June 4, 2025

Dear Fellow Shareholders:

On behalf of the Board of Directors and employees of Prime Meridian Holding Company (the "Company"), it is our pleasure to invite you to a Special Meeting of Shareholders. The Special Meeting will take place at Goodwood Museum & Gardens (Carriage House), 1600 Miccosukee Road, Tallahassee, Florida 32308 on Wednesday, July 16, 2025 at 10:00 a.m., Eastern Time.

Special Shareholder Meeting

Location:
Goodwood Museum & Gardens (Carriage House)
1600 Miccosukee Road
Tallahassee, Florida 32308

Date and Time:
July 16, 2025
10:00 a.m., Eastern Time

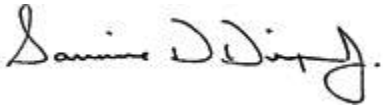
The Notice of a Special Meeting of Shareholders and Proxy Statement provided with this letter describe the formal business that will be transacted at the Special Meeting. Shareholders are being asked to vote on the approval of the merger of the Company with and into MidFlorida Credit Union.

We encourage you to attend the Special Meeting so that you may meet with our directors and executive officers, who will be available to answer questions you may have about the merger.

Your vote is very important. Please vote your shares at www.investorvote.com/pmhg over the internet, by telephone, or via mailed proxy card. The voting procedures are specified in the enclosed Proxy Statement.

We look forward to seeing you at the Special Meeting.

Sincerely,



Sammie D. Dixon, Jr.
Vice Chairman, President and
Chief Executive Officer

NOTICE OF A SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 4, 2025

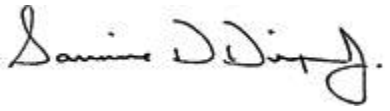
A Special Meeting of Shareholders of Prime Meridian Holding Company (the "Company") will be held at Goodwood Museum & Gardens (Carriage House), 1600 Miccosukee Road, Tallahassee, Florida 32308 on Wednesday, July 16, 2025, at 10:00 a.m., Eastern Time. At the Special Meeting, the following items will be presented and voted upon:

- **Proposal 1:** The approval of the (a) merger of the Company into MidFlorida Credit Union ("MFCU"); (b) Agreement and Plan of Merger among the Company, MFCU, and Prime Meridian Bank (the "Bank"); (c) merger of the Company into the Bank; (d) Agreement and Plan of Merger between the Company and the Bank; and (e) Amended and Restated Articles of Incorporation of the Company.

- **Proposal 2:** The adjournment of the Special Meeting to solicit additional proxies in the event there are insufficient votes to approve Proposal 1.

The Board of Directors has set the close of business on May 22, 2025, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Special Meeting. It is important that your shares be presented and voted at the Special Meeting. Please vote your shares over the internet at www.investorvote.com/pmhg, by telephone, or via mailed proxy card. The voting procedures are specified in the enclosed Proxy Statement. Please vote your shares even if you presently plan to attend the Special Meeting in person. By doing so, we can ensure that a quorum is present to hold the Special Meeting. Specific instructions on how to vote your shares, may be found in the enclosed Proxy Statement.

By Order of the Board of Directors,



Sammie D. Dixon, Jr.
Vice Chairman, President and
Chief Executive Officer

Tallahassee, Florida
June 4, 2025

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PRIME MERIDIAN HOLDING COMPANY

PROXY STATEMENT
SPECIAL MEETING OF SHAREHOLDERS

This proxy statement is being furnished to shareholders of record as of May 22, 2025, in connection with the solicitation of proxies by the Board of Directors (the "Board") of Prime Meridian Holding Company ("Prime Meridian") for a Special Meeting of Shareholders to be held on July 16, 2025 (the "Special Meeting").

The Special Meeting is being held to consider and approve a series of two transactions and related actions. The first will result in Prime Meridian being merged with and into its wholly-owned subsidiary, Prime Meridian Bank (the "Bank"). Immediately thereafter, in the second, the Bank will merge with and into MidFlorida Credit Union ("MFCU"). As consideration for these mergers, Prime Meridian shareholders will receive a cash payment of $58.50 per share in exchange for their shares, as may be adjusted if the Bank has less than $97.90 million in stockholders' equity at the time of closing.

The mergers will be consummated in accordance with two Agreements and Plans of Merger, both dated April 21, 2025. Pursuant to the first Agreement and Plan of Merger (the "First Step Merger Agreement"), Prime Meridian will merge with and into the Bank (the "First Step Merger"). Immediately thereafter, in accordance with the second Agreement and Plan of Merger (the "Merger Agreement"), the Bank will merge with and into MFCU (the "Merger"). In addition, immediately prior to the First Step Merger, Prime Meridian will amend and restate its Articles of Incorporation to be consistent with the form of a "successor institution" under Florida banking law (the "Articles Amendment").

The date, time, and location of the Special Meeting are:

Date:
July 16, 2025

Time:
10:00 a.m., Eastern Time

Location:
Goodwood Museum & Gardens (Carriage House)
1600 Miccosukee Road
Tallahassee, Florida 32308

Proxies solicited by the Board of Prime Meridian will be voted in accordance with the directions given therein. Where no instructions are indicated, proxies will be voted:

- **FOR:** the approval of the Merger, the Merger Agreement (attached as ***Appendix A***), the First Step Merger, the First Step Merger Agreement (attached as ***Appendix B***), and the Articles Amendment (attached as ***Appendix C***); and

- **FOR:** the adjournment of the Special Meeting to solicit additional proxies if there are insufficient votes to approve the foregoing Proposal.

It is important that your shares be represented by proxy, or that you are present to vote in person at the Special Meeting. Please vote your shares at www.investorvote.com/pmhg over the internet, by telephone, or via mailed proxy card. Even if you presently plan to be in attendance at the Special Meeting, in the event you unexpectedly are unable to attend the Special Meeting and vote in person, please vote your proxy to ensure your vote is counted. Proxies solicited by the Board of Directors will be voted in accordance with the directions given therein.

QUESTIONS AND ANSWERS

These questions and answers address the purposes of the Special Meeting, namely the consideration and approval of the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment.

Q: What is the proposed transaction?

A: MFCU is proposing to acquire Prime Meridian and the Bank. First, Prime Meridian will amend its Articles of Incorporation to be consistent with those of a "successor institution" under Florida banking law and then merge into the Bank in the First Step Merger. Immediately following, the Bank will merge into MFCU in the Merger.

Q: What am I being asked to do?

A: After you have carefully read this proxy statement, please vote your shares at www.investorvote.com/pmhg over the internet, by telephone, or via mailed proxy card. By taking these steps, you will ensure your shares are voted, whether or not you are present at the Special Meeting. If you fail to return a proxy or voting instructions, or abstain from voting, the effect will be the same as a vote against the Merger.

Q: Can I change my vote after I vote online or submit a proxy?

A: Your presence at the Special Meeting will not automatically revoke your proxy or voting instructions. If you hold stock in your own name you may revoke a proxy at any time prior to its exercise by: (i) submitting a written notice of revocation to the attention of the Secretary of Prime Meridian; (ii) changing your vote or delivering to Prime Meridian a duly executed proxy card bearing a later date; (iii) or by attending the Special Meeting and voting in person. Shareholders who hold stock in street name may revoke previously submitted voting instructions by contacting their brokerage firm, or by obtaining a legal proxy card from the brokerage firm and voting in person at the Special Meeting.

Q: When do you expect to complete the Merger?

A: We are working toward completing the Merger as quickly as possible and expect to be able to complete the Merger in 2026, contingent upon receipt of regulatory approvals.

Q: What will I receive in the Merger?

A: The per share Merger consideration is $58.50 in cash per share of Prime Meridian common stock. In the event that Prime Meridian's stockholders' equity is less than $97.90 million at the time of closing, then the aggregate Merger consideration will be reduced by $2.25 for each $1.00 by which stockholders' equity is less than $97.90 million. If Prime Meridian's stockholders' equity exceeds $97.90 million there will be no adjustment to the Merger consideration. For an illustrative example of the reduction in consideration due to Prime Meridian not meeting the minimum equity requirement, please see page 12 of ***Appendix A***.

Q: Will I receive any dividends between now and the completion of the Merger?

A: Prime Meridian, the Bank, or MFCU may terminate the Merger Agreement and the Merger if the Merger has not occurred by December 31, 2025. However, MFCU has the right to extend that date by two periods of three-months each. If MFCU exercises that right, Prime Meridian will be permitted to pay to its shareholders a cash dividend of one-third of its net income for (i) 2025, and (ii) each full calendar month in 2026 prior to the month in which the Merger is completed, provided Prime Meridian delivers the $97.90 million in minimum equity. Except as described above, the Selling Parties have agreed to not pay any dividends while the Merger is pending.

Q: How will I receive the Merger consideration?

A: Within five business days of the closing of the Merger, MFCU will mail to you a Letter of Transmittal, together with a return envelope, with instructions as to how to exchange your Prime Meridian stock certificates for the cash Merger consideration. If you hold shares in street name or in book entry, your broker or Prime Meridian's stock transfer agent will process the exchange of shares for the cash consideration.

Q: Whom should I call with questions?

A: Shareholders should call Sammie D. Dixon, Jr., Vice Chairman, President and Chief Executive Officer of Prime Meridian at (850) 907-2300 with any questions about the Merger or related matters.

Q: What vote is required for approval of the Merger?

A: The Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment must be approved by the holders of a majority of the outstanding shares of Prime Meridian's common stock. Therefore, if you are a shareholder and abstain or fail to vote, it will have the same effect as voting against the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment.

You are entitled to vote on the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment if you held Prime Meridian common stock at the close of business on the record date, which is May 22, 2025. On the record date, 3,368,504 shares of Prime Meridian common stock were outstanding and entitled to vote. Concurrently with the execution of the Merger Agreement, MFCU entered into Voting Agreements with each of the directors and executive officers of Prime Meridian and the Bank, who together, as a group, beneficially own an aggregate of 779,177 shares, or 23.13% of the outstanding shares of Prime Meridian common stock. These Voting Agreements obligate them to vote their shares in favor of the Merger, the Merger Agreement, the First Step Merger Agreement, the First Step Merger Agreement, and the Articles of Amendment. We expect the Voting Agreements will be honored.

Q: What do the Boards of Directors of Prime Meridian and the Bank think about the Merger?

A: After careful consideration, Prime Meridian's and the Bank's respective Boards of Directors unanimously determined that the Merger is advisable, fair, and in the best interests of Prime Meridian, its shareholders, and the Boards approved the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment.

Q: What are the federal income tax consequences of the Merger for me?

A: The receipt of the Merger consideration in exchange for shares of common stock pursuant to the Merger Agreement will be a taxable transaction for U.S. federal income tax purposes (and may be a taxable transaction under applicable state, local, and foreign income or other tax laws). For U.S. federal income tax purposes: (a) any shares held for investment purposes will be considered a capital asset under the Internal Revenue Code Section 1221; (b) any such gain or loss will be considered a capital gain or loss; and (c) the only recognition of taxable income will be in connection with the Merger (and not the First Step Merger). For a more detailed description of the tax consequences of the exchange of Prime Meridian's common stock in the Merger, please see "United States Federal Income Tax Consequences of the Merger" beginning on page 23. Your tax consequences will depend on your individual situation. We suggest that you to consult your own tax advisor for a full understanding of the particular tax consequences of the Merger to you.

Q: Am I entitled to dissenters' or appraisal rights?

A: Yes. Each holder of Prime Meridian common stock will have the option to exercise dissenters' or appraisal rights by following the procedures set forth in either Section 658.44, *Florida Statutes* (attached as ***Appendix D***) or Sections 607.1301-607.1333, *Florida Statutes* (attached as ***Appendix E***), and will receive the "fair value" of his or her shares in cash if the Merger is consummated. Shareholders who intend to exercise their dissenters' or appraisal rights must carefully follow the requirements of the statutes, and they should consult with their own legal counsel. The fair market value established by an independent appraiser may be less than the $58.50 Merger consideration. For a more detailed description of the dissenters' or appraisal rights available to Prime Meridian shareholders in the Merger, please see "Dissenters' or Appraisal Rights" beginning on page 27.

INFORMATION ABOUT THE SPECIAL MEETING

Eligibility to Vote and Record Date

The close of business on May 22, 2025, has been set by the Board as the record date. Only Prime Meridian shareholders as of the record date are entitled to notice of and to vote at the Special Meeting. On the record date there were 3,368,504 shares of common stock outstanding.

Voting Rights of Shareholders

In accordance with Florida law, the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment must be approved by the affirmative vote of a majority of the outstanding shares of Prime Meridian common stock. The adjournment of the Special Meeting, if necessary, will be determined by the affirmative vote of a majority of the votes cast. Each share of common stock entitles its owner to one vote upon each matter to come before the Special Meeting.

A shareholder may also abstain with respect to any item submitted for shareholder approval. Abstentions will be counted as being present for purposes of determining the existence of a quorum but will have the same effect as voting against the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment, but will not have any effect on the adjournment Proposal.

Voting Procedures

The manner in which your shares may be voted depends on how shares are held, that is:

Shares Held in Your Name – If you are the record owner of common stock, meaning that your shares of common stock are represented by certificates or book entries in your name so that you appear as a shareholder on the records of Prime Meridian's stock transfer agent, your shares can be voted at www.investorvote.com/pmhg over the internet, by telephone, or via a mailed proxy card.

Shares Held in Street Name – If you own shares through a brokerage firm (referred to as shares held in "street name"), you should receive instruction from your broker on how your shares are to be voted.

If your shares are held in street name, under certain circumstances your brokerage firm may vote your shares. Brokerage firms have authority to vote their customers' shares on certain "routine" matters. When a brokerage firm votes its customers' shares on routine matters, those shares are also counted for purposes of establishing a quorum to conduct business at the meeting. A brokerage firm, however, cannot vote its customers' shares on non-routine matters. Accordingly, such shares are not counted as votes against a non-routine matter, but rather are not counted at all for such matters. Proposal 1 is considered to be a non-routine matter.

Attendance at the Special Meeting

If you are the record owner of shares of common stock, you may attend the Special Meeting and vote in person, regardless of whether you have previously voted by proxy. If you own common stock through a brokerage account, you may attend the Special Meeting. However, in order to vote your shares at the Special Meeting, you must obtain a "legal proxy" from the brokerage firm that holds your shares. You should contact your brokerage account representative to learn how to obtain a "legal proxy." In either case, please vote your shares in advance of the Special Meeting by one of the methods described above, even if you plan on attending the Special Meeting. This will enable Prime Meridian to determine if a quorum is present. You may change or revoke your proxy or voting instructions at the Special Meeting in the manners described above even if you have already voted by proxy card, telephone, or online.

We encourage you to vote your shares in advance of the Special Meeting by one of the methods described above, even if you plan on attending the Special Meeting, so Prime Meridian will be able to determine if a quorum is present in order for the Special Meeting to be able to proceed. Should you wish, you may change or revoke your proxy or voting instructions at the Special Meeting in the manner described below, even if you have already submitted a proxy.

Revoking or Changing a Vote

Your presence at the Special Meeting will not automatically revoke your proxy or voting instructions. If you hold stock in your own name you may revoke a proxy at any time prior to its exercise by: (i) submitting a written notice of revocation to the attention of the Secretary of the Company; (ii) changing your vote or delivering to the Company a duly executed proxy bearing a later date; (iii) or by attending the Annual Meeting and voting in person. Shareholders who hold stock in street name may revoke previously submitted voting instructions by contacting their brokerage firm, or by obtaining a legal proxy card from the brokerage firm and voting in person at the Annual Meeting.

PROPOSAL 1 – APPROVAL OF THE MERGER, THE MERGER AGREEMENT, THE FIRST STEP MERGER, THE FIRST STEP MERGER AGREEMENT, AND THE ARTICLES AMENDMENT

The descriptions of the terms and conditions of the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, the Articles Amendment, and any related documents, in this proxy statement are qualified in their entirety by reference to the copies of the Merger Agreement attached as ***Appendix A***, the First Step Merger Agreement attached as ***Appendix B***, and the Articles Amendment attached as ***Appendix C*** to this proxy statement.

General and Merger Consideration

The Boards of Directors of Prime Meridian, the Bank, and MFCU have unanimously approved the Merger, the Merger Agreement, the First Step Merger, and the First Step Merger Agreement. The Board of Prime Meridian has also approved the Articles Amendment. If the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the

Articles Amendment are approved by Prime Meridian's shareholders, and if all other closing conditions in the Merger Agreement and First Step Merger Agreement are satisfied, each share of Prime Meridian common stock will be automatically converted into a share of Bank common stock, which shall immediately thereafter be converted into the right to receive from MFCU $58.50 in cash for each share.

At the Special Meeting, holders of Prime Meridian common stock will be asked to vote upon the approval of the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment. The Merger will not be completed if Prime Meridian's shareholders do not approve those items.

The Articles Amendment is being proposed so that Prime Meridian's corporate structure will, at the time of the First Step Merger, be consistent with that of a "successor institution" under Florida banking law. A "successor institution" is a banking corporation organized to facilitate a merger, but not granted the authority to conduct a banking business. In order to permit Prime Meridian to merge into the Bank, Prime Meridian must first become a "successor institution." Upon completion of the Articles Amendment, Prime Meridian will be considered to be a "successor institution."

Prime Meridian's Board of Directors is using this proxy statement to solicit proxies from the holders of Prime Meridian's common stock to be voted at the Special Meeting.

Interim Dividends

Prime Meridian has agreed not to pay any dividends while the Merger is pending. Any party to the Merger Agreement may terminate the Merger Agreement and the Merger if the Merger has not occurred by December 31, 2025. However, MFCU has the right to extend that date by two periods of three-months each. If MFCU exercises that right, Prime Meridian will be permitted to pay to its shareholders a cash dividend of one-third of its net income for (i) 2025, and (ii) each full calendar month in 2026 prior to the month in which the Merger is completed; provided Prime Meridian delivers to MFCU at closing the required $97.90 million in minimum equity.

Procedures for Exchanging Prime Meridian's Common Stock Certificates

Not later than five business days after the consummation of the Merger, MFCU will mail to each Prime Meridian shareholder who holds physical stock certificates a Transmittal Letter containing instructions for use in surrendering Prime Meridian stock certificates in exchange for the cash merger consideration. Upon delivery of a stock certificate and a properly completed Transmittal Letter, MFCU shall pay the cash Merger consideration that the holder of such certificate is entitled to receive.

If your Prime Meridian stock certificates have been lost, stolen, or destroyed, MFCU will require you to provide an affidavit regarding such event prior to receiving the Merger consideration. In addition, in such an instance, MFCU will require you to post an indemnity bond in favor of MFCU against any claim that may be made with respect to such a certificate.

Payment of Merger Consideration to Shareholders with Shares in Street Name or Book Entry

If your shares are held in street name or in book entry, your broker or Prime Meridian's stock transfer agent will initiate and process the exchange of your shares for the cash Merger consideration. If your broker or Prime Meridian's stock transfer agent requires any documentation with respect to your shares, they will contact you in accordance with their internal procedures.

Reasons for the Merger

In reaching its decision for Prime Meridian to enter and recommend that Prime Meridian's shareholders approve the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment, the Board of Directors consulted with management and its financial advisor, Hovde Group, LLC ("Hovde"). Prime Meridian's Board considered a number of factors in reaching this determination, both from a short-term and long-term perspective, including, but not limited to:

- The Board of Directors' familiarity with, and review of, Prime Meridian's and the Bank's business, competitive position, and future prospects, including the potential growth, development, productivity, and profitability;

- The current and prospective environment in which Prime Meridian and the Bank operate, including national and local economic conditions, the competitive and regulatory environment, financial institutions in general, and the trend toward consolidation in the financial services industry;

- The increasing costs of complying with expanding regulatory requirements and other consumer protection laws;

- The relative illiquidity of shares of Prime Meridian's common stock and the fact that many shareholders have held their stock for an extended period of time without having achieved liquidity for the common stock;

- The all-cash consideration to be received by Prime Meridian's shareholders;

- The financial information and analysis presented to the Board of Directors by Hovde;

- Comparisons to the prices and multiples of certain valuations in recent acquisitions of companies deemed to be similar in certain respects to Prime Meridian;

- The likelihood that the Merger will be consummated on a timely basis;

- The anticipated positive effects of the Merger on Prime Meridian's and the Bank's clients and employees;

- The terms and conditions contained in the Merger Agreement; and

- The presentation by Hovde, including its written confirmation, with respect to its determination that the cash consideration to be paid is fair to Prime Meridian's shareholders from a financial point of view, and the analyses, methodologies, and conclusions underlying such determination.

Background of the Merger

Prime Meridian's Board had periodically evaluated the strategic direction and alternatives of Prime Meridian and the Bank, including remaining independent versus seeking a strategic partner. In the course of those evaluations, the Board considered the challenging economic and regulatory environment for community banks. Increased regulation has increased operating expenses with a disproportionate impact on smaller banks that lack the scale to absorb higher compliance costs. While there was no firm intent to sell Prime Meridian or the Bank, the Board instructed management to remain open to viable opportunities when and as they arose.

In January 2025, Hovde approached Prime Meridian's Chief Executive Officer regarding MFCU's interest in acquiring Prime Meridian and the Bank. During the following few weeks, Prime Meridian's and MFCU's executive management met with each other and conducted numerous discussions about how a combined financial institution could operate and the consideration MFCU proposed to pay to Prime Meridian's stockholders. These discussions led to informal, preliminary due diligence by MFCU.

In early February, 2025, MFCU delivered to Prime Meridian a proposed letter of intent outlining proposed terms of the Merger (the "LOI"). Promptly after receiving the LOI, Prime Meridian's Board's executive committee considered its key points and requested MFCU to make revisions to the LOI, which it subsequently resubmitted. On February 14, 2025, Prime Meridian and MFCU executed the LOI. Promptly thereafter, MFCU began a more robust due diligence review of the Bank and Prime Meridian, and Prime Meridian performed reverse due diligence on MFCU, primarily related to MFCU's capacity to complete the Merger.

On February 20, 2025, Prime Meridian's Board met to review MFCU's offer and the LOI, as well as other strategic considerations. After a thorough analysis of the LOI, proposed Merger, the acquisition marketplace, Prime Meridian's long-range projections, and an assessment of Prime Meridian's ability to continue its growth trajectory, the Board ratified the LOI and resolved to pursue a definitive agreement with MFCU. This decision was based on the prospects of an all cash deal, the proposed premium to book value when compared to recent transactions for comparable financial institutions, other financial metrics, and the proposed structure of the Merger.

