members, managers, agents and employees of such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and investigation and reasonable and documented attorneys' fees) and expenses (collectively, "Losses"), as incurred, that arise out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, or (ii) any violation or alleged violation by the Company of the Securities Act, Exchange Act or any state securities law or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (A) such untrue statements, alleged untrue statements, omissions or alleged omissions are based primarily upon information regarding such Holder furnished in writing to the Company by such Holder or on behalf of such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder or Holders Counsel expressly for use in the Registration Statement, such Prospectus or such form of

Prospectus or in any amendment or supplement thereto, (B) Holder's failure to deliver or cause to be delivered the Prospectus or any amendment or supplement thereto made available by the Company in compliance with Section 8(g), or (C) in the case of an occurrence of an event of the type specified in Sections 5(c)(ii)-(iv), related to the use by a Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing or electronic mail that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated and defined in Section 8(h) below, but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party (as defined in Section 7(c)) and shall survive the transfer of the Registrable Securities by the Holders.

(b) Indemnification by Holders. Each Holder shall, notwithstanding any termination of this Agreement, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (A) to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by or on behalf of such Holder expressly for use therein, or (B) to the extent, but only to the extent, that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder or Holders Counsel expressly for use in a Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (C) in the case of an occurrence of an event of the type specified in Sections 5(c)(ii)- (iv), to the extent, but only to the extent, related to the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 8(h), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected, or (ii) Holder's failure to deliver or cause to be delivered the Prospectus or any amendment or supplement thereto made available by the Company in compliance with Section 8(g). In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an " Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of one (1) counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable and documented fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such written notice within a reasonable time of commencement of any such Proceeding shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that such failure shall have materially and adversely prejudiced the Indemnifying Party in its ability to defend such Proceeding.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel in writing that a conflict of interest exists if the same counsel were to represent such Indemnified Party and the Indemnifying Party; provided, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys plus local counsel at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or unreasonably conditioned. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all documented fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section 7(c)) shall be paid to the Indemnified Party, as incurred, within twenty (20) Trading Days of written notice thereof to the Indemnifying Party; provided, that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally judicially determined to not be entitled to indemnification hereunder.

(d) Contribution. If a claim for indemnification under Section 7(a) or 7(b) is unavailable to an Indemnified Party (other than in accordance with its terms) or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 7(d) was available to such party in accordance with its terms. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 7(d), no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this Section 7 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties and are not in diminution or limitation of the indemnification provisions under the Purchase Agreement.

8. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred

by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Prohibition on Other Registrations. The Company agrees not to effect or initiate a registration statement for any public sale or distribution of any securities similar to those being registered pursuant to this Agreement, or any securities convertible into or exchangeable or exercisable for such securities (other than a registration solely to implement an employee benefit plan pursuant to a registration statement on Form S-8 (or successor form), a registration statement on Form S-4 (or successor form) or a transaction to which Rule 145 or any other similar rule of the Commission is applicable), during the fourteen (14) calendar days prior to, and during the sixty (60) calendar-day period beginning on, the effective date of any Registration Statement in which the Holders of Registrable Securities are participating (except as part of any such registration, if permitted).

(c) Rule 144 Requirements. For so long as the Company is subject to the reporting requirements of the Exchange Act, the Company will use its reasonable best efforts to timely file with the Commission such reports and information required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder and as the Commission may require. The Company shall furnish to any Holder of Registrable Securities forthwith upon request a written statement as to its compliance with the reporting requirements of Rule 144 (or any successor exemptive rule), the Securities Act and the Exchange Act (at any time that it is subject to such reporting requirements); a copy of its most recent annual or quarterly report; and such other reports and documents as such Person may reasonably request in availing itself of any rule or regulation of the Commission allowing it to sell any such securities without registration.

(d) Obligations of Holders and Others in a Registration. Each Holder agrees to timely furnish in writing such information regarding such Person, the securities sought to be registered and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably be required to effect the registration of such Registrable Securities (the "Requested Information") and shall take such other action as the Company may reasonably request in connection with the registration, qualification or compliance or as otherwise provided herein. At least ten (10) Business Days prior to the first anticipated filing date of a Registration Statement, the Company shall notify each holder of the information the Company requires from such Holder if such Holder elects to have any of such Holder's Registrable Securities included in the Registration Statement. If at least five (5) Business Days prior to the filing date, the Company has not received the Requested Information from a Holder (a "Non-Responsive Holder"), then the Company may exclude from any Registration Statement the Registrable Securities of such Non-Responsive Holder.

(e) Rule 144A. The Company agrees that, upon the request of any Holder of Registrable Securities or any prospective purchaser of Registrable Securities designated by a Holder, the Company shall promptly provide (but in any case within fifteen (15) calendar days of a request) to such Holder or potential purchaser, the following information:

(i) a brief statement of the nature of the business of the Company and any subsidiaries and the products and services they offer;

(ii) the most recent consolidated balance sheets and profit and losses and retained earnings statements, and similar financial statements of the Company for the two (2) most recent fiscal years (such financial information shall be audited, to the extent reasonably available); and

(iii) such other information about the Company, any subsidiaries, and their business, financial condition and results of operations as the requesting Holder or purchaser of such Registrable Securities shall reasonably request in order to comply with Rule 144A, as amended, and in connection therewith the anti-fraud provisions of the federal and state securities laws.

The Company hereby represents and warrants to any such requesting Holder and any prospective purchaser of Registrable Securities from such Holder that the information provided by the Company pursuant to this Section 8(e) will, as of their dates, not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(f) Limitations on Subsequent Registration Rights. The Company will not enter into any agreements with any holder or prospective holder of any securities of the Company which would grant such holder or prospective holder registration rights with respect to the securities of the Company which would have priority over the Registrable Securities with respect to the inclusion of such securities in any registration. If the Company enters into an agreement that contains terms more favorable, in form or substance, to any shareholders than the terms provided to the Holders under this Agreement, then the Company will modify or revise the terms of this Agreement in order to reflect any such more favorable terms for the benefit of the Holders.

(g) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to the Registration Statement and shall sell the Registrable Securities only in accordance with a method of distribution described in the Registration Statement.

(h) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Sections 5(c)(ii)-(iv), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(i) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date hereof, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

(j) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, or waived unless the same shall be in writing and signed by the Company and Holders of a majority of the then outstanding Registrable Securities; provided that any such amendment, modification, supplement or waiver that materially, adversely and disproportionately effects the rights or obligations of any Holder vis-a-vis the other Holders shall require the prior written consent of such Holder.

(k) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail (provided the sender receives a machine-generated confirmation of successful facsimile transmission or e-mail notification or confirmation of receipt of an e-mail transmission) at the facsimile number or e-mail address specified in this Section prior to 5:00 p.m., New York City time, on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:00 p.m., New York City time, on any Trading Day, (c) the Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service with next day delivery specified, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company: Northpointe Bancshares, Inc.
3333 Deposit Drive NE
Grand Rapids, MI 49546
Attention: Charles Williams
Email: Chuck.Williams@northpointe.com
Facsimile: 616-726-2500

With a copy to: Varnum LLP
Bridgewater Place
333 Bridge Street NW, Suite 1700
Grand Rapids, MI 49504
Attention: Kimberly Baber
Email: kababer@varnumlaw.com
Facsimile: 616-336-7000

If to a Registration Rights Purchaser:

To the address set forth under such Registration Rights Purchaser's name on the signature page hereof or such other address as may be designated in writing hereafter, in the same manner, by such Person.

(l) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The Company may not assign its rights (except by merger or in connection with another entity acquiring all or substantially all of the Company's assets) or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. The rights to have the Company register Registrable Securities pursuant to this Agreement shall be automatically assigned by any Registration Rights Purchaser to any transferee of the Shares only if: (i) the Registration Rights Purchaser agrees in writing with the transferee or assignee to assign such rights; (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (A) the name and address of such transferee or assignee and (B) the securities with respect to which such registration rights are being transferred or assigned; and (iii) at or before the time the Company received the written notice contemplated by clause (ii) of this sentence, the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein with respect to a Holder or Registration Rights Purchaser. In the event of any delay in filing or effectiveness of the Registration Statement as a result of such assignment by a Registration Rights Purchaser or its transferee, the Company shall not be liable for any damages arising from such delay.

(m) Execution and Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature were the original thereof.

(n) Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware applicable to contracts made and to be performed entirely within such State. The parties hereby agree that all actions or proceedings arising out of or related to this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts in the State of Delaware. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(o) Cumulative Remedies. Except as provided in Section 2(c) with respect to Liquidated Damages, the remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(p) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their good faith reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(q) Headings. The headings in this Agreement are for convenience only and shall not limit or otherwise affect the meaning hereof.

(r) Independent Nature of Registration Rights Purchasers' Obligations and Rights. The obligations of each Registration Rights Purchaser under this Agreement are several and not joint with the obligations of any other Registration Rights Purchaser hereunder, and no Registration Rights Purchaser shall be responsible in any way for the performance of the obligations of any other Registration Rights Purchaser hereunder. The decision of each Registration Rights Purchaser to purchase the Shares pursuant to the Purchase Agreement has been made independently of any other Registration Rights Purchaser. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Registration Rights Purchaser pursuant hereto or thereto, shall be deemed to constitute the Registration Rights Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Registration Rights Purchasers are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Registration Rights Purchaser acknowledges that no other Registration Rights Purchaser has acted as agent for such Registration Rights Purchaser in connection with making its investment hereunder and that no Registration Rights Purchaser will be acting as agent of such Registration Rights Purchaser in connection with monitoring its investment in the Shares or enforcing its rights under the Purchase Agreement. Each Registration Rights Purchaser shall be entitled to protect and enforce its rights, including, without limitation, the rights arising out of this Agreement, and it shall not be necessary for any other Registration Rights Purchaser to be joined as an additional party in any Proceeding for such purpose. The Company acknowledges that each of the Registration Rights Purchasers has been provided with the same Registration Rights Agreement for the purpose of closing a transaction with multiple Registration Rights Purchasers and not because it was required or requested to do so by any Registration Rights Purchaser. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Registration Rights Purchaser, solely, and not between the Company and the Registration Rights Purchasers collectively and not between and among the Registration Rights Purchasers.

(s) Entire Agreement. This Agreement and the Purchase Agreement constitute the entire agreement among the parties hereto with respect to the subject matter hereof. There are no restrictions, promises, warranties or undertakings, other than as set forth or referred to herein and in the Purchase Agreement. This Agreement

supersedes all prior agreements and understandings among the parties hereto with respect to the subject matter hereof.

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IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

NORTHPOINTE BANCSHARES, INC.

By: _____
Name: Charles A. Williams
Title: President & CEO

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

NAME OF INVESTING ENTITY

_____
AUTHORIZED SIGNATORY

By: _____
Name:
Title:

ADDRESS FOR NOTICE

c/o: _____

Street: _____

City/State/Zip: _____

Attention: _____

Tel: _____

Fax: _____

E-mail: _____

[Signature Page to Registration Rights Agreement]

EXHIBIT B

ACCREDITED INVESTOR QUESTIONNAIRE
(ALL INFORMATION WILL BE TREATED CONFIDENTIALLY)

To: Northpointe Bancshares, Inc.

This Accredited Investor Questionnaire (" **Questionnaire**") must be completed by each potential investor in connection with the offer and sale by Northpointe Bancshares, Inc., a Michigan corporation (the "**Company**") of shares of (i) common stock, no par value per share (the "**Common Shares**") and (ii) the non-voting common stock of the Company, no par value per share (the "**Non-Voting Common Shares**"). The Common Shares and the Non-Voting Common Shares shall be collectively referred herein to as the " **Shares**." The Shares are being offered and sold by the Company without registration under the Securities Act of 1933, as amended (the "**Act**"), and the securities laws of certain states, in reliance on the exemptions contained in Section 4(a)(2) of the Act and on Regulation D promulgated thereunder and in reliance on similar exemptions under applicable state laws. The Company must determine that a potential investor meets certain suitability requirements before offering or selling Shares to such investor. The purpose of this Questionnaire is to assure the Company that each investor will meet the applicable suitability requirements. The information supplied by you will be used in determining whether you meet such criteria, and reliance upon the private offering exemptions from registration is based in part on the information herein supplied.

This Questionnaire does not constitute an offer to sell or a solicitation of an offer to buy any security. Your answers will be kept strictly confidential. However, by signing this Questionnaire, you will be authorizing the Company to provide a completed copy of this Questionnaire to such parties as the Company deems appropriate in order to ensure that the offer and sale of the Shares will not result in a violation of the Act or the securities laws of any state and that you otherwise satisfy the suitability standards applicable to purchasers of the Shares. Please print or type all responses and attach additional sheets of paper if necessary to complete answers to any item.

PART A. **BACKGROUND INFORMATION**

Name of Beneficial Owner of the Shares: _____

Business Address: _____
(Number and Street)

_____
(City) (State) (Zip Code)

Telephone Number: ( ) _____

_____

If a corporation, partnership, limited liability company, trust or other entity:

Type of entity: _____

Were you formed for the purpose of investing in the securities being offered?
Yes ☐ No ☐

If an individual:

Residential Address: _____
(Number and Street)

_____
(City) (State) (Zip Code)

Telephone Number: ( ) _____

_____

Age: _____ Citizenship: _____ Where registered to vote: _____

Set forth in the space provided below the state(s), if any, in the United States in which you maintained your residence during the past two years and the dates during which you resided in each state: _____

_____

_____

Are you a director or executive officer of the Company?
Yes ☐ No ☐

Social Security or Taxpayer Identification No. _____

PART B. **ACCREDITED INVESTOR QUESTIONNAIRE**

In order for the Company to offer and sell the Shares in conformance with state and federal securities laws, the following information must be obtained regarding your investor status. Please *initial each category* applicable to you as a Purchaser of Shares.

☐ 1. A bank as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;

☐ 2. A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934;

☐ 3. An insurance company as defined in Section 2(a)(13) of the Securities Act;

☐ 4. An investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act;

☐ 5. A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

☐ 6. A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000;

☐ 7. An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

☐ 8. A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

☐ 9. An organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Shares, with total assets in excess of $5,000,000;

☐ 10. A trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Shares, whose purchase is directed by a sophisticated person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of investing in the Company;

☐ 11. A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his or her purchase exceeds $1,000,000 (*see* Note **11** below);

☐ 12. A natural person who had an individual income in excess of $200,000 in each of the two most recent years, or joint income with that person's spouse in excess of $300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year;

☐ 13. An executive officer or director of the Company; and

☐ 14. An entity in which all of the equity owners qualify under any of the above subparagraphs. If the undersigned belongs to this investor category only, list the equity owners of the undersigned, and the investor category which each such equity owner satisfies.

Note 11. For purposes of calculating net worth under paragraph (11):

(A) The person's primary residence shall not be included as an asset;

(B) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding sixty (60) days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(C) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

A. FOR EXECUTION BY AN INDIVIDUAL:

_____
Date

By _____

Print Name: _____

B. FOR EXECUTION BY AN ENTITY:

Entity Name: _____

_____
Date

By _____

Print Name:

_____

Title: _____

C. ADDITIONAL SIGNATURES (if required by partnership, corporation or trust document):

Entity Name: _____

_____
Date

By _____

Print Name:

_____

Title: _____

_____
Date

By _____

Print Name:

_____

Title: _____

[Signature Page to Accredited Investor Questionnaire]

EXHIBIT C

FORM OF OPINION OF COMPANY COUNSEL

1. The Company validly exists as a corporation in good standing under the laws of the State of Michigan.

2. The Company has the corporate power and authority to execute and deliver and to perform its obligations under the Transaction Documents, including, without limitation, to issue the Shares.

3. The Company is a registered bank holding company under the Bank Holding Company Act of 1956, as amended.

4. The deposit accounts of the Bank are insured by the Federal Deposit Insurance Corporation under the provisions of the Federal Deposit Insurance Act.

5. Each of the Transaction Documents has been duly authorized, executed, and delivered by the Company and, assuming due authorization, execution, and delivery by the Purchaser (to the extent it is a party), each of the Transaction Documents constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.

6. The execution and delivery by the Company of each of the Transaction Documents and the performance by the Company of its obligations under such agreements, including its issuance and sale of the Shares, do not and will not: (a) require any consent, approval, license or exemption by, order or authorization of, or filing, recording, or registration by the Company with any federal or state governmental authority, except (1) as may be required by federal securities laws with respect to the Company's obligations under the Registration Rights Agreement, (2) the filing of Form D pursuant to the United States Securities and Exchange Commission Regulation D, and (3) the filings required in accordance with Section 4.4 of the Agreement, (b) cause the Company to violate any federal or state statute, rule, or regulation of any Governmental Entity, (c) result in any violation of the Articles of Incorporation or Bylaws of the Company, or (d) result in a breach of, or constitute a default under, any contract specifically identified in such opinion letter.

7. Assuming the accuracy of the representations and warranties and compliance with the covenants and agreements of the Purchaser and the Company contained in the Agreement, it is not necessary, in connection with the offer, sale, and delivery of the Shares to the Purchaser to register the Shares under the Securities Act.

8. The Shares being delivered to the Purchaser pursuant to the Agreement have been duly and validly authorized and, when issued, delivered, and paid for as contemplated in the Agreement, will be duly and validly issued, fully paid, and non-assessable, and free of any preemptive right or similar rights contained in the Company's Articles of Incorporation or Bylaws. The shares of Common Stock to be issued upon conversion of the Non-Voting Common Stock have been duly authorized on the part of the Company, have been duly reserved for issuance by all necessary corporate action on the part of the Company and, when issued as provided for in the Articles of Incorporation, will be validly issued, fully paid, and non-assessable, and free of any preemptive rights except for those set forth in the Transaction Documents, pursuant to applicable law, or pursuant to the Articles of Incorporation or Bylaws.

EXHIBIT D

FORM OF SECRETARY'S CERTIFICATE

The undersigned hereby certifies that he is the duly elected, qualified and acting Secretary of Northpointe Bancshares, Inc., a Michigan corporation (the "**Company**"), and that as such he is authorized to execute and deliver this certificate in the name and on behalf of the Company in connection with the Securities Purchase Agreement, dated as of [·], 2019, by and among the Company and the investors party thereto (the "**Purchase Agreement**"), and further certifies in his or her official capacity, in the name and on behalf of the Company, the items set forth below. Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Purchase Agreement.

1.Attached hereto as Exhibit A is a true, correct and complete copy of the resolutions duly adopted by the Board of Directors of the Company at a meeting held on [], 2019. Such resolutions have not in any way been amended, modified, revoked or rescinded, have been in full force and effect since their adoption to and including the date hereof and are now in full force and effect.

2.Attached hereto as Exhibit B is a true, correct and complete copy of the Articles of Incorporation of the Company, together with any and all amendments thereto as in effect on the date hereof.

3. Attached hereto as Exhibit C is a true, correct and complete copy of the bylaws of the Company and any and all amendments thereto as in effect on the date hereof.

4.Each person listed below has been duly elected or appointed to the position(s) indicated opposite his name and is duly authorized to sign the Purchase Agreement and each of the Transaction Documents on behalf of the Company, and the signature appearing opposite such person's name below is such person's genuine signature.

Name	**Position**	**Signature**

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of this [] day of [·], 2019.

[ ]
Secretary

I, [_____], [_____] of the Company, hereby certify that [_____] is the duly elected, qualified, and acting Secretary of the Company and that the signature set forth above is his true signature.

[_____]
[_____]

EXHIBIT E

FORM OF OFFICER'S CERTIFICATE

The undersigned, the [President and Chief Executive Officer] of Northpointe Bancshares, Inc., a Michigan corporation (the "**Company**"), pursuant to Section 2.2(a)(iv) of the Securities Purchase Agreement, dated as of [·], 2019, by and among the Company and the investors signatory thereto (the "**Purchase Agreement**"), hereby represents, warrants and certifies as follows (capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Purchase Agreement):

1. The representations and warranties of the Company contained in the Purchase Agreement are true and correct as of the date when made and as of the Closing Date, as though made on and as of such date, except for such representations and warranties that speak as of a specific date.

2. The Company has performed, satisfied and complied in all material respects with those covenants, agreements, and conditions set forth in Section 5.1 of the Purchase Agreement and all other covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by it at or prior to the Closing.

3. Since December 31, 2018, there has not occurred any circumstance, event, change, development or effect that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect on the Company or the Bank.

IN WITNESS WHEREOF, the undersigned has executed this certificate this [·] day of [·], 2019.

[_____]
[_____]

EXHIBIT F

FORM OF VCOC LETTER AGREEMENT

NORTHPOINTE BANCSHARES, INC.
3333 DEPOSIT DRIVE NE
GRAND RAPIDS, MI 49546

[●], 2019

Castle Creek Capital Partners VII, L.P.
6051 El Tordo
Rancho Santa Fe, CA 92091

Dear Sir/Madam:

Reference is made to the Securities Purchase Agreement by and among Northpointe Bancshares, Inc., a Michigan corporation (the "**Corporation**") and the investors party thereto, including Castle Creek Capital Partners VII, L.P., a Delaware limited partnership (the "**VCOC Investor**"), dated as of **[●]**, 2019 (the "**Securities Purchase Agreement**"), pursuant to which the VCOC Investor agreed to purchase from the Corporation shares of its voting common stock, no par value per share (the "**Common Stock**"), and shares of its non- voting common stock, no par value per share (the "**Non-Voting Common Stock**"). Capitalized terms used herein without definition shall have the respective meanings in the Securities Purchase Agreement.

For good and valuable consideration acknowledged to have been received, the Corporation hereby agrees that it shall:

- For so long as the VCOC Investor, directly or through one or more Affiliates, continues to hold any Common Stock or Non-Voting Common Stock, provide the VCOC Investor or its designated representative with the governance rights set forth in the Securities Purchase Agreement;

- For so long as the VCOC Investor, directly or through one or more Affiliates, continues to hold any Common Stock or Non-Voting Common Stock, without limitation or prejudice of any of the rights provided to the VCOC Investor under the Securities Purchase Agreement or any other agreement or otherwise, provide the VCOC Investor or its designated representative with:

  (i) the right to visit and inspect any of the offices and properties of the Corporation and its subsidiaries and inspect the books and records of the Corporation and its subsidiaries at such times as the VCOC Investor shall reasonably request upon three (3) business days' notice but not more frequently than once per calendar quarter, provided, however, that such rights shall not extend to confidential bank supervisory communications, customer financial records or other "exempt records" as defined by 12 C.F.R. Part 309, or reports of examination of any national or state chartered insured bank, which information may only be disclosed by the Corporation or any subsidiary of the Corporation in accordance with the provisions and subject to the limitations of applicable law or regulation;

  (ii) consolidated balance sheets and statements of income and cash flows of the Corporation and its subsidiaries prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis (A) as of the end of each quarter of each fiscal year of the Corporation as soon as practicable after preparation thereof but in no event later than ninety (90) days after the end of such quarter, and (B) with respect to each fiscal year end statement, as soon as practicable after preparation thereof but in no event later than one hundred and twenty (120) days after the end of such fiscal year together with an auditor's report thereon of a firm of established national reputation; and

  (iii) to the extent the Corporation or any of its subsidiaries is required by law or pursuant to the terms of any outstanding indebtedness of the Corporation or any subsidiary to prepare such reports, any annual reports, quarterly reports and other periodic reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 or otherwise, actually prepared by the Corporation or any of its subsidiaries as soon as available;

  provided, that, in each case, if the Corporation makes the information described in clauses (ii) and (iii) of this bullet point available through public filings on the EDGAR system or any successor or replacement system of the United States Securities and Exchange Commission, the delivery of the information shall be deemed satisfied by such public filings.

- Make appropriate officers and directors of the Corporation, and its subsidiaries, available periodically and at such times as reasonably requested by the VCOC Investor for consultation with the VCOC Investor or its designated representative, but not more frequently than once per calendar quarter, with respect to matters relating to the business and affairs of the Corporation and its subsidiaries; and

- If the VCOC Investor's regular outside counsel determines in writing that other rights of consultation are reasonably necessary under applicable legal authorities promulgated after the date of this agreement to preserve the qualification of VCOC Investor's investment in the Corporation as a "venture capital investment" for purposes of the United States Department of Labor Regulation published at 29 C.F.R. Section 2510.3-101(d)(3)(i) (the "**Plan Asset Regulation**"), the Corporation agrees to cooperate in good faith with the VCOC Investor to amend this letter agreement to reflect such other rights that are mutually satisfactory to the Corporation and the VCOC Investor and consistent with the Federal Reserve Policy Statement on Equity Investments in Banks and Bank Holding Companies; provided that such consultation rights shall be limited to once per calendar quarter.

The Corporation agrees to consider, in good faith, the recommendations of the VCOC Investor or its designated representative in connection with the matters on which it is consulted as described above, recognizing that the ultimate discretion with respect to all such matters shall be retained by the Corporation.

The VCOC Investor agrees, and will require each designated representative of the VCOC Investor to agree, to hold in confidence and not use or disclose to any third party (other than its legal counsel and accountants) any confidential information provided to or learned by such party in connection with the VCOC Investor's rights under this letter agreement except as may otherwise be required by law or legal, judicial or regulatory process, provided that the VCOC Investor takes reasonable steps to minimize the extent of any such required disclosure.

In the event the VCOC Investor transfers all or any portion of its investment in the Corporation to an affiliated entity (or to a direct or indirect wholly-owned conduit subsidiary of any such affiliated entity) that is intended to qualify as a venture capital operating company under the Plan Asset Regulation, such affiliated entity shall be afforded the same rights that the Corporation has afforded to the VCOC Investor hereunder and shall be treated, for such purposes, as a third party beneficiary hereunder.