During this period, Prime Meridian, with the assistance of Hovde and legal counsel, negotiated with MFCU the terms of the Merger Agreement and ancillary agreements. On April 16, 2025, the Boards of Directors of Prime Meridian and the Bank convened to review the proposed Merger Agreement and ancillary agreements. At this meeting, legal counsel reviewed the terms of the Merger Agreement and the Boards' fiduciary duties. In addition, Hovde reviewed its opinion (discussed in more detail below). Based on these presentations and the Boards' review of the Merger Agreement and ancillary agreements, the Boards concluded that the terms of the Merger Agreement were consistent with the LOI, including the structure, the price, and form of

consideration, and that the amount of consideration was fair to, and in the best interest of, the shareholders of Prime Meridian.

At the conclusion of that meeting, the Boards approved the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment. Prime Meridian, the Bank, and MFCU formally entered those agreements on April 21, 2025.

Opinion of Prime Meridian's Financial Advisor

The fairness opinion and a summary of the underlying financial analyses of Prime Meridian's financial advisor, Hovde, are described below. The summary and description set forth below contain projections, estimates, and other forward-looking statements about the future earnings or other measures of the future performance of Prime Meridian and MFCU. The projections were based on numerous variables and assumptions, which are inherently uncertain, including factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in the projections. You should not rely on any of these statements as having been made or adopted by Prime Meridian or MFCU. **You should review the copy of the Hovde opinion, which is attached to this proxy statement as *Appendix F*.**

Hovde acted as Prime Meridian's financial advisor in connection with the Merger. As used herein,"Merger" refers to the consummation of the First Step Merger and the subsequent Merger of the Bank with and into MFCU pursuant to the terms of the Merger Agreement. As part of its investment banking business, Hovde is continually engaged in the valuation of businesses and their securities in connection with, among other things, mergers and acquisitions. Hovde has experience in, and knowledge of, banks, thrifts, and their respective holding companies, and is familiar with Prime Meridian and MFCU and their respective operations. The Board of Prime Meridian selected Hovde to act as its financial advisor in connection with the Merger based on the firm's reputation and expertise in transactions such as the Merger as set forth in the Merger Agreement. Hovde reviewed the financial aspects of the Merger with the Board of Prime Meridian and, on April 16, 2025, delivered a written opinion to the Board of Prime Meridian that, subject to the matters, assumptions, and limitations set forth in the opinion, the Aggregate Consideration (defined below) to be received by the shareholders and optionholders of Prime Meridian under the terms of the Merger Agreement is fair to the shareholders and optionholders of Prime Meridian from a financial point of view. In requesting Hovde's advice and opinion, no limitations were imposed by Prime Meridian upon Hovde with respect to the investigations made or procedures followed by Hovde in rendering its opinion.

The full text of Hovde's written opinion is included in this proxy statement as ***Appendix F*** and is incorporated herein by reference. You are urged to read the opinion in its entirety for a description of the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Hovde. The summary of Hovde's opinion included in this proxy statement is qualified in its entirety by reference to the full text of such opinion.

Hovde's opinion was directed to the Board of Prime Meridian and addresses only the fairness of the Aggregate Consideration to the shareholders and optionholders of Prime Meridian.

Hovde did not opine on any individual stock, cash, or other components of consideration payable in connection with the Merger. Hovde's opinion does not constitute a recommendation to Prime Meridian as to whether or not they should enter into the Merger Agreement or to any shareholders of Prime Meridian as to how such shareholders should vote at any meetings of shareholders called to consider and vote upon the Merger. Hovde's opinion does not address the underlying business decision to proceed with the Merger or the fairness of the amount or nature of the compensation, if any, to be received by any of the officers, directors, or employees of Prime Meridian relative to the amount of consideration to be received by the Prime Meridian shareholders and optionholders with respect to the Merger. Hovde's opinion should not be construed as implying that the Aggregate Consideration to be received by Prime Meridian shareholders and optionholders from the Merger is necessarily the highest or best price that could be obtained by Prime Meridian in a sale transaction or combination transaction with a third party. Other than as specifically set forth in the opinion, Hovde is not expressing any opinion with respect to the terms and provisions of the Merger Agreement or the enforceability of any such terms or provisions. Hovde's opinion is not a solvency opinion and does not in any way address the solvency or financial condition of Prime Meridian or MFCU. Hovde's opinion was approved by Hovde's fairness opinion committee.

Prime Meridian formally engaged Hovde on April 10, 2025 to serve as a financial advisor to Prime Meridian and the Bank in connection with a potential transaction and to issue an opinion to the Board of Prime Meridian in connection with a potential transaction. Pursuant to Prime Meridian's engagement agreement with Hovde, Hovde received a fee of $250,000 upon the delivery of the fairness opinion to Prime Meridian which would be fully credited one time against any completion fee due Hovde. Based upon Hovde's assumption for purposes of its analysis and opinion that (as set forth below) the total Aggregate Consideration is $201,030,737, the net completion fee due Hovde upon the consummation of the Merger will be approximately $1,740,204, after providing full credit to the completion fee of approximately $1,990,204 for the fairness opinion fee of $250,000. In addition to Hovde's fees, and regardless of whether the Merger is consummated, Prime Meridian has agreed to reimburse Hovde for certain of its reasonable out-of-pocket expenses and has also agreed to indemnify Hovde and its affiliates for certain liabilities that may arise out of Hovde's engagement.

Other than in connection with this present engagement, during the two years preceding the date of the opinion, Hovde has not provided investment banking or financial advisory services to Prime Meridian, the Bank, or MFCU for which it received a fee. Hovde or its affiliates may presently or in the future seek or receive compensation from MFCU in connection with future transactions, or in connection with potential advisory services and corporate transactions, although to Hovde's knowledge none are expected at this time. In the ordinary course of its business as a broker/dealer, Hovde may from time-to-time purchase securities from, and sell securities to, Prime Meridian, the Bank, MFCU, or their affiliates. Except for the foregoing, during the two years preceding the date of the opinion, there have not been, and there currently are no mutual understandings contemplating in the future any material relationships between Hovde and MFCU.

Subject to adjustment contemplated by Section 2.06 of the Merger Agreement, the "Merger Consideration" shall be an amount equal to the "Per Share Merger Consideration" of $58.50 multiplied by the number of outstanding shares of Prime Meridian common stock (which will be outstanding shares of Bank common stock at the "Effective Time"). At the Effective Time, each

Prime Meridian stock option that is outstanding and unexercised as of the date of the Merger Agreement shall become automatically vested and exercisable in full and cancelled, and the holder shall have the right to receive from MFCU on or immediately prior to the Closing Date a cash payment in an amount, equal to the product of (i) the Per Share Merger Consideration minus the per share exercise price of such Prime Meridian stock option multiplied by (ii) the number of shares of Prime Meridian common stock subject to the Prime Meridian stock option (the "Option Payment"). The aggregate of the Option Payments paid to all holders of Prime Meridian stock options shall constitute the "Option Consideration," and together with the Merger Consideration, the "Aggregate Consideration."

Section 2.06 of the Merger Agreement provides for an adjustment to the Per Share Merger Consideration if the "Closing Equity Value" is less than the "Minimum Equity Value," and in such event, the Per Share Merger Consideration shall be reduced by an amount equal to $2.25 for each dollar difference between (i) the Minimum Equity Value, less (ii) the Closing Equity Value, and the Per Share Merger Consideration shall in turn be reduced proportionately. If the Closing Equity Value is equal to or greater than the Minimum Equity Value, there will be no adjustment to the Aggregate Consideration.

With the knowledge and consent of Prime Meridian and for purposes of Hovde's analysis and opinion, Hovde assumed that: (i) the Merger Consideration will be equal to $194,863,734, the Option Consideration will be equal to $6,167,003 and therefore the Aggregate Consideration is $201,030,737 (i.e., the Aggregate Consideration equals the Merger Consideration plus the Option Consideration); (ii) the Closing Equity Value will not be less than the Minimum Equity Value and therefore there will be no adjustment to the Aggregate Consideration pursuant to the provisions of Section 2.06, (iii) all of the closing conditions set forth in Article VII of the Merger Agreement are satisfied; (iv) the Merger Agreement is not terminated pursuant to any of the provisions set forth in Article VIII; and (v) the Transactions and the Merger will proceed and be consummated in accordance with the terms of the Merger Agreement.

During the course of Hovde's engagement and for the purposes of its opinion, Hovde:

(i) reviewed the draft of the Merger Agreement dated April 15, 2025 provided to Hovde by Prime Meridian;

(ii) reviewed unaudited financial statements for Prime Meridian and the Bank for the twelve-month period ended December 31, 2024 and the three-month period ended March 31, 2025;

(iii) reviewed certain historical annual reports of Prime Meridian, including the audited annual report of Prime Meridian for the fiscal year ended December 31, 2023;

(iv) reviewed certain historical publicly available business and financial information concerning Prime Meridian and the Bank;

(v) reviewed certain internal financial statements and other financial and operating data concerning Prime Meridian and the Bank;

(vi) reviewed financial projections prepared in consultation with certain members of the senior management of Prime Meridian and the Bank;

(vii) discussed with certain members of senior management of Prime Meridian and the Bank the business, financial condition, results of operations, and future prospects of Prime Meridian and the Bank, the past and current operations of Prime Meridian and the Bank and Prime Meridian's assessment of the rationale for the Merger;

(viii) assessed current general economic, market, and financial conditions;

(ix) reviewed the terms of recent merger, acquisition, and control investment transactions, to the extent publicly available, involving financial institutions and financial institution holding companies that Hovde considered relevant;

(x) took into consideration Hovde's experience in other similar transactions and securities valuations as well as Hovde's knowledge of the banking and financial services industry;

(xi) reviewed certain publicly available financial and stock market data relating to selected public companies that Hovde deemed relevant to its analysis and opinion; and

(xii) performed such other analyses and considered such other factors as Hovde deemed appropriate.

In performing its review, Hovde assumed, without investigation, that there have been, and from the date of its opinion through the "Closing" there will be, no material changes in the financial condition and results of operations of Prime Meridian or MFCU since the date of the latest financial information described above. Hovde further assumed, without independent verification, that the representations and financial and other information included in the Merger Agreement and all other related documents and instruments that are referred to therein or otherwise provided to Hovde by Prime Meridian and MFCU are true and complete. Hovde relied upon the management of Prime Meridian as to the reasonableness and achievability of the financial forecasts, projections, and other forward-looking information provided to Hovde by them and their professionals, and Hovde assumed such forecasts, projections, and other forward-looking information were reasonably prepared by Prime Meridian and their professionals on a basis reflecting the best currently available information and their professionals' judgments and estimates. Hovde assumed that such forecasts, projections, and other forward-looking information would be realized in the amounts and at the times contemplated thereby, and Hovde does not assume any responsibility for the accuracy or reasonableness thereof. Hovde was authorized by Prime Meridian to rely upon such forecasts, projections, and other information and data, and Hovde expresses no view as to any such forecasts, projections, or other forward-looking information or data, or the bases or assumptions on which they were prepared.

In performing its review, Hovde assumed and relied upon the accuracy and completeness of all of the financial and other information that was available to Hovde from public sources, that was provided to Hovde by Prime Meridian, MFCU, or their respective representatives, or that was

otherwise reviewed by Hovde for purposes of rendering its opinion. Hovde further relied on the assurances of the respective managements of Prime Meridian and MFCU that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Hovde was not asked to undertake, and did not undertake, an independent verification of any of such information, and Hovde does not assume any responsibility or liability for the accuracy or completeness thereof. Hovde assumed that Prime Meridian and MFCU would advise Hovde promptly if any information previously provided to Hovde became inaccurate or was required to be updated during the period of Hovde's review.

Hovde is not expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for losses with respect thereto. Hovde assumed that such allowances for Prime Meridian and MFCU are, in the aggregate, adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. Hovde was not requested to make, and did not make, an independent evaluation, physical inspection, or appraisal of the assets, properties, facilities, or liabilities (contingent or otherwise) of Prime Meridian or MFCU, the collateral securing any such assets or liabilities, or the collectability of any such assets. Hovde was not furnished with any such evaluations or appraisals, nor did Hovde review any loan or credit files of Prime Meridian or MFCU.

Hovde undertook no independent analysis of any pending or threatened litigation, regulatory action, possible un-asserted claims, or other contingent liabilities to which Prime Meridian or MFCU was or is a party or may be subject, and Hovde's opinion makes no assumption concerning, and therefore does not consider, the possible assertion of claims, outcomes, or damages arising out of any such matters. Hovde also assumed, with Prime Meridian's knowledge and consent, that both Prime Meridian and MFCU are not parties to any material pending transaction, including without limitation any financing, recapitalization, acquisition, or transaction, divestiture, or spin-off, other than the Merger contemplated by the Merger Agreement.

Hovde relied upon and assumed, with Prime Meridian's consent and without independent verification, that the Merger will be consummated substantially in accordance with the terms set forth in the Merger Agreement, without any waiver of material terms or conditions by Prime Meridian, MFCU, or any other party to the Merger Agreement and that the final Merger Agreement would not differ materially from the draft Hovde reviewed. Hovde assumed that the Merger will be consummated in compliance with all applicable laws and regulations. Prime Meridian advised Hovde that they were not aware of any factors that would impede any necessary regulatory or governmental approval of the Merger. Hovde assumed that the necessary regulatory and governmental approvals as granted will not be subject to any conditions that would be unduly burdensome on Prime Meridian or MFCU or would have a material adverse effect on the contemplated benefits of the Merger.

Hovde's opinion does not consider, include or address: (i) any legal, tax, accounting, or regulatory consequences of the Merger on Prime Meridian or its stockholders; (ii) any advice or opinions provided by any other advisor to the Board of Prime Meridian; (iii) any other strategic alternatives that might be available to Prime Meridian; or (iv) whether MFCU has sufficient cash or other sources of funds to enable it to pay the consideration contemplated by the Merger.

Hovde's opinion was based solely upon the information available to Hovde and described above, and the economic, market, and other circumstances as they existed as of the date of the opinion. Events occurring and information that becomes available after the date of the opinion could materially affect the assumptions and analyses used in preparing the opinion. Hovde has not undertaken to update, revise, reaffirm, or withdraw the opinion or to otherwise comment upon events occurring or information that becomes available after the date of the opinion.

In arriving at the opinion, Hovde did not attribute any particular weight to any single analysis or factor considered by it but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Hovde believes that its analyses must be considered as a whole and that selecting portions of its analyses, without considering all analyses, would create an incomplete view of the process underlying the opinion.

The following is a summary of the material analyses prepared by Hovde and delivered to the Board of Prime Meridian on April 16, 2025 in connection with the delivery of its opinion. This summary is not a complete description of all the analyses underlying the opinion or the presentation prepared by Hovde, but it summarizes the material analyses performed and presented in connection with such opinion. The preparation of an opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances of the contemplated Merger. The financial analyses summarized below include information presented in tabular format. The analyses and the summary of the analyses must be considered as a whole and selecting portions of the analyses and factors or focusing on the information presented below in tabular format without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying the analyses and opinion of Hovde. The tables alone are not a complete description of the financial analyses performed by Hovde.

Market Approach – Comparable Merger and Acquisition Transactions. As part of its analysis, Hovde reviewed publicly available information related to two comparable groups (a "Regional Group" and a "Nationwide Group") of select bank merger and acquisition transactions based on data obtained from S&P Capital IQ as of April 14, 2025. The Regional Group consisted of transactions where targets were headquartered in Alabama, Arkansas, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia announced since January 1, 2022, in which the targets' total assets were between $500 million and $2.0 billion and last-twelve-months return on average assets was between 0.50% and 1.50%. The Nationwide Group consisted of transactions in the United States announced since January 1, 2022 in which the targets' total assets were between $500 million and $2.0 billion, last-twelve-months return on average assets was between than 0.75% and 1.50%, and tangible equity to tangible assets was greater than 8.00%. In each case for which financial information was available, no transaction that fit the above selection criteria was excluded, unless such transaction was deemed a "Merger of Equals" by S&P Capital IQ. Information for the target institutions was based on balance sheet data as of, and income statement data for, the twelve months preceding the most recent quarter prior to announcement of the transactions as determined by S&P Capital IQ. The resulting two groups consisted of the following precedent transactions (11 transactions for the Regional Group and 14 transactions for the Nationwide Group):

Regional Group

Buyer	Target	Price/LTM Earnings Multiple (1)	Price/ TBV Multiple	Price/ Adjusted TBV Multiple (2)	Prem./Core Deposits Multiple (3)
TowneBank	Old Point Financial Corp.	21.1x	182.5%	182.5%	8.47%
Dogwood State Bank	Community First Bancorp.	13.7x	111.5%	111.5%	1.39%
First Financial Corporation	Simply Bank (4)	8.98x	132.4%	132.4%	3.57%
TowneBank	Farmers Bankshares, Inc.	11.4x	205.6%	205.6%	5.96%
The First Bancshares, Inc.	Heritage Southeast Bancorp.	15.0x	181.0%	181.0%	6.85%
First Bancorp	GrandSouth Bancorporation	10.7x	191.7%	191.7%	8.53%
F.N.B Corporation	UB Bancorp	9.23x	155.2%	155.2%	4.36%
DFCU Financial	First Citrus Bancorp., Inc.	15.3x	210.6%	210.6%	9.30%
United Community Banks, Inc.	Progress Financial Corp.	13.2x	165.2%	171.9%	7.85%
Seacoast Bkg Corp of FL	Drummond Banking Company	13.8x	191.3%	200.9%	9.50%
Seacoast Bkg Corp of FL	Apollo Bancshares, Inc.	20.0x	194.7%	198.0%	9.65%
	25th Percentile	**10.7x**	**155.2%**	**155.2%**	**4.36%**
	Median	**13.7x**	**182.5%**	**182.5%**	**7.85%**
	75th Percentile	**15.3x**	**194.7%**	**200.9%**	**9.30%**

Nationwide Group

Buyer	Target	Price/LTM Earnings Multiple (1)	Price/ TBV Multiple	Price/ Adjusted TBV Multiple (2)	Prem./Core Deposits Multiple (3)
Glacier Bancorp, Inc.	Bank of Idaho Hold Co.	17.3x	197.1%	214.7%	13.0%
German American Bancorp, Inc.	Heartland BancCorp	16.2x	224.1%	225.9%	15.7%
Central Valley Comm. Bancorp	Community West Bancshares	8.74x	88.9%	88.9%	(1.41%)
Peoples Bancorp Inc.	Limestone Bancorp, Inc.	12.6x	179.2%	180.1%	9.12%
First Commonwealth Fin'l Corp.	Centric Financial Corporation	14.8x	137.9%	145.7%	4.82%
Bank First Corporation	Hometown Bancorp, Ltd.	14.3x	210.9%	227.6%	12.1%
United Community Banks, Inc.	Progress Financial Corp.	13.2x	165.2%	171.9%	7.85%
Seacoast Bkg Corp. of FL	Drummond Banking Company	13.8x	191.3%	200.9%	9.50%
National Bank Holdings Corp.	Community Bancorporation	14.1x	189.3%	198.4%	9.83%
Seacoast Bkg Corp of FL	Apollo Bancshares, Inc.	20.0x	194.7%	198.0%	9.65%
Hometown Fin. Group MHC	Randolph Bancorp, Inc.	14.4x	147.0%	173.8%	8.98%
Arizona Federal Credit Union	Horizon Community Bank	15.4x	210.4%	211.1%	11.1%
Origin Bancorp, Inc.	BT Holdings, Inc.	13.8x	145.4%	161.5%	6.96%
Bank First Corporation	Denmark Bancshares, Inc.	18.1x	173.5%	190.9%	8.79%
	25th Percentile	**13.7x**	**146.6%**	**169.3%**	**7.63%**
	Median	**14.3x**	**184.2%**	**194.5%**	**9.31%**
	75th Percentile	**16.5x**	**200.4%**	**212.0%**	**11.3%**

(1) Price/LTM Earnings are tax-affected for S Corporations.
(2) Represents the premium paid for core capital where: (a) core capital is assumed to equal total tangible assets multiplied by 8%; (b) excess capital equals total tangible book value less core capital; and (c) price is adjusted to subtract excess capital (assumes dollar-for-dollar payment of excess capital); Price/Adjusted TBV is assumed to equal Price/TBV for targets with tangible equity/tangible assets less than 8.00%.
(3) Represents the premium (or discount) paid on tangible book value, expressed as a percentage of core deposits. Core deposits are defined as total deposits, less brokered deposits, foreign deposits, and time deposit accounts greater than $100,000.
(4) Targets organized as S Corporations.

For each precedent transactions group, Hovde compared the implied ratio of the total merger value to certain financial metrics of the proposed Merger as follows:

- the multiple of the total merger value to the acquired company's LTM net earnings (the "Price-to-LTM Earnings Multiple");
- the multiple of the total merger value to the acquired company's tangible book value (the "Price-to-Tangible Book Value Multiple");
- the multiple of the total merger value to the acquired company's adjusted tangible book value (the "Price-to-Adjusted Tangible Book Value Multiple"); and
- the multiple of the difference between the total merger value and the acquired company's tangible book value to the acquired company's core deposits (the "Premium-to-Core Deposits Multiple").

The results of the analysis are set forth in the table below. Transaction multiples for the Merger were based upon the assumed Aggregate Consideration of $201,030,737 and were based on March 31, 2025 financial results for Prime Meridian.

	Price-to-LTM Earnings Multiple (1)	**Price-to-Tangible Book Value Multiple**	**Price-to-Adjusted Tangible Book Value Multiple (2)**	**Premium-to-Core Deposits Multiple (3)**
Aggregate Consideration	23.1x	223.2%	242.3%	14.3%
Precedent Transactions Regional Group:				
Median	13.7x	182.5%	182.5%	7.85%
25th Percentile	10.7x	155.2%	155.2%	4.36%
75th Percentile	15.3x	194.7%	200.9%	9.30%
Precedent Transactions Nationwide Group:				
Median	14.3x	184.2%	194.5%	9.31%
25th Percentile	13.7x	146.6%	169.3%	7.63%
75th Percentile	16.5x	200.4%	212.0%	11.3%

(1) Price/LTM Earnings are tax-affected for S Corporations.
(2) Represents the premium paid for core capital where: (a) core capital is assumed to equal total tangible assets multiplied by 8%; (b) excess capital equals total tangible book value less core capital; and (c) price is adjusted to subtract excess capital (assumes dollar-for-dollar payment of excess capital).
(3) Represents the premium paid on tangible book value, expressed as a percentage of core deposits. Core deposits are defined as total deposits less brokered deposits, foreign deposits, and time deposit accounts greater than $100,000.