The rights of the VCOC Investor under this letter agreement are unique to the VCOC Investor and shall not be assignable or transferrable other than to an affiliated entity that is intended to qualify as a venture capital operating company under the Plan Asset Regulation.

This letter agreement and the rights and the duties of the parties hereto shall be governed by, and construed in accordance with, the laws of the State of New York and may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this letter agreement as of the date first above written.

NORTHPOINTE BANCSHARES, INC.

By: _____
Name: Charles A. Williams
Title: President & CEO

Agreed and acknowledged as of the date first above written:

CASTLE CREEK CAPITAL PARTNERS VII, L.P.

By: Castle Creek Capital VII LLC, its general partner

By: _____
Name: _____
Title: _____

[Signature Page to VCOC Letter Agreement]

Exhibit 10.8

Execution Version

SECURITIES PURCHASE AGREEMENT

dated December 24, 2019

by and among

NORTHPOINTE BANCSHARES, INC.

and

THE PURCHASERS IDENTIFIED ON THE SIGNATURE PAGES HERETO

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "**Agreement**") is dated as of December 24, 2019, by and among Northpointe Bancshares, Inc., a Michigan corporation (the "**Company**"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "**Purchaser**" and collectively, the "**Purchasers**").

RECITALS

A. The Company and each Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and Rule 506 of Regulation D ("**Regulation D**") as promulgated by the United States Securities and Exchange Commission (the "**Commission**") under the Securities Act.

B. Each Purchaser, severally and not jointly, wishes to purchase, and the Company wishes to sell, upon the terms and conditions stated in this Agreement, that number of (i) shares of voting common stock, no par value per share, of the Company (the "**Common Stock**"), set forth below such Purchaser's name on the signature page of this Agreement (which shall be collectively referred to herein as the "**Common Shares**") and (ii) shares of non-voting common stock, no par value per share, of the Company (the "**Non-Voting Common Stock**"), set forth below such Purchaser's name on the signature page of this Agreement (which shall be collectively referred to herein as the "**Non-Voting Common Shares**"). The Common Shares and the Non-Voting Common Shares shall be collectively referred herein to as the "**Shares**." Any Purchaser that proposes to acquire a number of Common Shares that would equal or exceed 10% of the total number of shares of Common Stock (or any other class of voting securities of the Company) issued and outstanding immediately following the closing of this offering shall instead acquire Common Shares representing 9.9% of the total number of shares of Common Stock (or other class of voting securities of the Company, as applicable) issued and outstanding immediately following the offering and any shares acquired in excess of this amount shall be issued as Non-Voting Common Stock.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Purchasers hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms shall have the meanings indicated in this Section 1.1:

"**Action**" means any action, suit, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition), or investigation pending or, to the Company's Knowledge, threatened against the Company, any Subsidiary, or any of their respective properties or any officer, director, or employee of the Company or any Subsidiary acting in his or her capacity as an officer, director, or employee, before or by any Governmental Entity.

"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is controlled by, or is under common control with such Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"**Agency**" has the meaning set forth in Section 3.1(pp).

"**Agreement**" shall have the meaning ascribed to such term in the Preamble.

"**Articles of Incorporation"** means the Restated Articles of Incorporation of the Company and all amendments thereto, as amended as of the date hereof.

"**Bank**" means Northpointe Bank, a Michigan state-chartered bank and wholly owned Subsidiary of the Company.

"**Bank Boards**" has the meaning set forth in Section 4.16(a).

"**Bank Regulatory Approvals**" means that a Purchaser shall have received, in its sole discretion, satisfactory feedback from the Federal Reserve and the Michigan Department of Insurance and Financial Services (which may be the absence of any communication from the Federal Reserve or the Michigan Department of Insurance and Financial Services) that it will not have "control" of the Company or the Bank for purposes of the BHCA and applicable laws of the State of Michigan and that no notice is required under the CIBC Act (or if such notice is required, it has been submitted to the applicable Governmental Entity, and there has been no objection by such Governmental Entity after the expiration or earlier termination of any applicable waiting period), and Purchaser shall have submitted all other filings with and received all other approvals required by applicable Governmental Entities, in each case as necessary to permit Purchaser to hold up to twenty-four point nine percent (24.9%) of any class of voting securities of the Company.

"**Benefit Plan**" has the meaning set forth in Section 3.1(rr).

"**BHCA**" has the meaning set forth in Section 3.1(b).

"**BHCA Control**" has the meaning set forth in Section 3.1(uu).

"**Board**" means the Board of Directors of the Company.

"**Board Representative**" has the meaning set forth in Section 4.16(a).

"**Burdensome Condition**" has the meaning set forth in Section 4.13.

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks in the State of Michigan are open for the general transaction of business.

"**Buy-In**" has the meaning set forth in Section 4.1(d).

"**Buy-In Broker**" has the meaning set forth in Section 4.1(d).

"**Castle Creek**" means Castle Creek Capital Partners VI, L.P. Castle Creek is also a Purchaser as such term is used in this Agreement.

"**Change in Control**" means, with respect to the Company, the occurrence of any one of the following events:

(1) any Person or "group" (other than the Purchasers and their Affiliates) becomes a beneficial owner (as defined in Rules 13d-3 of the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the aggregate shares of Common Stock;

(2) any Person or "group" (other than the Purchasers and their Affiliates) becomes a beneficial owner (as defined in Rules 13d-3 of the Exchange Act), directly or indirectly, of twenty-four point nine percent (24.9%) or more of the aggregate shares of Common Stock, and in connection with such event, individuals who, on the date of this Agreement, constitute the Board cease for any reason to constitute at least a majority of the Board;

(3) the consummation of a merger, consolidation, statutory share exchange, or similar transaction that requires adoption by the Company's shareholders (a "**Business Combination**"), unless immediately following such Business Combination more than 50% of the total voting power of the corporation resulting from such Business Combination (the "**Surviving Corporation**"), or, if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership (as defined in Rules 13d-3 of the Exchange Act) of 100% of the voting securities eligible to elect directors of the Surviving Corporation, is represented by Common Stock that was outstanding immediately before such Business Combination;

(4) the shareholders of the Company approve a plan of liquidation or dissolution of the Company or a sale of all or substantially all of the Company's assets; or

(5) the Company has entered into a definitive agreement, the consummation of which would result in the occurrence of any of the events described in clauses (1) through (4) of this definition above.

"**CIBC Act**" means the Change in Bank Control Act of 1978.

"**Closing**" means the closing of the purchase and sale of the Shares pursuant to this Agreement.

"**Closing Date**" means the date on which the Closing shall occur, which (unless otherwise agreed by the Parties in writing) shall be no later than ten (10) Business Days after the satisfaction (or waiver, as applicable) of the last to be satisfied of the conditions set forth in Article V.

"**Code**" means the Internal Revenue Code of 1986, including the regulations and published interpretations thereunder.

"**Commission**" has the meaning set forth in the Recitals.

"**Common Shares**" has the meaning set forth in the Recitals.

"**Common Stock**" has the meaning set forth in the Recitals, and also includes any securities into which the Common Stock may hereafter be reclassified or changed.

"**Company**" has the meaning set forth in the preamble.

"**Company Counsel**" means Varnum LLP.

"**Company Deliverables**" has the meaning set forth in Section 2.2(a).

"**Company Financial Statements**" has the meaning set forth in Section 3.1(h).

"**Company Reports**" has the meaning set forth in Section 3.1(kk).

"**Company's Knowledge**" means with respect to any statement made to the knowledge of the Company, that the statement is based upon the actual knowledge, after reasonable inquiry, of the executive officers of the Company having responsibility for the matter or matters that are the subject of the statement.

"**Control**" (including the terms "controlling," "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise for purposes of the BHCA or the CIBC Act.

"**Covered Person**" has the meaning set forth in Section 3.1(ww).

"**CRA**" has the meaning set forth in Section 3.1(nn).

"**Deductible**" has the meaning set forth in Section 4.7(e).

"**Delaware Courts**" has the meaning set forth in Section 5.8.

"**Disqualification Events**" has the meaning set forth in Section 3.1(ww).

"**Effective Date**" means the date on which the initial Registration Statement required by Section 2(a) of the Registration Rights Agreement is first declared effective by the Commission.

"**Environmental Laws**" has the meaning set forth in Section 3.1(k).

"**ERISA**" has the meaning set forth in Section 3.1(rr).

"**ERISA Affiliates**" has the meaning set forth in Section 3.1(rr).

"**ERISA Plan**" has the meaning set forth in Section 3.1(rr).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"**Expedited Issuance**" has the meaning set forth in Section 4.17(f).

"**FDIC**" means the Federal Deposit Insurance Corporation.

"**Federal Reserve**" means the Board of Governors of the Federal Reserve System.

"**Future Bank**" means any commercial bank that becomes a Subsidiary of the Company at any time following the date hereof.

"**GAAP**" means U.S. generally accepted accounting principles as applied by the Company.

"**Governmental Entity**" means any court, administrative agency, arbitrator, or commission or other governmental or regulatory authority or instrumentality, whether federal, state, local, or foreign, and any applicable industry self-regulatory organization or securities exchange.

"**Information**" has the meaning set forth in Section 4.3(b).

"**Insurer**" has the meaning set forth in Section 3.1(pp).

"**Intellectual Property**" has the meaning set forth in Section 3.1(q).

"**IRS**" has the meaning set forth in Section 3.1(rr).

"**Law**" means any federal, state, county, municipal or local ordinance, permit, concession, grant, franchise, law, statute, code, rule or regulation or any judgment, ruling, order, writ, injunction or decree promulgated by any Governmental Entity.

"**Legend Removal Date**" has the meaning set forth in Section 4.1(c).

"**Lien**" means any lien, charge, claim, encumbrance, security interest, right of first refusal, preemptive right, mortgage, deed of trust, pledge, conditional sale agreement, restriction on transfer or other restrictions of any kind.

"**Loan**" has the meaning set forth in Section 3.1(pp).

"**Losses**" has the meaning set forth in Section 4.7(a).

"**Material Adverse Effect**" means any event, circumstance, change or occurrence that has had or would reasonably be expected to have (i) a material and adverse effect on the legality, validity, or enforceability of any Transaction Document, (ii) a material and adverse effect on the operations, results of operations, assets, liabilities, properties, business, or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, or (iii) any adverse impairment to the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document; provided, however, that clause (ii) shall not include the impact of (A) changes in banking and similar Laws of general applicability or interpretations thereof by any applicable Governmental Entity, (B) changes in GAAP or regulatory accounting requirements applicable to banks and their holding companies generally, (C) changes in general economic or political conditions, including interest rates, affecting banks generally, (D) conditions generally affecting the banking and/or residential mortgage industries; (E) any changes in financial or securities markets in general; (F) acts of war (whether or not declared), armed hostilities, or terrorism, or the escalation or worsening thereof; (G) the public announcement, pendency or completion of the transactions contemplated by this Agreement; or (H) the effects of any action or omission taken by the Company or the Bank either in accordance with this Agreement or otherwise with the prior written consent of Purchaser, except, with respect to clauses (A) through (F), to the extent that the effect of such changes has a disproportionate impact on the Company and the Subsidiaries, taken as a whole, relative to other similarly situated banks and their holding companies generally.

"**Material Contract**" means any of the following agreements of the Company or any of its Subsidiaries:

(1) any contract containing covenants that limit in any material respect the ability of the Company or any of its Subsidiaries to compete in any line of business or with any Person or which involve any material restriction of the geographical area in which, or method by which or with whom, the Company or any of its Subsidiaries may carry on its business (other than as may be required by Law or applicable regulatory authorities), and any contract that could require the disposition of any material assets or line of business of the Company or of its Subsidiaries;

(2) any joint venture, partnership, strategic alliance, or other similar contract (including any franchising agreement, but in any event excluding introducing broker agreements), and any contract relating to the acquisition or disposition of any material business or material assets (whether by merger, sale of stock or assets, or otherwise), which acquisition or disposition is not yet complete or where such contract contains continuing material obligations or contains continuing indemnity obligations of the Company or any of its Subsidiaries;

(3) any real property lease and any other lease with annual rental payments aggregating $100,000 or more;

(4) other than with respect to loans, any contract providing for, or reasonably likely to result in, the receipt or expenditure of more than $500,000 on an annual basis, including the payment or receipt of royalties or other amounts calculated based upon revenues or income;

(5) any contract or arrangement under which the Company or any of its Subsidiaries is licensed or otherwise permitted by a third party to use any Intellectual Property that is material to its business (except for any "shrinkwrap" or "click through" license agreements or other agreements for software that is generally available to the public and has not been customized for the Company or its Subsidiaries) or under which a third party is licensed or otherwise permitted to use any Intellectual Property owned by the Company or any of its Subsidiaries;

(6) any contract that by its terms limits the payment of dividends or other distributions by the Company or any of its Subsidiaries;

(7) any standstill or similar agreement pursuant to which any party has agreed not to acquire assets or securities of another person;

(8) any contract that would reasonably be expected to prevent, materially delay, or materially impede the Company's ability to consummate the transactions contemplated by this Agreement and the other Transaction Documents;

(9) any contract providing for indemnification by the Company or any of its Subsidiaries of any person, except for immaterial contracts entered into in the ordinary course of business consistent with past practice;

(10) any contract that contains a put, call, or similar right pursuant to which the Company or any of its Subsidiaries could be required to purchase or sell, as applicable, any equity interests or assets that have a fair market value or purchase price of more than $100,000; and

(11) any other contract or agreement which is a "material contract" within the meaning of Item 601(b)(10) of Regulation S-K.

"**Material Permits**" has the meaning set forth in Section 3.1(o).

"**May 2019 SPA**" means that certain Securities Purchase Agreement, dated as of May 30, 2019, by and between the Company and Castle Creek Capital Partners VII, L.P.

"**Minimum Ownership Interest**" has the meaning set forth in Section 4.16(a).

"**Money Laundering Laws**" has the meaning set forth in Section 3.1(ii).

"**New Security**" has the meaning set forth in Section 4.17(a).

"**Non-Voting Common Shares**" has the meaning set forth in the Recitals.

"**Non-Voting Common Stock**" has the meaning set forth in the Recitals.

"**OFAC**" has the meaning set forth in Section 3.1(hh).

"**Offering**" has the meaning set forth in Section 4.17(c).

"**Pension Plan**" has the meaning set forth in Section 3.1(rr).

"**Permitted Transferee**" means with respect to any Purchaser, an Affiliate of such Purchaser.

"**Person**" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization or Governmental Entity.

"**Personally Identifiable Information**" means any information that is publicly available or is held or controlled by the Company or any of its Subsidiaries that, alone or in combination with other information, can be used to identify an individual or a specific device.

"**Preferred Stock**" has the meaning set forth in Section 3.1(g)(i).

"**Principal Trading Market**" means the Trading Market on which the Common Stock is primarily listed on and quoted for trading.

"**Proceeding**" means an action, claim, suit, investigation, or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition).

"**Purchase Price**" means an amount equal to $50.00 per Share.

"**Purchased Shares**" means the number of Shares to be purchased by each Purchaser hereunder.

"**Purchaser**" has the meaning set forth in the Preamble.

"**Purchaser Deliverables**" has the meaning set forth in Section 2.2(b).

"**Purchaser Party**" has the meaning set forth in Section 4.7(a).

"**Questionnaire**" has the meaning set forth in Section 2.2(b)(ii).

"**Registration Rights Agreement**" has the meaning set forth in Section 2.2(a)(viii).

"**Registration Statement**" means a registration statement meeting the requirements set forth in the Registration Rights Agreement and covering the resale by the Purchasers of the Registrable Securities (as defined in the Registration Rights Agreement).

"**Regulation D**" has the meaning set forth in the Recitals.

"**Regulatory Agreement**" has the meaning set forth in Section 3.1(mm).

"**Required Approvals**" has the meaning set forth in Section 3.1(e).

"**Response Period**" has the meaning set forth in Section 4.17(c).

"**Rule 144**" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"**Securities Act**" has the meaning set forth in the Recitals.

"**Shareholder Litigation**" has the meaning set forth in Section 4.14.

"**Shares**" has the meaning set forth in the Recitals.

"**Subsidiary**" means any entity in which the Company or the Bank, directly or indirectly, owns fifty percent (50%) or more of the outstanding capital stock or otherwise has Control over such entity. For the avoidance of doubt, the Subsidiaries of the Company include the Bank.

"**Surviving Corporation**" has the meaning set forth in this Section 1.1.

"**Takeover Law**" has the meaning set forth in Section 3.1(bb).

"**Tax**" or "**Taxes**" mean (i) any federal, state, local or foreign income, gross receipts, property, sales, use, license, excise, franchise, employment, payroll, withholding, alternative or add on minimum, ad valorem, transfer or excise tax, or any other tax, custom, duty, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or penalty, imposed by any Governmental Entity and (ii) any liability in respect of any items described in clause (i) above payable by reason of contract, assumption, transferee or successor liability, operation of law, Treasury Regulations Section 1.1502-6(a) (or any predecessor or successor thereof or analogous or similar provisions of Law) or otherwise.

"**Tax Return**" means any return, declaration, report or similar statement filed or required to be filed with respect to any Tax (including any attached schedules), including, without limitation, any information return, claim for refund, amended return or declaration of estimated Tax.

"**Trading Day**" means (i) a day on which the Common Stock is listed or quoted and traded on its Principal Trading Market, or (ii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as reported by OTC Markets Group, Inc. (including the OTC Pink); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i) and (ii) hereof, then Trading Day shall mean a Business Day.

"**Trading Market**" means whichever of the New York Stock Exchange, the NYSE Amex, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market, or the OTC Pink on which the Common Stock is listed or quoted for trading on the date in question.

"**Transaction Documents**" means this Agreement, the schedules and exhibits attached hereto, including the VCOC Letter Agreement, the Registration Rights Agreement, and any other documents or agreements executed by the Company or the Purchasers in connection with the transactions contemplated hereunder.

"**Transfer**" means, in respect of any Shares, property or other assets, any sale, assignment, hypothecation, lien, encumbrance, transfer, distribution or other disposition thereof or of a participation therein, or other conveyance of legal or beneficial interest therein, including rights to vote and to receive dividends or other income with respect thereto, or any short position in a security or any other action or position otherwise reducing risk related to ownership through hedging or other derivative instruments, whether voluntarily or by operation of Law, or any agreement or commitment to do any of the foregoing.

"**Transfer Agent**" means Computershare Trust Company, N.A., a federally chartered trust company, or any successor transfer agent for the Company.

"**Transferee**" means any Person that is a transferee of all or a portion of a Purchaser's Shares.

"**Treasury Regulations**" means the final regulations issued by the United States Department of Treasury pursuant to its authority under the Code, and any successor regulations.

"**U.S. Sanctions Laws**" has the meaning set forth in Section 3.2(m).

"**VCOC Letter Agreement**" means the letter agreement in the form attached hereto as Exhibit F, dated as of the Closing Date, between the Company and Castle Creek.

"**Voting Securities**" means the capital stock of the Company that is then entitled to vote generally in the election of directors of the Company.

ARTICLE II
PURCHASE AND SALE

Section 2.1 Closing.

(a) Purchase of Shares. Subject to the terms and conditions set forth in this Agreement, at the Closing, the Company shall issue and sell to each Purchaser, and each Purchaser shall, severally and not jointly, purchase from the Company, the number of Shares set forth below such Purchaser's name on the signature page of this

Agreement at a per Share price equal to the Purchase Price.

(b) Closing. The Closing of the purchase and sale of the Shares shall take place remotely by electronic transmission of closing documents and signature pages on the Closing Date, or such other means and/or date as the parties may mutually agree.

Section 2.2 Closing Deliveries.

(a) On or prior to the Closing, the Company shall issue, deliver or cause to be delivered to each Purchaser (unless otherwise indicated) the following (the "**Company Deliverables**"):

(i) evidence of book entry of the Shares purchased by the Purchaser pursuant to this Agreement, registered in the name of such Purchaser or its nominee;

(ii) a legal opinion of Company Counsel, dated as of the Closing Date and in the form attached hereto as Exhibit C, executed by such counsel and addressed to the Purchasers;

(iii) a certificate of the Secretary of the Company, in the form attached hereto as Exhibit D, dated as of the Closing Date, (a) certifying the resolutions adopted by the Board or a duly authorized committee thereof approving the transactions contemplated by this Agreement and the other Transaction Documents and the issuance of the Shares, (b) certifying the current versions of the Articles of Incorporation and bylaws, as amended, of the Company, and (c) certifying as to the signatures and authority of persons signing the Transaction Documents and related documents on behalf of the Company;

(iv) a certificate, dated as of the Closing Date and signed by of the President and Chief Executive Officer or Chief Financial Officer of the Company, in the form attached hereto as Exhibit E;

(v) a Certificate of Good Standing of the Company from the Michigan Secretary of State as of a recent date;

(vi) a certificate of the Michigan Department of Insurance and Financial Services as of a recent date evidencing the corporate existence of the Bank;

(vii) a certificate of the FDIC to the effect that the Bank's deposit accounts are insured by the FDIC under the provisions of the Federal Deposit Insurance Act; and

(viii) with respect to Castle Creek, the VCOC Letter Agreement and a registration rights agreement, substantially in the form attached hereto as Exhibit A (the "**Registration Rights Agreement**"), each duly executed by the Company and Castle Creek.

(b) On or prior to the Closing, each Purchaser shall deliver or cause to be delivered to the Company the following (the "**Purchaser Deliverables**"):

(i) in U.S. dollars and in immediately available funds, the amount indicated below such Purchaser's name on the applicable signature page hereto under the heading "Aggregate Purchase Price" by wire transfer to the account provided by the Company;

(ii) a fully completed and duly executed Accredited Investor Questionnaire (the "**Questionnaire**") reasonably satisfactory to the Company, in the form attached hereto as Exhibit B; and

(iii) with respect to Castle Creek, the VCOC Letter Agreement and the Registration Rights Agreement.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Company. The Company hereby represents and warrants as of the date hereof (except for the representations and warranties that speak as of a specific date, which shall be made as of such date), with each of the following representations and warranties qualified by those matters set forth in the Disclosure Schedules attached to this Agreement, to each of the Purchasers that:

(a) Subsidiaries. The Company owns all of the outstanding shares of the Bank. The Company has no other direct or indirect Subsidiaries. The Company owns, directly or indirectly, all of the capital stock or comparable equity interests of each Subsidiary free and clear of any and all Liens, and all the issued and outstanding shares of capital stock or comparable equity interest of each Subsidiary are validly issued and are fully paid, non-assessable (to the extent such concept is applicable to an equity interest of a Subsidiary) and free of preemptive and similar rights to subscribe for or purchase securities. Except in respect of the Company's Subsidiaries, the Company does not own beneficially, directly or indirectly, more than five percent (5%) of any class of equity securities or similar interests of any corporation, bank, business trust, association or similar organization, and is not, directly or indirectly, a partner in any partnership or party to any joint venture.

(b) Organization and Qualification. The Company and each of its Subsidiaries is an entity duly incorporated or otherwise organized, validly existing, and in good standing under the Laws of the jurisdiction of its incorporation or organization (as applicable), with the requisite power and authority to own or lease and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation of any of the provisions of its respective certificate or articles of incorporation, bylaws, or other organizational or charter documents. The Company and each of its Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not in the reasonable judgment of the Company be expected to be material to the Company or any of its Subsidiaries. The Company is duly registered as a bank holding company under the Bank Holding Company Act of 1956, as amended (the "**BHCA**"). The Bank is the Company's only Subsidiary banking institution. The Bank's deposit accounts are insured up to applicable limits by the FDIC, and all premiums and assessments required to be paid in connection therewith have been paid when due and no Proceeding for the termination of such insurance is pending or, to the Company's Knowledge, threatened. The Company and its Subsidiaries have conducted its business in compliance with all applicable federal, state and foreign Laws, orders, judgments, decrees, rules, regulations, and applicable stock exchange requirements, including all Laws and regulations restricting activities of bank holding companies and banking organizations, in all material respects.

(c) Authorization; Enforcement; Validity. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder, including, without limitation, to issue the Shares in accordance with the terms hereof. The Company's execution and delivery of each of the Transaction Documents and the consummation by it of the transactions contemplated hereby and thereby (including, but not limited to, the sale and delivery of the Shares pursuant to this Agreement and the other Transaction Documents) have been duly

authorized by all necessary corporate action on the part of the Company, and no further corporate action is required by the Company, the Board, or the Company's shareholders in connection therewith other than in connection with the Required Approvals. Each of the Transaction Documents has been (or upon delivery will have been) duly executed by the Company and is, or when delivered in accordance with the terms hereof or thereof, will (assuming the due authorization, execution, and delivery thereof by the other parties thereto) constitute the legal, valid, and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, or similar Laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application, (ii) as limited by Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (iii) insofar as indemnification and contribution provisions may be limited by applicable Law. There are no shareholder agreements, voting agreements, or other similar arrangements with respect to the Company's capital stock to which the Company is a party or, to the Company's Knowledge, between or among any of the Company's shareholders.