Using publicly available information, Hovde compared the financial performance of Prime Meridian with that of the median of the targets from the precedent bank merger and acquisition transactions from each of the Regional and Nationwide Groups. The performance highlights are based on March 31, 2025 financial results of Prime Meridian.

[Table to follow on next page]

	Tangible Equity/ Tangible Assets	Core Deposits (1)	LTM ROAA (2)	LTM ROAE (2)	Efficiency Ratio	NPAs/ Assets	LLR/ NPLs (3)
Prime Meridian	9.23%	89.1%	0.95%	10.1%	61.9%	0.52%	117.8%
Precedent Transactions – Regional Group Median:	7.64%	90.3%	1.01%	11.9%	64.6%	0.21%	388.9%
Precedent Transactions – Nationwide Group Median:	9.12%	88.9%	1.15%	11.3%	63.2%	0.20%	388.9%

(1) Core deposits exclude brokered deposits, foreign deposits, and time deposit accounts greater than $100,000.
(2) LTM ROAA and LTM ROAE were tax-effected for S Corporations.
(3) Loan Loss Reserve (*"LLR"*) as a percentage of nonperforming loans ("NPLs"); Medians exclude excessively high ratios determined as not meaningful by S&P Capital IQ and ratios that were not applicable for targets that had no NPLs.

No company or transaction used as a comparison in the above transaction analyses is identical to Prime Meridian, and no transaction was consummated on terms identical to the terms of the Merger Agreement. Accordingly, an analysis of these results is not strictly mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies. The resulting values of the Precedent Transactions Regional Group using the median values for the four-valuation metrics set forth above indicated an implied total valuation ranging between $119.7 million and $164.3 million with a four-factor implied average total valuation of $147.4 million compared to the assumed Aggregate Consideration from the Merger of $201.0 million. The resulting values of the Precedent Transactions Nationwide Group using the median values for the four-valuation metrics set forth above indicated an implied total valuation ranging between $124.8 million and $165.9 million with a four-factor implied average total valuation of $154.2 million compared to the assumed Aggregate Consideration from the Merger of $201.0 million.

Income Approach – Discounted Cash Flow Analysis. Prime Meridian management approved the financial forecasts for Prime Meridian over a forward-looking, five year period which formed the basis for the discounted cash flow analyses. The projected Prime Meridian net income amounts used for the analysis were $9.6 million for 2025, $11.0 million for 2026, $11.9 million for 2027, $12.8 million for 2028 and $13.9 million for 2029. The projected Prime Meridian tangible common equity amounts and aggregate dividend amounts utilized for purposes of the discounted cash analysis were based on Hovde's assumption that Prime Meridian would dividend out 100% of its excess capital on an annual basis based on a fixed tangible common equity to tangible assets ratio of 8.0%. The resulting projected Prime Meridian tangible common equity amounts used for the analysis were $79.6 million for the year ended 2025, $83.1 million for the year ended 2026, $89.7 million for the year ended 2027, $96.9 million for year ended 2028 and $104.7 million for the year ended 2029. The resulting projected Prime Meridian aggregate dividend amounts used for the analysis were $18.2 million for the year ended 2025, $7.9 million for the year ended 2026, $5.7 million for the year ended 2027, $6.1 million for the year ended 2028, and $6.5 million for the year ended 2029.

For purposes of its discounted cash flow analysis, Hovde reviewed publicly available information related to select comparable bank merger and acquisition transactions (the "Terminal Regional Group") that would be for targets of comparable asset size and profitability to Prime Meridian at the end of the five year period of the projections. The Terminal Regional Group

consisted of bank merger and acquisition transactions where targets were headquartered in Alabama, Arkansas, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia announced since January 1, 2022, in which the targets' total assets were between $750 million and $2.75 billion and last-twelve-months return on average assets was between 0.50% and 2.00%. In each case for which financial information was available, no transaction that fit the above selection criteria was excluded, unless such transaction was deemed a "Merger of Equals" by S&P Capital IQ. Information for the target institutions was based on balance sheet data as of, and income statement data for, the twelve months preceding the most recent quarter prior to announcement of the transactions as determined by S&P Capital IQ. The resulting group consisted of 9 transactions:

Buyer	Target	Price/LTM Earnings Multiple	Price/TBV Multiple	Price/ Adjusted TBV Multiple (1)	Prem./Core Deposits Multiple (2)
TowneBank	Old Point Financial Corporation	21.1x	182.5%	182.5%	8.47%
United Bankshares, Inc.	Piedmont Bancorp, Inc.	9.77x	154.9%	157.9%	8.37%
Seacoast Bkg Corp of FL	Professional Holding Corp.	23.2x	234.7%	234.7%	12.8%
The First Bancshares, Inc.	Heritage Southeast Bancorp., Inc.	15.0x	181.0%	181.0%	6.85%
First Bancorp	GrandSouth Bancorporation	10.7x	191.7%	191.7%	8.65%
F.N.B Corporation	UB Bancorp	9.23x	155.2%	155.2%	4.36%
United Community Banks, Inc.	Progress Financial Corporation	13.2x	165.2%	171.9%	7.85%
Seacoast Bkg Corp of FL	Drummond Banking Company	13.8x	191.3%	200.9%	9.50%
Seacoast Bkg Corp of FL	Apollo Bancshares, Inc.	20.0x	194.7%	198.0%	9.65%
	25th Percentile	**10.2x**	**160.2%**	**164.9%**	**7.35%**
	Median	**13.8x**	**182.5%**	**182.5%**	**8.47%**
	75th Percentile	**20.5x**	**193.3%**	**199.5%**	**9.58%**

(1) Represents the premium paid for core capital where: (a) core capital is assumed to equal total tangible assets multiplied by 8%; (b) excess capital equals total tangible book value less core capital; and (c) price is adjusted to subtract excess capital (assumes dollar-for-dollar payment of excess capital); Price/Adjusted TBV is assumed to equal Price/TBV for targets with tangible equity/tangible assets less than 8.00%.

(2) Represents the premium or paid on tangible book value, expressed as a percentage of core deposits. Core deposits are defined as total deposits less brokered deposits, foreign deposits, and time deposit accounts greater than $100,000.

To determine present values of Prime Meridian based on these projections, Hovde utilized two discounted cash flow models, each of which capitalized terminal values using different multiples: (1) Terminal Price/Earnings Multiple ("DCF Terminal P/E Multiple"); and (2) Terminal Price/Tangible Book Value Multiple ("DCF Terminal P/TBV Multiple").

In the DCF Terminal P/E Multiple analysis, an estimated value of Prime Meridian was calculated based on the present value of Prime Meridian's forward-looking net income and dividend projections over the five year projection period of the financial forecasts approved by Prime Meridian management. The projected net income amount for the year ended 2029 was $13.9 million and served as the basis of the terminal earnings value in the DCF. Hovde calculated a terminal value at the end of 2029 by applying a five point range of price-to-earnings multiples of 12.8x to 14.8x, which is based around the median price-to-earnings multiple derived from transactions in the Terminal Regional Group of 13.8x. The present value of Prime Meridian's projected terminal value was calculated assuming a range of discount rates between 14.20% and 16.20%, with a midpoint of 15.20%, discounted over the 4.71 year period from the date of the opinion to the end of the five year projection period. This range of discount rates was chosen to

reflect different assumptions regarding the required rates of return of holders or prospective holders of Prime Meridian common stock. The range of discount rates utilized the buildup method to determine such required rates of return and was based upon the risk-free interest rate, an equity risk premium, an industry risk premium and a size premium as set forth in the Kroll Cost of Capital Navigator as of April 15, 2025. This resulted in a discount rate of 15.20% used as the midpoint of the five point range of discount rates of 14.20% to 16.20%. Prime Meridian's annual dividends were discounted over the projection period and the total discounted value was added to the discounted terminal value to determine the total present value of Prime Meridian. The sum of the discounted value of the annual dividends plus the present value of Prime Meridian's terminal value resulted in implied total values between $120.3 million and $143.7 million with a midpoint of $131.6 million compared to the assumed Aggregate Consideration from the Merger of $201.0 million.

In the DCF Terminal P/TBV Multiple analysis, an estimated value of Prime Meridian was calculated based on the present value of Prime Meridian's forward-looking tangible common equity and dividends over the five year projection period of the financial forecasts approved by Prime Meridian management. The projected tangible common equity amount for the year ended 2029 was $104.7 million and served as the basis of the terminal tangible book value in the DCF. In arriving at the terminal value at the end of 2029, Hovde applied a five point range of price-to-tangible book value multiples of 1.72x to 1.92x utilizing as a midpoint of the range the median price-to-tangible book value multiple derived from transactions in the Terminal Regional Group of 1.82x. The present value of the projected terminal value was then calculated assuming the range of discount rates between 14.20% and 16.20%, with a midpoint of 15.20%, discounted over the same periods as was applied in the DCF Terminal P/E Multiple analysis set forth above. Prime Meridian's annual dividends were discounted over the projection period and the total discounted value was added to the discounted terminal value to determine the total present value of Prime Meridian. The sum of the discounted value of the annual dividends plus the present value of Prime Meridian's terminal value resulted in implied total values between $121.9 million and $141.7 million with a midpoint of $131.5 million compared to the assumed Aggregate Consideration from the Merger of $201.0 million.

While the discounted cash flow present value analysis is a widely used valuation methodology, it relies on numerous assumptions, including asset and earnings growth rates, projected dividend payouts, terminal values, and discount rates. Hovde's analysis does not purport to be indicative of the actual values or expected total values of Prime Meridian.

Conclusion. Based upon the foregoing analyses and other investigations and assumptions as set forth in its opinion, without giving specific weightings to any one factor, analysis, or comparison, Hovde determined, as of the date of its opinion, subject to the matters, assumptions, and limitations set forth in the opinion and pursuant to the terms of the Merger Agreement, that the Aggregate Consideration to be received by the shareholders and optionholders of Prime Meridian under the terms of the Merger Agreement is fair to the shareholders and optionholders of Prime Meridian from a financial point of view. **Each Prime Meridian shareholder is encouraged to read Hovde's opinion in its entirety. The full text of this opinion is included in this proxy statement as *Appendix F*.**

Prime Meridian has Agreed Not to Solicit Alternative Transactions

Pending the consummation of the Merger, Prime Meridian and the Bank have agreed pursuant to the Merger Agreement that they and their representatives will not initiate, solicit, or enter into any negotiations or agreements with respect to an acquisition proposal by another party. If Prime Meridian or the Bank has been found in violation of this provision, it would be considered a breach of the Merger Agreement.

As an exception, Prime Meridian may enter negotiations for an alternative transaction, if Prime Meridian has received a bona fide unsolicited written acquisition proposal that is received prior to the Special Meeting. Within one business day of receiving a proposal, Prime Meridian must notify MFCU in writing regarding the terms of the proposal. Prime Meridian's Board of Directors must then determine in good faith after consultation with its legal advisor that the alternative transaction is superior, as compared to the terms of the Merger. Prime Meridian must give MFCU at least three business days prior notice of the determination that there is a superior proposal. A transaction would be considered superior if it would result in the acquisition of all of Prime Meridian's outstanding common stock, or all or substantially all of Prime Meridian's assets and involves consideration to Prime Meridian's shareholders that is more favorable financially than the Merger.

After three business days following the written notice to MFCU, Prime Meridian may approve or recommend to Prime Meridian's shareholders a superior proposal and may withdraw its recommendation of the Merger if Prime Meridian's Board of Directors has determined in good faith after consultation with its legal advisor that the failure to withdraw its recommendation of the Merger would be reasonably likely to constitute a violation of its fiduciary duties to the shareholders after taking into consideration any possible modifications in the terms of the Merger by MFCU.

Representations and Warranties

Both Prime Meridian and MFCU have made customary representations and warranties to the other regarding their respective structure, capitalization, business, condition, operations, assets, legal and regulatory status, and other characteristics. For more information regarding the specific representations and warranties of Prime Meridian and the Bank see ***Appendix A***.

Covenants of Prime Meridian and the Bank

Prime Meridian and the Bank have each agreed that, without MFCU's consent (which shall not be unreasonably withheld, conditioned, or delayed) that they will operate in the ordinary course of business. Prime Meridian and the Bank have also each agreed to refrain from taking certain specific actions with respect to its business unless compelled to by its regulators or consented to by MFCU. For more information regarding the specific covenants of Prime Meridian and the Bank see ***Appendix A***.

Covenants of MFCU

MFCU has agreed that it will take no affirmative action, or fail to take any reasonable action within its control, which would materially impair or prevent the consummation of the Merger. MFCU has also agreed to indemnify Prime Meridian's and the Bank's directors and officers for a period of six years following the effective date of the Merger. For more information regarding the specific covenants of MFCU see ***Appendix A***.

Regulatory Approvals

Under the terms of the Merger Agreement, the Merger cannot be completed unless it is first approved by all necessary regulatory authorities, specifically the approvals of the National Credit Union Administration, the Florida Office of Financial Regulation, and the Federal Deposit Insurance Corporation. MFCU and the Bank expect to file their respective applications within the coming weeks and no later than June 20, 2025. While Prime Meridian does not know of any reason why MFCU and the Bank would not obtain such approvals in a timely manner, Prime Meridian cannot be certain when or if the regulatory approvals will be received.

Prime Meridian and the Bank Directors and Executive Officers Have Entered into Voting Agreements with MFCU

All of the directors and executive officers of Prime Meridian and the Bank are parties to Voting Agreements in which they have agreed, subject to their respective fiduciary duties, to vote their shares of Prime Meridian common stock in favor of the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment at the Special Meeting. As of the record date, those directors and officers owned or controlled 779,177 shares, representing approximately 23.13% of the voting power of Prime Meridian common stock as of the record date.

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Beneficial Stock Ownership

The following table shows Prime Meridian's directors' and executive officers' ownership of shares of Prime Meridian common stock as of the record date.

Name	Number of Shares[(1)]	Right to Acquire[(2)]	Beneficial Ownership[(3)]
Kenneth H. Compton	8,871	12,500	0.63%
William D. Crona	63,219	-	1.88
Sammie D. Dixon, Jr.	171,216	32,883	6.00
Steven L. Evans	36,230	8,500	1.32
R. Randy Guemple	46,630	-	1.38
Chris L. Jensen, Sr.	62,133	6,150	2.02
Kathleen C. Jones	22,100	6,000	0.83
Robert H. Kirby	93,825	-	2.79
Frank L. Langston	45,065	2,500	1.41
L. Collins Proctor, Sr.	34,000	2,500	1.08
Garrison A. Rolle, M.D.	40,872	8,500	1.46
Susan Payne Turner	16,430	4,800	0.63
Monté L. Ward	10,957	4,800	0.47
Clint F. Weber	15,589	4,800	0.60
Richard A. Weidner	112,040	-	3.33
	779,177	93,933	25.22%

(1) Includes shares for which the named person:
-has sole voting and investment power;
-has voting and investment power with a spouse;
-holds in an IRA or other retirement plan program.
(2) Includes shares covered by stock options.
(3) Based on 3,368,504 shares issued and outstanding plus the listed individual exercising his or her stock options.

United States Federal Income Tax Consequences of the Merger

The receipt of the Merger consideration by a U.S. holder in exchange for shares of Prime Meridian common stock pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes (and may also be a taxable transaction under applicable state, local, and foreign income or other tax laws). For U.S. federal income tax purposes: (a) any shares held for investment purposes would be considered a capital asset under the Internal Revenue Code Section 1221; (b) any such gain or loss would be considered a capital gain or loss; and (c) the only recognition of taxable income shall be in connection with the Merger (and not the First Step Merger).

Such gain or loss generally will be a long-term capital gain or loss if the U.S. holder's holding period for the Prime Meridian common stock surrendered in the Merger exceeds one year as of the date of the Merger. In general, long-term capital gain of individuals currently is subject to U.S. federal income tax at a maximum rate of 20%, plus a 3.8% federal income tax rate with respect to the Patient Protection and Affordable Care Act. The deductibility of capital losses is subject to limitations under the Internal Revenue Code of 1986, as amended. The amount and character of gain or loss must be determined separately for each block of Prime Meridian common

stock (i.e., shares acquired at the same cost in a single transaction) exchanged for the cash consideration received in the Merger.

Under the Internal Revenue Code, the cash consideration received in the Merger by a U.S. holder may be subject to U.S. information reporting and backup withholding. Backup withholding (currently at a rate of 28%) will apply with respect to the amount of cash received by a non-corporate U.S. holder, unless the U.S. holder provides proof of an applicable exemption, or a correct taxpayer identification number on an IRS Form W-9 (enclosed with the letter of transmittal sent by the exchange agent), and otherwise complies with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax and any amount withheld under the backup withholding rules may be refunded or credited against a U.S. holder's U.S. federal income tax liability, if any, provided that such U.S. holder furnishes the required information to the IRS in a timely manner.

Prime Meridian has received an opinion from its accountants as to certain of the foregoing matters. However, because tax matters can be complicated, and tax results may vary among shareholders, you should contact your own tax advisor to understand fully how this transaction will affect you.

The Interests of Prime Meridian's Directors, Chief Executive Officer, President, and Other Executive Officers in the Merger May be Different than Yours

The members of Prime Meridian's Board of Directors voted to approve the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment. Certain of the directors hold options to purchase shares of Prime Meridian common stock. Pursuant to the Merger Agreement, at closing of the Merger, they will receive cash payments equal to the $58.50 per share Merger consideration minus the exercise price of the option. As of the record date, Prime Meridian's non-executive directors owned the following options and will be entitled to receive the following payments at closing.

Director	Options	Total Payment
Kenneth H. Compton	12,500	$457,675
William D. Crona	-	-
Steven L. Evans	8,500	$305,235
R. Randy Guemple	-	-
Kathleen C. Jones	6,000	$209,210
Robert H. Kirby	-	-
Frank L. Langston	2,500	$74,775
L. Collins Proctor, Sr.	2,500	$74,775
Garrison A. Rolle, MD	8,500	$305,235
Richard A. Weidner	-	-

Further, Prime Meridian's executive officers are parties to employment agreements with Prime Meridian and the Bank. President and Chief Executive Officer, Sammie D. Dixon, Jr. and Executive Vice President and Senior Loan Officer, Chris L. Jensen, Jr., are also members of Prime Meridian's and the Bank's Boards of Directors. In that capacity, they voted to approve the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment.

Pursuant to their employment agreements, if the Merger is completed before January 1, 2026, Mr. Dixon and Mr. Jensen will receive cash change-in-control payments and cash settlement of their outstanding stock options in the amounts of $2.98 million and $862,000, respectively. Also pursuant to their employment agreements, Prime Meridian's other executive officers will receive aggregate payments of $2.18 million for change-in-control payments and stock option settlement. Such payments may increase if the closing occurs in 2026.

Conditions to Closing the Merger

Consummation of the Merger is contingent upon a number of conditions being met or waived. The material conditions include:

- Each parties' representations and warranties must be true in all material respects and each party shall have performed or complied with its covenants;
- Prime Meridian shall have the minimum equity of $97.90 million and an allowance for credit losses of at least 0.80% of the Bank's loans held for investment.
- Neither Prime Meridian nor the Bank shall have experienced a material adverse change in its condition;
- No court, governmental agency, or regulatory authority shall have taken action to prohibit consummation of the Merger;
- All necessary regulatory approvals and third party consents or approvals shall have been obtained;
- Prime Meridian shareholders shall have approved the Merger, the Merger Agreement, the First Step Merger Agreement, and the Articles Amendment; and
- Neither Prime Meridian's accountants nor Hovde shall have rescinded their opinions.

Terminating the Merger Agreement

The Merger Agreement may be terminated by:

- the mutual agreement of Prime Meridian, the Bank, and MFCU;
- Prime Meridian and the Bank or MFCU, if the other has not fulfilled its conditions to consummate the Merger and the terminating party has not waived such condition;
- MFCU, if the Board of Directors of Prime Meridian or the Bank fails to recommend to its shareholders that they approve the Merger or the shareholders fail to do so;
- Prime Meridian or the Bank, if either receives a proposal for a transaction superior to the Merger and the Board of Directors of Prime Meridian accepts such proposal;

- MFCU, if Prime Meridian and the Bank enter into an agreement for a transaction superior to the Merger;

- Prime Meridian and the Bank or MFCU, if the other commits a willful breach of the Merger Agreement and does not or cannot cure such breach within 30 days;

- Prime Meridian and the Bank or MFCU, if the Merger shall not have been completed by December 31, 2025, provided the party seeking to terminate the Merger Agreement is not in breach thereof and subject to MFCU's right to extend this date by two three month periods; and

- By the Bank or MFCU if either party has been denied or refused the requisite regulatory approvals or consents required by the transaction, or such approvals contain materially burdensome conditions.

If the Merger Agreement is terminated, no party shall be relieved from liability for the breach of any of its representations, warranties, covenants, or agreements set forth in the Merger Agreement.

If the Merger Agreement is terminated by MFCU because the Board of Directors of Prime Meridian receives a superior proposal, enters into an agreement with respect to a superior proposal, or makes a recommendation to Prime Meridian's shareholders with respect to a superior proposal which is adverse to MFCU, or by Prime Meridian because it received a superior proposal and accepted it, Prime Meridian will be obligated to pay MFCU $7,775,100 as liquidated damages.

Amending or Extending the Merger Agreement or Waiving Compliance

The Merger Agreement may be amended or extended by written consent of the respective Boards of Directors of the parties thereto at any time prior to the effective time of the Merger. However, Florida law provides that an amendment to reduce the amount or value or change the form of Merger consideration payable to Prime Meridian's shareholders cannot be made following approval of the Merger Agreement by Prime Meridian's shareholders without the subsequent approval by Prime Meridian's shareholders. Any party to the Merger Agreement may waive another party's compliance with any of its obligations, covenants, agreements, or conditions.

The Board of Directors Recommends that Shareholders Vote "FOR" the Approval of the Merger, the Merger Agreement, the First Step Merger, the First Step Merger Agreement, and the Articles Amendment.