(d) No Conflicts. The execution, delivery, and performance by the Company of the Transaction Documents and the consummation by the Company of the transactions contemplated hereby or thereby (including, without limitation, the issuance of the Shares pursuant to this Agreement and the other Transaction Documents) do not and will not, subject to receipt of the Required Approvals, (i) conflict with or violate any provisions of the Company's or any Subsidiary's articles of incorporation, bylaws, or otherwise result in a violation of the organizational documents of the Company or any Subsidiary, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would result in a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary or give to others any rights of termination, amendment, acceleration, or cancellation (with or without notice, lapse of time or both) of, any agreement, indenture or instrument to which the Company or any Subsidiary is a party, or (iii) conflict with or result in a violation of any Law, rule, regulation, order, judgment, injunction, decree, or other restriction of any court or Governmental Entity to which the Company is subject (including federal and state securities Laws and regulations and the rules and regulations thereunder, assuming, without investigation, the correctness of the representations and warranties made by the Purchasers herein, of any self-regulatory organization to which the Company or its securities are subject, including all applicable Trading Markets), or by which any property or asset of the Company is bound or affected, except in the case of clauses (ii) and (iii) such as would not be, or would not reasonably be expected to be, material to the Company or any of its Subsidiaries.

(e) Filings, Consents and Approvals. Neither the Company nor any of its Subsidiaries is required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any Governmental Entity or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents (including, without limitation, the issuance of the Shares), other than (i) the filing with the Commission of one or more Registration Statements in accordance with the requirements of the Registration Rights Agreement, (ii) filings required by applicable state securities Laws, (iii) the filing of a Notice of Exempt Offering of Securities on Form D with the Commission under Regulation D of the Securities Act, (iv) the filing of any applicable notices and/or applications to or the receipt of any applicable consents or non-objections from the state or federal bank regulatory authorities that govern the Company or the Bank, and (v) those that have been made or obtained prior to the date of this Agreement (collectively, the "**Required Approvals**"). The Company is unaware of any facts or circumstances relating to the Company or its Subsidiaries that would be likely to prevent the Company from obtaining or effecting any of the foregoing.

(f) Issuance of the Shares. The issuance of the Shares has been duly authorized and the Shares, when issued and paid for in accordance with the terms of the Transaction Documents, will be duly and validly issued, fully paid, and non-assessable and free and clear of all Liens, other than restrictions on transfer imposed by applicable securities Laws, restrictions contemplated by this Agreement and Liens, if any, created by a Purchaser, and shall not be subject to preemptive or similar rights. Assuming the accuracy of the representations and warranties of the Purchasers in this Agreement, the Shares will be issued in compliance with all applicable federal and state securities Laws.

(g) Capitalization.

(i) The authorized capital stock of the Company consists of (i) 4,000,000 shares of Common Stock, no par value per share, (ii) 2,000,000 shares of Non-Voting Common Stock, no par value per share, and (iii) 500,000 shares of preferred stock, no par value per share. As of the date hereof, but prior to giving effect to the Closing, there are 1,890,775 shares of Common Stock issued and outstanding, 397,218 shares of Non-Voting Common Stock issued and outstanding, and there are no shares of preferred stock issued and outstanding. No shares of Common Stock are reserved for issuance. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and non-assessable, have been issued in compliance in all material respects with all applicable federal and state securities Laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase any capital stock of the Company. The shares of Common Stock issuable upon any conversion of the Non-Voting Common Stock will have been duly authorized by all necessary corporate action and when so issued upon such conversion will be validly issued, fully paid and non-assessable, and free of preemptive rights except for those stated herein. The Company will reserve, free of any preemptive or similar rights of shareholders of the Company, a number of unissued shares of Common Stock sufficient to issue and deliver the Common Stock into which the issued and outstanding Non-Voting Common Stock is then convertible. No shares of the Company's outstanding capital stock are subject to preemptive rights or any other similar rights. There are no outstanding options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares of capital stock of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares of capital stock of the Company or any of its Subsidiaries. There are no material outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing indebtedness of the Company or any of its Subsidiaries or by which the Company or any of its Subsidiaries is bound. Except for the Registration Rights Agreement, if applicable, there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of its securities under the Securities Act. There are no outstanding securities or instruments of the Company or any of its Subsidiaries that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries. The Company and its Subsidiaries do not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. Neither the Company nor any of its Subsidiaries has any liabilities or obligations required to be disclosed in the Company Financial Statements but not so disclosed in the Company Financial Statements, which, individually or in the aggregate, will be or would reasonably be expected to be material to the Company or any of its Subsidiaries. There are no securities or instruments issued by or to which the Company or any of its Subsidiaries is a party containing anti-dilution or similar provisions that will be triggered by the issuance of the Shares pursuant to this Agreement and the other Transaction Documents.

(ii) Immediately following the Closing, (i) 1,890,775 shares of Common Stock will be issued and outstanding and (ii) 657,218 shares of Non-Voting Common Stock will be issued and outstanding.

(h) Company Financial Statements. The audited consolidated balance sheets of the Company and its Subsidiaries as of December 31, 2018 and 2017 and the related consolidated statements of operations, changes in shareholders' equity and cash flows for the two years ended December 31, 2018, together with the notes thereto, and the unaudited consolidated balance sheets of the Company and its Subsidiaries as of November 30, 2019 and the related consolidated statements of operations, changes to shareholders' equity and cash flows for the eleven (11) months then ended (the "**Company Financial Statements**") (1) have been prepared from, and are in accordance with the books and records of the Company and its Subsidiaries, and (2) have been prepared in accordance with GAAP applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto and except that the unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the balance sheet of the Company and its Subsidiaries taken as a whole as of and for the dates thereof and the results of

operations, shareholders' equity, and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments, which would not be material, either individually or in the aggregate. The Company has made available to the Purchasers complete and accurate copies of the Company Financial Statements.

(i) Tax Matters. The Company and each of its Subsidiaries has (i) timely filed all material foreign, U.S. federal, state and local Tax Returns that are or were required to be filed, and all such Tax Returns are true, correct and complete in all material respects, (ii) paid all material Taxes required to be paid by it and any other material assessment, fine or penalty levied against it, whether or not shown or determined to be due on such Tax Returns, other than any such amounts (x) currently payable without penalty or interest, or (y) being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP; (iii) timely withheld, collected or deposited as the case may be all material Taxes (determined both individually and in the aggregate) required to be withheld, collected or deposited by it, and to the extent required, have been paid to the relevant taxing authority in accordance with applicable Law; and (iv) complied with all applicable information reporting requirements in all material respects. Neither the Company nor any Subsidiary (i) is subject to any outstanding audit, assessment, dispute or claim concerning any material Tax liability of the Company or any of its Subsidiaries either within the Company's Knowledge or claimed, pending or raised by an authority in writing; (ii) is a party to, bound by or otherwise subject to any obligation under any Tax sharing or Tax indemnity agreement or similar contract or arrangement (other than an agreement, similar contract or arrangement to which only the Company and its Subsidiaries are parties); (iii) has participated in a "listed transaction" within the meaning of Treasury Regulation Section 1.6011- 4(b)(2); or (iv) has any liability for Taxes of any Person arising from the application of Treasury Regulation Section 1.1502-6 or any analogous provision of state, local or foreign Law, or as a transferee or successor, by contract, or otherwise. No claim has been made by a tax authority in a jurisdiction where the Company or any Subsidiary does not pay Taxes or file Tax Returns asserting that the Company or any Subsidiary is or may be subject to Taxes assessed by such jurisdiction. Neither the Company nor any Subsidiary will be required to include any item of income in, or exclude any item of deduction from, taxable income for any period (or any portion thereof) ending after the Closing as a result of any: (1) installment sale or other open transaction disposition made on or prior to the Closing; (2) prepaid amount received on or prior to the Closing; (3) written and legally binding agreement with a Governmental Entity relating to taxes for any taxable period ending on or before the Closing; (4) change in method of accounting in any taxable period ending on or before the Closing; or (5) election under Section 108(i) of the Code.

(j) Material Changes. Since the date of the latest audited financial statements included within the Company Financial Statements, (i) there have been no events, occurrences, or developments that have had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (ii) the Company and its Subsidiaries have not incurred any material liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses, and other liabilities incurred in the ordinary course of business consistent with past practice, and (B) liabilities not required to be reflected in the Company Financial Statements pursuant to GAAP, (iii) the Company and its Subsidiaries have not altered materially their method of accounting or the manner in which they keep their accounting books and records, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed, or made any agreements to purchase or redeem any shares of its capital stock, (v) the Company and its Subsidiaries have not issued any equity to any Person, (vi) there has not been any material change or amendment to, or any waiver of any material right by the Company or any of its Subsidiaries under, any Material Contract under which the Company or any of its Subsidiaries is bound or subject, and (vii) there has not been a material increase in the aggregate dollar amount of (A) the Bank's nonperforming loans (including nonaccrual loans and loans 90 days or more past due and still accruing interest) or (B) the reserves or allowances established on and in respect to the Company Financial Statements.

(k) Environmental Matters. Neither the Company nor any of its Subsidiaries (i) is or during the past four years has been in violation of any Law of any Governmental Entity relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "**Environmental Laws**"), (ii) is or during the past four years has been liable for any off-site disposal or contamination pursuant to any Environmental Laws, (iii) owns or operates, or has owned or operated during the past four years any real property contaminated with any substance that is in violation of any Environmental Laws or (iv) is or during the past four years has been subject to any claim relating to any Environmental Laws; in each case, which violation, contamination, liability or claim has had or would reasonably be expected to be material to the Company or any of its Subsidiaries; and there is no pending or, to the Company's Knowledge, threatened investigation that might lead to such a claim. Except as would not be material to the Company or any of its Subsidiaries, there are and during the past four years have been no circumstances or conditions (including the presence of asbestos, underground storage tanks, lead products, polychlorinated biphenyls, prior manufacturing operations, dry-cleaning or automotive services) involving the Company or any of its Subsidiaries, or any currently or formerly owned or operated property of the Company or any of its Subsidiaries, that could reasonably be expected to result in any claim, liability, investigation, cost or restriction against the Company or any of its Subsidiaries, or result in any restriction on the ownership, use, or transfer of any property pursuant to any Environmental Law, or adversely affect the value of any currently owned property of the Company or any of its Subsidiaries.

(l) Litigation. There is and during the past four years has been no Action pending or, to the Company's Knowledge, threatened, which (i) adversely affects or challenges the legality, validity, or enforceability of any of the Transaction Documents, the issuance of Purchased Shares pursuant to this Agreement and the other Transaction Documents, or (ii) is reasonably likely to be material to the Company or any Subsidiary, individually or in the aggregate, if there were an unfavorable decision. Neither the Company nor any Subsidiary, nor any director or officer thereof in his capacity as a director or officer of the Company or any Subsidiary, is or, to the Company's Knowledge, has been the subject of any Action involving a claim of violation of or liability under federal or state securities Laws or a claim of breach of fiduciary duty nor is any Action, to the Company's Knowledge, currently threatened. There is no Action by the Company or any Subsidiary pending or which the Company or any Subsidiary intends to initiate (other than collection or similar claims in the ordinary course of business). There has not been, and to the Company's Knowledge there is not pending or threatened, any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any of its Subsidiaries under the Exchange Act or the Securities Act. There are and during the past four years have been no outstanding orders, judgments, injunctions, awards or decrees of any court, arbitrator or governmental or regulatory body against the Company or any executive officers or directors of the Company in their capacities as such, which individually or in the aggregate, would reasonably be expected to be material to the Company or any Subsidiary.

(m) Employment Matters. No labor dispute exists or, to the Company's Knowledge, is imminent with respect to any of the employees of the Company or any Subsidiary that would be, or would reasonably be expected to be, material to the Company or any of its Subsidiaries. None of the employees of the Company or any Subsidiary is a member of a union that relates to such employee's relationship with the Company or any Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and each Subsidiary believes that its relationship with its employees is good. To the Company's Knowledge, there is no activity involving any of the employees of the Company or any of its Subsidiaries seeking to certify a collective bargaining unit or similar organization. To the Company's Knowledge, no executive officer is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of a third party, and to the Company's Knowledge, the continued employment of each such executive officer does not subject the Company or any Subsidiary to any liability with respect to any of the foregoing matters. The Company and each of its Subsidiaries are and at all times have been in compliance with all Laws and regulations relating to employment and employment practices, immigration, terms and conditions of employment and wages and hours, except where the failure to be in compliance would not have or reasonably be material to the Company or any of its Subsidiaries. As of the date of this Agreement, no material employee has given notice to the Company or any of its Subsidiaries of his or her intent to terminate his or her employment or service relationship with the Company or any of its Subsidiaries. The Company and its Subsidiaries are in material compliance with all Laws concerning the classification of employees and independent contractors and have properly classified all such individuals for purposes of participation in employee benefit plans.

(n) Compliance. Neither the Company nor any of its Subsidiaries (i) are in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any of its Subsidiaries under), nor has the Company or any of its Subsidiaries received written notice of a claim that it is in default under or that it is in violation of, any Material Contract (whether or not such default or violation has been waived), (ii) are or during the past four years have been in violation of any order of which the Company has been made aware in writing of any court, arbitrator, or governmental body having jurisdiction over the Company or its Subsidiaries or their respective properties or assets, (iii) are or during the past four years have been in violation of, or in receipt of written notice that it is in violation of, any statute, rule, regulation, policy, guideline, or order of any Governmental Entity or self-regulatory organization (including the Principal Trading Market), applicable to the Company or any of its Subsidiaries, or which would have the effect of revoking or limiting FDIC deposit insurance, except in each case as would not have or reasonably be material to the Company or any of its Subsidiaries.

(o) Regulatory Permits. The Company and each of its Subsidiaries possess all required certificates, authorizations, consents, licenses, franchises, variances, exceptions, orders, approvals and permits issued by the appropriate Governmental Entities with respect to the Company and its Subsidiaries' business, except where the failure to possess such certificates, authorizations, consents, or permits, individually or in the aggregate, has not had and would not reasonably be expected to have a material adverse impact on the Company or any of its Subsidiaries ("**Material Permits**"), and (i) neither the Company nor any of its Subsidiaries has received any notice in writing of Proceedings relating to the revocation or material adverse modification of any such Material Permits, and (ii) the Company is unaware of any facts or circumstances that would give rise to the revocation or material adverse modification of any Material Permits.

(p) Title to Assets. The Company and its Subsidiaries have good and marketable title to all real property and tangible personal property owned by them which is material to the business of the Company and its Subsidiaries, taken as a whole, in each case free and clear of all Liens, except such as do not materially affect the value of such property or do not interfere with the use made and proposed to be made of such property by the Company and any of its Subsidiaries. Any real property and facilities held under lease by the Company and any of its Subsidiaries are held by them under valid, subsisting, and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and facilities by the Company and its Subsidiaries. No notice of a claim of default by any party to any lease entered into by the Company or any of its Subsidiaries has been delivered to either the Company or any of its Subsidiaries or is now pending, and there does not exist any event or circumstance that with notice or passing of time, or both, would constitute a default or excuse performance by any party thereto. None of the owned or leased premises or properties of the Company or any of its Subsidiaries is subject to any current or potential interests of third parties or other restrictions or limitations that would impair or be inconsistent in any material respect with the current use of such property by the Company or any of its Subsidiaries, as the case may be. Notwithstanding the foregoing, the Company does not make any representation or warranty set forth in this paragraph with respect to any other real estate owned (OREO) acquired by the Company or any of its Subsidiaries through foreclosure, by deed-in-lieu of foreclosure, or similar process.

(q) Intellectual Property; Data Security. The Company and its Subsidiaries own, possess, license, or have other rights to use all foreign and domestic patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, inventions, trade secrets, technology, Internet domain names, know-how, and other intellectual property (collectively, the "**Intellectual Property**") necessary for the conduct of their respective businesses as now conducted or as proposed to be conducted free and clear of all Liens and such Intellectual Property is valid, subsisting and enforceable, and is not subject to any outstanding order, judgment, decree or agreement adversely affecting the Company's or its Subsidiaries' use of, or rights to, such Intellectual Property, except where the failure to own, possess, license, or have such rights would not have or reasonably be expected to be material to the Company or any of its Subsidiaries. Except where such violations or infringements would not be material to the Company or any of its Subsidiaries, (i) other than with respect to licensed Intellectual Property, there are no rights of third parties to any such Intellectual Property, (ii) there is and during the past four years has been no infringement by third parties of any such Intellectual Property, (iii) there is and during the past four years has been no pending or threatened Proceeding by others challenging the Company's and its Subsidiaries' rights in or to any such Intellectual Property, (iv) there is and during the past four years has been no pending or threatened Proceeding by others challenging the validity or scope of any such Intellectual Property, and (v) there is and during the past four years has been no pending or threatened Proceeding by others that the Company and/or any Subsidiary infringes or otherwise violates any patent, trademark, copyright, trade secret, or other proprietary rights of others. Except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, (A) the Company and its Subsidiaries are in compliance with all applicable Laws related to data privacy and data security and (B) there has been no material loss or theft of data or security breach or unauthorized access or use relating to data (including Personally Identifiable Information) in the possession, custody or control of the Company or any of its Subsidiaries. (1) No claims have been asserted or, to the Company's Knowledge, threatened in writing against the Company or any of its Subsidiaries relating to data security, privacy, or the storage, transfer, use or processing of data (including Personally Identifiable Information), and (2) to the Company's Knowledge, the Company and its Subsidiaries are not and have never been the subject of any audits, investigations or other inquiries or Proceedings relating to data security, privacy, or the storage, transfer, use or processing of data (including Personally Identifiable Information) from any Governmental Entity, in the case of clause (1) or clause (2).

(r) Insurance. The Company and each of the Subsidiaries are, and following the Closing Date will remain, insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as the Company reasonably believes to be prudent and customary in the businesses and locations in which and where the Company and its Subsidiaries are engaged. The Company and its Subsidiaries have not been refused any insurance coverage sought or applied for, and the Company and its Subsidiaries do not have any reason to believe that they will not be able to renew their existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue their business at a cost that would not be material to the Company or any of its Subsidiaries. All premiums due and payable under all such policies and bonds have been timely paid, and the Company and its Subsidiaries are in material compliance with the terms of such policies and bonds. Neither the Company nor any of its Subsidiaries has received any notice of cancellation of any such insurance, nor, to the Company's Knowledge, will it or any Subsidiary be unable to renew their respective existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not be materially higher than their existing insurance coverage. The Company (i) maintains directors' and officers' liability insurance and fiduciary liability insurance with financially sound and reputable insurance companies with benefits and levels of coverage as disclosed in Schedule 3.1(r), (ii) has timely paid all premiums on such policies, and (iii) there has been no lapse in coverage during the term of such policies.

(s) Transactions With Affiliates and Employees. None of the Affiliates, officers or directors of the Company or any Subsidiary and, to the Company's Knowledge, none of the employees of the Company or any Subsidiary, is presently a party to any transaction with the Company or any Subsidiary or to a presently contemplated transaction (other than for services as employees, officers, and directors) that would be required to be disclosed pursuant to Item 404 of Regulation S-K promulgated under the Securities Act.

(t) Internal Control Over Financial Reporting. The Company and its Subsidiaries maintain internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and have disclosed, based on its most recent evaluation prior to the date of this Agreement, to the Company's outside auditors and the audit committee of the Board (A) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial information, and (B) any fraud, whether or not material, that

involves management or other employees who have a significant role in the Company's internal control over financial reporting. Since December 31, 2013, (i) neither the Company nor any of its Subsidiaries nor, to the Company's Knowledge, any director, officer, employee, auditor, accountant or representative of the Company or any of its Subsidiaries has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of the Company or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that the Company or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no attorney representing the Company or any of its Subsidiaries, whether or not employed by the Company or any of its Subsidiaries, has reported evidence of a violation of securities Laws, breach of fiduciary duty or similar violation by the Company, its Subsidiaries or any of its officers, directors, employees or agents to the Board or any committee thereof or to any director or officer of the Company or any of its Subsidiaries.

(u) Certain Fees. No person or entity will have, as a result of the transactions contemplated by this Agreement, any valid right, interest, or claim against or upon the Company, any Subsidiary or any Purchaser for any commission, fee, or other compensation pursuant to any agreement, arrangement, or understanding entered into by or on behalf of the Company or any Subsidiary.

(v) Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2 of this Agreement and the accuracy of the information disclosed in the Questionnaires, compliance by the Purchasers with the offering and transfer restrictions and procedures described in this Agreement, the accuracy of all information and certifications provided to the Company by those Persons (other than the Company) subject to Rule 506(d) of Regulation D regarding the absence of any disqualifying event or circumstances described in Rule 506(d) concerning such Persons and the receipt of the Required Approvals and the completion of all filings associated therewith, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Purchasers under the Transaction Documents. The issuance and sale of the Shares hereunder does not contravene the rules and regulations of the Principal Trading Market.

(w) Registration Rights. Other than as set forth in the Registration Rights Agreement, no Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiary.

(x) No Objections. None of the Federal Reserve, the FDIC or the Michigan Department of Insurance and Financial Services has issued any order or taken any similar action preventing or suspending the issuance or sale of the Purchased Shares to the Purchasers. The Company and the Bank have filed, and will continue to file, with the Federal Reserve, the FDIC and the Michigan Department of Insurance and Financial Services, as applicable, all materials required to be filed by the Company or the Bank in connection with the issuance and sale of the Shares.

(y) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, none of the Company, its Subsidiaries nor, to the Company's Knowledge, any of its Affiliates or any Person acting on its behalf has, directly or indirectly, at any time within the past six months, made any offers or sales of any Company security or solicited any offers to buy any security under circumstances that would eliminate the availability of the exemption from registration under Regulation D under the Securities Act in connection with the offer and sale by the Company of the Shares as contemplated hereby.

(z) Investment Company. Neither the Company nor any of its Subsidiaries is required to be registered as, and is not an Affiliate of, and immediately following the Closing will not be required to register as, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and neither the Company nor any Subsidiary sponsors any person that is such an investment company.

(aa) Unlawful Payments. Neither the Company nor any of its Subsidiaries, nor to the Company's Knowledge, any directors, officers, employees, agents, or other Persons acting at the direction of or on behalf of the Company or any of its Subsidiaries has, in the course of its actions for, or on behalf of, the Company or any of its Subsidiaries (a) directly or indirectly, used any corporate funds for unlawful contributions, gifts, entertainment, or other unlawful expenses relating to foreign or domestic political activity, (b) made any direct or indirect unlawful payments to any foreign or domestic governmental officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (c) violated any provision of the Foreign Corrupt Practices Act of 1977, or (d) made any other unlawful bribe, rebate, payoff, influence payment, kickback, or other material unlawful payment to any foreign or domestic government official or employee.

(bb) Application of Takeover Protections; Rights Agreements. The Company has not adopted any shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of its Common Stock or a Change in Control of the Company. The Company and the Board have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement), or other similar anti- takeover provision under the Articles of Incorporation or other organizational documents or the Laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to Purchaser solely as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Shares and any Purchaser's ownership of the Purchased Shares (each, a "**Takeover Law**").

(cc) No Undisclosed Liabilities. There are no material liabilities or obligations of the Company or any of the Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable, or otherwise, except for (i) liabilities appropriately reflected or reserved against in accordance with GAAP in the Company's audited balance sheet or that are otherwise disclosed in the footnotes to the financial statements for the year ended December 31, 2018, and (ii) liabilities that have arisen in the ordinary and usual course of business and consistent with past practice since December 31, 2018.

(dd) Disclosure. The Company confirms that neither it nor any of its officers or directors nor any other Person acting on its or their behalf has provided any Purchaser or its agents or counsel with any information that it believes constitutes or could reasonably be expected to constitute material, non-public information except insofar as the existence, provisions, and terms of the Transaction Documents and the proposed transactions hereunder may constitute such information. The Company understands and confirms that the Purchasers will rely on the foregoing representations in effecting transactions in securities of the Company.

(ee) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company (or any of its Subsidiaries) and an unconsolidated or other off-balance sheet entity that is required to be disclosed by the Company in its Company Financial Statements and is not so disclosed.

(ff) Acknowledgment Regarding Purchasers' Purchase of Shares. The Company acknowledges and agrees that each Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby. The Company further acknowledges that each Purchaser is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to such Purchaser's purchase of the Shares.

(gg) Absence of Manipulation. The Company has not, and to the Company's Knowledge no one acting on its behalf has, taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Purchased Shares.

(hh) OFAC. Neither the Company nor any Subsidiary nor, to the Company's Knowledge, any director, officer, agent, employee, Affiliate, or Person acting on behalf of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Company will not knowingly use the proceeds of the sale of the Purchased Shares towards any sales or operations in Cuba, Iran, Syria, Sudan or any other country sanctioned by OFAC or for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC.

(ii) Money Laundering Laws. The operations of each of the Company and any Subsidiary are, and have been conducted at all times, in compliance in all material respects with the money laundering statutes of applicable jurisdictions, the rules and regulations thereunder, and any related or similar rules, regulations, or guidelines, issued, administered, or enforced by any applicable Governmental Entity (collectively, the "**Money Laundering Laws**"), and to the Company's Knowledge, no action, suit, or proceeding by or before any court or Governmental Entity, authority, or body or any arbitrator involving the Company and/or any Subsidiary with respect to the Money Laundering Laws is pending or threatened.

(jj) No Additional Agreements. The Company has no agreements or understandings (including, without limitation, side letters) with any Person to purchase shares of Common Stock or Non- Voting Common Stock on terms more favorable to such Person than as set forth herein.

(kk) Reports, Registrations and Statements. Since January 1, 2016, the Company and each Subsidiary have filed all material reports, registrations, documents, filings, submissions and statements, together with any required amendments thereto, that it was required to file with the Federal Reserve, the FDIC, the Michigan Department of Insurance and Financial Services and any other applicable federal or state securities or banking authorities. All such reports and statements filed with any such regulatory body or authority are collectively referred to herein as the "**Company Reports**." All such Company Reports were filed on a timely basis or the Company or the applicable Subsidiary, as applicable, received a valid extension of such time of filing and has filed any such Company Reports prior to the expiration of any such extension. As of their respective dates, the Company Reports complied in all material respects with all the rules and regulations promulgated by the Federal Reserve, the FDIC, the Michigan Department of Insurance and Financial Services and any other applicable foreign, federal, or state securities or banking authorities, as the case may be.

(ll) Regulatory Capitalization. As of November 30, 2019, the Bank was considered "well capitalized" under the FDIC's regulatory framework for prompt corrective action (12 C.F.R. § 324.403(b)(1)).

(mm) Agreements with Regulatory Agencies. Neither the Company nor any Subsidiary is subject to any cease-and-desist or other similar order or enforcement action issued by, or is a party to any written agreement, consent agreement, or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any capital directive by, or since December 31, 2016, has adopted any board resolutions at the request of, any Governmental Entity that currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its liquidity and funding policies and practices, its ability to pay dividends, its credit, risk management or compliance policies, its internal controls, its management, or its operations or business (each item in this sentence, a "**Regulatory Agreement**"), nor has the Company or any Subsidiary been advised in writing since December 31, 2016 by any Governmental Entity that it intends to issue, initiate, order, or request any such Regulatory Agreement. The Company and each of its Subsidiaries are in compliance in all material respects with all Regulatory Agreements applicable to them.

(nn) Compliance with Certain Banking Regulations. There are no facts or circumstances, and the Company has no reason to believe that any facts or circumstances exist, that would cause the Bank (i) to be deemed not to be in satisfactory compliance with the Community Reinvestment Act ("**CRA**") and the regulations promulgated thereunder or to be assigned a CRA rating by federal or state banking regulators of lower than "satisfactory," (ii) to be deemed to be operating in violation, in any material respect, of the Bank Secrecy Act, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001, any order issued with respect to anti-money laundering by OFAC, or any other anti-money laundering Law, (iii) to be deemed not to be in satisfactory compliance, in any material respect, with the Home Mortgage Disclosure Act, the Fair Housing Act, the Equal Credit Opportunity Act, the Flood Disaster Protection Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the regulations promulgated thereunder, or (iv) to be deemed not to be in satisfactory compliance, in any material respect, with all applicable privacy of customer information requirements contained in any applicable federal and state privacy Laws as well as the provisions of all information security programs adopted by the Bank or the Company.

(oo) No General Solicitation or General Advertising. Neither the Company nor, to the Company's Knowledge, any person acting on its behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with any offer or sale of the Shares pursuant to this Agreement and the other Transaction Documents.

(pp) Loan Portfolio.

(i) Other than as may not be reasonably expected to have a Material Adverse Effect, each of the Company and its Subsidiaries has complied with in all material respects, and all documentation in connection with the origination, processing, underwriting and credit approval of any loan, lease or other extension of credit or commitment to extend credit (each, a "**Loan**") originated, purchased or serviced by the Company or any of its Subsidiaries satisfied in all material respects, (A) all applicable Laws with respect to the origination, insuring, purchase, sale, pooling, servicing, subservicing or filing of claims in connection with Loans, including all Laws relating to real estate settlement procedures, consumer credit protection, truth in lending Laws, usury limitations, fair housing, transfers of servicing, collection practices, equal credit opportunity and adjustable rate mortgages, (B) the responsibilities and obligations relating to Loans set forth in any contract or agreement between the Company or any of its Subsidiaries and any Agency, Loan Investor or Insurer, (C) the applicable rules, regulations, guidelines, handbooks and other requirements of any Agency, Loan Investor or Insurer, (D) the terms and provisions of any mortgage or other collateral documents and other Loan documents with respect to each Loan and (E) the underwriting guidelines and other loan policies and procedures of the Company or its applicable Subsidiary;

(ii) No Agency, Loan Investor or Insurer has (A) claimed in writing that the Company or any of its Subsidiaries has violated or has not complied with the applicable underwriting standards with respect to Loans sold by the Company or any of its Subsidiaries to a Loan Investor or Agency, or with respect to any sale of Loan servicing rights to a Loan Investor, (B) imposed in writing restrictions on the activities (including commitment authority) of the Company or any of its Subsidiaries or (C) indicated in writing to the Company or any of its Subsidiaries that it has terminated or intends to terminate its relationship with the Company or any of its Subsidiaries for poor performance, poor Loan quality or concern with respect to the Company's or any of its Subsidiary's compliance with Laws; and

(iii) The characteristics of the loan portfolio of the Company have not materially changed from the characteristics of the loan portfolio of the Company as of December 31, 2018.

For purposes of this Section 3.1(pp): (A) "**Agency**" means the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Farmers Home Administration (now known as Rural Housing and Community Development Services), the Federal National Mortgage Association, the United States Department of Veterans' Affairs, the Government National Mortgage Association, the Rural Housing Service of the U.S. Department of Agriculture or any other Governmental Entity with authority to (i) determine any investment, origination, lending or servicing requirements with regard to Loans originated, purchased or serviced by the Company or any of its Subsidiaries or

(ii) originate, purchase, or service Loans, or otherwise promote lending, including state and local housing finance authorities; (B) "**Loan Investor**" means any person (including an Agency) having a beneficial interest in any Loan originated, purchased or serviced by the Company or any of its Subsidiaries or a security backed by or representing an interest in any such Loan; and (C) "**Insurer**" means a person who insures or guarantees for the benefit of the Loan holder all or any portion of the risk of loss upon borrower default on any of the Loans originated, purchased or serviced by the Company or any of its Subsidiaries, including the Federal Housing Administration, the United States Department of Veterans' Affairs, the Rural Housing Service of the U.S. Department of Agriculture and any private mortgage insurer, and providers of hazard, title or other insurance with respect to such Loans or the related collateral.

(qq) Risk Management Instruments. The Company and the Subsidiaries have in place risk management policies and procedures sufficient in scope and operation to protect against risks of the type and in amounts reasonably expected to be incurred by companies of similar size and in similar lines of business as the Company and the Subsidiaries. Except as would not reasonably be expected to be material to the Company or any of its Subsidiaries, since January 1, 2016, all derivative instruments, including, swaps, caps, floors, and option agreements, whether entered into for the Company's own account, or for the account of one or more of the Subsidiaries, were entered into (1) only in the ordinary course of business, (2) in accordance with prudent practices and in all respects with all applicable Laws, and (3) with counterparties believed to be financially responsible at the time, and each of them constitutes the valid and legally binding obligation of the Company or one of the Subsidiaries, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application. Neither the Company nor the Subsidiaries, nor, to the Company's Knowledge, any other party thereto, is in breach of any of its obligations under any such agreement or arrangement.

(rr) Company Benefit Plans.

(i) "**Benefit Plan**" means all material employee benefit plans, programs, agreements, contracts, policies, practices, or other arrangements providing benefits to any current or former employee, officer, director or consultant of the Company or any of its Subsidiaries or any beneficiary or dependent thereof that is sponsored or maintained by the Company or any of its Subsidiaries or to which the Company or any of its Subsidiaries contributes or is obligated to contribute or is party, whether or not written, including any material "employee welfare benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), any "employee pension benefit plan" within the meaning of Section 3(2) of ERISA (whether or not such plan is subject to ERISA) and any material bonus, incentive, deferred compensation, vacation, stock purchase, stock option or equity award, equity-based severance, employment, change of control, consulting or fringe benefit plan, program, agreement or policy. Each Benefit Plan is listed on Schedule 3.1(rr)(i). True and complete copies of all Benefit Plans listed on Schedule 3.1(rr)(i) have been made available to the Purchasers prior to the date hereof.

(ii) With respect to each Benefit Plan, (A) the Company and its Subsidiaries have complied, and are now in compliance in all material respects with the applicable provisions of ERISA, and the Code and all other Laws and regulations applicable to such Benefit Plan and (B) each Benefit Plan has been administered in all material respects in accordance with its terms. Except as would not reasonably be expected to be material to the Company or any of its Subsidiaries, none of the Company or any of its Subsidiaries nor any of their respective ERISA Affiliates has incurred any withdrawal liability as a result of a complete or partial withdrawal from a multiemployer plan, as those terms are defined in Part I of Subtitle E of Title IV of ERISA, that has not been satisfied in full. "**ERISA Affiliate**" means any entity, trade or business, whether or not incorporated, which together with the Company and its Subsidiaries, would be deemed a "single employer" within the meaning of Section 4001 of ERISA or Sections 414(b), (c), (m) or (o) of the Code.

(iii) Each Benefit Plan which is subject to ERISA (an "**ERISA Plan**") that is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA ("**Pension Plan**") and that is intended to be qualified under Section 401 (a) of the Code is so qualified, has received a favorable determination letter from the Internal Revenue Service (the "**IRS**") and, to the Company's Knowledge, nothing has occurred, whether by action or failure to act, that could likely result in revocation of any such favorable determination or opinion letter or the loss of the qualification of such Benefit Plan under Section 401(a) of the Code. Neither the Company nor any of its Subsidiaries has engaged in a transaction with respect to any ERISA Plan that, assuming the taxable period of such transaction expired as of the date hereof, could subject the Company or any of its Subsidiaries to a material tax or material penalty imposed by either Section 4975 of the Code or Section 502(i) of ERISA. Neither the Company nor any of its Subsidiaries has incurred or reasonably expects to incur a material tax or penalty imposed by Section 4980F of the Code or Section 502 of ERISA.

(iv) Neither the Company, any of its Subsidiaries nor any ERISA Affiliate (x) sponsors, maintains or contributes to or has within the past six years sponsored, maintained or contributed to a Pension Plan that is subject to Subtitles C or D of Title IV of ERISA or (y) sponsors, maintains or has any liability with respect to or an obligation to contribute to or has within the past six years sponsored, maintained, had any liability with respect to, or had an obligation to contribute to a "multiemployer plan" within the meaning of Section 3(37) of ERISA.

(v) None of the execution and delivery of this Agreement, the issuance of Purchased Shares, nor the consummation of the transactions contemplated hereby will, whether alone or in connection with another event, (i) constitute a "change in control" or "change of control" within the meaning of any Benefit Plan or result in any material payment or benefit (including severance, unemployment compensation, "excess parachute payment" (within the meaning of Section 280G of the Code), forgiveness of indebtedness or otherwise) becoming due to any current or former employee, officer, director or consultant of the Company or any of its Subsidiaries from the Company or any of its Subsidiaries under any Benefit Plan or any other agreement with any employee, including, for the avoidance of doubt, any employment or change in control agreements, (ii) result in payments under any of the Benefit Plans which would not be deductible under Section 162(m) or Section 280G of the Code, (iii) materially increase any compensation or benefits otherwise payable under any Benefit Plan, (iv)result in any acceleration of the time of payment or vesting of any such benefits, (v) require the funding or increase in the funding of any such benefits, or (vi) result in any limitation on the right of the Company or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Benefit Plan or related trust.

(vi) There is no material pending or, to the Company's Knowledge, threatened, litigation relating to the Benefit Plans (other than claims for benefits in the ordinary course). Neither the Company nor any of its Subsidiaries has any obligations for retiree health and life benefits under any ERISA Plan or collective bargaining agreement, except for health continuation coverage as required by Section 4980B of the Code or Part 6 of Title I of ERISA and at no expense to the Company and its Subsidiaries.

(vii) Except as would not reasonably be expected to be material to the Company and except for liabilities fully reserved for or identified in the Company Financial Statements, there are no pending or, to the Company's Knowledge, threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations which have been asserted or instituted against (i) the Benefit Plans, (ii) any fiduciaries thereof with respect to their duties to the Benefit Plans, or (iii) the assets of any of the trusts under any of the Benefit Plans.

(ss) Nonperforming Assets. The Company believes that the amount of reserves and allowances for loan and lease losses and other nonperforming assets established on the Company's and Bank's financial statements is adequate, and such belief is reasonable under all the facts and circumstances known to the Company and Bank.

(tt) No Change in Control. Neither the Company nor any of its Subsidiaries is a party to any employment, Change in Control, severance, or other compensatory

agreement or any benefit plan pursuant to which the issuance of the Shares to the Purchasers as contemplated by this Agreement would trigger a "change of control" or other similar provision in any of the agreements, which results in payments to the counterparty or the acceleration of vesting of benefits.

(uu) Common Control. The Company is not under the control (as defined in the BHCA and the Federal Reserve's Regulation Y (12 C.F.R. Part 225) ("**BHCA Control**") of any company (as defined in the BHCA and the Federal Reserve's Regulation Y). The Company is not in BHCA Control of any federally insured depository institution other than the Bank. The Bank is not under the BHCA Control of any company (as defined in the BHCA and the Federal Reserve's Regulation Y) other than Company. Except for the Company's ownership interest in the Bank, neither the Company nor the Bank controls, in the aggregate, more than five percent (5%) of the outstanding shares of any class of voting securities, directly or indirectly, of any federally insured depository institution. The Bank is not subject to the liability of any commonly controlled depository institution pursuant to Section 5(e) of the Federal Deposit Insurance Act (12 U.S.C. § 1815(e)).

(vv) Material Contracts. The Company has made available to each Purchaser or its respective representatives, prior to the date hereof, true, correct, and complete copies of, and listed on Schedule 3.1(vv), each Material Contract to which the Company or any of its Subsidiaries is a party or subject (whether written or oral, express or implied) as of the date of this Agreement. Each Material Contract is a valid and binding obligation of the Company or any of its Subsidiaries (as applicable) that is a party thereto and, to the Company's Knowledge, each other party to such Material Contract, except for such failures to be valid and binding as, individually or in the aggregate, would not reasonably be expected to be material to the Company or any of its Subsidiaries. Each such Material Contract is enforceable against the Company or any of its Subsidiaries (as applicable) that is a party thereto and, to the Company's Knowledge, each other party to such Material Contract in accordance with its terms (subject in each case to applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding of law or at equity), except for such failures to be enforceable as, individually or in the aggregate, would not reasonably be expected to be material to the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries, nor to the Company's Knowledge, any other party to a Material Contract, is in material default or material breach of a Material Contract and there does not exist any event, condition or omission that would constitute such a default or breach (whether by lapse of time or notice or both), in each case, except as, individually or in the aggregate, would not reasonably be expected to be material to the Company or any of its Subsidiaries.

(ww) No "Bad Actor" Disqualification. The Company has exercised reasonable care, in accordance with Commission rules and guidance, and has conducted a factual inquiry including the procurement of relevant questionnaires from each Covered Person (as defined below) or other means, the nature and scope of which reflect reasonable care under the relevant facts and circumstances, to determine whether any Covered Person is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act ("**Disqualification Events**"). To the Company's Knowledge, after conducting such sufficiently diligent factual inquiries, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act. "**Covered Persons**" are those persons specified in Rule 506(d)(1) under the Securities Act, including the Company, any predecessor or affiliate of the Company, any director, executive officer, other officer participating in the offering, general partner or managing member of the Company, any beneficial owner of twenty percent (20%) or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Shares, and any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Shares (a "**Solicitor**"), any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of any Solicitor or general partner or managing member of any Solicitor.

(xx) Knowledge as to Conditions. The Company knows of no reason why it would be reasonable to expect that any regulatory approvals and, to the extent necessary, any other approvals, authorizations, filings, registrations, and notices required or otherwise a condition to the consummation of the transactions contemplated by the Transaction Documents will not be obtained.

(yy) Shell Company Status. The Company is not, and has never been, an issuer identified in Rule 144(i)(1).

Section 3.2 Representations and Warranties of the Purchasers. Each Purchaser hereby, for itself and for no other Purchaser, represents and warrants as of the date of this Agreement and as of the Closing Date to the Company as follows:

(a) Organization; Authority. If such Purchaser is an entity, it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization with the requisite corporate, partnership, limited liability company or other power and authority to enter into and to consummate the transactions contemplated by the applicable Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. If such Purchaser is an entity, the execution and delivery of this Agreement and performance by such Purchaser of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate or, if such Purchaser is not a corporation, such partnership, limited liability company or other applicable like action, on the part of such Purchaser, and no further approval or authorization by any of such persons, as the case may be, is required. This Agreement has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, or similar Laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

(b) No Conflicts. The execution, delivery, and performance by such Purchaser of this Agreement and the Registration Rights Agreement, if applicable, and the consummation by such Purchaser of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of such Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, or instrument to which such Purchaser is a party, or (iii) result in a violation of any Law, rule, regulation, order, judgment, or decree (including federal and state securities Laws) applicable to such Purchaser, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights, or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Purchaser to perform its obligations hereunder.

(c) Investment Intent. Such Purchaser understands that the understands that the Shares are "restricted securities" and have not been registered under the Securities Act or any applicable state securities Law and is acquiring the Shares as principal for its own account and not with a view to, or for distributing or reselling such Shares or any part thereof in violation of the Securities Act or any applicable state securities Laws, provided, however, that by making the representations herein, such Purchaser does not agree to hold any of the Shares for any minimum period of time and reserves the right at all times to sell or otherwise dispose of all or any part of such Shares pursuant to an effective registration statement under the Securities Act or under an exemption from such registration and in compliance with applicable federal and state securities Laws. Such Purchaser is acquiring the Shares hereunder in the ordinary course of its business. Such Purchaser does not presently have any agreement, plan, or understanding, directly or indirectly, with any Person to distribute or effect any distribution of any of the Shares (or any securities which are derivatives thereof) to or through any person or entity.

(d) Purchaser Status. At the time such Purchaser was offered the Shares, it was, and at the date hereof it is, an "accredited investor" as defined in Rule 501(a) under the Securities Act.

(e) Residency. Such Purchaser's office in which its investment decision with respect to the Shares was made is located at the address for such Purchaser set forth under such Purchaser's name on the signature page hereof.

(f) Reliance. The Company will be entitled to rely upon this Agreement and is irrevocably authorized to produce this Agreement to (A) any regulatory authority having jurisdiction over the Company and its Affiliates, and (B) any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby, in each case, to the extent required by any court or governmental authority to which the Company or any of its Subsidiaries is subject, provided that the Company provides the Purchaser with prior written notice of such disclosure to the extent practicable and allowed by applicable Law.

(g) General Solicitation. Such Purchaser (i) is not purchasing the Shares as a result of any advertisement, article, notice, or other communication regarding the Shares published in any newspaper, magazine, or similar media or broadcast over television or radio or presented at any seminar or any other form of "general solicitation" or "general advertising" (as such terms are used in Regulation D), (ii) has entered into no agreements with shareholders of the Company for the purpose of controlling the Company or any Subsidiary; and (iii) has entered into no agreements with shareholders of the Company regarding voting or transferring Purchaser's interest or expected interest in the Company.

(h) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication, and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Shares and has so evaluated the merits and risks of such investment. Such Purchaser is capable of protecting its own interests in connection with this investment and has experience as an investor in securities of companies like the Company. Such Purchaser is able to bear the economic risk of an investment in the Shares and, at the present time, is able to afford a complete loss of such investment. Further, Purchaser understands that no representation is being made as to the future trading value or trading volume of the Shares.

(i) Access to Information. The Purchaser is sufficiently aware of the Company's business affairs and financial condition to reach an informed and knowledgeable decision to acquire the Shares. Such Purchaser acknowledges that it has had the opportunity to review this Agreement and all matters disclosed in the Disclosure Schedules and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, management and representatives of the Company concerning the terms and conditions of the offering of the Shares and the merits and risks of investing in the Shares and any such questions have been answered to such Purchaser's reasonable satisfaction; (ii) access to information about the Company and the Subsidiaries and their respective financial condition, results of operations, business, properties, management, and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. The Purchaser has received all information it deems appropriate for assessing the risk of an investment in the Shares. Neither such inquiries nor any other investigation conducted by or on behalf of such Purchaser or its representatives or counsel shall modify, amend, or affect such Purchaser's right to rely on the accuracy of the Company's representations and warranties contained in this Agreement. Purchaser acknowledges that the Company has not made any representation, express or implied, with respect to the accuracy, completeness, or adequacy of any available information except that the Company has made the express representations and warranties contained in Section 3.1 of this Agreement.

(j) Brokers and Finders. No Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest, or claim against or upon the Company or any Purchaser for any commission, fee, or other compensation pursuant to any agreement, arrangement, or understanding entered into by or on behalf of such Purchaser.

(k) Independent Investment Decision. Such Purchaser has independently evaluated the merits of its decision to purchase Shares pursuant to the Transaction Documents, and such Purchaser confirms that it has not relied on the advice of the Company (or any of its agents, counsel, or Affiliates) or any other Purchaser or other Purchaser's business and/or legal counsel in making such decision; provided that the foregoing shall in no way limit such Purchaser's right to rely on the accuracy of the Company's representations and warranties in this Agreement. Such Purchaser understands that nothing in this Agreement or any other materials presented by or on behalf of the Company to the Purchaser in connection with the purchase of the Shares constitutes legal, regulatory, tax, or investment advice. Such Purchaser has consulted such legal, tax, and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Shares. Such Purchaser has not relied on the business, legal, or regulatory advice of the Company's agents, counsel, or Affiliates in making its investment decision hereunder, and confirms that none of such Persons has made any representations or warranties to such Purchaser in connection with the transactions contemplated by the Transaction Documents.

(l) Antitrust and Other Consents and Filings. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Entity or authority or any other person or entity in respect of any Law or regulation is necessary or required to be obtained or made by such Purchaser, and no lapse of a waiting period under law applicable to such Purchaser is necessary or required, in each case in connection with the execution, delivery, or performance by such Purchaser of this Agreement or the purchase of the Shares contemplated hereby, other than passivity or anti- association commitments or other documentation that may be required by the Federal Reserve or other federal or state banking authority.

(m) OFAC and Anti-Money Laundering. The Purchaser understands, acknowledges, represents, and agrees that (i) to the knowledge of the Purchaser, the Purchaser is not the target of any sanction, regulation, or law promulgated by the Office of Foreign Assets Control, the Financial Crimes Enforcement Network, or any other U.S. Governmental Entity ("**U.S. Sanctions Laws**"), (ii) the Purchaser is not owned by, controlled by, under common control with, or acting on behalf of any person that is the target of U.S. Sanctions Laws, (iii) the Purchaser is not a "foreign shell bank" and is not acting on behalf of a "foreign shell bank" under applicable anti-money laundering laws and regulations, (iv) the Purchaser's entry into this Agreement or consummation of the transactions contemplated hereby will not contravene U.S. Sanctions Laws or applicable anti- money laundering laws or regulations, (v) to the extent permitted under applicable Law, the Purchaser will promptly provide to the Company or any regulatory or law enforcement authority such information or documentation as may be required to comply with U.S. Sanctions Laws or applicable anti-money laundering laws or regulations, and (vi) the Company may provide to any regulatory or law enforcement authority information or documentation regarding, or provided by, the Purchaser for the purposes of complying with U.S. Sanctions Laws or applicable anti- money laundering laws or regulations.

(n) Bank Holding Company Status. Assuming the accuracy of the Company's representations and warranties in Section 3.1, the Purchaser, either alone or together with any other Person whose Company securities would (to the knowledge of the Purchaser) be aggregated with such Purchaser's Company securities for purposes of any applicable banking regulation or Law, will not, directly or indirectly, own, control or have the power to vote, immediately after giving effect to its purchase of Shares pursuant to this Agreement, in excess of 9.99% of the outstanding shares of any class or series of the Company's voting securities.

(o) No Other Representation. Such Purchaser has not made and does not make any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in this Section 3.2.

ARTICLE IV
OTHER AGREEMENTS OF THE PARTIES

Section 4.1 Transfer Restrictions.

(a) Compliance with Laws. Notwithstanding any other provision of this Article IV, each Purchaser covenants that the Purchased Shares may be disposed of only pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and in compliance with any applicable state, federal or foreign securities Laws. In connection with any transfer of the Purchased Shares other than (i) pursuant to an effective registration statement, (ii) to the Company or (iii) pursuant to Rule 144 (provided that the transferor provides the Company with reasonable assurances (in the form of a seller representation letter and, if applicable, a broker representation letter) that such securities may be sold pursuant to such rule), the Company may require the transferor thereof to provide to the Company and the Transfer Agent, at the transferor's expense, an opinion of counsel selected by the transferor and reasonably acceptable to the Company and the Transfer Agent, the form and substance of which opinion shall be reasonably satisfactory to the Company and the Transfer Agent, to the effect that such transfer does not require registration of such Shares under the Securities Act. As a condition of transfer (other than pursuant to clauses (i), (ii) or (iii) of the preceding sentence), any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights of a Purchaser under this Agreement and the Registration Rights Agreement, if applicable, with respect to such transferred Shares.

(b) Legends. Certificates evidencing the Shares shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form, until such time as they are not required under Section 4.1(c) or applicable Law:

> THE ISSUANCE OF THESE SECURITIES HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY AND ITS TRANSFER AGENT OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT (PROVIDED THAT THE TRANSFEROR PROVIDES THE COMPANY WITH REASONABLE ASSURANCES (IN THE FORM OF A SELLER REPRESENTATION LETTER AND, IF APPLICABLE, A BROKER REPRESENTATION LETTER) THAT THE SECURITIES MAY BE SOLD PURSUANT TO SUCH RULE).