DISSENTERS' OR APPRAISAL RIGHTS

THE FOLLOWING DISCUSSION IS NOT A COMPLETE DESCRIPTION OF THE DISSENTERS' OR APPRAISAL RIGHTS AVAILABLE UNDER FLORIDA LAW. THIS DESCRIPTION IS QUALIFIED BY THE FULL TEXT OF THE RELEVANT PROVISIONS OF THE FLORIDA STATUTES, WHICH ARE REPRINTED IN THEIR ENTIRETY AS ***APPENDIX D*** AND ***APPENDIX E*** TO THIS PROXY STATEMENT. IF YOU DESIRE TO EXERCISE DISSENTERS' OR APPRAISAL RIGHTS, YOU SHOULD REVIEW CAREFULLY THE FLORIDA STATUTES AND ARE URGED TO CONSULT A LEGAL ADVISOR BEFORE ELECTING OR ATTEMPTING TO EXERCISE THESE RIGHTS.

Prime Meridian will become a "successor institution" under Florida banking law immediately before the First Step Merger. Because of this, Florida law is unclear as to whether Prime Meridian's shareholders are entitled to dissenters' rights under Section 658.44, *Florida Statutes*, or appraisal rights under Sections 607.1301-607.1333, *Florida Statutes*. Therefore, Prime Meridian and MFCU will honor any shareholder's election of either set of rights.

Dissenters' Rights under Section 658.44, Florida Statutes

Each shareholder of Prime Meridian entitled to vote on the Merger who complies with the procedures set forth in Section 658.44, *Florida Statutes* (attached as ***Appendix D***), relating to the rights of dissenting shareholders is entitled to receive in cash the value of his or her shares of Prime Meridian common stock. **To perfect dissenters' rights, a shareholder must comply strictly with the procedures set forth under Florida law relating to dissenters' rights. Failure to follow these procedures will result in a termination or waiver of the shareholder's dissenters' rights.**

To perfect dissenters' rights, a holder of Prime Meridian common stock must vote against approval of the Merger or provide written notice to Prime Meridian at or prior to the Special Meeting indicating that such shareholder dissents from the Merger. Such written notification should be delivered either in person or by mail (certified mail, return receipt requested or overnight express carrier, is the recommended form of transmittal) to: *Prime Meridian Holding Company, 1471 Timberlane Road, Tallahassee, Florida 32312, Attention: Chief Executive Officer*. All such communications should be signed by or on behalf of the dissenting Prime Meridian shareholder in the form in which his or her shares are registered on the books of Prime Meridian. If a shareholder has not provided written notice of dissent at or prior to the Special Meeting and such shareholder does not vote against the Merger, the shareholder will be deemed to have waived his or her dissenters' rights. Note that a failure to return a proxy card and an abstention from voting at the Special Meeting will not be deemed to be a vote against the Merger for purposes of determining a shareholder's dissenters' rights.

If the dissenting shareholder properly perfects his or her dissenters' rights and the Merger is adopted and approved by the shareholders of Prime Meridian, then such dissenting shareholder shall have the following rights with respect to those shares. Under Section 658.44, *Florida Statutes*, on or promptly after the effective date of the Merger, MFCU may set an amount that it will pay in cash to dissenting shareholders. If MFCU sets such an amount (which it is not legally required to do), it shall offer to pay such amount to the holders of all dissenting shares of Prime Meridian. The owners of dissenting shares who have accepted the offer will be entitled to receive the amount so offered upon surrender of their stock certificates (if their shares are represented by

physical certificates) at any time within 30 days after the effective date of the Merger. Those owners who have not accepted such an offer for their shares will have the value of their dissenting shares determined as of the effective date of the Merger by three appraisers; one to be selected by the owners of at least two-thirds of such dissenting shares, one to be selected by MFCU's Board of Directors, and the third to be selected by the other two appraisers so chosen. The value agreed upon by any two of the three appraisers will control and be final and binding on all parties. If, within 90 days from the effective date of the Merger, for any reason one or more of the appraisers is not selected as required under the statute, or the appraisers fail to determine the value of the dissenting shares, the Florida Office of Financial Regulation will cause an appraisal of the dissenting shares to be made, which will be final and binding on all parties. Except as set forth below in the description of the escrow, the expenses of appraisal will be paid for by MFCU. Upon conclusion of the appraisal process, the value determined by the appraisal shall be paid to all dissenting shareholders in cash (upon surrender of the stock certificates representing such shares, if their shares are represented by physical stock certificates) within 30 days after the appraisal has been made.

Appraisal Rights under Sections 607.1301-607.133, Florida Statutes

Alternatively, if a shareholder does not believe the Merger consideration ($58.50 in cash) set forth under the Merger Agreement is fair, under Florida law, any such shareholder entitled to vote on the Merger Agreement who complies with the procedures set forth in Sections 607.1301 to 607.1333, *Florida Statutes* (attached as ***Appendix E***), relating to appraisal rights is entitled to receive in cash the fair value of his or her shares of Prime Meridian's common stock. **To perfect appraisal rights, a shareholder must comply strictly with the procedures set forth under Florida law relating to appraisal rights. Failure to follow these procedures will result in a termination or waiver of the shareholder's appraisal rights.**

To perfect appraisal rights, a holder of Prime Meridian common stock must not vote in favor of the Merger Agreement and must provide written notice to Prime Meridian, *before* the vote is taken at the Special Meeting indicating that such shareholder intends to demand payment of fair value if the Merger Agreement is effectuated. Such written notification should be delivered either in person or by mail (certified mail, return receipt requested, or overnight express carrier is the recommended form of transmittal) to: *Prime Meridian Holding Company, 1471 Timberlane Road, Tallahassee, Florida 32312, Attention: Chief Executive Officer.*

All such notices must be signed in the same manner as the shares are registered on the books of Prime Meridian. If a shareholder has not provided written notice of intent to demand fair value before the vote is taken at the Special Meeting, the shareholder will be deemed to have waived his or her appraisal rights and if the Merger Agreement is approved, the shareholder will receive the Merger consideration set forth in the Merger Agreement.

Within 10 days after the date the Merger becomes effective, MFCU, as successor to Prime Meridian and the Bank, will provide each former Prime Meridian shareholder who has properly provided a notice of intent to demand payment of fair value a written appraisal notice and form, which will indicate MFCU's estimate of the fair value of Prime Meridian's common stock, provide, where to return the completed appraisal election form and the shareholder's stock

certificates (if such shares are represented by physical certificates) and the date by which they must be received by MFCU. Additionally, the appraisal notice will contain a copy of Prime Meridian's financial statements and a copy of Sections 607.1301 to 607.1333, *Florida Statutes.*

A shareholder asserting appraisal rights must execute and return the form to MFCU and deposit the shareholder's certificates (if such shares are represented by physical stock certificates) in accordance with the terms of the notice, before the date specified in the appraisal notice, which will not be fewer than 40 or more than 60 days after the appraisal notice and form were sent to the shareholder. A shareholder who deposits shares in accordance with the assertion of appraisal rights has no further rights as a shareholder, but only has the right to receive "fair value" for the shares in accordance with the appraisal procedures, unless the appraisal demand is withdrawn.

A shareholder who does not execute and return the form and deposit any physical stock certificates by the date set forth in the appraisal notice, will no longer be entitled to appraisal rights, will be bound by the terms of the Merger Agreement, and will receive $58.50 in cash per share of Prime Meridian common stock. A shareholder who complies with the requirements and wishes to withdraw from the appraisal process may do so by notifying MFCU in writing before the date set forth in the appraisal notice as the due date to execute and return the form. A shareholder who fails to withdraw from the appraisal process in a timely manner may not thereafter withdraw without MFCU's written consent.

A shareholder must demand appraisal rights with respect to all of the shares registered in his or her name, except that a record shareholder may assert appraisal rights as to fewer than all of the shares registered in the record shareholder's name but that are owned by a beneficial shareholder, if the record shareholder objects with respect to all shares owned by the beneficial shareholder. A record shareholder must notify Prime Meridian in writing of the name and address of each beneficial shareholder on whose behalf appraisal rights are being asserted. A beneficial shareholder may assert appraisal rights as to any shares held on behalf of the shareholder only if the shareholder submits to Prime Meridian the record shareholder's written consent to the assertion of such rights before the date specified in the appraisal notice, and does so with respect to all shares that are beneficially owned by the beneficial shareholder.

If a shareholder timely accepts the offer to pay the fair value of the shares as set forth in the appraisal notice, payment will be made within 90 days after MFCU receives the appraisal form from the shareholder. A shareholder who is dissatisfied with the offer must include in his or her returned form a demand for payment of that shareholder's estimate of the fair value of the shares plus interest; otherwise the shareholder will be entitled to payment of only the amount offered. Interest is to be calculated at the interest rate on judgments in Florida on the effective date of the Merger. Once MFCU has made payment of an agreed upon value, the shareholders will cease to have any interest in the shares.

If MFCU and the dissenting shareholder are unable to agree on the fair value of the shares, Section 607.1330, *Florida Statutes*, provides that MFCU must file an appraisal action in a court of competent jurisdiction in Leon County, Florida within 60 days of the shareholder's demand for payment and petition such court to determine the fair value of the shares and the accrued interest. If MFCU were to fail to file such an action within the 60 day period, any shareholder who has

made a demand for payment may initiate the appraisal action in the name of Prime Meridian. All shareholders, whether or not residents of Florida, who have unsettled demands for payment, shall be made parties to the appraisal action and will be bound by the court's determination of the fair value of the shares. The court, in determining the fair value of the shares, may in its discretion appoint one or more persons to receive evidence, appraise the value of the shares, and to recommend a fair value for the shares. MFCU would be required to make payment to the dissenting shareholders within 10 days after the court makes its final determination of the fair value. Upon payment of the judgment, the dissenting shareholder would cease to have any interest in Prime Meridian or MFCU.

The court in any appraisal proceeding will determine the cost and expense of any such proceeding and such costs and expenses will be assessed against MFCU. However, all or any part of such costs and expense may be apportioned and assessed against all or some of the dissenting shareholders, in such amount as the court deems equitable, if the court determines that the shareholders acted arbitrarily, vexatiously, or not in good faith with respect to the appraisal rights. In the event MFCU fails to make any required payments, the shareholders may sue directly for the amount owed, and to the extent successful, will be entitled to recover all costs and expenses of the suit, including attorney's fees.

PROPOSAL 2 – ADJOURNMENT OF THE SPECIAL MEETING

The Board of Directors is asking for your approval to adjourn the Special Meeting in the event that there are an insufficient number of votes to approve Proposal 1 at the Special Meeting. In order to permit proxies that have been timely received by the Board to be voted for an adjournment, Prime Meridian is submitting this proposal as a separate matter for your consideration. If it is necessary to adjourn the Special Meeting and the adjournment is for a period of less than 30 days, no notice of the time and place of the reconvened meeting will be given to shareholders, other than an announcement made at the Special Meeting.

The Board of Directors Recommends that the Shareholders Vote "FOR" the Adjournment of the Special Meeting.

PRIME MERIDIAN HOLDING COMPANY
Tallahassee, Florida
June 4, 2025

APPENDIX A

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AGREEMENT AND PLAN OF MERGER

BY AND AMONG

PRIME MERIDIAN HOLDING COMPANY,

PRIME MERIDIAN BANK,

AND

MIDFLORIDA CREDIT UNION

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EXHIBITS

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "**Agreement**") is made and entered into as of April 21, 2025, by and among PRIME MERIDIAN HOLDING COMPANY a Florida corporation and registered bank holding company (the "**Holding Company**"), its wholly-owned subsidiary, PRIME MERIDIAN BANK, a Florida commercial bank ("**Seller**," and together with the Holding Company, the "**Selling Parties**," each a "**Selling Party**"), and MIDFLORIDA CREDIT UNION, a Florida chartered credit union ("**Buyer**"). Buyer, the Holding Company, and Seller may be referred to in this Agreement each as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, the board of directors of each of Buyer, the Holding Company and Seller have unanimously determined that this Agreement, the Merger (as defined below) and the related transactions contemplated hereby are advisable and in the best interests of Buyer, the Holding Company, Seller and their respective stockholders, members, constituencies and communities, as the case may be; and

WHEREAS, the Parties desire to make certain representations, warranties and agreements in connection with the Merger and also to prescribe certain conditions to the Merger and the related transactions contemplated hereby; and

WHEREAS, as a condition and inducement to Buyer's willingness to enter into this Agreement, as of the date hereof (1) each of the directors of Holding Company and Seller has entered into individual voting agreements with Buyer, in the form of that attached hereto as Exhibit A-1 (the "**Voting Agreements**"), pursuant to which each director, solely in their capacity as a stockholder, has agreed, among other things, to vote their shares of Holding Company Common Stock in favor of this Agreement and the transactions contemplated hereby; (2) each director of Seller has entered into a Restrictive Covenant Agreement with Buyer in the form of that attached hereto as Exhibit A-2; (3) certain officers of Seller have entered a Retention Agreement with Buyer in the form of that attached hereto as Exhibit A-3 (the "**Retention Agreements**"); and (4) each of the directors and executive officers of Holding Company and Seller has entered into individual Claims Letters with Buyer of the form of that attached hereto as Exhibit A-4.

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. In addition to the terms defined elsewhere in this Agreement, as used herein, the following terms have the definitions indicated:

"**Account Loans**" are those savings account loans and negotiable orders of withdrawal, checking and other transaction account lines of credit associated with deposits which consist of (a)

all account loans secured solely by deposits, if any, and (b) any overdraft, checking balances or checking account line of credit loan balances, if any.

"**Accounts Receivable**" means all accounts receivable reflected on Selling Parties' books and records as of the close of business on the Closing Date.

"**Accrued Interest**" on any Loans or Liquid Assets means interest that is accrued but not credited through the close of business on the Closing Date, and on any deposit or FHLB advances means interest that is accrued but unposted through the close of business on the Closing Date.

"**Acquisition Proposal**" has the meaning set forth in Section 5.07.

"**Aggregate Consideration**" has the meaning set forth in Section 2.05(c).

"**Agricultural Loan**" means a loan, the proceeds of which are intended to be used substantially finance production of crops and livestock, or to fund the purchase or refinance of capital assets such as farmland, machinery and equipment and farm real estate improvements.

"**Affiliate**" of a Party means any person, partnership, corporation, association or other legal entity directly or indirectly controlling, controlled by, or under common control with that Party.

"**Allowance**" means the specific and general reserves applicable to a Loan as determined by Seller in accordance with applicable regulatory standards and GAAP.

"**Alternative Structure**" has the meaning set forth in Section 2.01(b).

"**Automobile Receivable**" means a loan or installment sale contract arising from the purchase of, and secured by, an automobile, light-duty vehicle, all-terrain vehicle, boat or motorcycle.

"**Bank Accounts**" means all of Seller's deposit accounts, including, without limitation, those for payroll and cashier's checks.

"**Business Day**" means any Monday, Tuesday, Wednesday, Thursday, or Friday that is not a federal holiday generally recognized by Florida commercial banks.

"**Business Loan**" means a term or revolving Loan for a commercial purpose secured by personal property or a mixture of real and personal property, or unsecured.

"**Buyer**" has the meaning set forth in the Recitals.

"**Buyer Disclosure Schedule**" means the relevant schedule that Buyer shall deliver to the Selling Parties on the date hereof setting forth items the disclosure of which is necessary or appropriate in response to an express disclosure requirement contained in a provision hereof.

"**Buyer Health Plan**" has the meaning set forth in Section 6.01(d).

"**CARES Act**" means the Coronavirus Aid, Relief, and Economic Security Act of 2020.

"**Cash on Hand**" means all petty cash, vault cash, ATM cash and teller cash.

"**Certificate of Merger**" has the meaning set forth in Section 2.03.

"**Claim**" has the meaning set forth in Section 6.02(a).

"**Closing**" and "**Closing Date**" shall have the meanings assigned to them in Section 2.02.

"**Closing Equity Value**" has the meaning set forth in Section 2.06(a).

"**Code**" has the meaning set forth in Section 3.17(a).

"**Commercial Mortgage Loan**" means a Loan secured by a Mortgage on real property used for commercial purposes, including five- or greater unit residential real property.

"**Construction Loan**" means a Loan, the proceeds of which are intended to be used substantially to finance the construction of improvements on real property.

"**Contracts**" means the service and maintenance agreements, leases of personal and real property, and any other agreements, licenses and permits to which Seller is a party (including contracts relating to the Safe Deposit Boxes); *provided*, *however*, that, for purposes of clarification only, such contracts shall not include (a) any "employee benefit plans" as defined in Section 3(3) of ERISA maintained, administered or contributed to or by Seller, (b) any employment agreements or change in control agreements to which Seller is a party, or (c) any non-qualified deferred compensation arrangements under which the deferred compensation thereunder would be immediately taxable to the participants pursuant to Code Section 457(f) if assigned to Buyer.

"**Disclosure Schedule Updates**" has the meaning set forth in Section 5.11.

"**Dissenting Laws**" has the meaning set forth in Section 2.08.

"**Dissenting Shares**" has the meaning set forth in Section 2.08.

"**Dissenting Stockholder**" has the meaning set forth in Section 2.08.

"**DOL**" means the United States Department of Labor.

"**Effective Time**" has the meaning set forth in Section 2.03.

"**Employee Benefit Plan**" of a Party, which includes any Affiliate of that Party, means (a) all employee benefit plans, programs, policies, agreements and arrangements of that Party (including any "employee benefit plan" as defined in Section 3(3) of ERISA, whether or not subject to ERISA) and (b) all employment, consulting, retention, change in control, pension, retirement (qualified and non-qualified), profit sharing, savings, bonus, deferred or incentive compensation, hospitalization, medical, life insurance, disability insurance, paid time off, paid holiday, termination or severance pay, stock purchase, restricted stock, stock option, performance shares, stock appreciation rights benefit plans, employee stock ownership, share purchase, equity-based compensation, health, welfare, or other similar plans, programs, policies, agreements and

arrangements, including any Employee Pension Benefit Plan, Employee Welfare Benefit Plan, Stock Plan, and fringe benefit plan or program, in each case that is (x) sponsored, maintained or contributed to by that Party or any of its Affiliates for the benefit of any employee or any beneficiary or dependent thereof or (y) under which that Party or any of its Affiliates has or could have any liability with respect to any employee or any beneficiary or dependent thereof.

"**Employee Pension Benefit Plan**" has the meaning set forth in ERISA Section 3(2).

"**Employee Welfare Benefit Plan**" has the meaning set forth in ERISA Section 3(1).

"**Encumbrances**" means all mortgages, claims, charges, liens, encumbrances, easements, restrictions, options, pledges, calls, commitments, security interests, conditional sales agreements, title retention agreements, leases, and other restrictions of any kind whatsoever.

"**Environmental Laws**" has the meaning set forth in Section 3.18(a).

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**Excluded Assets, Contracts, Deposits and Other Liabilities**" has the meaning set forth in Section 5.20.

"**FBCA**" means the Florida Business Corporation Act

"**FDIC**" means the Federal Deposit Insurance Corporation.

"**FFIC**" means the Florida Financial Institutions Codes.

"**Fee**" has the meaning set forth in Section 8.03.

"**First Step Merger**" has the meaning set forth in Section 2.01(a)(i).

"**First Step Merger Agreement**" has the meaning set forth in Section 2.01(a)(i).

"**FHLB**" means the Federal Home Loan Bank.

"**Fixed Assets**" means all furniture, equipment, trade fixtures, ATMs, office supplies, sales material, and all other tangible personal property owned or leased by Seller, located in or upon one of Seller's branch offices, loan production offices, or used in Seller's business, and described on Seller Disclosure Schedule 1.01(b), which includes the depreciated book value of those Fixed Assets as of December 31, 2024, and identifies any Encumbrance encumbering each Fixed Asset.

"**FOFR**" means the Florida Office of Financial Regulation.

"**FRB**" means the Board of Governors of the Federal Reserve System.

"**GAAP**" means generally accepted accounting principles consistently applied by Seller.

"**General Exceptions**" has the meaning set forth in Section 3.01(f).

"**Governmental Authority**" means the Regulators, any court, and any other administrative agency or commission or other federal, state or local governmental authority or instrumentality.

"**Hazardous Materials**" has the meaning set forth in Section 3.18(a).

"**Home Equity Loan**" means a closed-end or revolving Residential Mortgage Loan secured by a Mortgage with no lower priority than a second mortgage priority on the applicable Mortgaged Property.

"**Holding Company**" has the meaning set forth in the Recitals.

"**Holding Company Common Stock**" means each issued and outstanding share of common stock of the Holding Company, par value $0.01 per share.

"**Holding Company Stock Option**" means an option to purchase shares of Holding Company Stock that is outstanding and unexercised.

"**Holding Company Stock Plan**" means the Prime Meridian Holding Company 2015 Stock Incentive Plan.

"**Indemnified Parties**" has the meaning set forth in Section 6.02(a).

"**IRS**" means Internal Revenue Service.

"**Knowledge**" and the phrase "to the Knowledge" are defined so that, when any statement in this Agreement or in any list, certificate or other document delivered pursuant to this Agreement to any party hereto is made "to the Knowledge" of:

(a) an individual: that such person will be deemed to have "Knowledge" of a particular fact or other matter if: (i) such individual is actually aware of such fact or other matter; or (ii) an individual could be reasonably expected to discover or otherwise become aware of such fact or other matter in the ordinary course of that person's business affairs; and

(b) Seller, the Holding Company, the Selling Parties or Buyer: as the context requires, such Party will be deemed to have "Knowledge" of a particular fact or other matter if an executive officer of such Party has Knowledge of such facts or other information as set forth in Section (a) above. The phrase "to the Knowledge of the Selling Parties," or words of similar import, shall mean the Knowledge of Seller and/or the Knowledge of the Holding Company. If the Seller has Knowledge of a particular fact or other matter, the Holding Company shall also be deemed to have Knowledge of such fact or matter, and vice versa.

"**Letter of Transmittal**" has the meaning set forth in Section 2.07(a).

"**Lien**" means any mortgage, deed of trust, pledge, reservation, restriction, security interest, encumbrance or lien of any nature whatsoever of, on, or with respect to any property or property interest.

"**Liquid Assets**" means all bonds and other investment securities (including FHLB stock) owned by Seller on the Closing Date, together with Accrued Interest thereon, if any, and including any amounts due to or from brokers or custodians. A list of such bonds and investment securities owned as of December 31, 2024 (including the book value and market value thereof), is set forth in Seller Disclosure Schedule 1.01(c).