(c) Removal of Legends. Upon the request of the holder, the restrictive legend set forth in Section 4.1(b) above shall be removed and the Company shall issue a certificate without such restrictive legend or any other restrictive legend to the holder of the applicable Shares upon which it is stamped, if (i) such Shares are registered for resale under the Securities Act, (ii) such Shares are sold or transferred pursuant to Rule 144, or (iii) such Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable) as to such securities and without volume or manner-of-sale restrictions. Following the earlier of (i) the Effective Date or (ii) Rule 144 becoming available for the resale of Shares, without the requirement for the Company to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable) as to the Shares and without volume or manner-of-sale restrictions, the Company, upon the written request of the holder, shall instruct the Transfer Agent to remove the legend from the Shares and shall cause its counsel to issue any legend removal opinion required by the Transfer Agent. Any fees (with respect to the Company or the Transfer Agent, Company counsel or otherwise) associated with the issuance of such opinion or the removal of such legend shall be borne by the Company. If a legend is no longer required pursuant to the foregoing, the Company will no later than three (3) Trading Days following the delivery by a Purchaser to the Transfer Agent (with notice to the Company) of a legended certificate representing such Shares (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer) and a representation letter to the extent required by Section 4.1(a) (such third Trading Date, the "**Legend Removal Date**"), deliver or cause to be delivered to Purchaser a certificate representing such Shares that is free from all restrictive legends. Except as may be required to ensure compliance with applicable law and expressly provided in this Agreement, the Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4.1(c).

(d) If the Company shall fail for any reason or for no reason to issue to any Purchaser unlegended certificates by the Legend Removal Date, then, in addition to all other remedies available to such Purchaser, if on or after the trading day immediately following such three trading day period, such Purchaser purchases, or a broker (a "**Buy-In Broker**") purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of such sale in lieu of shares of Common Stock Purchaser anticipated receiving from the Company without any restrictive legend (a "**Buy-In**"), then the Company shall, within three Business Days after such Purchaser's request, honor its obligation to deliver to such Purchaser a certificate or certificates without restrictive legends representing such shares of Common Stock and pay cash to such Purchaser in an amount equal to the excess (if any) of such Purchaser's or Buy-In Broker's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased over the product of (i) such number of shares of Common Stock, times (ii) the closing bid price on the Legend Removal Date.

(e) The Company shall cooperate, in accordance with reasonable and customary business practices, with any and all transfers, whether by direct or indirect sale, assignment, award, confirmation, distribution, bequest, donation, trust, pledge, encumbrance, hypothecation or other transfer or disposition, for consideration or otherwise, whether voluntarily or involuntarily, by operation of law or otherwise, by the Purchasers or any of their respective successors and assigns of the Shares and other shares of Common Stock and/or Non-Voting Common Stock such party may beneficially own prior to or subsequent to the date hereof; provided that each such transfer is being made in accordance with applicable Law and all applicable contractual restrictions, including pursuant to this Agreement and the Registration Rights Agreement, if applicable.

(f) Each Purchaser agrees it will not sell or otherwise transfer the Purchased Shares, or any interest therein without complying with the requirements of the Securities Act. Except as otherwise provided below, to the extent applicable to a Purchaser's Shares, while the above-referenced registration statement remains effective, such Purchaser may sell the Shares in accordance with the plan of distribution contained in the registration statement, if applicable, and if it does so, it will comply therewith and with the related prospectus delivery requirements, unless an exemption therefrom is available. Each Purchaser who is a party to the Registration Rights Agreement agrees that if it is notified by the Company in writing at any time that the registration statement registering the resale of the Shares is not effective or that the prospectus included in such registration statement no longer complies with the requirements of Section 10 of the Securities Act, the Purchaser will refrain from selling such Shares until such time as the Purchaser is notified by the Company that such registration statement is effective or such prospectus is compliant with Section 10 of the Securities Act, unless such Purchaser is able to, and does, sell such Shares pursuant to an available exemption from the registration requirements of Section 5 of the Securities Act, such as under Rule 144 of the Securities Act.

Section 4.2 Acknowledgment of Dilution. The Company acknowledges that the issuance of the Shares may result in dilution of the outstanding shares of Common Stock. The Company further acknowledges that its obligations under the Transaction Documents, including without limitation its obligation to issue the Shares pursuant to the Transaction Documents, are unconditional (except as otherwise set forth herein), absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Company may have against any Purchaser and regardless of the dilutive effect that such issuance may

have on the ownership of the other shareholders of the Company.

Section 4.3 Access; Information.

(a) Castle Creek and its Affiliates shall be provided with access, information, and other rights as provided in the VCOC Letter Agreement.

(b) Each party to this Agreement will hold, and will cause its respective subsidiaries and their directors, officers, employees, agents, consultants and advisors to hold, in strict confidence, unless disclosure to a Governmental Entity is necessary or appropriate in connection with any necessary regulatory approval, or request for information or similar process, or unless compelled to disclose by judicial or administrative process or, based on the advice of its counsel, by other requirement of law or the applicable requirements of any Governmental Entity (in which case, the party permitted to disclose such information shall, to the extent legally permissible and reasonably practicable, provide the other party with prior written notice of such permitted disclosure), all nonpublic records, books, contracts, instruments, computer data and other data and information (collectively, "**Information**") concerning the other party hereto furnished to it by such other party or its representatives pursuant to this Agreement (except to the extent that such information (1) was previously known by or in the possession of such party on a non-confidential basis, (2) is or becomes in the public domain through no fault of such party, (3) is later lawfully acquired from other sources by the party to which it was furnished, or (4) is independently developed by such party without the use of the Information and without any violation of this Section 4.3(b)), and neither party hereto shall release or disclose such Information to any other person, except its auditors, attorneys, financial advisors, other consultants and advisors with the express understanding that such parties will maintain the confidentiality of the Information and, to the extent permitted above, to bank and securities regulatory authorities; provided, however, that each Purchaser may identify the Company and the number and value of such Purchaser's security holdings in the Company in accordance with applicable investment reporting and disclosure regulations or internal policies without prior notice to or consent from the Company.

(c) Without limiting Section 4.3(a), for so long as Castle Creek together with its Affiliates has a Minimum Ownership Interest, irrespective of whether Castle Creek has a right to designate a director to serve on or an observer to attend meetings of the Board, Castle Creek shall be provided with all documents and information provided to members of the Board in connection with monthly Board meetings; provided, however, that the Company shall not be required to provide such documents and information to the extent (and only to the extent) (i) they constitute confidential supervisory information or documents or information the disclosure of which is prohibited by applicable Law or (ii) doing so would jeopardize the application of the attorney-client or any similar privilege; provided, further, that the Company shall use commercially reasonable efforts to provide such information to Purchaser in an alternate manner. All documents and information provided under this Section 4.3(a) will be subject to the confidentiality provisions contained in the VCOC Letter Agreement.

Section 4.4 Form D and Blue Sky. The Company agrees to timely file a Form D with respect to the Purchased Shares as required under Regulation D. The Company, on or before the Closing Date, shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for or to qualify the Purchased Shares for sale to the Purchasers at the Closing pursuant to this Agreement under applicable securities or "Blue Sky" Laws of the states of the United States (or to obtain an exemption from such qualification). The Company shall make all filings and reports relating to the offer and sale of the Purchased Shares required under applicable securities or "Blue Sky" Laws of the states of the United States following the Closing Date.

Section 4.5 No Integration. The Company shall not, and shall use its reasonable best efforts to ensure that no Affiliate of the Company shall, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that will be integrated with the offer or sale of the Purchased Shares in a manner that would require the registration under the Securities Act of the sale of the Purchased Shares to the Purchasers.

Section 4.6 Bank Regulatory Approvals. Upon Castle Creek's request, the Company shall use its reasonable best efforts to cooperate with Castle Creek to receive the Bank Regulatory Approvals. Notwithstanding anything to the contrary in this Agreement, upon the receipt of such Bank Regulatory Approvals, (a) all references in this Agreement to ownership and voting limitations (but not the Minimum Ownership Interest) of nine point nine percent (9.9%) shall, with respect to Castle Creek only, be deemed to be deleted and replaced with twenty-four point nine percent (24.9%), and (b) the Company will cooperate in good faith to make any changes to the Transaction Documents to implement the intent of this Section 4.6 and address any bank regulatory concerns of Castle Creek. At any time after receipt of the Bank Regulatory Approvals, at the request of Castle Creek, the Company shall use its reasonable best efforts to exchange all shares of Non-Voting Common Stock held by Castle Creek into the applicable number of shares of Common Stock and to deliver such shares of Common Stock to Castle Creek in book-entry form.

Section 4.7 Indemnification.

(a) Indemnification of Purchasers. In addition to any other indemnity provided in the Transaction Documents, if applicable, the Company will indemnify and hold each Purchaser and its directors, officers, shareholders, members, partners, employees, agents, and investment advisors (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners, employees, agents, or investment advisors (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling person (each, a "**Purchaser Party**") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs, and expenses, including all judgments, amounts paid in settlements, court costs, and reasonable attorneys' fees and costs of investigation (collectively, "**Losses**") that any such Purchaser Party may suffer or incur as a result of (i) any breach of any of the representations, warranties, covenants, or agreements made by the Company in this Agreement or in the other Transaction Documents, and (ii) any action instituted against a Purchaser Party in any capacity, or any of them or their respective affiliates, by any shareholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by this Agreement. Any indemnification payment made pursuant to this Agreement shall be treated as an adjustment to purchase price for Tax purposes, except as otherwise required by Law or deemed impermissible under GAAP. Such payment shall not result in an adjustment to the value of the original investment reported by the Company under GAAP.

(b) Third Party Claims. Promptly after receipt by any Purchaser Party of notice of any demand, claim, or circumstances which would or might give rise to a claim or the commencement of any Action in respect of which indemnity may be sought pursuant to Section 4.7(a), such Purchaser Party shall promptly notify the Company in writing and the Company may assume the defense thereof, including the employment of counsel reasonably satisfactory to such Purchaser Party, and shall assume the payment of all fees and expenses; provided, however, that the failure of any Purchaser Party so to notify the Company shall not relieve the Company of its obligations hereunder except to the extent that the Company is actually materially and adversely prejudiced by such failure to notify. In any such Action, any Purchaser Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party unless (i) the Company and the Purchaser Party shall have mutually agreed to the retention of such counsel, (ii) the Company shall have failed promptly to assume the defense of such Action and to employ counsel reasonably satisfactory to such Purchaser Party in such Action, or (iii) in the reasonable judgment of counsel to such Purchaser Party, representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not be liable for any settlement of any Action effected without its written consent, which consent shall not be unreasonably withheld, delayed or conditioned. Without the prior written consent of the Purchaser Party, the Company shall not effect any settlement of any pending or threatened Action in respect of which any Purchaser Party is or could have been a party and indemnity could have been sought hereunder by such Purchaser Party, unless such settlement includes an unconditional release of such Purchaser Party from all liability arising out of such Action.

(c) Knowledge and Materiality Scrape. For purposes of the indemnity contained in Section 4.7(a), all qualifications and limitations set forth in the parties' representations and warranties as to "Company's Knowledge," "materiality," "Material Adverse Effect" and words of similar import shall be disregarded in determining whether there shall have been any inaccuracy in or breach of any representations and warranties in this Agreement and the Losses arising therefrom.

(d) Investigation. No investigation by any Purchaser, whether prior to or after the date of this Agreement, shall limit any Purchaser Party's exercise of any right hereunder or be deemed to be a waiver of any such right.

(e) Limitation on Company's Indemnification Obligations. Notwithstanding anything to the contrary in this Agreement, (i) the Company will not be liable for Losses that otherwise are indemnifiable under Section 4.7(a) until the total amount of all Losses under Section 4.7(a) incurred by all Purchaser Parties exceeds $65,000 (the "**Deductible**"), at which point the amount of all Losses in excess of the Deductible shall be recoverable in accordance with Section 4.7, and (ii) the maximum aggregate liability of the Company for all Losses pursuant to this Agreement shall be $13,000,000 (provided, that solely with respect to Losses indemnifiable under Section 4.7(a)(i), other than Losses arising from the representations and warranties set forth in Section 5.9(a), the Company's maximum aggregate liability for such Losses shall be $2,600,000).

Section 4.8 Use of Proceeds. The Company intends to use the net proceeds from the sale of the Shares hereunder to strengthen the Company's current balance sheet, improve the regulatory capital of the Bank, support organic growth opportunities and for general corporate purposes.

Section 4.9 Limitation on Beneficial Ownership. No Purchaser (and its Affiliates or any other Persons with which it is acting in concert) shall be entitled to purchase a number of Common Shares that would result in such Purchaser becoming, directly or indirectly, the beneficial owner (as determined under Rule 13d-3 under the Exchange Act) at the Closing of more than nine point nine percent (9.9%) of the number of shares of the Company's voting securities issued and outstanding.

Section 4.10 Anti-Takeover Matters. If any Takeover Law may become, or may purport to be, applicable to the transactions contemplated or permitted by this Agreement, the Company and the Board shall grant such approvals and take such actions as are necessary so that the transactions contemplated or permitted by this Agreement and the other Transaction Documents may be consummated, as promptly as practicable, on the terms contemplated by this Agreement and the other Transaction Documents, as the case may be, and otherwise act to eliminate or minimize the effects of any Takeover Law on any of the transactions contemplated or permitted by this Agreement and the other Transaction Documents.

Section 4.11 Avoidance of Control.

(a) Notwithstanding anything to the contrary in this Agreement, except as provided in Section 4.6, no Purchaser (together with its affiliates (as such term is used under the BHCA)) shall have the ability to purchase or exercise any voting rights of any securities in excess of nine point nine percent (9.9%) of the outstanding shares of any class of voting securities of the Company. In the event any Purchaser breaches its obligations under this Section 4.11 or believes that it is reasonably likely to breach such an obligation, it shall promptly notify the Company and shall cooperate in good faith with such parties to modify ownership or make other arrangements or take any other action, in each case, as is necessary to cure or avoid such breach.

(b) Notwithstanding anything to the contrary in this Agreement, neither the Company nor any Subsidiary shall take any action (including, without limitation, any redemption, repurchase, rescission or recapitalization of Common Stock, or securities or rights, options or warrants to purchase Common Stock, or securities of any type whatsoever that are, or may become, convertible into or exchangeable into or exercisable for Common Stock in each case, where each Purchaser is not given the right to participate in such redemption, repurchase, rescission, or recapitalization to the extent of such Purchaser's pro rata proportion) that would reasonably be expected to pose a substantial risk that (a) a Purchaser's equity securities of the Company (together with equity securities owned by such Purchaser's affiliates (as such term is used under the BHCA)) would exceed thirty-three point three percent (33.3%) of the Company's total equity or (b) a Purchaser's ownership of any class of voting securities of the Company (together with the ownership by such Purchaser's affiliates (as such term is used under the BHCA) of voting securities of the Company) would (i) exceed nine point nine percent (9.9%), in each case without the prior written consent of such Purchaser and receipt of any required Bank Regulatory Approvals, or (ii) increase to an amount that would constitute "control" under the BHCA, the CIBC Act, any applicable provisions of the Laws of the State of Michigan, or any rules or regulations promulgated thereunder (or any successor provisions) or otherwise cause such Purchaser to "control" the Company under and for purposes of the BHCA, the CIBC Act, any applicable provisions of the Laws of the State of Michigan, or any rules or regulations promulgated thereunder (or any successor provisions). Notwithstanding anything to the contrary in this Agreement, no Purchaser (together with its respective affiliates (as such term is used under the BHCA)) shall have the ability to purchase more than thirty-three point three percent (33.3%) of the Company's total equity or exercise any voting rights of any class of securities in excess of nine point nine percent (9.9%) of any outstanding class of voting securities of the Company (except as provided in Section 4.6). In the event either the Company or any Purchaser breaches its obligations under this Section 4.11 or believes that it is reasonably likely to breach such an obligation, it shall promptly notify the other party hereto and shall cooperate in good faith with such parties to modify ownership or, to the extent commercially reasonable, make other arrangements or take any other action, in each case, as is necessary to cure or avoid such breach.

Section 4.12 No Change of Control. The Company shall use reasonable best efforts to obtain all necessary irrevocable waivers, adopt any required amendments and make all appropriate determinations so that the issuance of the Shares to the Purchasers will not trigger a "change of control" or other similar provision in any Material Contracts and any employment, "change in control," severance or other employee or director compensation agreements or any benefit plan of the Company or any of its Subsidiaries, which results in payments to the counterparty or the acceleration of vesting of benefits.

Section 4.13 Filings; Other Actions. Each Purchaser, with respect to itself only, on the one hand, and the Company, on the other hand, will reasonably cooperate and consult with the other and use commercially reasonable efforts to provide all necessary and customary information and data, to prepare and file all necessary and customary documentation, to effect all necessary and customary applications, notices, petitions, filings and other documents, to provide evidence of non-control of the Company and the Bank, as requested by the applicable Governmental Entity, including executing and delivering to the applicable Governmental Entities customary passivity commitments, disassociation commitments, and commitments not to act in concert, with respect to the Company or the Bank, and to obtain all necessary and customary permits, consents, orders, approvals, and authorizations of, or any exemption by, all third parties and Governmental Entities, in each case, (i) necessary or advisable to consummate the transactions contemplated by this Agreement, and to perform the covenants contemplated by this Agreement, in each case required by it, and (ii) with respect to a Purchaser, to the extent typically provided by such Purchaser to such third parties or Governmental Entities, as applicable, under such Purchaser's policies consistently applied, to the extent such Purchaser has such policies, and subject to such confidentiality requests as such Purchaser may reasonably seek. Each of the parties hereto shall execute and deliver such further certificates, agreements, and other documents and take such other actions as the other parties may reasonably request to consummate or implement such transactions or to evidence such events or matters, subject, in each case, to clauses (i) and (ii) of the first sentence of this Section 4.13. Each Purchaser, with respect to itself only, and the Company will have the right to review in advance, and to the extent practicable each will consult with the other, in each case subject to applicable Laws relating to the exchange of information (other than confidential information related to such Purchaser and any of its respective Affiliates), which appears in any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions to which it will be party contemplated by this Agreement; provided that (i) for the avoidance of doubt, no Purchaser shall have the right to review any such information relating to another Purchaser and (ii) a Purchaser shall not be required to disclose to the Company or any other Purchaser any information that is confidential and proprietary to such Purchaser, its Affiliates, its investment advisors, or its or their control persons or

equity holders. In exercising the foregoing right, the parties hereto agree to act reasonably and as promptly as practicable. Each Purchaser, with respect to itself only, on the one hand, and the Company, on the other hand, agrees to keep each other reasonably apprised of the status of matters referred to in this Section 4.13. Each Purchaser, with respect to itself only, on the one hand, and the Company, on the other hand, shall promptly furnish each other with copies of written communications received by it or its Affiliates from, or delivered by any of the foregoing to, any Governmental Entity in respect of the transactions contemplated by this Agreement; provided, that the party delivering any such document may redact any confidential information contained therein or information that cannot be shared under applicable Laws. Notwithstanding anything in this Section 4.13 or elsewhere in this Agreement to the contrary, no Purchaser shall be required to provide to any Person pursuant to this Agreement any of its, its Affiliates', its investment advisors' or its or their control persons' or equity holders' nonpublic, proprietary, personal, or otherwise confidential information including the identities or financial condition of limited partners, shareholders, or non-managing members of such Purchaser or its Affiliates or their investment advisors. Notwithstanding anything to the contrary in this Section 4.13, no Purchaser shall be required to perform any of the above actions if such performance would constitute or could reasonably result in any restriction or condition that such Purchaser determines, in its reasonable good faith judgment, (i) is materially and unreasonably burdensome, or (ii) would reduce the benefits of the transactions contemplated hereby to such Purchaser to such a degree that such Purchaser would not have entered into this Agreement had such condition or restriction been known to it on the date of this Agreement (any such condition or restriction, a "**Burdensome Condition**"); for the avoidance of doubt, any requirement to disclose the identities or financial condition of limited partners, shareholders, or non- managing members of such Purchaser or its Affiliates or its investment advisers shall be deemed a Burdensome Condition unless otherwise determined by such Purchaser in its sole discretion.

Section 4.14 Shareholder Litigation. The Company shall promptly inform the Purchasers of any Proceeding ("**Shareholder Litigation**") against the Company, any of its Subsidiaries or any of the past or present executive officers or directors of the Company or any of its Subsidiaries that is threatened in writing or initiated by or on behalf of any shareholder of the Company in connection with or relating to the transactions contemplated hereby or by the Transaction Documents. The Company shall consult with the Purchasers and keep the Purchasers informed of all material filings and developments relating to any such Shareholder Litigation.

Section 4.15 Corporate Opportunities. Each of the parties hereto acknowledges that the Purchasers and their respective Affiliates and related investment funds may review the business plans and related proprietary information of any enterprise, including enterprises that may have products or services that compete directly or indirectly with those of the Company and its Subsidiaries, and may trade in the securities of such enterprise. None of the Purchasers, any Affiliates thereof, any related investments funds or any of their respective Affiliates shall be precluded or in any way restricted from investing or participating in any particular enterprise, or trading in the securities thereof whether or not such enterprise has products or services that compete with those of the Company and its Subsidiaries. The parties expressly acknowledge and agree that: (a) the Purchasers, any Affiliates thereof, any related investment funds, the Board Representative and any of their respective Affiliates have the right to, and shall have no duty (contractual or otherwise) not to, directly or indirectly, engage in the same or similar business activities or lines of business as the Company and its Subsidiaries; and (b) in the event that any Purchaser, the Board Representative, any Affiliate of any Purchaser, any related investment funds or any of their respective Affiliates acquires knowledge of a potential transaction or matter that may be a corporate opportunity for the Company or any of its Subsidiaries, the Purchasers, the Board Representative, Affiliates of the Purchasers, any related investment funds or any of their respective Affiliates shall have no duty (contractual or otherwise) to communicate or present such corporate opportunity to the Company or any of its Subsidiaries, and, notwithstanding any provision of this Agreement to the contrary, shall not be liable to the Company or any of its Subsidiaries or shareholders of the Company for breach of any duty (contractual or otherwise) by reason of the fact that such Purchaser, any Affiliate thereof, any related investment fund thereof or any of their respective Affiliates, directly or indirectly, pursues or acquires such opportunity for itself, directs such opportunity to another person, or does not present such opportunity to the Company; provided, however, that this clause (b) shall not apply to any potential transaction or matter that was brought to or became known to the Board Representative primarily in his capacity as a director of the Company or any of its Subsidiaries.

Section 4.16 Board Representative and Observer.

(a) Following the Closing, to the extent the Company has not done so previously, the Company will promptly cause an individual designated by Castle Creek, but reasonably acceptable to the Company (provided that all managing principals and principals of Castle Creek shall be deemed reasonably acceptable to the Company for purposes hereof) (the "**Board Representative**"), to be elected or appointed to the Board, subject to satisfaction of all legal and regulatory requirements and the Company's internal policies and principles regarding service and election or appointment as a director of the Company, and the boards of directors of the Bank and any Future Bank (the "**Bank Boards**"), subject to satisfaction of all legal and regulatory requirements and the internal policies and principles of the Bank and any such Future Bank regarding service and election or appointment as a director of the Bank or any Future Bank, as the case may be; provided that Castle Creek's right to designate the Board Representative will continue only so long as Castle Creek, together with its Affiliates, in the aggregate owns at least four point nine percent (4.9%) of the Common Stock then outstanding (the "**Minimum Ownership Interest**"). So long as Castle Creek, together with its Affiliates, has a Minimum Ownership Interest, the Company will recommend to its shareholders the election of the Board Representative to the Board at all of the Company's meetings of shareholders at which Board members are to be elected (unless the Board Representative is not up for reelection at any such meeting), subject to satisfaction of all legal requirements regarding service and election or appointment as a director of the Company. If Castle Creek no longer has a Minimum Ownership Interest, Castle Creek will have no further rights under Section 4.16(a) through (b) and, at the written request of the Board, shall use commercially reasonable efforts to cause the Board Representative to resign from the Board and the Bank Boards as promptly as possible thereafter. Castle Creek shall promptly inform the Company when it ceases to hold a Minimum Ownership Interest in the Company.

(b) Subject to applicable Law and Section 4.16(a), the Board Representative shall be one of the Company's nominees to serve on the Board. The Company shall use its reasonable best efforts to have the Board Representative elected as a director of the Company by the shareholders of the Company, and the Company shall solicit proxies for the Board Representative to the same extent as it does for any of its other Company nominees to the Board. The Company shall ensure that the Board and the Bank Boards shall each have at least four (4) members for so long as Castle Creek shall have the right to appoint a Board Representative.

(c) Subject to Section 4.16(a), upon the death, resignation, retirement, disqualification, or removal from office as a member of the Board or the Bank Boards of the Board Representative, Castle Creek shall have the right to designate the replacement for the Board Representative, which replacement shall be reasonably acceptable to the Company (provided that all managing principals and principals of Castle Creek shall be deemed reasonably acceptable to the Company for purposes hereof) and shall meet the other requirements set forth in Section 4.16(a). The Board and the Bank Boards shall use their reasonable best efforts to take all action required to fill the vacancy resulting therefrom with such person (including such person, subject to applicable Law, being one of the Company's nominees to serve on the Board and the Bank Boards), using reasonable best efforts to have such person elected as director of the Company by the shareholders of the Company and the Company soliciting proxies for such person to the same extent as it does for any of its other nominees to the Board, as the case may be.