"**Loan Debtor**" means an obligor or guarantor, including a third party pledgor, with respect to the Loan Documents relating to a Loan.

"**Loan Documents**" means, with respect to each Loan, the constituent documents relating thereto, including, without limitation, the loan application, appraisal report, title insurance policy, promissory note, deed of trust, loan agreement, security agreement, and guarantee, if any.

"**Loan**" and "**Loans**" means all the loans owned by Seller (either wholly, as a participant or as a lead in a participation), each of which is either an Agricultural Loan, Account Loan, a Construction Loan, a Residential Mortgage Loan, a Commercial Mortgage Loan, an Automobile Receivable, a Business Loan or an Unsecured Loan, net of the Allowance maintained by Seller with respect to a Loan, any deferred fees or costs with respect to a Loan, including any unposted or in transit loan credits or debits, and all retained rights of Seller to service previously originated and sold Loans.

"**Material Adverse Effect**" has the meaning set forth in Section 3.04.

"**Materially Burdensome Regulatory Condition**" has the meaning set forth in Section 5.08.

"**Maximum Amount**" has the meaning set forth in Section 6.02(b).

"**Measuring Date**" means as of the close of business on the fifth (5^{th}) Business Day prior to the Closing Date.

"**Merger**" has the meaning set forth in Section 2.01(a)(ii).

"**Minimum Equity Value**" has the meaning set forth in Section 2.06(a).

"**Mortgage**" means a mortgage or deed of trust encumbering real property and, if applicable, fixtures and securing the obligations of a Loan Debtor with respect to a Loan.

"**Mortgaged Property**" means real property encumbered by a Mortgage.

"**Multiemployer Plan**" means as defined in ERISA Section 3(37).

"**NCUA**" means the National Credit Union Administration.

"**Option Consideration**" has the meaning set forth in Section 2.05(c).

"**Option Payment**" has the meaning set forth in Section 2.05(c).

"**OREO**" means other real estate owned, as such real estate is classified on Seller's books.

"**Outstanding Seller Common Stock**" has the meaning set forth in Section 2.05(a).

"**Party**" has the meaning set forth in the Recitals.

"**Paying Agent**" has the meaning set forth in Section 2.07(b).

"**Per Share Merger Consideration**" has the meaning set forth in Section 2.05(a).

"**Permitted Encumbrances**" has the meaning set forth in Section 3.05.

"**Pre-Closing Tax Period**" shall mean all Tax years (and interim Tax periods) up to and including the Closing Date.

"**Prepaid Expenses**" means the prepaid expenses recorded or reflected on the books of Seller at the close of business on the Closing Date (including, without limitation, prepaid FDIC insurance premiums relating to deposits).

"**Real Estate**" means the Seller Real Estate and the OREO.

"**Records**" means (a) all open records and original documents relating to the Loans, Safe Deposit Boxes, the Bank Accounts, assets, or deposits; and (b) an account history of all accounts related to deposits, Loans, Cash on Hand, Liquid Assets, the Bank Accounts, and Safe Deposit Boxes. Records includes but is not limited to signature cards, customer cards, customer statements, legal files, pending files, all open account agreements, Retirement Account agreements, Safe Deposit Box records, and computer records.

"Regulators" means FDIC, FOFR, FRB, and NCUA, as applicable.

"**Requisite Holding Company Vote**" has the meaning set forth in Section 7.03(c).

"**Requisite Regulatory Approvals**" has the meaning set forth in Section 3.02.

"**Residential Mortgage Loan**" means a Loan secured by a Mortgage on one-to four-unit residential real estate.

"**Retirement Accounts**" means any deposit account, generally known as Individual Retirement Accounts, Keoghs or Simplified Employee Pensions Plans, maintained by a customer for the stated purpose of the accumulation of funds to be drawn upon at retirement.

"**Return Items**" has the meaning set forth in Section 3.13(b)(1).

"**Routing and Telephone Numbers**" means the routing number of Seller used in connection with deposits, upon approval from the FRB of the transfer of this number to Buyer under the name "MidFlorida Credit Union," and the telephone and facsimile numbers associated with Seller.

"**Safe Deposit Boxes**" means all right, title and interest of Seller in and to any safe deposit business conducted through one of Seller's branches as of the close of business on the Closing Date.

"**SBA**" means the United States Small Business Administration.

"**SBA License**" means a license granted under the Small Business Act (15 U.S.C. 632 et seq.) and any other authorization needed in order to originate and service SBA Loans.

"**SBA Loan**" means a loan to a Loan Debtor that is guaranteed by the SBA.

"**Seller**" has the meaning set forth in the Recitals.

"**Seller 401(k) Plan**" has the meaning set forth in Section 6.01(e).

"**Seller Book Value**" has the meaning set forth in Section 2.06(a).

"**Seller Common Stock**" means each issued and outstanding share of common stock of Seller, par value $5.00 per share.

"**Seller Disclosure Schedule**" has the meaning set forth in the first paragraph of Article III.

"**Seller Health Plan**" has the meaning set forth in Section 6.01(d).

"**Seller Real Estate**" means the real estate, buildings and fixtures owned by the Selling Parties as of the date hereof as described in Seller Disclosure Schedule 1.01(d) attached hereto, but specifically excludes OREO.

"**Seller Stock Certificate**" has the meaning set forth in Section 2.05(a).

"**Seller Subsidiary**" has the meaning set forth in Section 3.01(c).

"**Severance Amount**" has the meaning set forth in Section 6.01(b).

"**Specified Contracts**" has the meaning set forth in Section 3.14(g).

"**Special Meeting**" means the special meeting of the holders of Holding Company Common Stock held for the purpose of voting on this Agreement and consummation of the Transactions.

"**Superior Proposal**" means an Acquisition Proposal made by a third party after the date hereof and prior to obtaining the Requisite Holding Company Vote, which, in the good faith judgment of the board of directors of Seller and the board of directors of the Holding Company, taking into account the various legal, financial and regulatory aspects of the proposal and the person making such proposal, (x) if accepted, is more likely than not to be consummated, and (y) if consummated, is reasonably likely to result in a more favorable transaction than the Transactions for Seller and Holding Company and their shareholders and other relevant constituencies; provided, that for the purposes of a "Superior Proposal," the reference to "25% or more of the assets or deposits of Seller or Holding Company" in the definition of "Acquisition Proposal" shall be increased to "substantially all of the assets and deposits of Seller and Holding Company."

"**Surviving Entity**" has the meaning set forth in Section 2.01(a)(ii).

"**Stock Plan**" means any stock incentive, stock option, stock ownership or similar employee benefits plan of a Party.

"**Transactions**" means the First Step Merger and Merger as contemplated by Article II, provided, however, that the Transactions may be effected pursuant to Section 2.01(b).

"**Transaction Expenses**" has the meaning set forth in Section 2.06(a).

"**Unfunded Commitment**" means the commitment entered into by Seller to fund additional advances under any Loan, or under any new unfunded Loan commitment on or after the Closing Date.

"**Unsecured Loan**" means a loan which is not secured by assets of the Loan Debtor or Loan Debtors or any third party, including but not limited to overdrawn accounts of deposit.

ARTICLE II
THE MERGER AND RELATED MATTERS

Section 2.01 The Transactions; Surviving Entity.

(a) As promptly as practicable following the satisfaction or waiver of the conditions to each of the Party's obligations hereunder, and subject to the terms and conditions of this Agreement:

(i) The Holding Company and Seller have entered into an agreement and plan of merger in the form attached hereto as Exhibit B (the "**First Step Merger Agreement**"). Subject to the terms and conditions of the First Step Merger Agreement, including the satisfaction of the requirements of Section 5.19 hereof, the Holding Company shall file Restated Articles of Incorporation with the Florida Secretary State in the form attached hereto as Exhibit C to become a Florida banking corporation and successor institution pursuant to § 658.40(4), Fla. Stat. and shall merge with and into Seller (the "**First Step Merger**"); the separate existence of the Holding Company shall cease; and by virtue of the First Step Merger, automatically and without any action on the part of the Holding Company, Seller or any stockholder of the Holding Company, each share of Holding Company Common Stock issued and outstanding immediately prior to the effective time of the First Step Merger (other than Dissenting Shares) shall be converted into the right to receive one share of Seller Common Stock and each Holding Company Stock Option issued and outstanding immediately prior to the effective time of the First Step Merger shall be converted into one Seller Stock Option (with all other terms and conditions, including the underlying exercise price, to remain unchanged).

(ii) Immediately following the First Step Merger, Buyer shall acquire the assets and liabilities of Seller by merger of Seller with and into Buyer (the "**Merger**"); the separate existence of Seller shall cease; and Buyer shall be the continuing entity in the Merger (the "**Surviving Entity**"), all in accordance with FBCA, FFIC, or such other applicable federal or state law. At the Effective Time,

each outstanding share of Seller Common Stock shall be converted into the right to receive the Per Share Merger Consideration pursuant to Sections 2.05 and 2.07.

(b) Buyer and Seller shall be empowered, upon their mutual written agreement, at any time prior to the Effective Time, to change the method or structure of effecting the combination of Buyer and Seller (including the provisions of Section 2.01(a) hereof), if and to the extent they both deem such change to be necessary, appropriate, or desirable (the "**Alternative Structure**"), provided that no such change shall (i) alter or change the amount or kind of Aggregate Consideration; (ii) materially impede or delay the receipt of any regulatory approval in such a manner as would reasonably be expected to delay the Effective Time beyond the Termination Date; (iii) results in any material or adverse federal or income tax consequences to the Holding Company stockholders; (iv) adversely affect the federal and state tax treatment of the Transactions to Buyer or any Seller Party; (v) increase the obligations, liabilities or duties of the Selling Parties prior to the Effective Time; or (vi) cause Seller's charter to remain in existence following the Effective Time. If it is reasonably determined that the Transactions cannot be effected as set forth in Section 2.01(a), the Parties shall, in good faith and subject to (i) through (vi) above, attempt to agree to an Alternative Structure or any other mutually agreeable change to the method or structure to effectuate the combination of Buyer and Seller within fifteen (15) Business Days following such determination by the Parties. If such mutual agreement is reached, this Agreement and any related documents shall be appropriately amended in order to reflect the Alternative Structure or any other mutually agreeable change to the method or structure to effectuate the combination of Buyer and Seller.

Section 2.02 Closing. The closing of the Transactions (the "**Closing**") shall take place (i) at 10:00 a.m., Eastern Time, on the date that is five (5) Business Days after the satisfaction or waiver (subject to applicable law) of the latest to occur of the conditions set forth in Article VII hereof (other than those conditions that by their nature can only be satisfied at Closing, but subject to the satisfaction or waiver thereof), or (ii) on such other date and time as may be mutually agreed to in writing by the Parties. The date on which the Closing actually occurs is referred to as the "**Closing Date**."

Section 2.03 Effective Time. Subject to the terms and conditions of this Agreement, each of the First Step Merger and the Merger shall be effected by (i) filing articles of mergers with the Florida Department of State – Division of Corporations in accordance with the FBCA and the FFIC (each, a "**Certificate of Merger**") and (ii) filing a copy of this Agreement, the First Step Merger Agreement and a copy of the approval of the FDIC with the FOFR and the NCUA. The First Step Merger shall be effective on the date and time specified in the applicable Certificate of Merger in accordance with relevant provisions of the FBCA and the FFIC, or such other time as shall be provided by applicable law. The Merger shall immediately follow the effective time of the First Step Merger and shall be effective at the date and time specified in the applicable Certificate of Merger in accordance with the relevant provisions of the FBCA and the FFIC, or such other time as shall be provided by applicable law (such date and such time with respect to the Merger is referred to as the "**Effective Time**").

Section 2.04 Effect of the Merger. At and after the Effective Time, (i) the Merger shall have the effects set forth in this Agreement and the applicable provisions of the FBCA and FFIC; (ii) the Certificate of Authorization of Buyer as in effect immediately prior to the Effective Time

shall be the Certification of Authorization of the Surviving Entity until duly amended in accordance with applicable law; (iii) the name of the Surviving Entity shall be "MidFlorida Credit Union," (iv) the bylaws of Buyer as in effect immediately prior to the Effective Time shall be by the bylaws of the Surviving Entity; and (v) the directors of Buyer immediately prior to the Effective Time shall be the directors of the Surviving Entity.

Section 2.05 Merger Consideration; Conversion of Shares.

(a) At the Effective Time, by virtue of the Merger and without any action on the part of the Parties or any stockholder of Seller, each share of Seller Common Stock issued and outstanding immediately prior to the Effective Time (other than shares cancelled and retired pursuant to Section 2.05(b) and Dissenting Shares and hereinafter referred to as the "**Outstanding Seller Common Stock**") shall become and be converted into the right to receive from Buyer the Per Share Merger Consideration and thereupon shall no longer be outstanding and shall automatically be cancelled and shall cease to exist. Each certificate previously evidencing any Outstanding Seller Common Stock (a "**Seller Stock Certificate**," it being understood that any reference herein to Seller Stock Certificate shall be deemed to include reference to book-entry account statements relating to the ownership of shares of Seller Common Stock) shall represent only the right to receive, upon surrender of such certificate in accordance with this Agreement, the Per Share Merger Consideration. At the Effective Time, the holders of Seller Stock Certificates shall cease to have any rights with respect thereto, except for the right to receive the Per Share Merger Consideration or for rights associated with Dissenting Shares.

The "**Per Share Merger Consideration**" shall be $58.50 per share of Outstanding Seller Common Stock.

Subject to adjustment contemplated by Section 2.06, the "**Merger Consideration**" shall be an amount equal to the Per Share Merger Consideration multiplied by the number of shares of Outstanding Seller Common Stock at the effective.

(b) Each share of Seller Common Stock held as treasury stock or otherwise held by Seller (other than in a fiduciary capacity), if any, immediately prior to the Effective Time shall automatically be cancelled and retired and cease to exist, and no portion of the Merger Consideration shall be exchanged therefor.

(c) Each Holding Company Stock Option that is outstanding and unexercised as of the date hereof, at the Effective Time and without any action on the part of the holder thereof, shall become automatically vested and exercisable in full and cancelled, and the holder thereof shall have the right to receive from Seller on (or immediately prior to) the Closing Date a cash payment in respect of such cancelled Seller Stock Option in an amount, rounded down to the nearest whole cent, equal to the product of (i) the Per Share Merger Consideration minus the per share exercise price of such Holding Company Stock Option multiplied by (ii) the number of shares of Holding Company Common Stock subject to Holding Company Stock Option (the "**Option Payment**"). The aggregate of the Option Payments paid to all holders of the Holding Company Stock Options shall be referred to as the "**Option Consideration**," and together with the Merger Consideration, the "**Aggregate Consideration**." The right of a holder of a Seller Stock Option to receive the Option Payment shall be subject to their execution and delivery to Buyer of an Option Cancellation

Agreement in the form attached hereto as Exhibit D. To the extent that any unexercised Seller Stock Option has an exercise per share that is greater than the Per Share Merger Consideration, any such Seller Stock Option shall be automatically cancelled in exchange for no consideration without any further action. The Option Payment shall be subject to applicable payroll, federal, state and local income tax withholding and, as a result, the amount of the Option Payment actually delivered to its holder shall be reduced by the aggregate required tax withholding and either Buyer or Seller shall deliver such withheld amount to the applicable taxing authority.

Section 2.06 Minimum Equity and Merger Consideration Adjustment.

(a) If the Closing Equity Value is less than the Minimum Equity Value, then the Per Share Merger Consideration shall be reduced by an amount equal to $2.25 for each dollar difference between (i) the Minimum Equity Value, less (ii) the Closing Equity Value, and the Per Share Merger Consideration shall in turn be reduced proportionately. If the Closing Equity Value is equal to or greater than the Minimum Equity Value, there will be no adjustment to the Aggregate Consideration. The following is an illustrative example of the adjustment to the Per Share Merger Consideration if the Closing Equity Value is less than the Minimum Equity Value:

Outstanding Seller Common Stock		
Shares Outstanding	3,331,004	
Per Share Merger Consideration	$58.50	
Merger Consideration	$194,863,734	(a)
Minimum Equity Value	$97,900,000	
Closing Equity Value	$96,900,000	
Difference	($1,000,000)	
$2.25 Reduction for each dollar of reduction	($2,250,000)	(b)
Revised Merger Consideration	$192,613,734	(a)-(b)
Divided by Outstanding Seller Common Stock	3,331,004	*
Revised Per Share Merger Consideration	$57.82	

* The outstanding shares of Seller Common Stock at the Closing will be used.

"**Closing Equity Value**" shall mean Seller Book Value (i) minus any unrealized gains and plus any unrealized losses in Seller's investment portfolio due to mark-to-market adjustments, (ii) plus the expenses incurred, or projected to be paid or incurred prior to, or at, the Closing, in connection with the Agreement and the transactions contemplated by it by the Holding Company and/or Seller in connection with, or as a result of, the Transactions (including legal, accounting, and investment banking fees; expenses for the termination and de-conversion of Seller's data processing agreement; accrued bonuses, and change in control, severance and salary continuation agreement payments to be made by the Holding Company and Seller in connection with the Transactions; the insurance premiums contemplated by Section 6.02; and taxes, if any, accrued prior to Closing by Holding Company or Seller as a result of the Transactions (which

expenses shall not exceed $11,850,000) (the "**Transaction Expenses**"), and (iii) plus the amount of any losses or transaction expenses attributable Seller's transfers of any Excluded Assets, Deposits and Other Liabilities, regardless of amount of any losses or transaction expenses, as contemplated by Section 5.20. Seller Disclosure Schedule 2.06(a) lists the anticipated Transaction Expenses as of the date of the Agreement. The following is an illustrative example of the calculation of Closing Equity Value (the "**Example**"):

Common Stock	$39,000,000
Retained Earnings	$55,000,000
Unrealized Gains/Losses	$(7,000,000)
2025 Holding Company Consolidated Net Income	$10,000,000
Transaction Expenses	$(7,000,000)
Seller Book Value	$90,000,000
Addbacks	
(i) Unrealized Gains/Losses	$7,000,000
(ii) Transaction Expenses	$7,000,000
(iii) ACL Recapture	$0
Closing Equity Value	$104,000,000

"**Seller Book Value**" means the total consolidated equity capital of the Selling Parties estimated as of the Measuring Date, calculated in accordance with GAAP and in accordance with applicatory regulatory requirements. For the sake of clarity and avoidance of doubt, Seller Book Value is intended to equal such amount as would be reported as the "Total equity capital" on line 28 of Schedule RC – Balance Sheet of Seller's Call Reports (based on the current form of FFIEC Form 051) as of the Measuring Date after giving effect to the First Step Merger, including taxes, if any, accrued prior to Closing as a result of the Transactions.

"Minimum Equity Value" shall mean Ninety Seven Million Nine Hundred Thousand Dollars ($97,900,000).

(b) Not less than three (3) Business Days prior to the Measuring Date, the Selling Parties shall deliver to Buyer for its comment and approval a good faith estimate, including detailed calculations, of (a) the Merger Consideration, the Per Share Merger Consideration and the Option Payments to be paid to each holder thereof pursuant to Sections 2.05(a) and 2.05(c) of this Agreement, and (b) Seller's Closing Equity Value. If Buyer in good faith disagrees with the calculation of the Selling Parties' good faith estimate of the Merger Consideration, the Per Share Merger Consideration, the Option Payments and/or Seller's Closing Equity Value, Buyer shall provide written notice, including detailed calculations illustrating the basis and amount(s) of disagreement; to the Selling Parties. Buyer and the Selling Parties shall meet as soon as practicable to resolve any such disagreement. If Buyer and the Selling Parties cannot resolve any such disagreement within ten (10) days of the date of Buyer's written notice, then an independent accounting firm mutually agreed to in writing by Buyer and the Selling Parties shall resolve any such disagreement as soon as practicable which resolution shall be final and binding on Buyer and the Selling Parties. The fees of any such accounting firm shall be divided equally between the

Parties and the Selling Parties' share of such fees shall be considered Transaction Expenses for purposes of calculating the Closing Equity Value.

Section 2.07 Payment Procedures.

(a) Buyer will cause appropriate transmittal materials ("**Letter of Transmittal**") in a form satisfactory to Buyer and Seller to be mailed as soon as practicable after the Effective Time, but in no event later than five (5) Business Days thereafter, to each holder of record of Seller Common Stock as of the Effective Time. A Letter of Transmittal will be deemed properly completed only if, in the case of holders of certificated shares of Seller Common Stock, the completed Letter of Transmittal is accompanied by one or more Seller Stock Certificates (or customary affidavits and, if required by Buyer pursuant to Section 2.07(g), indemnification regarding the loss or destruction of such Seller Stock Certificates or the guaranteed delivery of such Seller Stock Certificates) representing all shares of Seller Common Stock to be converted thereby. The Letter of Transmittal and instructions shall include applicable provisions with respect to delivery of an "agent's message" or other appropriate instructions with respect to shares of Seller Common Stock that are book-entry shares.

(b) At or prior to the Closing, Buyer shall deposit, or cause to be deposited an amount of cash sufficient to pay the Aggregate Consideration with ClearTrust, LLC or another party as mutually agreed to by Buyer and Seller (the "**Paying Agent**") for the benefit of the holders of shares of Seller Common Stock in accordance with this Section 2.07. If requested by Buyer, and as permitted by applicable law and so long as there are no adverse tax or accounting consequences to any Seller Party or its stockholders, at or immediately prior to the Closing, Seller shall deposit, out of its liquid assets, cash sufficient to pay all or a portion of the Aggregate Consideration with the Paying Agent. Any such cash deposited by Seller shall be treated as the assets of Seller for the purposes of the calculation of Seller's Closing Equity Value and, upon Closing, such deposit shall be treated as delivered by Buyer as Aggregate Consideration, and, if Closing does not occur within one (1) day of such deposit, the Paying Agent shall immediately return such deposit (without reduction in any amount) to Seller.

(c) The Letter of Transmittal shall (i) specify that delivery shall be effected, and risk of loss and title to any physical Seller Stock Certificates (as opposed to book-entry account statements) shall pass, only upon delivery of such physical Seller Stock Certificates to the Paying Agent; (ii) be in a form and contain any other provisions as Buyer may reasonably determine; (iii) include instructions for use in effecting the surrender of any physical Seller Stock Certificates (as opposed to book-entry account statements) in exchange for the Merger Consideration; and (iv) provide an "agent's message" or other appropriate instructions with respect to shares of Seller Common Stock that are book-entry shares. Upon the proper surrender of any such physical Seller Stock Certificates to the Paying Agent, together with, or in the case of Seller Common Stock represented by as opposed to book-entry account statements only, a properly completed and duly executed Letter of Transmittal, the holder of such Seller Stock Certificates shall be entitled to promptly receive from the Paying Agent in exchange therefor payment in the amount equal to the cash that such holder has the right to receive pursuant to Section 2.05. Seller Stock Certificates so surrendered shall forthwith be canceled. Promptly following receipt of the properly completed Letter of Transmittal and any necessary accompanying documentation, the Paying Agent shall distribute the Merger Consideration as provided herein. If there is a transfer of ownership of any

shares of Seller Common Stock not registered in the transfer records of Seller, the Merger Consideration shall be issued to the transferee thereof if the Seller Stock Certificates representing such Seller Common Stock are presented to the Paying Agent, accompanied by all documents required, in the reasonable judgment of Buyer and the Paying Agent, to evidence and effect such transfer and to evidence that any applicable stock transfer taxes have been paid.

(d) The stock transfer books of Seller shall be closed immediately upon the Effective Time and from and after the Effective Time there shall be no transfers on the stock transfer records of Seller of any shares of Seller Common Stock. If, after the Effective Time, Seller Stock Certificates are presented to Buyer, they shall be canceled and exchanged for the Merger Consideration deliverable in respect thereof pursuant to this Agreement in accordance with the procedures set forth in this Section 2.07.

(e) Any portion of the aggregate amount of cash deposited with the Paying Agent pursuant to Section 2.07(b) or any proceeds from any investments thereof that remains unclaimed by the stockholders of Seller for six (6) months after the Effective Time shall be repaid by the Paying Agent to Buyer upon the written request of Buyer. After such request is made, any stockholders of Seller who have not theretofore complied with this Section 2.07 shall look only to Buyer for the Merger Consideration deliverable in respect of each share of Seller Common Stock such stockholder holds, as determined pursuant to Section 2.05 of this Agreement, without any interest thereon. Notwithstanding the foregoing, neither the Paying Agent nor any Party (or any Affiliate thereof) shall be liable to any former holder of Seller Common Stock for any amount delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

(f) Buyer and the Paying Agent shall be entitled to rely upon Seller's stock transfer books to establish the identity of those persons entitled to receive the Merger Consideration, which books shall be conclusive with respect thereto. In the event of a dispute with respect to ownership of stock represented by any Seller Stock Certificate, Buyer and the Paying Agent shall be entitled to deposit any Merger Consideration represented thereby in escrow with a licensed trust company or in the registry of a Florida state court with jurisdiction of the subject matter and relevant parties with the cost thereof to be paid by the holders(s) of such Seller Common Stock, and thereafter be relieved with respect to any claims thereto.

(g) If any Seller Common Stock Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Seller Stock Certificate to be lost, stolen or destroyed and, if required by the Paying Agent or Buyer, the posting by such person of a bond in such amount as the Paying Agent may reasonably direct as indemnity against any claim that may be made against it with respect to such Certificate, the Paying Agent will issue in exchange for such lost, stolen or destroyed Seller Common Stock Certificate the Merger Consideration deliverable in respect thereof pursuant to Section 2.05.

(h) The Paying Agent or Buyer will be entitled to deduct and withhold from any Merger Consideration to be delivered to any holder of Seller Common Stock such amounts as the Paying Agent is required to deduct and withhold with respect to the making of such payment under the Code, or any applicable provision of U.S. federal, state, local or non-U.S. tax law. To the extent that such amounts are properly withheld by the Paying Agent or Buyer, such withheld amounts will be treated for all purposes of this Agreement as having been paid to the holder of Seller

Common Stock in respect of whom such deduction and withholding were made by the Paying Agent or Buyer.

Section 2.08 Appraisal Rights. Notwithstanding anything in this Agreement to the contrary, shares of Seller Common Stock issued and outstanding immediately prior to the Effective Time and held by a stockholder who has not voted in favor of the Merger or consented thereto in writing and who has properly demanded appraisal rights in the manner provided by the FBCA and the FFIC ("**Dissenting Shares**") shall not be converted into a right to receive a portion of the Merger Consideration, unless such stockholder fails to perfect or withdraws or otherwise loses his, her or its right to appraisal. From and after the Effective Time, a stockholder who has properly exercised such appraisal rights shall not have any rights of a stockholder of Seller with respect to Dissenting Shares, except those provided under applicable provisions of the FBCA and FFIC (any stockholder duly making such demand being hereinafter called a "**Dissenting Stockholder**"). A Dissenting Stockholder shall be entitled to receive payment of the appraised value of each Dissenting Share held by him or her in accordance with the applicable provisions of the FBCA and FFIC (the "**Dissenting Laws**"), unless, after the Effective Time, such stockholder fails to perfect or withdraws or loses his or her right to appraisal, in which case such shares of Seller Common Stock shall be converted into and represent only the right to receive the Per Share Merger Consideration, without interest thereon, upon surrender of any physical Seller Stock Certificates, pursuant to Section 2.05. Buyer shall have the right to participate in all discussions, negotiations and proceedings with respect to any such demands for appraisal. Seller shall not, except with the prior written consent of Buyer, voluntarily make, or offer to make, any payment with respect to, or settle or offer to settle, any such demand for appraisal. Seller shall not waive any failure to timely deliver a written demand for appraisal or the taking of any other action by such Dissenting Stockholder as may be necessary to perfect appraisal rights under the FBCA and FFIC. Any payments made in respect of Dissenting Shares shall be made by Buyer.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLING PARTIES

On the date hereof, the Selling Parties have delivered to Buyer a schedule ("**Seller Disclosure Schedule**") setting forth, among other things, items the disclosure of which is necessary or appropriate either (i) in response to an express disclosure requirement contained in a provision hereof or (ii) as an exception to one or more representations or warranties contained in this Article III or to one or more of the Selling Parties' covenants contained in Article V. The mere inclusion of an item in the Seller Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission by a Selling Party that such item represents a material exception, fact, event or circumstance or that such item is reasonably expected to result in a Material Adverse Effect on any Selling Party. Any disclosure made with respect to a section of Article III shall be deemed to qualify any other section of Article III if its relevance to the information called for in such section or subsection is reasonably apparent on its face.

The Selling Parties represent and warrant to Buyer, jointly and severally, as follows:

Section 3.01 Organization, Authority and Capitalization.

(a) Seller is a Florida state-chartered commercial bank, duly organized, validly existing and in good standing under laws of the State of Florida with the full power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted, and is duly licensed and qualified to do business and is in good standing (to the extent applicable) in each jurisdiction in which the nature of business conducted by its or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect on the Selling Parties. The deposits of Seller are insured by the FDIC to the fullest extent permitted by law, and all premiums and assessments required to be paid in connection therewith have been paid when due. Seller is a member in good standing of the FHLB and owns the requisite amount of stock therein.

(b) The Holding Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and is duly registered as a bank holding company under the BHCA. Holding Company has full corporate power and authority to own, lease and operate its properties and to conduct its business as now conducted and is duly licensed or qualified as a foreign corporation to transact business and is in good standing (to the extent applicable) in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so licensed or qualified and in good standing would not have a Material Adverse Effect on the Selling Parties.

(c) Seller Disclosure Schedule 3.01(c) lists every subsidiary or Affiliate of the Selling Parties (the "**Seller Subsidiaries**" and each a "**Seller Subsidiary**"). The Selling Parties own, directly or indirectly, all of the capital stock of each Seller Subsidiary, free and clear of any Liens. Each Seller Subsidiary, other than Seller, is a corporation, limited liability company or other legal entity duly organized, validly existing and in good standing (to the extent applicable) under the laws of its jurisdiction of incorporation or organization and each has all requisite company, partnership or corporate (as applicable) power and authority to own or lease its properties and assets and to carry on its business as now conducted. Other than shares of capital stock of the Seller Subsidiaries, neither the Holding Company nor Seller owns or controls, directly or indirectly, or have the right to acquire directly or indirectly, an equity interest in any corporation, company, association, partnership, joint venture or other entity, except for FHLB and First National Bankers Bankshares, Inc. stock, permissible equity interests held in the investment portfolios of the Holding Company or Seller, equity interests held by Seller or Seller Subsidiary in a fiduciary capacity and equity interests held in connection with the lending activities of Seller.

(d) The respective minute books of the Holding Company, Seller and each Seller Subsidiary accurately record, in all material respects, all material corporate actions of their respective stockholders and boards of directors (including committees).

(e) Prior to the date of this Agreement, true and correct copies of the articles of incorporation, articles of association and bylaws for each of the Holding Company and Seller, as applicable, have been made available to Buyer.

(f) The execution, delivery, and performance by the Selling Parties of this Agreement is within the corporate power of each of the Selling Parties and have been duly authorized by all necessary corporate action on their part, subject to any Requisite Regulatory Approvals, the approval of the shareholders of Seller, including the Holding Company, and the approval of the shareholders of the Holding Company. This Agreement has been duly executed and delivered by each of the Selling Parties and constitutes the valid and legally binding obligation of each of the Selling Parties, enforceable against them in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or similar laws affecting or relating to creditors' rights generally and subject to general principles of equity (the "**General Exceptions**").

(g) As of the date of this Agreement, the authorized capital stock of the Holding Company consists of 9,000,000 shares of Holding Company Common Stock, par value $0.01 per share, and 1,000,000 shares of preferred stock, no par value per share. As of date hereof, there were (i) 3,331,004 shares of Holding Common Stock outstanding, (ii) no shares of Holding Company Common Stock held in treasury, (iii) no shares of preferred stock outstanding, (iv) 171,163 shares of Holding Company Common Stock reserved for issuance upon the exercise of outstanding Holding Company Stock Options, (v) 129,433 restricted shares of Holding Company Common Stock outstanding (which are included in the 3,331,004 shares outstanding), and (vi) no shares of Holding Company Common Stock reserved for issuance pursuant to future grants under the Holding Company Stock Plan. As of the date of this Agreement, there are no other shares of capital stock or other equity or voting securities of the Holding Company issued, reserved for issuance or outstanding. Seller Disclosure Schedule 3.01(g) sets forth (i) the name of each holder of a Holding Company Stock Option, identifying the number of shares each such holder may acquire pursuant to the exercise of such options, the grant, vesting and expiration dates, and the exercise price relating to the options held, and whether the Holding Company Stock Option is an incentive stock option or a nonqualified stock option, and (ii) the name of each holder of restricted shares of Holding Company Common Stock outstanding and the vesting and expiration dates of such shares. All of the issued and outstanding shares of the Holding Company Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights, with no personal liability attaching to the ownership thereof. There are no bonds, debentures, notes or other indebtedness that have the right to vote on any matters on which stockholders of the Holding Company may vote. No trust preferred or debt securities of the Holding Company are issued or outstanding. Other than shares of Holding Company Common Stock reserved for issuance upon the exercise of outstanding Holding Company Stock Options issued prior to the date of this Agreement as described in this Section 3.01(g), as of the date of this Agreement, there are no outstanding subscriptions, options, warrants, stock appreciation rights, phantom units, rights to subscribe to, preemptive rights, anti-dilutive rights, rights of first refusal or similar rights, puts, calls, commitments or agreements of any character relating to, or securities or rights convertible or exchangeable into or exercisable for, or valued by reference to, shares of capital stock or other equity or voting securities of or ownership interest in the Holding Company, or contracts, commitments, understandings or arrangements by which the Holding Company may become bound to issue additional shares of its capital stock or other equity or voting securities of or ownership interests in the Holding Company, or that otherwise obligate the Holding Company

to issue, transfer, sell, purchase, redeem or otherwise acquire, any of the foregoing. There are no voting trusts, stockholder agreements, proxies or other agreements in effect to which the Holding Company is a party or is bound with respect to the voting or transfer of the Holding Company Common Stock or other equity interests of the Holding Company. Except as described in Seller Disclosure Schedule 3.01(g), the Holding Company has not repurchased any shares of Holding Company Common Stock since January 1, 2022.

(h) As of the date of this Agreement, the authorized capital stock of Seller consists of 10,000,000 shares of Seller Common Stock, par value $5.00 per share, and no shares of preferred stock. As of the date of this Agreement, there were 1,281,529 shares of Seller Common Stock issued and outstanding, all of which are (i) validly issued, fully paid and nonassessable and free of preemptive rights, and (ii) owned by the Holding Company free and clear of any Liens (except as listed on Seller Disclosure Schedule 3.01(h). At the closing of the First Step Merger, the shares of Seller Common Stock shall be free and clear of any Liens.

Section 3.02 Conflicts; Consents; Defaults. Except as set forth in the Seller Disclosure Schedule 3.02, neither the execution and delivery of this Agreement by any Selling Party nor the consummation of the Transactions will (a) conflict with, result in the breach of, constitute a default under or accelerate the performance required by, any order, law, regulation, contract, instrument or commitment to which any Selling Party is a party or by which it is bound, which breach or default would have a Material Adverse Effect on any Selling Party; (b) violate the articles of incorporation, articles of association or bylaws of any Selling Party; (c) require any consent, approval, authorization or filing under any law, regulation, judgment, order, writ, decree, permit, license or agreement to which any Selling Party is a party; or (d) require the consent or approval of or notice to any other party to any material contract, instrument or commitment to which any Selling Party is a party, in each case other than any required approvals of this Agreement and the Transactions by the Regulators (the "**Requisite Regulatory Approvals**"); the shareholders of Seller, including Holding Company; and the holders of Holding Company Common Stock.

Section 3.03 Financial Information. Except as set forth in the Seller Disclosure Schedule 3.03, the Holding Company's audited consolidated balance sheet as of December 31, 2024, and related audited consolidated income statement for the year ended December 31, 2024, together with the notes thereto, and the Holding Company's unaudited consolidated balance sheet and unaudited income statement as of and for the three months ended March 31, 2025 (collectively referred to herein as "**Seller Financial Statements**"), copies of which have been provided to Buyer, have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved (except as disclosed therein, and in the case of interim statements, for the absence of footnotes and normal year-end adjustments) and fairly present, in all material respects, the consolidated results of operations and cash flows of the Holding Company and its subsidiaries, on a consolidated basis, as of the dates and for the periods indicated, in accordance with GAAP.

Section 3.04 Absence of Changes. No events or transactions have occurred since December 31, 2024, which have resulted in a Material Adverse Effect on any Selling Party. For purposes of this Agreement, "**Material Adverse Effect**", with respect to Selling Parties or Buyer, as applicable, means any change, event or effect that is both material and adverse to (a) the financial condition, results of operation, assets or business of any Selling Party or Buyer, as applicable, or (b) the ability of any Selling Party or Buyer, as applicable, to perform its respective

obligations under this Agreement or to obtain in a timely manner the Requisite Regulatory Approvals, other than (i) the effects of any change attributable to or resulting from changes in political, governmental, economic or market conditions, laws, regulations or accounting guidelines applicable to depository institutions generally or in general levels of interest rates; (ii) changes or proposed changes after the date hereof in law; (iii) any national or global pandemic, epidemic or other material public health emergency or disease outbreak or incident, escalation or worsening of hostilities, declared or undeclared acts of war, sabotage, military action or terrorism, or the general anticipation of such events; (iv) changes or proposed changes after the date hereof in GAAP or authoritative interpretations thereof, (v) employee departures or terminations or termination of relationships with customers after announcement of this Agreement; (vi) changes in prevailing interest and deposit rates; (vii) the issuance of or compliance with any guidance, directive or order of any Regulator; or (viii) actions or omissions taken by any Selling Party or Buyer, as applicable, pursuant to the terms of this Agreement or with the prior written consent of Buyer, including expenses incurred by a Selling Party or Buyer, as applicable, in consummating the Transactions, including the tax effects of the Transactions on any Selling Party or any shareholder of any Selling Party.

Section 3.05 Title to Real Estate. Except as disclosed in the Seller Disclosure Schedule 3.05, the Selling Parties have good, marketable and insurable title to the Seller Real Estate, free and clear of Encumbrances (except taxes which are a lien but not yet payable and utility easements, rights-of-way, and other restrictions which would not have a Material Adverse Effect on Seller (the "**Permitted Encumbrances**")). The Selling Parties represent and warrant that, except as set forth in Seller Disclosure Schedule 3.05 or as would not have a Material Adverse Effect on Seller:

(a) the Seller Real Estate complies in all material respects with all applicable private agreements, zoning requirements and other governmental laws and regulations relating thereto, and none of the Seller Real Estate or any portion thereof is the subject of any official complaint or notice by any Governmental Authority of violation of any applicable zoning ordinance or building code, and there is no zoning ordinance, building code, use or occupancy restriction with respect to any such building, structure or improvement which will or reasonably could materially interfere with the use of any of the Seller Real Estate;

(b) there are no condemnation proceedings pending or threatened with respect to the Seller Real Estate;

(c) the Seller Real Estate, including the mechanical, electrical, plumbing, HVAC and other major building systems servicing the improvements on the Seller Real Estate, is in generally good condition for its intended purpose, ordinary wear and tear excepted, and has been maintained in accordance with reasonable and prudent business practices applicable to like facilities;

(d) all utilities currently servicing the Seller Real Estate are installed, connected and operating, with all charges paid in full in all material respects. The Seller Real Estate is served by all utilities reasonably required to operate the business of the Selling Parties in accordance with past practices and there are no inadequacies in any material respect with respect to such utilities, and, to the Knowledge of the Selling Parties, no fact or condition exists which would result in the termination or restriction of the future access from the Real Estate to any presently existing

highways or roads adjoining or situated on the Real Estate or to any sewer or other utility facility servicing, adjoining or situated on the Seller Real Estate;

(e) all permanent certificates of occupancy and all other material permits, consents and certificates required by all governmental authorities having jurisdiction and the requisite certificates of the local board of fire underwriters (or other body exercising similar functions) have been issued for, and in connection with the operation of, the Seller Real Estate, have been paid for, and are in full force and effect; there are no agreements, consent orders, decrees, judgments, licenses, permits, conditions or other directives, issued by any Governmental Authority or court which restrict the future use, or require any change in the present use, or operations of the Seller Real Estate; and

(f) there is no option to purchase, right of first offer, right of first refusal or other provision granting any person any right to acquire all or any portion of the Seller Real Estate. No Selling Party owes, nor will any Selling Party owe in the future, any brokerage commissions or finder's fees with respect to the Seller Real Estate. No Selling Party has collaterally assigned or granted any other security interest in the Seller Real Estate or any leases, nor subleased, licensed or otherwise granted any person the right to use or occupy such Seller Real Estate or any portion thereof.

Section 3.06 Title to Assets Other Than Real Estate. The Selling Parties are the lawful owner of and have good and marketable title to the Loans, Liquid Assets, Cash on Hand, cash in the Bank Accounts, Prepaid Expenses, Accounts Receivable, Fixed Assets and other assets owned by the Selling Parties, free and clear of all Encumbrances other than the lien of the FHLB with respect to certain of the Loans and investment securities. Each such tangible asset has been used and maintained in all material respects in accordance with applicable law, normal industry practice and is in good operating condition and repair (subject to normal wear and tear that are not material in nature or cost), and is suitable for the purposes for which it presently is used and presently is proposed to be used.

Section 3.07 Loans. Seller represents and warrants as to each Loan that, except as set forth in the Seller Disclosure Schedule 3.07:

(a) The applicable Selling Party is the sole owner and holder of the Loan and all servicing rights relating thereto. The Loan is not assigned or pledged (other than to the FHLB), and Seller has good and marketable title thereto. The applicable Selling Party has the full right, subject to no interest or participation of, or agreement with, any other party (other than to the FHLB), to sell and assign any Loan to any Person, free and clear of any right, claim or interest of any Person (other than to the FHLB), and such sale and assignment would not impair the enforceability of that Loan.

(b) Except for any Unfunded Commitment, the full principal amount of the Loan has been advanced to the Loan Debtor, either by payment direct to him, her or it, or by payment made on his, her or its approval, and there is no requirement for future advances thereunder.

(c) Each of the Loan Documents is genuine, and each is the legal, valid and binding obligation of the maker thereof, subject to the General Exceptions. All parties to the Loan

Documents had legal capacity to enter into the Loan Documents, and the Loan Documents have been duly and properly executed by such parties.

(d) All federal, state and local laws and regulations affecting the origination, administration and servicing of the Loan prior to the Closing Date, including without limitation, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity and disclosure laws, have been complied with, or corrected, in all material respects, except where the failure to do so would not have a Material Adverse Effect on Seller. Without limiting the generality of the foregoing, Seller has timely provided all disclosures, notices, estimates, statements and other documents required to be provided to the Loan Debtor under applicable law and has documented receipt of such disclosures, estimates, statements and other documents as required by law and Seller's loan origination policies and procedures except where the failure to do so would not have a Material Adverse Effect on Seller.

(e) To Seller's Knowledge, the Loan Debtor has no rights of rescission, setoff, counterclaims, or defenses to the Loan Documents, except such defenses arising by virtue of 12 CFR Section 1026.23 or the General Exceptions.

(f) Set forth in Seller Disclosure Schedule 3.07(f) is: (i) a description of each Loan with reasonable particularity, including the unpaid principal balance of each Loan and Unfunded Commitment as of March 31, 2025; (ii) a list of each Loan that is in default or to Seller's Knowledge, where there is any event applicable to the Loan that, with the giving of notice or the passage of time, would constitute an event of default; and (iii) a list of each Loan that is classified by Seller as substandard, doubtful, or loss or is on non-accrual status, pursuant to Seller's written policies and procedures made available to Buyer.

(g) Seller has not modified any Loan in any material respect or waived any material provision of or default under the Loan or the related Loan Documents, except in accordance with its loan administration policies and procedures. Any such modification or waiver is in writing and is contained in the Loan file.

(h) Seller has taken all actions reasonably necessary to cause each Loan secured by personal property to be perfected by a security interest having first priority or such other priority as provided for in the relevant Loan Documents.

(i) To Seller's Knowledge, the Loan Debtor is the owner of all collateral for the Loan, free and clear of any Encumbrance except for the security interest in favor of Seller and any other Encumbrance expressly permitted under the relevant loan approval or Loan Documents.

(j) Set forth in Seller Disclosure Schedule 3.07(j) is a list of all Loans to any directors, executive officers or principal shareholders (as such terms are defined in Regulation O of the FRB's regulations (12 C.F.R. Part 215)) of the Selling Parties, (B) there are no employee, officer, director or other affiliate Loans on which the Loan Debtor is paying a rate other than that reflected in the note or other relevant Loan Documents or on which the Loan Debtor is paying a rate that was not in compliance with Regulation O and (C) all such Loans are and were originated in compliance in all material respects with all applicable laws.