(d) The Company hereby agrees that, from and after the Closing Date, for so long as Castle Creek and its Affiliates in the aggregate have a Minimum Ownership Interest, and do not have a Board Representative currently serving on the Board and the Bank Boards (or have a Board Representative whose appointment is subject to receipt of

regulatory approvals), the Company shall invite a person designated by Castle Creek, who shall be reasonably acceptable to the Company (the "**Observer**"), to attend meetings of the Board or the Bank Boards, as applicable, in a nonvoting, nonparticipating observer capacity. The Observer shall not have any right to vote on any matter presented to the Board, the Bank Boards or any committee thereof. The Company shall give the Observer written notice of each meeting of the Board or the Bank Boards at the same time and in the same manner as the members of the Board or the Bank Boards, shall provide the Observer with all written materials and other information given to members of the Board or the Bank Boards at the same time such materials and information are given to such members (provided, however, that the Observer shall not be provided any confidential supervisory information or any information the disclosure of which would jeopardize the application of the attorney- client or any similar privilege) and shall permit the Observer to attend as an observer at all meetings thereof. In the event the Company, the Bank or any Future Bank proposes to take any action by written consent in lieu of a meeting, the Company, the Bank or any Future Bank shall give written notice thereof to the Observer prior to the effective date of such consent describing the nature and substance of such action and including the proposed text of such written consents. If Castle Creek no longer has a Minimum Ownership Interest, Castle Creek will have no further rights under this Section 4.16(d).

(e) The Board Representative shall be entitled to compensation and indemnification and insurance coverage in connection with his or her role as a director to the same extent as other directors on the Board or the Bank Boards, as applicable, and shall be entitled to monthly reimbursement for reasonable and documented out-of-pocket expenses incurred in attending meetings of the Board, or any committee thereof in accordance with the policies of the Company, the Bank and any Future Bank, as applicable. The Company, the Bank and any Future Bank shall notify the Board Representative of all regular meetings and special meetings of the Board and the Bank Boards and of all regular and special meetings of any committee of the Board and the Bank Boards on which the Board Representative serves. The Company, the Bank and any Future Banks shall provide the Board Representative with copies of all notices, minutes, consents and other material that it provides to all members of the Board and the Bank Boards, respectively, at the same time such materials are provided to the other respective members.

(f) The Company acknowledges that the Board Representative may have certain rights to indemnification, advancement of expenses and/or insurance provided by Castle Creek and/or its respective Affiliates (collectively, the "**Castle Creek Indemnitors**"). The Company hereby agrees that, with respect to a claim by a Board Representative for indemnification arising out his or her service as a director of the Company, the Bank or any Future Bank, (1) it is the indemnitor of first resort (*i.e.*, its obligations to the Board Representative with respect to indemnification, advancement of expenses and/or insurance (which obligations shall be the same as, but in no event greater than, any such obligations to members of the Board or the Bank Boards, as applicable) are primary and any obligation of the Castle Creek Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by the Board Representative are secondary), and (2) the Castle Creek Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Board Representative against the Company.

(g) In addition to the foregoing, the Company will reimburse Castle Creek and its Affiliates for all reasonable fees and expenses arising out of or related to the Board Representative's or the Observer's travel to monthly meetings of the Board and the Bank Boards.

(h) Notwithstanding anything to the contrary in this Agreement, (i) the Company and/or any Subsidiary may exclude the Board Representative and/or the Observer from portions of any meeting at which any matter directly related to Castle Creek, the Transaction Documents, or any of Castle Creek's rights or obligations under any of the Transaction Documents are to be discussed, and (ii) the Company and/or any Subsidiary may exclude the Observer from portions of any meeting at which there is to be any discussion or review of exam-related or confidential correspondence with the Federal Reserve, the FDIC or the Michigan Department of Insurance and Financial Services, in each case to the extent required by applicable Law as reasonably determined by the Company's legal counsel. Castle Creek covenants and agrees to hold any information obtained from its Board Representative and/or Observer in confidence (except to the extent that such information (1) was previously known by or in the possession of Castle Creek on a non-confidential basis, (2) is or becomes in the public domain through no fault of Castle Creek or the Board Representative, (3) is later lawfully acquired from other sources by Castle Creek, or (4) is independently developed by Castle Creek without the use of such information).

(i) For the avoidance of doubt, the rights of Castle Creek under this Section 4.16 shall not be duplicative of the rights of Castle Creek Capital Partners VII, LP under the May 2019 SPA, and Castle Creek and Castle Creek Capital Partners VII, LP shall together be entitled to designate only one Board Representative or Observer, as applicable.

Section 4.17 Preemptive Rights.

(a) For so long as a Purchaser, together with its Affiliates, holds a Minimum Ownership Interest, if at any time after the date hereof the Company or any of its Subsidiaries makes any public or nonpublic offering or sale of any equity (including Common Stock, Non-Voting Common Stock or restricted stock), or any securities, options or debt that is convertible or exchangeable into equity or that includes an equity component (such as, an "equity kicker") (including any hybrid security) (any such security, a "**New Security**") (provided that New Securities shall not include any Common Stock or other securities issuable (i) upon the exercise or conversion of any securities of the Company issued or agreed or contemplated (and disclosed to the Purchasers in writing) to be issued as of the date hereof; (ii) pursuant to the granting or exercise of employee stock options, restricted stock or other stock incentives pursuant to the Company's stock incentive plans approved by the Board or the issuance of stock pursuant to the Company's employee stock purchase plan approved by the Board or similar plan where stock is being issued or offered to a trust, other entity or otherwise, for the benefit of any employees, officers or directors of the Company, in each case in the ordinary course of providing incentive compensation (for the avoidance of doubt, including the Company's employee stock ownership plan but excluding the Performance-Based Equity Incentive Award Program described in Section 4.18) in all cases not to exceed in the aggregate five percent (5%) of the outstanding shares of Common Stock, determined on a fully-diluted basis, after giving effect to the transactions contemplated by this Agreement; (iii) pursuant to the Performance-Based Equity Incentive Award Program described in Section 4.18; or (iv) as full or partial consideration for a merger, acquisition, joint venture, strategic alliance, license agreement or other similar non-financing transaction), then that Purchaser shall be afforded the opportunity to acquire from the Company for the same price (net of any underwriting discounts or sales commissions) and on the same terms as such securities are proposed to be offered to others, up to the amount of New Securities in the aggregate required to enable it to maintain its proportionate Common Stock equivalent interest in the Company (or its Subsidiaries) immediately prior to any such issuance of New Securities. The amount of New Securities that such Purchaser shall be entitled to purchase in the aggregate shall be determined by multiplying (x) the total number or principal amount of such offered New Securities by (y) a fraction, the numerator of which is the total number of shares of Common Stock then held by such Purchaser (counting for such purposes all shares of Common Stock into or for which any securities owned by such Purchaser are directly or indirectly convertible or exercisable, including the Non-Voting Common Stock), if any, and the denominator of which is the total number of shares of Common Stock then outstanding (counting for such purposes all shares of Common Stock into or for which any issued and outstanding securities are directly or indirectly convertible or exercisable, including the Non-Voting Common Stock). Notwithstanding anything herein to the contrary, in no event shall a Purchaser have the right to purchase New Securities hereunder to the extent such purchase would result in such Purchaser, together with any other person whose Company securities would be aggregated with such Purchaser's Company securities for purposes of any bank regulation or law, to collectively be deemed to own, control or have the power to vote securities which (assuming, for this purpose only, full conversion and/or exercise of such securities by such Purchaser) would represent more than 9.9% (or, following the Bank Regulatory Approvals, 24.9% with respect to Castle Creek) of the Voting Securities or more than 33.3% of the Company's total equity outstanding.

(b) Notwithstanding anything in this Section 4.17 to the contrary, upon the request of any Purchaser that such Purchaser not be issued Voting Securities in whole or in part upon the exercise of its rights to purchase New Securities, the Company shall cooperate with such Purchaser to modify the proposed issuance of New Securities to the Purchaser to provide for the issuance of the Non-Voting Common Stock or other non-voting securities in lieu of Voting Securities; provided, however, that to the extent,

following such reasonable cooperation, such modification would cause any other Purchaser to exceed its respective ownership limitation set forth in this Agreement, the Company shall, and shall only be obligated to, issue and sell to the Purchaser such number of Voting Securities and nonvoting securities as will not cause any other Purchaser to exceed its respective ownership limitation set forth in this Agreement and that the Purchaser has indicated it is willing to hold following consummation of such Offering (as defined in Section 4.17(c) below), and any remaining securities may be offered, sold or otherwise transferred to any other person or persons in accordance with Section 4.17(e).

(c) In the event the Company proposes to offer or sell New Securities (the "**Offering**"), it shall give each Purchaser written notice of its intention, describing the price (or range of prices), anticipated amount of New Securities, timing, and other terms upon which the Company proposes to offer the same (including, in the case of a registered public offering and to the extent possible, a copy of the prospectus included in the registration statement filed with respect to such Offering). Each such Purchaser shall have fifteen (15) Business Days from the date of receipt of such a notice (the "**Response Period**") to notify the Company in writing that it intends to exercise its rights provided in this Section 4.17 and as to the amount of New Securities such Purchaser desires to purchase, up to the maximum amount calculated pursuant to Section 4.17. Such notice shall constitute a binding agreement of such Purchaser to purchase the amount of New Securities so specified at the price and on the terms set forth in the Company's notice to such Purchaser, but subject to such Purchaser's receipt of any required approvals described in this Section 4.17. The failure of such Purchaser to respond within the Response Period shall be deemed to be a waiver of such Purchaser's rights under this Section 4.17 only with respect to the Offering described in the applicable notice, but shall not impact any other Purchaser's rights under this Section 4.17.

(d) If a Purchaser exercises its rights provided in this Section 4.17, the closing of the purchase of the New Securities in connection with the closing of the Offering with respect to which such right has been exercised shall take place within sixty (60) calendar days after the giving of notice of such exercise, which period of time shall be extended for a maximum of 180 days in order to comply with applicable Laws and regulations (including receipt of any applicable regulatory or shareholder approvals). Notwithstanding anything to the contrary herein, the closing of the purchase of the New Securities by a Purchaser will occur no earlier than the closing of the Offering triggering the right being exercised by such Purchaser. Each of the Company and such Purchaser agrees to use its commercially reasonable efforts to secure any regulatory or shareholder approvals or other consents, and to comply with any law or regulation necessary in connection with the offer, sale and purchase of, such New Securities.

(e) In the event a Purchaser fails to exercise its rights provided in this Section 4.17 within this Response Period or, if so exercised, such Purchaser is unable to consummate such purchase within the time period specified in Section 4.17(d) above because of its failure to obtain any required regulatory or shareholder consent or approval, the Company shall thereafter be entitled (during the period of sixty (60) days following the conclusion of the applicable period) to sell or enter into an agreement (pursuant to which the sale of the New Securities covered thereby shall be consummated, if at all, within ninety (90) days from the date of such agreement) to sell the New Securities not elected to be purchased pursuant to this Section 4.17 by such Purchaser or which such Purchaser is unable to purchase because of such failure to obtain any such consent or approval, at a price and upon terms no more favorable in the aggregate to the purchasers of such New Securities than were specified in the Company's notice to such Purchaser. Notwithstanding the foregoing, if such sale is subject to the receipt of any regulatory or shareholder approval or consent or the expiration of any waiting period, the time period during which such sale may be consummated shall be extended until the expiration of five (5) Business Days after all such approvals or consents have been obtained or waiting periods expired, but in no event shall such time period exceed 180 days from the date of the applicable agreement with respect to such sale. In the event the Company has not sold the New Securities or entered into an agreement to sell the New Securities within such 60-day period (or sold and issued New Securities in accordance with the foregoing within ninety (90) days from the date of such agreement (as such period may be extended in the manner described above for a period not to exceed 180 days from the date of such agreement)), the Company shall not thereafter offer, issue or sell such New Securities without first offering such New Securities to each Purchaser in the manner provided above.

(f) Notwithstanding the foregoing provisions of this Section 4.17, if a majority of the directors of the Board determines that the Company must issue equity or debt securities on an expedited basis, then the Company may consummate the proposed issuance or sale of such securities ("**Expedited Issuance**") and then comply with the provisions of this Section 4.17 provided that (i) the purchasers of such New Securities have consented in writing to the issuance of additional New Securities in accordance with the provisions of this Section 4.17, and (ii) the sale of any such additional New Securities under this Section 4.17(f) to each Purchaser shall be consummated as promptly as is practicable but in any event no later than 90 days subsequent to the date on which the Company consummates the Expedited Issuance under this Section 4.17(f). Notwithstanding anything to the contrary herein, the provisions of this Section 4.17(f) (other than as provided in subclause (ii) of this Section 4.17(f)) shall not be applicable and the consent of the purchasers of such New Securities shall not be required in connection with any Expedited Issuance undertaken at the written direction of the applicable federal regulator of the Company or the Bank. Notwithstanding anything to the contrary in this Agreement, no rights of a Purchaser under this Agreement will be adversely affected solely as the result of the temporary dilution of its percentage ownership of Common Stock due to an Expedited Issuance under this Section 4.17(f); *provided*, *however*, that such rights may be adversely affected from and after such time, if any, that a Purchaser declines or is otherwise unable to purchase Common Stock offered to such Purchaser under this Section 4.17(f).

(g) In the case of the offering of securities for a consideration in whole or in part other than cash, including securities acquired in exchange therefor (other than securities by their terms so exchangeable), the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board; *provided*, *however*, that such fair value as determined by the Board shall not exceed the aggregate market price of the securities being offered as of the date the Board authorizes the offering of such securities.

(h) The Company and each of the Purchasers shall cooperate in good faith to facilitate the exercise of such Purchaser's rights under this Section 4.17, including to secure any required approvals or consents.

(i) The Company shall not be under any obligation to consummate any proposed issuance of New Securities, and there will be no liability on the part of the Company to any Purchaser if the Company has not consummated any proposed issuance of New Securities pursuant to this Section 4.17 for whatever reason, regardless of whether it shall have delivered notice in respect of such proposed issuance.

Section 4.18 Equity Incentive Award Program. If not adopted prior to the date hereof, the Company shall adopt a "Performance-Based Equity Incentive Award Program" in a form reasonably acceptable to Castle Creek, and the Company shall consult in good faith with Castle Creek regarding the list of recipients, award amounts (not to exceed five percent (5%) of the outstanding Common Stock in the aggregate, determined on a fully-diluted basis, after giving effect to the transactions contemplated hereby), and ROA and/or ROE targets.

ARTICLE V
MISCELLANEOUS

Section 5.1 Fees and Expenses. Except as set forth elsewhere in the Transaction Documents, the parties hereto shall be responsible for the payment of all expenses incurred by them in connection with the preparation and negotiation of the Transaction Documents and the consummation of the transactions contemplated hereby. The Company shall pay all Transfer Agent fees, stamp taxes and other taxes and duties levied in connection with the Company's sale and issuance of the Shares to the Purchasers.

Section 5.2 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, discussions and representations, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules. At or after the Closing, and without further consideration, the Company and the Purchasers will execute and deliver to the other parties such further documents as may be reasonably requested in order to give practical effect to the intention of the parties under the Transaction Documents.

Section 5.3 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail (provided the sender receives a machine-generated confirmation of successful facsimile transmission or e-mail notification or confirmation of receipt of an e-mail transmission) at the facsimile number or e-mail address specified in this Section 5.3 prior to 5:00 p.m., Eastern time, on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile or e-mail at the facsimile number or e-mail address specified in this Section 5.3 on a day that is not a Trading Day or later than 5:00 p.m., Eastern time, on any Trading Day, (c) if sent by U.S. nationally recognized overnight courier service with next day delivery specified (receipt requested) the Trading Day following delivery to such courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company:	Northpointe Bancshares, Inc. 3333 Deposit Drive NE Grand Rapids, MI 49546 Attention: Charles Williams Email: Chuck.Williams@northpointe.com Facsimile: 616-726-2500
With a copy to:	Varnum LLP Bridgewater Place 333 Bridge Street NW, Suite 1700 Grand Rapids, MI 49504 Attention: Kimberly Baber Email: kababer@varnumlaw.com Facsimile: 616-336-7000
If to a Purchaser:	To the address set forth under such Purchaser's name on the signature page hereof;

or such other address as may be designated in writing hereafter, in the same manner, by such Person.

Section 5.4 Amendments; Waivers; No Additional Consideration. No amendment or waiver of any provision of this Agreement will be effective with respect to any party unless made in writing and signed by a duly authorized representative of such party. No waiver of any default with respect to any provision, condition, or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition, or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right. No consideration shall be offered or paid to any Purchaser to amend or consent to a waiver or modification of any provision of any Transaction Document unless the same consideration is also offered to all Purchasers who then hold Shares.

Section 5.5 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. This Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement or any of the Transaction Documents.

Section 5.6 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties and their successors and permitted assigns. This Agreement, or any rights or obligations hereunder, may not be assigned by the Company without the prior written consent of the Purchasers. Except as otherwise provided in Section 4.16, any Purchaser may assign its rights and obligations hereunder in whole or in part to any Affiliate of such Purchaser, provided such transferee shall agree in writing to be bound, with respect to the transferred Shares, by the terms and conditions of this Agreement that apply to the "Purchasers."

Section 5.7 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than, solely with respect to the provisions of Section 4.7, the Purchaser Parties.

Section 5.8 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed in accordance with the internal Laws of the State of Delaware applicable to contracts made and to be performed entirely within such State. Each party agrees that all Proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective Affiliates, employees or agents) shall occur, on an exclusive basis, in the state or federal courts located in the State of Delaware (the "**Delaware Courts**"). Each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of the Delaware Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any such Delaware Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by Law.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 5.9 Survival. The representations and warranties contained herein shall survive the Closing, the delivery of the Shares, and any conversion of Non-Voting

Common Stock into Common Stock as follows: (a) the representations and warranties of the Company set forth in Section 3.1(a), the first two sentences of 3.1(b), 3.1(c), 3.1(e), 3.1(f), 3.1(g), 3.1(u), and 3.1(bb) shall survive for a period of six (6) years following the Closing and delivery of Shares, (b) the representations and warranties of the Company set forth in Section 3.1(i), 3.1(k), 3.1(m), and 3.1(rr) shall survive for the applicable statute of limitations, (c) all other representations and warranties of the Company set forth in Section 3.1 shall survive for a period of 12 months following the Closing and the delivery of the Shares, and (d) all representations and warranties of the Purchasers set forth in Section 3.2 shall survive for a period of 12 months following the Closing and the delivery of the Shares.

Section 5.10 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

Section 5.11 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

Section 5.12 Replacement of Shares. If any certificate or instrument evidencing any Shares is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company and the Transfer Agent of such loss, theft or destruction and the execution by the holder thereof of a customary lost certificate affidavit of that fact and an agreement to indemnify and hold harmless the Company and the Transfer Agent for any losses in connection therewith or, if required by the Transfer Agent, a bond in such form and amount as is required by the Transfer Agent. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement Shares. If a replacement certificate or instrument evidencing any Shares is requested due to a mutilation thereof, the Company may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

Section 5.13 Remedies. In addition to being entitled to exercise all rights provided herein or granted by Law, including recovery of damages, each of the Purchasers and the Company shall be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agree to waive in any action for specific performance of any such obligation (other than in connection with any action for a temporary restraining order) the defense that a remedy at law would be adequate.

Section 5.14 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other person under any Law (including, without limitation, any bankruptcy Law, state or federal Law, common Law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

Section 5.15 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under any Transaction Document. The decision of each Purchaser to purchase Shares pursuant to the Transaction Documents has been made by such Purchaser independently of any other Purchaser and independently of any information, materials, statements or opinions as to the business, affairs, operations, assets, properties, liabilities, results of operations, condition (financial or otherwise) or prospects of the Company or any Subsidiary which may have been made or given by any other Purchaser or by any agent or employee of any other Purchaser, and no Purchaser and none of its agents or employees shall have any liability to any other Purchaser (or any other Person) relating to or arising from any such information, materials, statements or opinions. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser acknowledges that no other Purchaser has acted as agent for such Purchaser in connection with making its investment hereunder and that no Purchaser will be acting as agent of such Purchaser in connection with monitoring its investment in the Shares or enforcing its rights under the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any Proceeding for such purpose. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Purchaser, solely, and not between the Company and the Purchasers collectively and not between and among the Purchasers.

Section 5.16 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

NORTHPOINTE BANCSHARES, INC.

By: /s/ Charles A. Williams
Name: Charles A. Williams
Title: President & CEO

[Signature Page to Securities Purchase Agreement]

NAME OF PURCHASER:

CASTLE CREEK CAPITAL PARTNERS VI, LP
By Castle Creek Capital Partners VI LLC, its general partner

By: /s/ David Volk
Name: David Volk
Title: Principal

[Signature Page to Stock Purchase Agreement]

EXHIBITS

Exhibit A: Form of Registration Rights Agreement

Exhibit B: Accredited Investor Questionnaire

Exhibit C: Form of Opinion of Company Counsel

Exhibit D: Form of Secretary's Certificate

Exhibit E: Form of Officer's Certificate

Exhibit F: Form of VCOC Letter Agreement

[Signature Page to Stock Purchase Agreement]

EXHIBIT A

FORM OF REGISTRATION RIGHTS AGREEMENT

See attached

NORTHPOINTE BANCSHARES, INC.
REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of December 24, 2019, by and among Northpointe Bancshares, Inc., a Michigan corporation (the "Company"), and the purchaser(s) signatory hereto (each a "Registration Rights Purchaser" and collectively, the "Registration Rights Purchasers").

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of December 24, 2019, between the Company and each Registration Rights Purchaser (the "Purchase Agreement").

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each of the Registration Rights Purchasers agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Advice" shall have the meaning set forth in Section 8(h).

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person.

"Agreement" shall have the meaning set forth in the Preamble.

"Allowable Grace Period" shall have the meaning set forth in Section 5(d).

"Business Day" means a day other than a Saturday or Sunday or other day on which banks located in Michigan are authorized or required by law to close.

"Capital Stock" means, with respect to any Person at any time, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, securities convertible into or exchangeable or exerciseable for any of its shares, interests, participations or other equivalents, partnership interests (whether general or limited), limited liability company interests, or equivalent ownership interests in or issued by such Person.

"Closing Date" has the meaning set forth in the Purchase Agreement.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the voting common stock of the Company, no par value per share, and any securities into which such shares of voting common stock may hereinafter be reclassified.

"Company" shall have the meaning set forth in the Preamble.

"Effective Date" means the date that the Registration Statement filed pursuant to Section 2(a) is first declared effective by the Commission.

"Effectiveness Deadline" means, with respect to the Initial Registration Statement or the New Registration Statement, the fifth (5th) Trading Day after the date the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review; provided, that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the Commission is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the Commission is open for business.

"Effectiveness Period" shall have the meaning set forth in Section 2(b).

"Event" shall have the meaning set forth in Section 2(c).

"Event Date" shall have the meaning set forth in Section 2(c).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Filing Deadline" means the date that is ninety (90) calendar days after receipt of the request from a Registration Rights Purchaser described in Section 2(a) (or, in the case of any registration eligible to be made on Form S-3 or comparable successor form, sixty (60) calendar days after the receipt of such request).

"FINRA" shall have the meaning set forth in Section 5(n).

"Grace Period" shall have the meaning set forth in Section 5(d).

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Holders Counsel" shall have the meaning set forth in Section 5(a).

"Indemnified Party" shall have the meaning set forth in Section 7(c).

"Indemnifying Party" shall have the meaning set forth in Section 7(c).

"Initial Registration Statement" means shall have the meaning set forth in Section 2(a).

"Inspectors" shall have the meaning set forth in Section 5(j).

"Liquidated Damages" shall have the meaning set forth in Section 2(c).

"Losses" shall have the meaning set forth in Section 7(a).

"New Registration Statement" shall have the meaning set forth in Section 2(a).

"Non-Responsive Holder" shall have the meaning set forth in Section 8(d).

"Non-Voting Common Stock" means the Company's non-voting common stock, no par value per share.

"Other Securities" means shares of Common Stock, Non-Voting Common Stock or shares of other Capital Stock or other securities of the Company which are contractually entitled to registration rights or Capital Stock which the Company is registering pursuant to a Registration Statement.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Piggyback Registration" shall have the meaning set forth in Section 3(a).

"Piggyback Registration Statement" shall have the meaning set forth in Section 3(a).

"Principal Market" means the Trading Market on which the Common Stock is primarily listed on and quoted for trading.

"Proceeding" means an action, claim, suit, investigation, or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition).

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Purchase Agreement" shall have the meaning set forth in the Recitals.

"Records" shall have the meaning set forth in Section 5(j).

"Registrable Securities" means all of the Shares and any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar

event with respect to the Shares, provided that the Shares shall cease to be Registrable Securities upon the earliest to occur of the following: (A) a sale pursuant to a Registration Statement; (B) becoming eligible for sale without time, volume or manner of sale restrictions by the Holders under Rule 144; or (C) if such Shares have ceased to be outstanding.

"Registration Rights Purchaser" or "Registration Rights Purchasers" shall have the meaning set forth in the Preamble.

"Registration Statements" means any one or more registration statements of the Company filed under the Securities Act that covers the resale of any of the Registrable Securities pursuant to the provisions of this Agreement (including without limitation the Initial Registration Statement, the New Registration Statement and any Remainder Registration Statements), amendments and supplements to such Registration Statements, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such Registration Statements.

"Remainder Registration Statement" shall have the meaning set forth in Section 2(a).

"Requested Information" shall have the meaning set forth in Section 8(d).

"Required Registration Statement" means any Initial Registration Statement, New Registration Statement or Remainder Registration Statement.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 144A" means Rule 144A promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any successor rule thereto.