Section 3.08 Residential and Commercial Mortgage Loans and Certain Business Loans. Except as set forth in the Seller Disclosure Schedule 3.08, Seller represents and warrants as to each Residential Mortgage Loan, Commercial Mortgage Loan and Business Loan that is secured in whole or in part by a Mortgage that:

(a) To Seller's Knowledge, after reasonable investigation, the Mortgage is a valid first lien on the Mortgaged Property securing the related Loan (or a subordinate lien if expressly permitted under the relevant Loan Documents), and the Mortgaged Property is free and clear of all Encumbrances having priority over the first lien (or if a subordinate lien, such subordinate lien has priority over any other lien that is known to Seller and that is not identified in the relevant Loan Documents as having priority over the subordinate lien) of the Mortgage, except for liens that are not material in amount and Permitted Encumbrances, and, in the case of a Home Equity Loan or a Mortgage securing a guarantee of a Business Loan, the permitted lien of the senior mortgage or deed of trust.

(b) The Mortgage contains customary provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security provided thereby, including, (i) in the case of a Mortgage designated as a deed of trust, by trustee's sale, and (ii) otherwise by judicial foreclosure.

(c) Except as set forth in the Loan file, all of which actions were taken in the ordinary course of business, Seller has not (i) satisfied, canceled, or subordinated the Loan in whole or in part; (ii) released the Mortgaged Property, in whole or in part, from the lien of the Loan; or (iii) executed any instrument of release, cancellation, modification, or satisfaction.

(d) To Seller's Knowledge, all real estate taxes, government assessments, insurance premiums, and municipal charges, and leasehold payments which previously became due and owing have been paid, or an escrow payment has been established in an amount sufficient to pay for every such item which remains unpaid for Loans in which the Loan Documents require such escrow. Except as set forth in the Loan file, if applicable, Seller has not advanced funds, or induced, solicited, or knowingly received any advance of funds by a party other than the Loan Debtor.

(e) There is no proceeding pending for the total or partial condemnation of the Mortgaged Property and no Mortgaged Property is materially damaged by waste, earth movement, fire, flood, windstorm, earthquake, or other casualty.

(f) To Seller's Knowledge, after reasonable investigation, all of the improvements which are included for the purpose of determining the appraised value of the Mortgaged Property lie wholly within the boundaries and building restriction lines of the Mortgaged Property, and no improvements on adjoining properties encroach upon the Mortgaged Property, except as allowed by Seller's underwriting guidelines.

(g) The Loan meets, or is exempt from, applicable state or federal laws, regulations and other material requirements pertaining to usury, and the Loan is not usurious.

(h) Each Loan for which private mortgage insurance was required by Seller under its underwriting guidelines is insured by a licensed private mortgage insurance company; and each such insurance policy is in full force and effect and all premiums due thereunder have been paid.

(i) No claims have been made under any lender's title insurance policy respecting any of the Mortgaged Property, and Seller has not done, by act or omission, anything which would materially impair the coverage of any such lender's title insurance policy.

(j) To Seller's Knowledge, there is in force for each Loan (or there is in process for renewal), a hazard insurance policy, including, to the extent required by applicable law, flood insurance, all such insurance policies contain a standard mortgagee clause naming Seller and its successors and assigns as mortgagee, and all premiums thereon have been paid. Where applicable, the Mortgage obligates the Loan Debtor thereunder to maintain the hazard insurance policy at the Loan Debtor's cost and expense and, on the Loan Debtor's failure to do so, authorizes the holder of the Mortgage to obtain and maintain such insurance at such Loan Debtor's cost and expense, and to seek reimbursement therefor from the Loan Debtor. No Selling Party has engaged in, or has Knowledge of the Loan Debtor having engaged in, any act or omission which would materially impair the coverage of any such policy, the benefits of the endorsement provided for therein, or the validity and binding effect of either.

(k) As to each Residential Mortgage Loan, the Mortgaged Property consists of a one- to four-family, owner-occupied primary residence, second home or investment property.

(l) Except for any Loan that only represents a participation interest, the Loan was originated and underwritten in the ordinary course of Seller's business and by an authorized employee of Seller. Any Loan that only represents a participation interest was underwritten in the ordinary course of Seller's business and by an authorized employee of Seller.

(m) To the Knowledge of Seller, neither (i) the information presented as factual concerning the income, employment, credit standing, purchase price and other terms of sale, payment history or source of funds submitted to any Selling Party for the purpose of making the Loan; nor (ii) the information presented as factual in the appraisal with respect to the Mortgaged Property, contained any material omission or misstatement or other material discrepancy at the time the information was obtained by such Selling Party.

(n) All appraisals have been performed and rendered, and if external, ordered, in accordance with the requirements of the underwriting guidelines of Seller and in compliance, in all material respects, with all laws and regulations then in effect relating and applicable to the origination of Loans, which requirements may include, without limitation, requirements as to appraiser independence, appraiser competency and training, appraiser licensing and certification, and the content and form of appraisals.

(o) To Seller's Knowledge, no Mortgaged Property is in violation of any Environmental Law.

(p) None of the Commercial Mortgage Loans or Business Loans are intended to meet the guidelines or specifications of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

Section 3.09 Automobile Receivables. Seller represents and warrants to Buyer as to any Automobile Receivable that:

(a) The Automobile Receivable represents a bona fide sale or finance of the vehicle described therein to the vehicle purchaser or owner for the amount set forth therein.

(b) To the Knowledge of Seller, the vehicle described in the Automobile Receivable has been delivered to and accepted by the vehicle purchaser and such acceptance shall not have been revoked, or at the time of the finance of the vehicle, was in possession of the owner, and there has been no change in such possession.

(c) The security interest created by the Automobile Receivable is a valid first lien in the motor vehicle covered by the Automobile Receivable and all action that is reasonably necessary to be taken has been taken to create and perfect such lien in such motor vehicle to afford such lien first priority status.

(d) The down payment relating to the Automobile Receivable has been paid in full by the vehicle purchaser in cash and/or trade as shown in such Automobile Receivable, if applicable, and no part of the down payment consisted of notes or postdated checks.

(e) The statements made by the vehicle purchaser or owner and the information submitted by the vehicle purchaser or owner in connection with the Automobile Receivable are true and complete to Seller's Knowledge.

(f) Each Automobile Receivable complies, in all material respects, with all applicable provisions of laws and regulation which are applicable to the transaction represented by the Automobile Receivable.

(g) At the time of making such Automobile Receivable, Seller had no Knowledge of any circumstances or conditions with respect to the Automobile Receivable, the related vehicle, the vehicle purchaser or owner, or vehicle purchaser's or owner's credit standing that can reasonably be expected to materially adversely affect Seller's security interest in the Automobile Receivable.

Section 3.10 Unsecured Loans. Except as provided in the Seller Disclosure Schedule 3.10 or in the case of any Unsecured Loan of less than $1,000, no Unsecured Loan has been charged-off since December 31, 2024.

Section 3.11 Allowance. The Allowance as of March 31, 2025, including the methodology underlying the calculation, is set forth in the Seller Disclosure Schedule 3.11. Except as set forth in the Seller Disclosure Schedule 3.11, the Allowance shown on the Seller Financial Statements as of March 31, 2025, with respect to the Loans is as of such date adequate in the judgment of management and consistent with applicable regulatory standards and GAAP to provide for possible losses on items for which reserves were made.

Section 3.12 Investments. Except for investments pledged to secure Federal Home Loan Bank advances or public deposits or as otherwise set forth in the Seller Disclosure Schedule 3.12, none of the investments reflected in the Seller Financial Statements as of March 31, 2025, and

none of the investments purchased by the Selling Parties since March 31, 2025, are subject to any restriction, whether contractual or statutory, which materially impairs the ability of the Selling Parties to dispose freely of such investment at any time and each of such investments complies with regulatory requirements concerning such investments.

Section 3.13 Deposits.

(a) Seller has made available (or will make available) to Buyer a true and complete copy of the account forms for all deposits offered by Seller. Except as listed in the Seller Disclosure Schedule 3.13(a), all the accounts related to the deposits held by Seller are in material compliance with all applicable laws and regulations and were originated in material compliance with all applicable laws and regulations.

(b) Set forth in Seller Disclosure Schedule 3.13(b) is a true and correct schedule of the deposits held by Seller prepared as of the date indicated thereon (which shall be updated through the Closing Date), listing by category and the amount of such deposits, together with the amount of Accrued Interest thereon. All deposits are insured to the fullest extent permissible by the FDIC. Subject to the receipt, and terms, of all Requisite Regulatory Approvals, Seller will have at the Closing Date all rights and full authority to transfer and assign the deposits without restriction. With respect to the deposits:

(1) Subject to items returned without payment in full ("**Return Items**") and immaterial bookkeeping errors, all interest accrued or accruing on the deposits has been properly credited thereto, and properly reflected on Seller's books of account, and Seller is not in default in the payment of any such interest;

(2) Subject to Return Items and immaterial bookkeeping errors, Seller has timely paid and performed all of its obligations and liabilities relating to the deposits as and when the same have become due and payable;

(3) Subject to immaterial bookkeeping errors, Seller has administered all of the deposits in accordance with applicable duties and safe and sound banking practices and procedures, or if not, Seller has corrected such errors prior to the execution date of this Agreement, and has properly made all appropriate credits and debits thereto; and

(4) Except as described on Seller Disclosure Schedule 3.13(b), none of the deposits are subject to any Encumbrances or any legal restraint or other legal process, other than Loans, customary court orders, levies, garnishments affecting the depositors, or control agreements for secured parties.

Section 3.14 Contracts. The Seller Disclosure Schedule 3.14 lists or describes the following:

(a) Each Loan and credit agreement, conditional sales contract, indenture or other title retention agreement or security agreement relating to money borrowed by any Selling Party;

(b) Each guaranty by any Selling Party of any obligation for the borrowing of money or otherwise (excluding any endorsements and guarantees in the ordinary course of business and

letters of credit issued by Seller in the ordinary course of its business) or any warranty or indemnification agreement;

(c) Each Selling Party lease or license with respect to (i) real property, or (ii) personal property involving an annual amount in excess of $50,000;

(e) The name, annual salary and primary department assignment as of March 31, 2025 of each employee of any Selling Party, and each employment or consulting agreement or arrangement with respect to employees and consultants of any Selling Party; and

(f) Each agreement, loan, contract, lease, guaranty, letter of credit, line of credit or commitment of Seller not referred to elsewhere in this Section 3.14 which (i) involves payment by Seller (other than as disbursement of loan proceeds to customers) of more than $50,000 annually or $250,000 in the aggregate over its remaining term, unless it is terminable within one (1) year without premium or penalty; (ii) will, as a result of the consummation of the Transactions, require payment of a termination fee of more than $50,000; (iii) will, as a result of the consummation of the Transactions, require notice or consent to assignment or other transfer to Buyer; (iv) involves payments based on profits of Seller; (v) relates to the future purchase of goods or services in excess of the requirements of its respective business at current levels or for normal operating purposes; or (vi) was not made in the ordinary course of business.

(g) Final and complete copies of each document, plan or contract listed and described in the Seller Disclosure Schedule 3.14 have been provided to Buyer (collectively, the "**Specified Contracts**"). Except as set forth on in Seller Disclosure Schedule 3.14(g), Seller is not in default in any material respect, nor has any event occurred that with the giving of notice or the passage of time or both would constitute a default in any material respect by any of the Selling Parties or which would give rise to any right of notice, modification, acceleration, payment, cancellation or termination of or, or by another party under, or in any manner release any party thereto from any obligation under, any Specified Contract and, to the Knowledge of the Selling Parties, no other party is in default in any material respect, nor has any event occurred which with the giving of notice or the passage of time or both would constitute a default by any other party or which would give rise to any right of notice, modification, acceleration, payment, cancellation or termination of or by Seller under, or in any manner release any party thereto from any obligation under any such Specified Contract, except for such defaults which would not have a Material Adverse Effect on any Selling Party. Except as set forth on in Seller Disclosure Schedule 3.14(g), there are no renegotiations or outstanding rights to negotiate any amounts to be paid or payable to or by Seller under any Specified Contract other than with respect to non-material amounts in the ordinary course of business, and no person has made a written demand for such negotiations.

Section 3.15 Tax Matters. Except as set forth in the Seller Disclosure Schedule 3.15, the Selling Parties have filed with the appropriate governmental agencies all federal, state and local income, franchise, excise, sales, use, real and personal property and other tax returns and reports required to be filed by it since December 31, 2020. None of the Selling Parties (i) is delinquent in the payment of any taxes shown on such returns or reports or on any assessments received by it for such taxes; (ii) has Knowledge of any pending or threatened examination for income taxes for any year by the IRS or any state tax agency; (iii) is subject to any agreement extending the period for assessment or collection of any federal or state tax; or (iv) is a party to any action or proceeding

with, nor has any claim been asserted against it by, any Governmental Authority for assessment or collection of taxes. To the Knowledge of the Selling Parties, none of the Selling Parties is the subject of any threatened action or proceeding by any Governmental Authority for assessment or collection of taxes. The Selling Parties have not elected to defer the payment of any "applicable employment taxes" (as defined in Section 2302(d)(1) of the CARES Act) pursuant to Section 2302 of the CARES Act and the Selling Parties have not claimed any "employee retention credit" pursuant to Section 2301 of the CARES Act. The reserve for income taxes in the unaudited financial statements of Seller for the year ended December 31, 2024 is, in the opinion of management of Seller, adequate to cover all of the income tax liabilities of Seller (including, without limitation, income taxes and franchise fees) as of such date in accordance with GAAP.

Section 3.16 Employee Matters.

(a) Except as disclosed in the Seller Disclosure Schedule 3.16(a), no Selling Party is party to any collective bargaining agreement with any labor organization with respect to any group of employees of Seller, and to the Knowledge of the Selling Parties, there is no present effort nor existing proposal to attempt to unionize any group of employees of any Selling Party.

(b) Except as disclosed in the Seller Disclosure Schedule 3.16(b), (i) each Selling Party is and has been in material compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, including, without limitation, any such laws respecting employment discrimination and occupational safety and health requirements, and Seller is not engaged in any unfair labor practice; (ii) there is no unfair labor practice complaint against any Selling Party pending or, to the Knowledge of the Selling Parties, threatened before the National Labor Relations Board; (iii) there is no labor dispute, strike, slowdown or stoppage actually pending or, to the Knowledge of the Selling Parties, threatened against or directly affecting Seller; and (iv) no Selling Party experienced any work stoppage or other such labor difficulty during the past five (5) years.

Section 3.17 Employee Benefit Plans.

(a) Seller Disclosure Schedule 3.17(a) sets forth a complete and accurate list of all Employee Benefit Plans of the Selling Parties. With respect to each Employee Benefit Plan of the Selling Parties, the Selling Parties have made available to Buyer prior to the execution of this Agreement true and correct copies of: (i) the governing plan document and all amendments thereto (or, if such Employee Benefit Plan of a Selling Party is unwritten, a written description of its material terms); (ii) any summary plan description, any summaries of material modifications and any other material employee communications; (iii) the annual reports on Form 5500 for the last three (3) plan years; (iv) any actuarial valuations; (v) material contracts including trust agreements, insurance contracts, and administrative services agreements; (vi) the most recent determination or opinion letters for any Employee Benefit Plan of a Selling Party intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"); and (vii) any correspondence with the DOL, IRS, or any other governmental entity regarding such Employee Benefit Plan of a Selling Party. No Employee Benefit Plan of the Selling Parties is subject to any laws other than those of the United States or any state, county or municipality in the United States.

(b) Each Employee Benefit Plan of the Selling Parties (and each related trust, insurance contract, or fund) complies in form and in operation in all material respects with the applicable requirements of ERISA, the Code, and other applicable legal requirements. No such Employee Benefit Plan is under audit (and the Selling Parties do not have Knowledge of any pending or threatened audit) by the IRS or the DOL.

(c) All premiums or other payments due for all periods ending on or before the Closing Date have been paid or will be paid with respect to each Employee Benefit Plan of the Selling Parties.

(d) No current or former director, officer or employee of the Selling Parties or any Affiliate (i) is entitled to or may become entitled to any benefit under any welfare benefit plans (as defined in ERISA Section 3(1)) after termination of employment with a Selling Party or any Affiliate, except to the extent such individuals may be entitled to continue their group health care coverage pursuant to Code Section 4980B, or (ii) is currently receiving, or entitled to receive, a disability benefit under a long-term or short-term disability plan maintained by a Selling Party or an Affiliate.

(e) Except for agreements with the Selling Parties or Affiliates, which agreements are listed on Seller Disclosure Schedule 3.17(e), executives, employees and service providers of the Selling Parties and Affiliates are not a party to or entitled to benefits under any employment agreement, change in control agreement, non-qualified deferred compensation plan, split dollar agreement or similar type of agreement.

(f) To the Knowledge of the Selling Parties, no facts or circumstances exist that could, directly or indirectly, subject Buyer or any of its direct or indirect Affiliates to any lien, tax, penalty or other liability of any nature with respect to any Selling Party's Employee Benefit Plan, including any Multiemployer Plan.

(g) The Selling Parties do not maintain and are not required to contribute to any defined benefit retirement plan which is subject to Title IV of ERISA and do not have any liability with respect to any plan that is, (i) a defined benefit pension plan subject to Title IV of ERISA, (ii) a pension plan subject to Section 302 of ERISA or Section 412 of the Code, or (iii) a multi-employer pension plan (as that term is defined in Sections 4001(a)(3) and 3(37) of ERISA.

(h) Any Employee Benefit Plan of the Selling Parties may be amended and terminated at any time.

(i) Except as set forth and quantified in reasonable detail in Seller Disclosure Schedule 3.17(i), neither the execution and delivery of this Agreement nor the consummation of any of the transactions contemplated hereby will (either alone or in combination with any other event): (i) result in the payment to any current or former employee, director, officer, manager, consultant or independent contractor of any money or other property; (ii) accelerate the vesting of or provide any additional rights or benefits (including funding of compensation or benefits through a trust or otherwise) to any current or former employee, director, officer, manager, consultant or independent contractor; (iii) limit or restrict the ability of Buyer or its Affiliates to merge, amend or terminate any Employee Benefit Plan of the Selling Parties; or (iv) result in "excess parachute

payments" within the meaning of Section 280G(b) of the Code (whether or not such payment is considered to be reasonable compensation for services rendered); and no Selling Party has any liability or obligation to "gross up" any Person for any liability under Sections 409A or 4999 of the Code, in each case, as a result of the execution of this Agreement. Seller Disclosure Schedule 3.17(i) quantifies in reasonable detail the change in control payments under any of the Selling Parties' Employee Benefit Plans that may become payable as a result of the transactions contemplated by this Agreement and whether any such payments may result in "excess parachute payments" within the meaning of Section 280G(b) of the Code.

Section 3.18 Environmental Matters.

(a) As used in this Agreement, "**Environmental Laws**" means all applicable local, state and federal environmental and health and safety (with respect to the exposure to Hazardous Materials) laws and regulations in effect as of the Closing Date in all jurisdictions in which the Selling Parties have done business or owned, leased or operated property, including, without limitation, the Federal Resource Conservation and Recovery Act, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Federal Clean Water Act, the Federal Clean Air Act, and the Federal Occupational Safety and Health Act, which pertain to Hazardous Materials; and "**Hazardous Materials**" means (i) pollutants, contaminants, petroleum or petroleum products, radioactive substances, solid wastes or hazardous or extremely hazardous, special, dangerous, or toxic wastes, substances, chemicals or materials which are considered to be hazardous or toxic and regulated under any Environmental Law, including any "hazardous substance" as defined in or under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C., Sec. 9601, et seq., as amended and reauthorized, and any "hazardous waste" as defined in or under the Resource Conservation and Recovery Act, 42 U.S.C., Sec. 6902, et seq., and all amendments thereto and reauthorizations thereof in effect as of the Closing Date, and (ii) any other pollutants, contaminants, hazardous, dangerous or toxic chemicals, materials, wastes or other substance regulated by Environmental Law, including any industrial process or pollution control waste or asbestos.

(b) Except as set forth in the Seller Disclosure Schedule 3.18, (i) the Selling Parties are in material compliance with applicable Environmental Laws; (ii) there has been no release of Hazardous Materials in violation of Environmental Law at or affecting the Real Estate, and there are no Environmental Remedial Costs, in each case which has given or reasonably would be expected to give rise to liability of any Selling Party or Environmental Remedial Costs in excess of $150,000; (iii) there are no Hazardous Materials in the soils, groundwater or surface waters of the Real Estate that exceed applicable clean-up levels in violation of Environmental Laws; and (iv) no Real Estate is currently listed on or proposed for listing on the United Stated Environmental Protection Agency's National Priorities List, or any other analogous state governmental list of properties or sites that require investigation, remediation or other response action under applicable Environmental Laws. Except as disclosed in the Seller Disclosure Schedule 3.18, no Selling Party has received in the past five (5) years any written notice from any person or entity indicating that a Selling Party is in violation of any Environmental Law or that a Selling Party is responsible (or potentially responsible) for the cleanup or other remediation of any Hazardous Materials at, on or beneath any such property, in each case, the subject of which remains unresolved.

Section 3.19 No Undisclosed Liabilities. The Selling Parties do not have any material liability, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due (and, to the Knowledge of the Selling Parties, there is no past or present fact, situation, circumstance, condition or other basis for any present or future action, suit or proceeding, hearing, charge, complaint, claim or demand against any Selling Party giving rise to any such liability) required in accordance with GAAP to be reflected in an audited balance sheet of the Holding Company or the notes thereto, except (a) for liabilities set forth or reserved against in the Seller Financial Statements, (b) for liabilities occurring in the ordinary course of business of the Selling Parties since December 31, 2024, (c) liabilities relating to the Transactions, and (d) as disclosed in the Seller Disclosure Schedule 3.19.

Section 3.20 Litigation. Except as set forth in the Seller Disclosure Schedule 3.20, there is no action, suit, proceeding or investigation pending against a Selling Party or, to the Knowledge of the Selling Parties, threatened against any Selling Party or any Seller Subsidiary, before any court or arbitrator or any governmental body, agency, or official involving a monetary claim for $25,000 or more or for equitable relief (*i.e.*, specific performance or injunctive relief).