"SEC Guidance" means (i) any publicly-available written guidance, comments, requirements or requests of the Commission staff and (ii) the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shares" means the shares of Common Stock and Non-Voting Common Stock issued or issuable to the Registration Rights Purchaser pursuant to the Purchase Agreement.

"Shelf Offering" shall have the meaning set forth in Section 4(a).

"Take-Down Notice" shall have the meaning set forth in Section 4(a).

"Trading Day" means (i) a day on which the Common Stock is listed or quoted and traded on its Principal Market (other than the OTC Bulletin Board), or (ii) if the Common Stock is not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as reported in the "pink sheets" by OTC Markets Group, Inc. (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

"Trading Market" means whichever of the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market or OTC Bulletin Board on which the Common Stock is listed or quoted for trading on the date in question.

2. Demand Registration.

(a)If at any time after five (5) years after the date of this Agreement, the Company receives a request from a Registration Rights Purchaser who at such time, together with its Affiliates, owns in the aggregate at least 225,761 shares of Common Stock and/or Non-Voting Common Stock (which number of shares shall be subject to adjustment to reflect any stock dividend, stock split, stock combination, reverse stock split, or similar reclassification of the Company's outstanding Capital Stock), then, prior to the Filing Deadline, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 or, if Rule 415 is not available for offers and sales of the Registrable Securities, by such other means of distribution of Registrable Securities as the Company may reasonably determine (the "Initial Registration Statement"). Notwithstanding the registration obligations set forth in this Section 2, in the event that (i) the Company's counsel determines that all such Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement prior to filing the Initial Registration Statement, or (ii) the Commission informs the Company that all such Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly (A) inform each of the Holders thereof and, as applicable, file the Initial Registration Statement, or use its reasonable best efforts to file amendments to the Initial Registration Statement as required by the Commission and/or (B) withdraw the Initial Registration Statement and file a new registration statement (a "New Registration Statement"), in each case covering the maximum number of such Registrable Securities permitted to be registered thereon, on such form available to the Company to register for resale the Registrable Securities as a secondary offering; provided, that in the case of (ii) above, prior to filing such amendment or New Registration Statement, the Company shall be obligated to use its reasonable best efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Securities Act Rules Compliance and Disclosure Interpretation 612.09, or any successor thereto. Notwithstanding any other provision of this Agreement, if the opinion of the Company's counsel or any SEC Guidance sets forth a limitation of the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and, in the case of clause (ii) above, notwithstanding that the Company used reasonable best efforts to reasonably advocate with the Commission for the registration of all or a greater number of Registrable Securities), the number of Registrable Securities to be registered on such Registration Statement will be reduced pro rata on the basis of the aggregate number of Registrable Securities owned by each applicable Holder, and under such circumstances, the Company will not be subject to the payment of Liquidated Damages in Section 2(c). In the event the Company amends the Initial Registration Statement or files a New Registration Statement, as the case may be, under clauses (A) or (B) above, the Company will use its reasonable best efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration

statements on such form available to the Company to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended, or the New Registration Statement (the "Remainder Registration Statements"). No Holder shall be named as an "underwriter" in any Registration Statement without such Holder's prior written consent.

(b)The Company shall use its reasonable best efforts to cause each Required Registration Statement to be declared effective by the Commission as soon as practicable, and, with respect to the Initial Registration Statement or the New Registration Statement, as applicable, no later than the Effectiveness Deadline, and shall use its reasonable best efforts to keep each Required Registration Statement continuously effective under the Securities Act until the earlier of (i) such time as all of the Registrable Securities covered by such Required Registration Statement have been publicly sold by the Holders or (ii) the date that all Registrable Securities covered by such Required Registration Statement may be sold by the Holders without volume or manner of sale restrictions under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent (the "Effectiveness Period"). The Company shall request effectiveness of a Required Registration Statement as of 5:00 p.m., New York City time, on a Trading Day. The Company shall promptly notify the Holders via facsimile or electronic mail of a ".pdf" format data file of the effectiveness of a Registration Statement within one (1) Business Day of the Effective Date. The Company shall file a final Prospectus for a Required Registration Statement with the Commission, as required by Rule 424(b) as promptly as reasonably practicable following the Effective Date.

(c)If: (i) the Initial Registration Statement is not filed with the Commission on or prior to the Filing Deadline, (ii) the Initial Registration Statement or the New Registration Statement, as applicable, is not declared effective by the Commission (or otherwise does not become effective) for any reason on or prior to the Effectiveness Deadline, or (iii) after its Effective Date, (A) such Registration Statement ceases to be effective for any reason (including without limitation by reason of a stop order, or the Company's failure to update the Registration Statement), to remain continuously effective as to all Registrable Securities for which it is required to be effective, or (B) the Holders are not permitted to utilize the Prospectus therein to resell such Registrable Securities (other than during an Allowable Grace Period), (iv) a Grace Period applicable to a Required Registration Statement exceeds the length of an Allowable Grace Period, or (v) after the Filing Deadline, and only in the event a Registration Statement is not effective or available to sell all Registrable Securities, the Holders are unable to sell Registrable Securities without restriction under Rule 144, (any such failure or breach in clauses (i) through (v) above being referred to as an "Event," and, for purposes of clauses (i), (ii), (iii) or (v), the date on which such Event occurs, or for purposes of clause (iv) the date on which such Allowable Grace Period is exceeded, being referred to as an "Event Date"), then in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash, as liquidated damages and not as a penalty ("Liquidated Damages"), equal to 2.0% of the aggregate purchase price paid by such Holder pursuant to the Purchase Agreement for any Registrable Securities held by such Holder on the Event Date. The parties agree that notwithstanding anything to the contrary herein or in the Purchase Agreement, no Liquidated Damages shall be payable (i) if as of the relevant Event Date, the Registrable Securities may be sold by the Holders without volume or manner of sale restrictions under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent, (ii) to a Holder causing an Event that relates to or is caused by any action or inaction taken by such Holder, (iii) to a Holder in the event it is unable to lawfully sell any of its Registrable Securities (including, without limitation, in the event a Grace Period exceeds the length of an Allowable Grace Period) because of possession of material non-public information or (iv) with respect to any period after the expiration of the Effectiveness Period (it being understood that this clause shall not relieve the Company of any Liquidated Damages accruing prior to the expiration of the Effectiveness Period). If the Company fails to pay any Liquidated Damages pursuant to this Section 2(c) in full within ten (10) Business Days after the date payable, the Company will pay interest on the amount of Liquidated Damages then owing to the Holder at a rate of 1.0% per month on an annualized basis (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such Liquidated Damages are due until such amounts, plus all such interest thereon, are paid in full. The Liquidated Damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event, except in the case of the first Event Date. With respect to a Holder, the Effectiveness Deadline for a Required Registration Statement shall be extended without default or Liquidated Damages hereunder in the event that the Company's failure to obtain the effectiveness of the Registration Statement on a timely basis results from the failure of such Holder to timely provide the Company with information requested by the Company and necessary to complete the Registration Statement in accordance with the requirements of the Securities Act (in which case the Effectiveness Deadline would be extended with respect to Registrable Securities held by such Registration Rights Purchaser).

3. Piggyback Registration.

(a)If the Company intends to file a Registration Statement covering a primary or secondary offering of any of its Common Stock, Non-Voting Common Stock or Other Securities, whether or not the sale is for its own account, which is not a registration solely to implement an employee benefit plan pursuant to a registration statement on Form S-8 (or successor form), a registration statement on Form S-4 (or successor form) or a transaction to which Rule 145 or any other similar rule of the Commission is applicable, the Company will promptly (and in any event at least ten (10) Business Days before the anticipated filing date) give written notice to the Holders of its intention to effect such a registration. The Company will effect the registration under the Securities Act of all Registrable Securities that the Holder(s) request(s) be included in such registration (a "Piggyback Registration") by a written notice delivered to the Company within five (5) Business Days after the notice given by the Company in the preceding sentence. Subject to Section 3(b), securities requested to be included in a Company registration pursuant to this Section 3 shall be included by the Company on the same form of Registration Statement as has been selected by the Company for the securities the Company is registering for sale referred to above. The Holders shall be permitted to withdraw all or part of the Registrable Securities from the Piggyback Registration at any time at least two (2) Business Days prior to the effective date of the Registration Statement relating to such Piggyback Registration (the "Piggyback Registration Statement"). If the Company elects to terminate any registration filed under this Section 3 prior to the effectiveness of such registration, the Company will have no obligation to register the securities sought to be included by the Holders in such registration under this Section 3. There shall be no limit to the number of Piggybank Registrations pursuant to this Section 3(a).

(b)If a Registration Statement under this Section 3 relates to an underwritten offering and the managing underwriter(s) advise(s) the Company that in its or their reasonable opinion the number of securities requested to be included in such offering exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on the per share offering price), the Company will include in such registration or Prospectus only such number of securities that in the reasonable opinion of such underwriter(s) can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (i) first, the Common Stock and Other Securities the Company proposes to sell, (ii) second, the Registrable Securities of the Holders who have requested inclusion of Registrable Securities pursuant to this Section 3, pro rata on the basis of the aggregate number of such securities or shares owned by each such person, or as such Holders may otherwise agree, and (iii) third, any Other Securities of the Company that have been requested to be so included, subject to the terms of this Agreement. The Company shall select the investment banking firm or firms to act as the lead underwriter or underwriters in connection with an underwritten offering made pursuant to this Section 3; provided that such underwriter(s) shall be reasonably acceptable to the applicable Holder(s). No Holder may participate in any underwritten registration under this Section 3 unless such Holder (i) agrees to sell the Registrable Securities it desires to have covered by the underwritten offering on the basis provided in any underwriting arrangements in customary form and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

4. Underwritten Shelf Offerings.

(a)At any time that a shelf registration statement covering Registrable Securities pursuant to Section 2 or Section 3 is effective, if any Holder delivers a notice to the Company (a "Take-Down Notice") stating that it intends to sell all or part of its Registrable Securities included by it on the shelf registration statement (a Shelf

Offering"), then the Company shall amend or supplement the shelf registration statement as may be necessary in order to enable such Registrable Securities to be distributed pursuant to the Shelf Offering (taking into account the inclusion of Registrable Securities by any other Holders pursuant to this Section 4(a)). In connection with any Shelf Offering, including any Shelf Offering that is an underwritten offering, such proposing Holder(s) shall also deliver the Take-Down Notice to all other holders of Registrable Securities included on such shelf Registration Statement and permit each such Holder to include its Registrable Securities included on the shelf Registration Statement in the Shelf Offering if such holder notifies the proposing Holder(s) and the Company within five days after delivery of the Take-Down Notice to such Holder.

(b)The Company shall have no obligation to (i) effect an underwritten offering under this Section 4 on behalf of the holders of Registrable Securities electing to participate in such offering unless the expected gross proceeds from such offering exceed $10,000,000 or (ii) effect an underwritten offering more than two times in any 12-month period.

(c)If a Shelf Offering of Registrable Securities included in a Required Registration Statement is to be conducted as an underwritten offering, then the Holders of the majority of the Registrable Securities included in a Required Registration Statement shall select the investment banking firm or firms to act as the lead underwriter or underwriters in connection with such offering; provided, that such selection shall be reasonably acceptable to the Company. If, in connection with any such underwritten offering, the managing underwriter(s) advise(s) the Company that in its or their reasonable opinion the number of securities requested to be included in such offering exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on the per share offering price), the Company will include in such registration or Prospectus only such number of securities that in the reasonable opinion of such underwriter(s) can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (i) first, the Common Stock and Other Securities the Company proposes to sell, (ii) second, the Registrable Securities of the Holders who have requested registration of Registrable Securities pursuant to this Section 4, pro rata on the basis of the aggregate number of such securities or shares owned by each such person, or as the Holders may otherwise agree amongst themselves, and (iii) third, any Other Securities of the Company that have been requested to be so included, subject to the terms of this Agreement. No Holder may participate in any underwritten registration under this Section 4 unless such Holder (i) agrees to sell the Registrable Securities it desires to include in the underwritten offering on the basis provided in any underwriting arrangements in customary form and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

5. Registration Procedures.

In connection with the Company's registration obligations hereunder:

(a)the Company shall, not less than three (3) Trading Days prior to the filing of a Registration Statement or any related Prospectus or any amendment or supplement thereto (except for Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, proxy statements and Current Reports on Form 8-K and any similar or successor reports), furnish to one counsel designated by a majority of the outstanding Registrable Securities ("Holders Counsel"), copies of such Registration Statement, Prospectus or amendment or supplement thereto, as proposed to be filed, which documents will be subject to the reasonable review of Holders Counsel; provided that each Holder shall have the right to review, prior to filing, its selling shareholder information. The Company shall not file any Registration Statement or amendment or supplement thereto containing information which Holders Counsel reasonably objects in good faith, unless the Company shall have been advised by its counsel that the information objected to is required under the Securities Act or the rules or regulations adopted thereunder.

(b)(i) the Company shall prepare and file with the Commission such amendments, including post-effective amendments and supplements, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period (except during an Allowable Grace Period); (ii) the Company shall cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424 (except during an Allowable Grace Period); (iii) the Company shall respond as promptly as reasonably practicable to any comments received from the Commission with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible, provide the Holders Counsel true and complete copies of all correspondence from and to the Commission relating to such Registration Statement that pertains to the Holders as "Selling Shareholders"; and (iv) the Company shall comply in all material respects with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by a Registration Statement until such time as all of such Registrable Securities shall have been disposed of (subject to the terms of this Agreement) in accordance with the intended methods of disposition by the Holders thereof as set forth in such Registration Statement as so amended or in such Prospectus as so supplemented; provided, that each Holder shall be responsible for the delivery of the Prospectus to the Persons to whom such Registration Rights Purchaser sells any of the Registrable Securities (including in accordance with Rule 172 under the Securities Act), and each Holder agrees to dispose of Registrable Securities in compliance with applicable federal and state securities laws. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this Section 5(b)) by reason of the Company filing a report on Form 10-K, Form 10-Q or Form 8-K or any analogous report under the Exchange Act, the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the Commission as promptly as practicable.

(c)the Company shall notify the Holders (which notice shall, pursuant to clauses (ii) through (iv) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made, if applicable) as promptly as reasonably practicable following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement has been filed with the Commission; and (B) with respect to each Registration Statement or any post-effective amendment, when the same has become effective; (ii) of the issuance by the Commission or any other federal or state Governmental Entity of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (iv) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(d)Notwithstanding anything to the contrary herein, at any time after the Registration Statement has been declared effective by the Commission, the Company may delay the disclosure of material non-public information concerning the Company if the disclosure of such information at the time is not, in the good faith

judgment of the Company, in the best interests of the Company (such delay, a "Grace Period"). During the Grace Period, the Company shall not be required to maintain the effectiveness of any Registration Statement filed hereunder and, in any event, Holders shall suspend sales of Registrable Securities pursuant to such Registration Statements during the pendency of the Grace Period provided, the Company shall promptly (i) notify the Holders in writing of the existence of material non-public information giving rise to a Grace Period or the need to file a post-effective amendment, as applicable, and the date on which such Grace Period will begin, (ii) use reasonable best efforts to terminate a Grace Period as promptly as practicable provided that such termination is, in the good faith judgment of the Company, in the best interest of the Company and (iii) notify the Holders in writing of the date on which the Grace Period ends; provided, further, that, with respect to a Required Registration Statement only, no single Grace Period shall exceed forty-five (45) consecutive days, and during any three hundred sixty-five (365) day period, the aggregate of all Grace Periods shall not exceed an aggregate of ninety (90) days (each Grace Period complying with this provision being an "Allowable Grace Period"). For purposes of determining the length of a Grace Period, the Grace Period shall be deemed to begin on and include the date the Holders receive the notice referred to in clause (i) above and shall end on and include the later of the date the Holders receive the notice referred to in clause (iii) above and the date referred to in such notice; provided, that no Grace Period shall be longer than an Allowable Grace Period. Notwithstanding anything to the contrary, the Company shall use reasonable best efforts to cause the Transfer Agent to deliver unlegended Shares to a transferee of a Holder in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect to which a Holder has entered into an irrevocable contract for sale prior to the Holder's receipt of the notice of a Grace Period and for which the Holder has not yet settled.

(e)the Company shall use reasonable best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, as soon as practicable.

(f)the Company shall, if requested by a Holder, furnish to such Holder, without charge, at least one (1) conformed copy of each Registration Statement and each amendment thereto and all exhibits to the extent requested by such Holder (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that the Company shall have no obligation to provide any document pursuant to this clause that is available on the Commission's EDGAR or successor system.

(g)the Company agrees to promptly deliver to each Holder whose Registrable Securities are included in the applicable Registration Statement, without charge, as many copies of each Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as such Persons may reasonably request. The Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of Registrable Securities covered by such Prospectus and any amendment or supplement thereto.

(h)the Company shall, prior to any resale of Registrable Securities by a Holder, use its reasonable best efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or "Blue Sky" laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any general tax in any such jurisdiction where it is not then so subject or file a consent to service of process in any such jurisdiction.

(i)the Company shall enter into such customary agreements (including an underwriting agreement in customary form) and take all such other actions reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith or by the managing underwriter(s), if any, in order to expedite or facilitate the disposition of such Registrable Securities. In connection with any such permitted underwritten offering of Registrable Securities, (i) the Company shall (A) make such representations and warranties to the selling Holders and the managing underwriter(s), if any, with respect to the business of the Company and its subsidiaries, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers in underwritten offerings, and, if true, confirm the same if and when requested, (B) use its reasonable best efforts to furnish opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriter(s), if any, addressed to each of the managing underwriter(s), if any, covering the matters customarily covered in opinions requested in underwritten offerings, (C) use its reasonable best efforts to obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) who have certified the financial statements included in such Registration Statement, addressed to each of the managing underwriter(s), if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings, (D) include within the underwriting agreement indemnification provisions and procedures customary in such underwritten offerings and (E) deliver such documents and certificates as may be reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith, their counsel and the managing underwriter(s), if any, to evidence the continued validity of the representations and warranties made pursuant to clause (A) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company, (ii) each Holder shall not, during such period (which period shall in no event exceed one hundred and eighty (180) days, subject to any then customary "booster shot" extension (which extension shall not exceed thirty (30) days) following the effective date of any Registration Statement to the extent requested by any managing underwriter, sell, pledge, hypothecate, transfer, make any short sale of, loan, grant any option or right to purchase of, or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any Registrable Securities owned by it at any time during such period, except Registrable Securities included in such registration; provided that any release of Registrable Securities from such agreement shall be effected among the Holders on a pro rata basis according to the Registrable Securities then owned by them, and (iii) the Company shall use its reasonable best efforts to cause each of its directors and senior executive officers to execute and deliver customary lockup agreements in such form and for such time period up to one hundred and eighty (180) days (subject to any then customary "booster shot" extensions) as may be requested by any managing underwriter. The above shall be done at each closing under such underwriting or similar agreement, or as and to the extent required thereunder.

(j)the Company shall make available for inspection by any Holder of Registrable Securities included in such Registration Statement, any underwriter participating in any disposition pursuant to such Registration Statement, and any attorney, accountant or other agent retained by any such seller or underwriter (collectively, the "Inspectors"), at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and properties of the Company and its Subsidiaries (collectively, the "Records"), as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Inspector in connection with such Registration Statement; provided, however, that any Records that are not generally publicly available at the time of delivery of such Records shall be kept confidential by such Inspectors unless (i) the disclosure of such Records is necessary in the reasonable judgment of the Inspectors to avoid or correct a misstatement or omission in the Registration Statement, or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction; provided, further, that each Holder of Registrable Securities agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company to the extent legally permitted and allow the Company, at its expense, to undertake appropriate action and to prevent disclosure of the Records deemed confidential.

(k)the Company shall, in the case of an underwritten offering, cause its officers to use their reasonable best efforts to support the marketing of the

Registrable Securities covered by the Registration Statement (including, without limitation, by participation in "road shows") if requested by the managing underwriter(s) and taking into account the Company's business needs.

(l)the Company shall reasonably cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to the Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement and under law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may reasonably request. Certificates for Registrable Securities free from all restrictive legends may be transmitted by the transfer agent to a Holder by crediting the account of such Holder's prime broker with DTC as directed by such Holder.

(m) the Company shall following the occurrence of any event contemplated by Sections 5(c)(ii)-(iv), as promptly as reasonably practicable, as applicable: (i) use its reasonable best efforts to prevent the issuance of any stop order or obtain its withdrawal at the earliest possible moment if the stop order have been issued, or (ii) taking into account the Company's good faith assessment of any adverse consequences to the Company and its shareholders of the premature disclosure of such event, prepare and file a supplement or amendment, including a post-effective amendment, to the affected Registration Statements or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, no Registration Statement nor any Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(n)the Company may require each selling Holder to furnish to the Company a certified statement as to (i) the number of securities of the Company beneficially owned by such Holder and any Affiliate thereof, (ii) any Financial Industry Regulatory Authority ("FINRA") affiliations, (iii) any natural persons who have the power to vote or dispose of the Common Stock and (iv) any other information as may be requested by the Commission, FINRA, any state securities commission or any other government or regulatory body with jurisdiction over the Company or its activities. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of Registrable Securities because any Holder fails to furnish such information within five (5) Trading Days of the Company's request, any Liquidated Damages that are accruing at such time as to such Holder only shall be tolled and any Event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

(o)the Company shall cooperate with any registered broker through which a Holder proposes to resell its Registrable Securities in effecting a filing with FINRA pursuant to FINRA Rule 5110 as requested by any such Holder and the Company shall pay the filing fee required for the first such filing (but not additional filings) within two (2) Business Days of the request therefore.

(p)if the Company becomes eligible to use Form S-3 during the term of this Agreement, the Company shall use its reasonable best efforts to maintain eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of Registrable Securities.

(q)if requested by a Holders Counsel, the Company shall (i) promptly incorporate in a Prospectus supplement or post-effective amendment to the Registration Statement such information as the Company reasonably agrees (upon advice of counsel) is required to be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as reasonably practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

The Company may require each Holder of Registrable Securities as to which any registration is being effected to furnish to the Company in writing such information required in connection with such registration regarding such Holder and the distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing and the Company may exclude from such registration the Registrable Securities of any Holder who fails to furnish such information within a reasonable time after receiving such request.

6. Registration Expenses. All fees and expenses incident to the Company's performance of or compliance with its obligations under this Agreement (excluding any underwriting discounts and selling commissions, stock transfer taxes and fees of counsel for the Holders) shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence that are the Company's responsibility shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, (B) with respect to compliance with applicable state securities or "Blue Sky" laws (including, without limitation, fees and disbursements of counsel for the Company in connection with "Blue Sky" qualifications or exemptions of the Registrable Securities and determination of the eligibility of the Registrable Securities for investment under the laws of such jurisdictions as requested by the Holders) and (C) if not previously paid by the Company in connection with an issuer filing, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by the Holders of a majority of the Registrable Securities included in the Registration Statement), (iii) messenger, telephone and delivery expenses of the Company, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, and (vii) up to a maximum of $50,000 of expenses of Castle Creek actually and reasonably incurred, including without limitation, reasonable attorneys' fees. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder.

7. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify, defend and hold harmless each Holder and each of their respective officers, directors, agents, general partners, managing members, managers, Affiliates and employees, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, general partners, managing members, managers, agents and employees of such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and investigation and reasonable and documented attorneys' fees) and expenses (collectively, "Losses"), as incurred, that arise out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, or (ii) any violation or alleged violation by the Company of the Securities Act, Exchange Act or any state securities law or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (A) such untrue statements, alleged untrue statements, omissions or alleged omissions are based primarily upon information regarding such Holder furnished in writing to the Company by such

Holder or on behalf of such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder or Holders Counsel expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto, (B) Holder's failure to deliver or cause to be delivered the Prospectus or any amendment or supplement thereto made available by the Company in compliance with Section 8(g), or (C) in the case of an occurrence of an event of the type specified in Sections 5(c)(ii)-(iv), related to the use by a Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing or electronic mail that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated and defined in Section 8(h) below, but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party (as defined in Section 7(c)) and shall survive the transfer of the Registrable Securities by the Holders.

(b) Indemnification by Holders. Each Holder shall, notwithstanding any termination of this Agreement, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (A) to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by or on behalf of such Holder expressly for use therein, or (B) to the extent, but only to the extent, that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder or Holders Counsel expressly for use in a Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (C) in the case of an occurrence of an event of the type specified in Sections 5(c)(ii)- (iv), to the extent, but only to the extent, related to the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 8(h), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected, or (ii) Holder's failure to deliver or cause to be delivered the Prospectus or any amendment or supplement thereto made available by the Company in compliance with Section 8(g). In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of one (1) counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable and documented fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such written notice within a reasonable time of commencement of any such Proceeding shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that such failure shall have materially and adversely prejudiced the Indemnifying Party in its ability to defend such Proceeding.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel in writing that a conflict of interest exists if the same counsel were to represent such Indemnified Party and the Indemnifying Party; provided, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys plus local counsel at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or unreasonably conditioned. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all documented fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section 7(c)) shall be paid to the Indemnified Party, as incurred, within twenty (20) Trading Days of written notice thereof to the Indemnifying Party; provided, that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally judicially determined to not be entitled to indemnification hereunder.

(d) Contribution. If a claim for indemnification under Section 7(a) or 7(b) is unavailable to an Indemnified Party (other than in accordance with its terms) or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 7(d) was available to such party in accordance with its terms. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 7(d), no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this Section 7 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties and are not in diminution or limitation of the indemnification provisions under the Purchase Agreement.

8. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their obligations under this Agreement, each Holder or the Company, as

the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Prohibition on Other Registrations. The Company agrees not to effect or initiate a registration statement for any public sale or distribution of any securities similar to those being registered pursuant to this Agreement, or any securities convertible into or exchangeable or exercisable for such securities (other than a registration solely to implement an employee benefit plan pursuant to a registration statement on Form S-8 (or successor form), a registration statement on Form S-4 (or successor form) or a transaction to which Rule 145 or any other similar rule of the Commission is applicable), during the fourteen (14) calendar days prior to, and during the sixty (60) calendar-day period beginning on, the effective date of any Registration Statement in which the Holders of Registrable Securities are participating (except as part of any such registration, if permitted).

(c) Rule 144 Requirements. For so long as the Company is subject to the reporting requirements of the Exchange Act, the Company will use its reasonable best efforts to timely file with the Commission such reports and information required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder and as the Commission may require. The Company shall furnish to any Holder of Registrable Securities forthwith upon request a written statement as to its compliance with the reporting requirements of Rule 144 (or any successor exemptive rule), the Securities Act and the Exchange Act (at any time that it is subject to such reporting requirements); a copy of its most recent annual or quarterly report; and such other reports and documents as such Person may reasonably request in availing itself of any rule or regulation of the Commission allowing it to sell any such securities without registration.

(d) Obligations of Holders and Others in a Registration. Each Holder agrees to timely furnish in writing such information regarding such Person, the securities sought to be registered and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably be required to effect the registration of such Registrable Securities (the "Requested Information") and shall take such other action as the Company may reasonably request in connection with the registration, qualification or compliance or as otherwise provided herein. At least ten (10) Business Days prior to the first anticipated filing date of a Registration Statement, the Company shall notify each holder of the information the Company requires from such Holder if such Holder elects to have any of such Holder's Registrable Securities included in the Registration Statement. If at least five (5) Business Days prior to the filing date, the Company has not received the Requested Information from a Holder (a "Non-Responsive Holder"), then the Company may exclude from any Registration Statement the Registrable Securities of such Non-Responsive Holder.

(e) Rule 144A. The Company agrees that, upon the request of any Holder of Registrable Securities or any prospective purchaser of Registrable Securities designated by a Holder, the Company shall promptly provide (but in any case within fifteen (15) calendar days of a request) to such Holder or potential purchaser, the following information:

(i) a brief statement of the nature of the business of the Company and any subsidiaries and the products and services they offer;

(ii)the most recent consolidated balance sheets and profit and losses and retained earnings statements, and similar financial statements of the Company for the two (2) most recent fiscal years (such financial information shall be audited, to the extent reasonably available); and

(iii)such other information about the Company, any subsidiaries, and their business, financial condition and results of operations as the requesting Holder or purchaser of such Registrable Securities shall reasonably request in order to comply with Rule 144A, as amended, and in connection therewith the anti-fraud provisions of the federal and state securities laws.

The Company hereby represents and warrants to any such requesting Holder and any prospective purchaser of Registrable Securities from such Holder that the information provided by the Company pursuant to this Section 8(e) will, as of their dates, not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(f) Limitations on Subsequent Registration Rights. The Company will not enter into any agreements with any holder or prospective holder of any securities of the Company which would grant such holder or prospective holder registration rights with respect to the securities of the Company which would have priority over the Registrable Securities with respect to the inclusion of such securities in any registration. If the Company enters into an agreement that contains terms more favorable, in form or substance, to any shareholders than the terms provided to the Holders under this Agreement, then the Company will modify or revise the terms of this Agreement in order to reflect any such more favorable terms for the benefit of the Holders.

(g) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to the Registration Statement and shall sell the Registrable Securities only in accordance with a method of distribution described in the Registration Statement.

(h) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Sections 5(c)(ii)-(iv), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(i) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date hereof, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

(j) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, or waived unless the same shall be in writing and signed by the Company and Holders of a majority of the then outstanding Registrable Securities; provided that any such amendment, modification, supplement or waiver that materially, adversely and disproportionately effects the rights or obligations of any Holder vis-a-vis the other Holders shall require the prior written consent of such Holder.

(k) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail (provided the sender receives a machine-generated confirmation of successful facsimile transmission or e-mail notification or confirmation of receipt of an e-mail transmission) at the facsimile number or e-mail address specified in this Section prior to 5:00 p.m., New York City time, on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:00 p.m., New York City time, on

any Trading Day, (c) the Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service with next day delivery specified, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company: Northpointe Bancshares, Inc.
3333 Deposit Drive NE
Grand Rapids, MI 49546
Attention: Charles Williams
Email: Chuck.Williams@northpointe.com
Facsimile: 616-726-2500

With a copy to: Varnum LLP
Bridgewater Place
333 Bridge Street NW, Suite 1700
Grand Rapids, MI 49504
Attention: Kimberly Baber
Email: kababer@varnumlaw.com
Facsimile: 616-336-7000

If to a Registration Rights Purchaser:

To the address set forth under such Registration Rights Purchaser's name on the signature page hereof or such other address as may be designated in writing hereafter, in the same manner, by such Person.

(l) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The Company may not assign its rights (except by merger or in connection with another entity acquiring all or substantially all of the Company's assets) or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. The rights to have the Company register Registrable Securities pursuant to this Agreement shall be automatically assigned by any Registration Rights Purchaser to any transferee of the Shares only if: (i) the Registration Rights Purchaser agrees in writing with the transferee or assignee to assign such rights; (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (A) the name and address of such transferee or assignee and (B) the securities with respect to which such registration rights are being transferred or assigned; and (iii) at or before the time the Company received the written notice contemplated by clause (ii) of this sentence, the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein with respect to a Holder or Registration Rights Purchaser. In the event of any delay in filing or effectiveness of the Registration Statement as a result of such assignment by a Registration Rights Purchaser or its transferee, the Company shall not be liable for any damages arising from such delay.

(m) Execution and Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature were the original thereof.

(n) Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware applicable to contracts made and to be performed entirely within such State. The parties hereby agree that all actions or proceedings arising out of or related to this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts in the State of Delaware. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(o) Cumulative Remedies. Except as provided in Section 2(c) with respect to Liquidated Damages, the remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(p) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their good faith reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(q) Headings. The headings in this Agreement are for convenience only and shall not limit or otherwise affect the meaning hereof.

(r) Independent Nature of Registration Rights Purchasers' Obligations and Rights. The obligations of each Registration Rights Purchaser under this Agreement are several and not joint with the obligations of any other Registration Rights Purchaser hereunder, and no Registration Rights Purchaser shall be responsible in any way for the performance of the obligations of any other Registration Rights Purchaser hereunder. The decision of each Registration Rights Purchaser to purchase the Shares pursuant to the Purchase Agreement has been made independently of any other Registration Rights Purchaser. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Registration Rights Purchaser pursuant hereto or thereto, shall be deemed to constitute the Registration Rights Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Registration Rights Purchasers are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Registration Rights Purchaser acknowledges that no other Registration Rights Purchaser has acted as agent for such Registration Rights Purchaser in connection with making its investment hereunder and that no Registration Rights Purchaser will be acting as agent of such Registration Rights Purchaser in connection with monitoring its investment in the Shares or enforcing its rights under the Purchase Agreement. Each Registration Rights Purchaser shall be entitled to protect and enforce its rights, including, without limitation, the rights arising out of this Agreement, and it shall not be necessary for any other Registration Rights Purchaser to be joined as an additional party in any Proceeding for such purpose. The Company acknowledges that each of the Registration Rights Purchasers has been provided with the same Registration Rights Agreement for the purpose of closing a transaction with multiple Registration Rights Purchasers and not because it was required or requested to do so by any Registration Rights Purchaser. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Registration Rights Purchaser, solely, and not between the Company and the Registration Rights Purchasers collectively and not between and among the Registration Rights Purchasers.

(s) Entire Agreement. This Agreement and the Purchase Agreement constitute the entire agreement among the parties hereto with respect to the subject matter hereof. There are no restrictions, promises, warranties or undertakings, other than as set forth or referred to herein and in the Purchase Agreement. This Agreement supersedes all prior agreements and understandings among the parties hereto with respect to the subject matter hereof.

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IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

NORTHPOINTE BANCSHARES, INC.

By: _____
Name: Charles A. Williams
Title: President & CEO

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

NAME OF INVESTING ENTITY

_____
AUTHORIZED SIGNATORY

By: _____
Name:
Title:

ADDRESS FOR NOTICE

c/o: _____

Street: _____

City/State/Zip: _____

Attention: _____

Tel: _____

Fax: _____

E-mail: _____

[Signature Page to Registration Rights Agreement]

EXHIBIT B

ACCREDITED INVESTOR QUESTIONNAIRE
(ALL INFORMATION WILL BE TREATED CONFIDENTIALLY)

To: Northpointe Bancshares, Inc.

This Accredited Investor Questionnaire ("**Questionnaire**") must be completed by each potential investor in connection with the offer and sale by Northpointe Bancshares, Inc., a Michigan corporation (the "**Company**") of shares of (i) common stock, no par value per share (the "**Common Shares**") and (ii) the non-voting common stock of the Company, no par value per share (the "**Non-Voting Common Shares**"). The Common Shares and the Non-Voting Common Shares shall be collectively referred herein to as the "**Shares**." The Shares are being offered and sold by the Company without registration under the Securities Act of 1933, as amended (the "**Act**"), and the securities laws of certain states, in reliance on the exemptions contained in Section 4(a)(2) of the Act and on Regulation D promulgated thereunder and in reliance on similar exemptions under applicable state laws. The Company must determine that a potential investor meets certain suitability requirements before offering or selling Shares to such investor. The purpose of this Questionnaire is to assure the Company that each investor will meet the applicable suitability requirements. The information supplied by you will be used in determining whether you meet such criteria, and reliance upon the private offering exemptions from registration is based in part on the information herein supplied.

This Questionnaire does not constitute an offer to sell or a solicitation of an offer to buy any security. Your answers will be kept strictly confidential. However, by signing this Questionnaire, you will be authorizing the Company to provide a completed copy of this Questionnaire to such parties as the Company deems appropriate in order to ensure that the offer and sale of the Shares will not result in a violation of the Act or the securities laws of any state and that you otherwise satisfy the suitability standards applicable to purchasers of the Shares. Please print or type all responses and attach additional sheets of paper if necessary to complete answers to any item.

PART A. **BACKGROUND INFORMATION**

Name of Beneficial Owner of the Shares: _____

Business Address: _____
(Number and Street)

_____
(City) (State) (Zip Code)

Telephone Number: ( ) _____

If a corporation, partnership, limited liability company, trust or other entity:

Type of entity: _____

Were you formed for the purpose of investing in the securities being offered?
Yes ☐ No ☐

If an individual:

Residential Address: _____
(Number and Street)

_____
(City) (State) (Zip Code)

Telephone Number: ( ) _____

Age: _____ Citizenship: _____ Where registered to vote: _____

Set forth in the space provided below the state(s), if any, in the United States in which you maintained your residence during the past two years and the dates during which you resided in each state: _____

Are you a director or executive officer of the Company?
Yes ☐ No ☐

Social Security or Taxpayer Identification No. _____

PART B. **ACCREDITED INVESTOR QUESTIONNAIRE**

In order for the Company to offer and sell the Shares in conformance with state and federal securities laws, the following information must be obtained regarding your investor status. Please *initial each category* applicable to you as a Purchaser of Shares.

☐ 1. A bank as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;

☐ 2. A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934;

☐ 3. An insurance company as defined in Section 2(a)(13) of the Securities Act;

☐ 4. An investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act;

☐ 5. A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

☐ 6. A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000;

☐ 7. An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

☐ 8. A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

☐ 9. An organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Shares, with total assets in excess of $5,000,000;

☐ 10. A trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Shares, whose purchase is directed by a sophisticated person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of investing in the Company;

☐ 11. A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his or her purchase exceeds $1,000,000 (*see* Note **11** below);

☐ 12. A natural person who had an individual income in excess of $200,000 in each of the two most recent years, or joint income with that person's spouse in excess of $300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year;

☐ 13. An executive officer or director of the Company; and

☐ 14. An entity in which all of the equity owners qualify under any of the above subparagraphs. If the undersigned belongs to this investor category only, list the equity owners of the undersigned, and the investor category which each such equity owner satisfies.

Note 11. For purposes of calculating net worth under paragraph (11):

(A) The person's primary residence shall not be included as an asset;

(B) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding sixty (60) days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(C) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

A. FOR EXECUTION BY AN INDIVIDUAL:

_____ By _____
Date

Print Name: _____

B. FOR EXECUTION BY AN ENTITY:

Entity Name: _____

_____ By _____
Date

Print Name:

_____

Title: _____

C. ADDITIONAL SIGNATURES (if required by partnership, corporation or trust document):

Entity Name: _____

_____ By _____
Date

Print Name:

_____

Title: _____

_____ By _____
Date

Print Name:

_____

Title: _____

[Signature Page to Accredited Investor Questionnaire]

EXHIBIT C

FORM OF OPINION OF COMPANY COUNSEL

1. The Company validly exists as a corporation in good standing under the laws of the State of Michigan.

2.The Company has the corporate power and authority to execute and deliver and to perform its obligations under the Transaction Documents, including, without limitation, to issue the Shares.

3. The Company is a registered bank holding company under the Bank Holding Company Act of 1956, as amended.

4. The deposit accounts of the Bank are insured by the Federal Deposit Insurance Corporation under the provisions of the Federal Deposit Insurance Act.

5.Each of the Transaction Documents has been duly authorized, executed, and delivered by the Company and, assuming due authorization, execution, and delivery by the Purchaser (to the extent it is a party), each of the Transaction Documents constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.

6.The execution and delivery by the Company of each of the Transaction Documents and the performance by the Company of its obligations under such agreements, including its issuance and sale of the Shares, do not and will not: (a) require any consent, approval, license or exemption by, order or authorization of, or filing, recording, or registration by the Company with any federal or state governmental authority, except (1) as may be required by federal securities laws with respect to the Company's obligations under the Registration Rights Agreement, (2) the filing of Form D pursuant to the United States Securities and Exchange Commission Regulation D, and (3) the filings required in accordance with Section 4.4 of the Agreement, (b) cause the Company to violate any federal or state statute, rule, or regulation of any Governmental Entity, (c) result in any violation of the Articles of Incorporation or Bylaws of the Company, or (d) result in a breach of, or constitute a default under, any contract specifically identified in such opinion letter.

7.Assuming the accuracy of the representations and warranties and compliance with the covenants and agreements of the Purchaser and the Company contained in the Agreement, it is not necessary, in connection with the offer, sale, and delivery of the Shares to the Purchaser to register the Shares under the Securities Act.

8.The Shares being delivered to the Purchaser pursuant to the Agreement have been duly and validly authorized and, when issued, delivered, and paid for as contemplated in the Agreement, will be duly and validly issued, fully paid, and non-assessable, and free of any preemptive right or similar rights contained in the Company's Articles of Incorporation or Bylaws. The shares of Common Stock to be issued upon conversion of the Non-Voting Common Stock have been duly authorized on the part of the Company, have been duly reserved for issuance by all necessary corporate action on the part of the Company and, when issued as provided for in the Articles of Incorporation, will be validly issued, fully paid, and non-assessable, and free of any preemptive rights except for those set forth in the Transaction Documents, pursuant to applicable law, or pursuant to the Articles of Incorporation or Bylaws.

EXHIBIT D

FORM OF SECRETARY'S CERTIFICATE

The undersigned hereby certifies that he is the duly elected, qualified and acting Secretary of Northpointe Bancshares, Inc., a Michigan corporation (the "**Company**"), and that as such he is authorized to execute and deliver this certificate in the name and on behalf of the Company in connection with the Securities Purchase Agreement, dated as of [·], 2019, by and among the Company and the investors party thereto (the "**Purchase Agreement**"), and further certifies in his or her official capacity, in the name and on behalf of the Company, the items set forth below. Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Purchase Agreement.

1.Attached hereto as Exhibit A is a true, correct and complete copy of the resolutions duly adopted by the Board of Directors of the Company at a meeting held on [], 2019. Such resolutions have not in any way been amended, modified, revoked or rescinded, have been in full force and effect since their adoption to and including the date hereof and are now in full force and effect.

2.Attached hereto as Exhibit B is a true, correct and complete copy of the Articles of Incorporation of the Company, together with any and all amendments thereto as in effect on the date hereof.

3. Attached hereto as Exhibit C is a true, correct and complete copy of the bylaws of the Company and any and all amendments thereto as in effect on the date hereof.

4.Each person listed below has been duly elected or appointed to the position(s) indicated opposite his name and is duly authorized to sign the Purchase Agreement and each of the Transaction Documents on behalf of the Company, and the signature appearing opposite such person's name below is such person's genuine signature.

Name	**Position**	**Signature**

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of this [] day of [·], 2019.

[ ]
Secretary

I, [_____], [_____] of the Company, hereby certify that [_____] is the duly elected, qualified, and acting Secretary of the Company and that the signature set forth above is his true signature.

[_____]
[_____]

EXHIBIT E

FORM OF OFFICER'S CERTIFICATE

The undersigned, the [President and Chief Executive Officer] of Northpointe Bancshares, Inc., a Michigan corporation (the "**Company**"), pursuant to Section 2.2(a)(iv) of the Securities Purchase Agreement, dated as of [·], 2019, by and among the Company and the investors signatory thereto (the "**Purchase Agreement**"), hereby represents, warrants and certifies as follows (capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Purchase Agreement):

1. The representations and warranties of the Company contained in the Purchase Agreement are true and correct as of the date when made and as of the Closing Date, as though made on and as of such date, except for such representations and warranties that speak as of a specific date.

2. The Company has performed, satisfied and complied in all material respects with those covenants, agreements, and conditions set forth in Section 5.1 of the Purchase Agreement and all other covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by it at or prior to the Closing.

3. Since December 31, 2018, there has not occurred any circumstance, event, change, development or effect that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect on the Company or the Bank.

IN WITNESS WHEREOF, the undersigned has executed this certificate this [·] day of [·], 2019.

[_____]
[_____]

EXHIBIT F

FORM OF VCOC LETTER AGREEMENT

NORTHPOINTE BANCSHARES, INC.
3333 DEPOSIT DRIVE NE
GRAND RAPIDS, MI 49546

[·], 2019

Castle Creek Capital Partners VI, L.P.
6051 El Tordo
Rancho Santa Fe, CA 92091

Dear Sir/Madam:

Reference is made to the Securities Purchase Agreement by and among Northpointe Bancshares, Inc., a Michigan corporation (the "**Corporation**") and the investors party thereto, including Castle Creek Capital Partners VI, L.P., a Delaware limited partnership (the "**VCOC Investor**"), dated as of **[·]**, 2019 (the "**Securities Purchase Agreement**"), pursuant to which the VCOC Investor agreed to purchase from the Corporation shares of its voting common stock, no par value per share (the "**Common Stock**"), and shares of its non-voting common stock, no par value per share (the "**Non-Voting Common Stock**"). Capitalized terms used herein without definition shall have the respective meanings in the Securities Purchase Agreement.

For good and valuable consideration acknowledged to have been received, the Corporation hereby agrees that it shall:

· For so long as the VCOC Investor, directly or through one or more Affiliates, continues to hold any Common Stock or Non-Voting Common Stock, provide the VCOC Investor or its designated representative with the governance rights set forth in the Securities Purchase Agreement;

· For so long as the VCOC Investor, directly or through one or more Affiliates, continues to hold any Common Stock or Non-Voting Common Stock, without limitation or prejudice of any of the rights provided to the VCOC Investor under the Securities Purchase Agreement or any other agreement or otherwise, provide the VCOC Investor or its designated representative with:

(i)the right to visit and inspect any of the offices and properties of the Corporation and its subsidiaries and inspect the books and records of the Corporation and its subsidiaries at such times as the VCOC Investor shall reasonably request upon three (3) business days' notice but not more frequently than once per calendar quarter, provided, however, that such rights shall not extend to confidential bank supervisory communications, customer financial records or other "exempt records" as defined by 12 C.F.R. Part 309, or reports of examination of any national or state chartered insured bank, which information may only be disclosed by the Corporation or any subsidiary of the Corporation in accordance with the provisions and subject to the limitations of applicable law or regulation;

(ii)consolidated balance sheets and statements of income and cash flows of the Corporation and its subsidiaries prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis (A) as of the end of each quarter of each fiscal year of the Corporation as soon as practicable after preparation thereof but in no event later than ninety (90) days after the end of such quarter, and (B) with respect to each fiscal year end statement, as soon as practicable after preparation thereof but in no event later than one hundred and twenty (120) days after the end of such fiscal year together with an auditor's report thereon of a firm of established national reputation; and

(iii)to the extent the Corporation or any of its subsidiaries is required by law or pursuant to the terms of any outstanding indebtedness of the Corporation or any subsidiary to prepare such reports, any annual reports, quarterly reports and other periodic reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 or otherwise, actually prepared by the Corporation or any of its subsidiaries as soon as available;

provided, that, in each case, if the Corporation makes the information described in clauses (ii) and (iii) of this bullet point available through public filings on the EDGAR system or any successor or replacement system of the United States Securities and Exchange Commission, the delivery of the information shall be deemed satisfied by such public filings.

· Make appropriate officers and directors of the Corporation, and its subsidiaries, available periodically and at such times as reasonably requested by the VCOC Investor for consultation with the VCOC Investor or its designated representative, but not more frequently than once per calendar quarter, with respect to matters relating to the business and affairs of the Corporation and its subsidiaries; and

· If the VCOC Investor's regular outside counsel determines in writing that other rights of consultation are reasonably necessary under applicable legal authorities promulgated after the date of this agreement to preserve the qualification of VCOC Investor's investment in the Corporation as a "venture capital investment" for purposes of the United States Department of Labor Regulation published at 29 C.F.R. Section 2510.3-101(d)(3)(i) (the "**Plan Asset Regulation**"), the Corporation agrees to cooperate in good faith with the VCOC Investor to amend this letter agreement to reflect such other rights that are mutually satisfactory to the Corporation and the VCOC Investor and consistent with the Federal Reserve Policy Statement on Equity Investments in Banks and Bank Holding Companies; provided that such consultation rights shall be limited to once per calendar quarter.

The Corporation agrees to consider, in good faith, the recommendations of the VCOC Investor or its designated representative in connection with the matters on which it is consulted as described above, recognizing that the ultimate discretion with respect to all such matters shall be retained by the Corporation.

The VCOC Investor agrees, and will require each designated representative of the VCOC Investor to agree, to hold in confidence and not use or disclose to any third party (other than its legal counsel and accountants) any confidential information provided to or learned by such party in connection with the VCOC Investor's rights under this letter agreement except as may otherwise be required by law or legal, judicial or regulatory process, provided that the VCOC Investor takes reasonable steps to minimize the extent of any such required disclosure.

In the event the VCOC Investor transfers all or any portion of its investment in the Corporation to an affiliated entity (or to a direct or indirect wholly-owned conduit subsidiary of any such affiliated entity) that is intended to qualify as a venture capital operating company under the Plan Asset Regulation, such affiliated entity shall be afforded the same rights that the Corporation has afforded to the VCOC Investor hereunder and shall be treated, for such purposes, as a third party beneficiary hereunder.

The rights of the VCOC Investor under this letter agreement are unique to the VCOC Investor and shall not be assignable or transferrable other than to an affiliated entity that is intended to qualify as a venture capital operating company under the Plan Asset Regulation.

This letter agreement and the rights and the duties of the parties hereto shall be governed by, and construed in accordance with, the laws of the State of New York and may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this letter agreement as of the date first above written.

NORTHPOINTE BANCSHARES, INC.

By: _____
Name: Charles A. Williams
Title: President & CEO

Agreed and acknowledged as of the date first above written:

CASTLE CREEK CAPITAL PARTNERS VI, L.P.

By: Castle Creek Capital VI LLC, its general partner

By: _____
Name: _____
Title: _____

[Signature Page to VCOC Letter Agreement]

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the use in this Registration Statement on Form S-1 of Northpointe Bancshares, Inc. of our report dated December 20, 2024, relating to the consolidated financial statements of Northpointe Bancshares, Inc., appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to our firm under the heading "Experts" in such Prospectus.

/s/RSM US LLP

Philadelphia, Pennsylvania
January 22, 2025

Calculation of Filing Fee Tables

Form S-1
(Form Type)

Northpointe Bancshares, Inc.
(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered and Carry Forward Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price(1)(2)	Fee Rate	Amount of Registration Fee	Carry Forward Form Type	Carry Forward File Number	Carry Forward Initial effective date	Filing Fee Previously Paid In Connection with Unsold Securities to be Carried Forward
Newly Registered Securities												
Fees to Be Paid	Equity	Common stock, no par value per share	457(o)	—	—	$201,250,000	0.0001531	$30,811.38				
Fees Previously Paid	—	—	—	—	—	—		—				
Carry Forward Securities												
Carry Forward Securities	—	—	—	—	—	—		—				
	Total Offering Amounts							$30,811.38				
	Total Fees Previously Paid							$0.00				
	Total Fee Offsets							$0.00				
	Net Fee Due							$30,811.38				

(1) Includes offering price of shares of common stock that the underwriters have the option to purchase from the registrant.

(2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933. This amount represents the proposed maximum aggregate offering price of the securities registered hereunder to be sold by the registrant and the selling stockholders.