Section 3.21 Performance of Obligations. Each Selling Party has performed in all material respects all obligations required to be performed by it to date under the Contracts, the deposits held by Seller, and the Loan Documents, and Seller is not in material default under, and no event has occurred which, with action by a third party, could result in a material default under, any such agreements or arrangements.

Section 3.22 Brokerage. Except as set forth in Seller Disclosure Schedule 3.22, no Selling Party nor any of their respective officers or directors has employed any broker, finder or financial advisor or incurred any liability for any broker's fees, commissions or finder's fees in connection with the Transactions.

Section 3.23 Interim Events. Since December 31, 2024, except as set forth in Seller Disclosure Schedule 3.23, none of the Selling Parties has (a) paid or declared any dividend or made any other distribution to its shareholders except as permitted by Section 8.01(c); (b) had any material business interruptions or material liabilities, including (i) the material failure of the Selling Parties' employees, agents and service providers to timely perform services, (ii) any material labor shortages, (iii) material reductions in customer/client demand, (iv) any claim of force majeure by a Selling Party or a counterparty to any material contract, (v) materially reduced hours of operations or materially reduced aggregate labor hours, or (vi) material restrictions on uses of the Seller Real Estate, or (c) taken any other action, which, if taken after the date of this Agreement, would have required the prior written consent of Buyer under Section 5.06.

Section 3.24 Records. The Records are and shall be sufficient to enable Buyer to conduct a banking business with respect thereto under the same standards as the Selling Parties have heretofore conducted such business.

Section 3.25 Community Reinvestment Act. Seller received a rating of "Satisfactory" in its most recent examination or interim review with respect to the Community Reinvestment Act.

Seller has not been advised of any supervisory concerns regarding its compliance with the Community Reinvestment Act.

Section 3.26 Insurance. All material insurable properties owned or held by the Selling Parties are adequately insured by licensed insurers in such amounts and against fire and other risks insured against by extended coverage and public liability insurance, as the Selling Parties believe is customary with banks of similar size and location. Seller Disclosure Schedule 3.26 sets forth, for each material policy of insurance maintained by the Selling Parties, the amount and type of insurance, the name of the insurer, the amount of the annual premium and with such policy is "claims made" or "occurrence based." All amounts due and payable under such insurance policies are fully paid, and all such insurance policies are in full force and effect. No event has occurred which would give rise to any right of notice, modification, acceleration, payment, cancellation or termination thereunder, or in any manner release any party thereto from any obligation under any insurance policy maintained by or on behalf of any Selling Party.

Section 3.27 Regulatory Enforcement Matters. Except as disclosed in the Seller Disclosure Schedule 3.27 (unless prevented from being shared pursuant to Part 309 of the FDIC rules and regulations), no Selling Party is subject to, and no Selling Party has received any notice or advice that it may become subject to, any order, agreement or memorandum of understanding with any federal or state agency charged with the supervision or regulation of commercial banks or bank holding companies or engaged in the insurance of financial institution deposits or any other governmental agency having supervisory or regulatory authority with respect to such Selling Party.

Section 3.28 Regulatory Approvals. The information furnished or to be furnished by the Selling Parties for the purpose of enabling the Selling Parties or Buyer to complete and file all requisite regulatory applications and notices is or will be true and complete in all material respects as of the date so furnished. There are no facts known to any Selling Party which the Selling Parties have disclosed to the Buyer in writing, which, insofar as the Selling Parties can now reasonably foresee, may have a Material Adverse Effect on the ability of Buyer or the Selling Parties to obtain all Requisite Regulatory Approvals or to perform its obligations pursuant to this Agreement.

Section 3.29 Representations Regarding Financial Condition.

(a) The Selling Parties are not entering into this Agreement in an effort to hinder, delay or defraud its creditors.

(b) No Selling Party is insolvent.

(c) No Selling Party has an intention to file proceedings for bankruptcy, insolvency or any similar proceeding for the appointment of a receiver, conservator, trustee, or guardian with respect to its business or assets prior to the Closing.

Section 3.30 Condition and Sufficiency of Assets. Except as may be disclosed in Seller Disclosure Schedule 3.30, the buildings, structures and equipment of or in Seller Real Estate are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, structures or equipment is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material

in the aggregate in nature or in cost. The Seller Real Estate is in material compliance with the Americans with Disabilities Act of 1990, as amended, and the regulations promulgated thereunder, and in material compliance with all other building and development codes and other restrictions, including subdivision regulations, utility tariffs and regulations, conservation laws and zoning laws and ordinances. The buildings, structures and equipment that Seller purports to own or lease are sufficient for the continued conduct of the business of Seller after the Closing in substantially the same manner as conducted prior to the Closing. To the extent the condition of any asset(s) is/are deficient, but fail(s) to constitute a Material Adverse Effect, the Selling Parties shall not be liable or responsible for any cost of repairs unless the cumulative costs for the necessary repair(s) to correct the deficiency exceeds $20,000 per location of Seller Real Estate.

Section 3.31 SBA Matters. Seller has an SBA License. Except as set forth on Seller Disclosure Schedule 3.31, Seller has no SBA Loans that constitute Loans.

Section 3.32 Compliance with Law. Each of the Selling Parties has conducted its business in compliance in all material respects with all applicable federal, state and local statutes, laws, regulations, ordinances, rules, judgments, order or decrees applicable thereto or to the employees conducting such businesses.

Section 3.33 Disclosure. No representation or warranty contained in this Article III and no statement or information relating to any Selling Party or any of their assets or liabilities which is contained in (a) this Agreement (including the Seller Disclosure Schedules and Exhibits hereto), or (b) in any certificate or document furnished or to be furnished by or on behalf of a Selling Party to Buyer pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements made herein or therein, in light of the circumstances in which they were made, not misleading.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

Section 4.01 Organization and Authority. Buyer is a Florida state-chartered credit union, insured by the National Credit Union Share Insurance Fund, and is duly organized, validly existing, and in good standing (to the extent applicable) under the laws of the State of Florida with full power and authority to carry on its business as it is now being conducted and to own or lease all of its properties and assets. The execution, delivery, and performance by Buyer of this Agreement are within Buyer's corporate power, and have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by Buyer and constitutes the valid and legally binding obligation of Buyer, enforceable against it in accordance with its terms, subject to the General Exceptions.

Section 4.02 Conflicts; Defaults. Neither the execution and delivery of this Agreement by Buyer nor the consummation of the Transactions will (a) conflict with, result in the breach of, constitute a default under, or accelerate the performance required by, the terms of any order, law, regulation, contract, instrument or commitment to which Buyer is a party or by which Buyer is bound; (b) violate the creation documents or bylaws of Buyer; (c) require any consent, approval,

authorization or filing under any law, regulation, judgment, order, writ, decree, permit or license to which Buyer is a party or by which Buyer is bound, in each case, other than any required approvals of this Agreement and the Transactions by the Regulators and the shareholders of Seller and Holding Company; or (d) require the consent or approval of or notice to any other party to any material contract, instrument or commitment to which Buyer is a party, in each case other than the Requisite Regulatory Approvals. Buyer is not subject to any agreement or understanding with, or has received any communication from, any regulatory authority which would prevent or adversely affect the consummation by Buyer of the Transactions or which would be reasonably expected to result in a delay or failure to obtain any Requisite Regulatory Approval.

Section 4.03 Litigation. There is no action, suit, proceeding or investigation pending against Buyer, or to the Knowledge of Buyer, threatened against or affecting Buyer, before any court or arbitrator or any governmental body, agency or official which alone or in the aggregate would, if adversely determined, adversely affect the ability of Buyer to perform its obligations under this Agreement, which in any manner questions the validity of this Agreement or which could have a Material Adverse Effect on the financial condition of Buyer. Buyer is not aware of any facts that would reasonably afford a basis for any such action, suit, proceeding or investigation.

Section 4.04 Absence of Changes. No events or transactions have occurred since December 31, 2023, which have resulted in a Material Adverse Effect as on Buyer.

Section 4.05 Regulatory Approvals. The information furnished or to be furnished by Buyer for the purpose of enabling the Selling Parties or Buyer to complete and file all requisite regulatory applications or notices for approval of the Transactions is or will be true and complete as of the date so furnished. To the Knowledge of Buyer, there are no facts, circumstances, or conditions which would be reasonably expected to: (a) prevent or adversely affect the consummation by Buyer of the Transactions; (b) prevent or adversely affect the Buyer's ability to perform its obligations pursuant to this Agreement; or (c) which would be reasonably expected to result in a delay or failure to obtain any Requisite Regulatory Approval.

Section 4.06 Financial Ability. As of the Effective Date, Buyer will have the financial ability to pay the Aggregate Consideration and to consummate the Transactions.

Section 4.07 Financial Information. The audited consolidated balance sheet of Buyer as of December 31, 2024, and related audited income statement for the year ended December 31, 2024, together with the notes thereto, and Buyer's unaudited balance sheet and unaudited income statement as of and for the three (3) months ended March 31, 2025, together with the notes thereto, have been prepared in accordance with GAAP and fairly present, in all material respects, the consolidated financial position and the consolidated results of operations and cash flows of Buyer as of the dates and for the periods indicated, in accordance with GAAP.

Section 4.08 Compliance with Law. Buyer has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business in all material respects and has conducted its business in compliance in all material respects with all applicable federal, state and local statutes, laws, regulations, ordinances, rules, judgments, orders or decrees applicable thereto or to the employees conducting such businesses.

Section 4.09 Licenses; Permits. Buyer holds all material licenses, certificates, permits, franchises and rights from all appropriate federal, state or other Governmental Authorities necessary for the conduct of its business as currently conducted and the ownership of its current assets. There is no pending, or to Buyer's Knowledge threatened, litigation against Buyer or its subsidiaries seeking to challenge or prohibit the Transactions.

Section 4.10 Regulatory Enforcement Matters. The Buyer is not subject to, has not received any notice or advice that it may become subject to, or has Knowledge of any condition, fact, or circumstance which could be reasonably expected to result in, any order, agreement or memorandum of understanding with any federal or state agency charged with the supervision or regulation of credit unions or engaged in the insurance of credit union deposits or any other governmental agency having supervisory or regulatory authority with respect to the Buyer.

Section 4.11 Regulatory Approvals. The information furnished or to be furnished by the Buyer for the purpose of enabling the Selling Parties or Buyer to complete, file, and pursue approval all applications for Requisite Regulatory Applications is or will be true and complete in all material respects as of the date so furnished. There are no facts known to the Buyer, which, insofar as the Buyer can now reasonably foresee, may have a Material Adverse Effect on the ability of Buyer or the Selling Parties to obtain all requisite regulatory approvals or to perform its obligations pursuant to this Agreement.

Section 4.12 Disclosure. No representation or warranty contained in this Article IV and no statement or information relating to Buyer or contained in (a) this Agreement (including the Exhibits hereto), or (b) in any certificate or document furnished or to be furnished by or on behalf of Buyer to a Selling Party pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements made herein or therein, in light of the circumstances in which they were made, not misleading.

ARTICLE V
COVENANTS

Section 5.01 Commercially Reasonable Efforts. Subject to the terms and conditions of this Agreement, each of Seller and Buyer agrees to use its commercially reasonable efforts in good faith to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or desirable, or advisable under applicable laws, so as to permit consummation of the Transactions as promptly as practicable and shall cooperate fully with the other Party to that end.

Section 5.02 Holding Company Shareholder Approval.

(a) Subject to Section 5.02(b), Holding Company shall, as soon as reasonably practicable, but no later than one hundred five (105) days after the date of this Agreement, , in accordance with applicable law and its articles of incorporation and bylaws, call, convene, and hold a Special Meeting to consider and vote upon the approval and/or adoption of this Agreement and the Transactions. Subject to Section 5.02(b), Holding Company's board of directors shall recommend to the holders of the Holding Company Common Stock that such holders approve and/or adopt this Agreement and the Transactions (the "**Holding Company Recommendation**"),

unless, after having consulted with and considered the advice of outside legal counsel and its financial adviser, it has determined in good faith that to do so would be inconsistent with the duties of directors under Florida law, and, subject to the foregoing, will take any other action required to the extent consistent with the duties of directors under Florida law, to call, give notice of, and use commercially reasonable efforts to convene and hold the Special Meeting and distribute a proxy statement that includes a statement to the effect that the Holding Company's board of directors has recommended that the Holding Company's stockholders vote in favor of the approval and adoption of this Agreement and the Transactions (the "**Proxy Statement**"). In accordance with FBCA and the FFIC, in connection with the Special Meeting, the Holding Company will notify its shareholders of record for purposes of the Special Meeting of their appraisal rights under the Dissenting Laws in the Proxy Statement or otherwise. The Holding Company will give Buyer prompt written notice of any written notice or demands for appraisal for any Holding Company Common Stock, any attempted withdrawals of such demands and any other notice given or instrument served relating to the exercise of appraisal rights granted under the Dissenting Laws, including the name of each Dissenting Stockholder and the number of Dissenting Shares owned thereby.

(b) Neither Selling Party's board of directors nor any committee thereof shall (i) change, withdraw, modify or qualify the Holding Company Recommendation in any manner adverse to the Buyer or refuse to make the Holding Company Recommendation (any such change, withdrawal, modification, qualification or refusal, a "**Holding Company Change in Recommendation**"); (ii) adopt, approve, recommend, endorse or otherwise declare advisable the adoption of any Acquisition Proposal; or (iii) cause or permit Seller or the Holding Company to enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other agreement constituting or related to, or which is intended to or is reasonably likely to lead to, any Acquisition Proposal. Notwithstanding the foregoing, subject to Sections 5.07, 8.01 and 8.03, prior to the date of the Special Meeting, the Holding Company's board of directors may take any of the actions specified in the preceding sentence after the third (3rd) business day following Buyer's receipt of a written notice (the "**Notice of Superior Proposal**") from the Selling Parties (x) advising that the Holding Company's board of directors has decided that a bona fide unsolicited written Acquisition Proposal that it or Seller received (that did not result from a breach of this Section 5.02(b) or Section 5.07 or from an action by a representative of a Selling Party that would have been such a breach if committed by a Selling Party) constitutes a Superior Proposal (it being understood that the Selling Parties shall be required to deliver a new Notice of Superior Proposal in respect of any revised Superior Proposal from such third party or its affiliates that the Selling Parties propose to accept, and the subsequent period shall be two (2) Business Days), (y) specifying the material terms and conditions of, and the identity of the party making, such Superior Proposal, and (z) containing an unredacted copy of the relevant transaction agreements with the party making such Superior Proposal, if, but only if: (A) Buyer does not make, after being provided with reasonable opportunity to negotiate with the Holding Company and Seller, within three (3) Business Days of receipt of a Notice of Superior Proposal, a written offer that the Holding Company's board of directors determines, in good faith after consultation with its outside legal counsel and financial advisor, results in the applicable Acquisition Proposal no longer being a Superior Proposal; and (B) the Holding Company's board of directors reasonably determines in good faith, after consultation with and having considered the advice of outside legal counsel and its financial advisor, that the failure to take such actions would be inconsistent with its fiduciary

duties to the Holding Company's stockholders under applicable law and that such Acquisition Proposal is a Superior Proposal and such Superior Proposal has been made and has not been withdrawn and continues to be a Superior Proposal after taking into account all adjustments to the terms of this Agreement that are agreed to in writing by the Buyer pursuant to this Section 5.02(b).

(c) The Special Meeting shall be adjourned or postponed for at least fifteen (15), but no more than thirty (30), calendar days if, as of the time for which the Special Meeting is originally scheduled, there are insufficient shares of Holding Company Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting, or if at the Special Meeting, the Holding Company has not received votes or proxies representing a sufficient number of shares necessary to obtain the Requisite Holding Company Vote, and subject to the terms and conditions of this Agreement, the Holding Company shall continue to use commercially reasonable efforts to solicit proxies from its stockholders in order to obtain the Requisite Holding Company Vote, provided that the Holding Company shall not be required to adjourn or postpone the Special Meeting more than one time for the reasons set forth in this sentence.

Section 5.03 Field of Membership. Buyer and the Selling Parties shall cooperate with each other and take all commercially reasonable actions to cause the customers of the Seller have the opportunity to be included in Buyer's field of membership as defined in its charter, and become members of Buyer as of the Closing Date, including assisting in efforts attempting to obtain any required consents of Seller's customers to become members ("opt-in" letters) prior to the Closing Date, if applicable.

Section 5.04 Press Releases. Each of Buyer and each Selling Party agrees that it will not, without the prior approval of the other Parties (which approval shall not unnecessarily withheld, conditioned or delayed), issue any press release or written statement for general circulation relating to the Transactions (except for any release or statement that, in the opinion of outside legal counsel to such Party, is required by law or regulation and as to which such Party has used its commercially reasonable efforts to discuss with the other Parties in advance. In addition, all public statements, written or otherwise, made with respect to this Agreement and the Transactions shall be made, with respect to Buyer, solely by its President and Chief Executive Officer, and, with respect to Seller, solely by its President and Chief Executive Officer (or by any third party to which such executive officers mutually agree in writing).

Section 5.05 Access to Records and Information; Personnel; Customers.

(a) From and after the date of this Agreement and upon reasonable advance notice, the Selling Parties shall afford to the officers and authorized representatives of Buyer reasonable access during regular business hours to the office, properties, books, contracts, commitments and records of Selling Parties in order that Buyer may have full opportunity to make such investigations as it shall desire of the Selling Parties' business; *provided, however*, that no Selling Party shall be required to take any action: (i) that would provide access to or to disclose information where such access or disclosure would violate or prejudice the rights or business interests or confidences of any customer; (ii) that would result in the waiver by any Selling Party of the privilege protecting communications between it and any of its counsel; (iii) to provide access to or disclose information that relates to any Selling Party's negotiation or discussion of an Acquisition Proposal; or (iv)

which would violate any Law or regulation. Subject to the foregoing, from and after the date of this Agreement, the officers of each Selling Party shall furnish Buyer with such additional financial and operating data and other information relating to the assets, properties and business of the Selling Parties as Buyer shall from time-to-time reasonably request. Selling Parties shall consent, upon reasonable advance notice, to the review by the officers and authorized representatives of Buyer of the reports and working papers of the Selling Parties' independent and third-party auditors (upon reasonable advance notice to and the consent of such auditors).

(b) After the receipt of all Requisite Regulatory Approvals, and the approval of this Agreement and the Transactions by the shareholders of the Holding Company, Buyer may, at its own expense and to the extent permitted by applicable law, be entitled to deliver information, brochures, bulletins, press releases, and other communications to depositors, borrowers and other customers of Seller concerning the Transactions to which Buyer is a party and concerning the business and operations of Buyer; *provided*, *however*, that Seller must approve any such written communications before they are sent, which consent will not be unreasonably withheld, conditioned, or delayed. Such communications may be sent prior to receipt of the Requisite Regulatory Approvals only upon the consent of both Buyer and Seller.

(c) After the execution of the Agreement, the Selling Parties and Buyer shall begin working together on the system conversion process. The Selling Parties will provide access to the necessary data and information to allow for a conversion to occur on or about the Closing Date.

(d) On a monthly basis (for (ii) and (iii) below) and as reasonably promptly after they are available (for (i) below) following the date hereof and through the Closing Date, the Selling Parties shall provide information to Buyer concerning the status of the following matters:

(i) Any communication from or contacts by any Regulator concerning any regulatory matters affecting any Selling Party as to which such Regulator has jurisdiction, unless, in the reasonable judgment of counsel to the Selling Parties, such disclosure: (A) is non-disclosable confidential supervisory information, including reports of examination and related communications; (B) would result in any Selling Party's board of directors violating a fiduciary duty; (C) would violate any law or regulation; or (D) a Regulator objects to any such disclosure;

(ii) Current information on the quality and performance of the Loans including information on the status of any delinquencies, non-performing Loans, OREO, new Loans, information concerning refinancings and payments made on such Loans, and information indicating that any of the representations and warranties relating to the Loans are no longer accurate in all material respects; and

(iii) Information concerning Seller's total deposits and, by deposit product, their weighted average interest rate.

(e) Within fifteen (15) days following the end of each month between the date hereof and the Closing Date, the Holding Company shall provide the Buyer with unaudited consolidated financial statements for such month prepared in accordance with its current internal practices.

(f) From the date of this Agreement to the Closing Date, the Selling Parties will cause one or more of their designated representatives to confer or correspond on a regular basis, but no less frequently than monthly, with the Chief Executive Officer of Buyer (or his designees) to report the general status of the ongoing operations of Selling Parties; as a part of such conference or correspondence, the Chief Executive Officer of Buyer (or his designees) shall provide to such representative of the Selling Parties similar information about Buyer.

(g) As reasonably promptly after they are available, following the date hereof and through the Closing Date, each Party shall provide information to the other information concerning the status of any communication from or contacts by any Regulator concerning such Party's applications for any Required Regulatory Approval, unless, in the reasonable judgment of counsel to such Party, such disclosure: (A) is non-disclosable confidential supervisory information, including reports of examination and related communications; (B) would result in such Party's board of directors violating a fiduciary duty; (C) would violate any law or regulation; or (D) a Regulator objects to any such disclosure;

Section 5.06 Operation in Ordinary Course. From the date hereof to the Closing Date, each Selling Party shall: (a) not engage in any transaction affecting Seller's locations, deposits, liabilities, or assets except in the ordinary course of business, and shall operate and manage its business in the ordinary course consistent with past practices; (b) use commercially reasonable efforts to maintain the Seller Real Estate in a condition substantially the same as on the date of this Agreement, reasonable wear and use excepted; (c) maintain its books of accounts and records in the usual, regular and ordinary manner; (d) use commercially reasonable efforts to duly maintain compliance in all material respects with all laws, regulatory requirements and agreements to which it is subject or by which it is bound; and (e) provide Buyer with prompt written notice of any action, suit, proceeding or investigation instituted or threatened against any Selling Party.

Without limiting the generality of the foregoing:

(a) Seller shall not make or purchase any new Loan, or modify, renew, increase the amount of or extend the term of any existing Loan, nor make any extension of credit to an existing customer, in a single Loan in an amount over $2,000,000 or in an aggregate amount over $6,000,000 to one borrower, except after delivering to Buyer written notice, including a complete loan package for such Loan, in a form consistent with Seller's policies and practice, at least three (3) Business Days prior to the origination of such Loan, and such Loan shall be made in the ordinary course of business consistent with past practice, Seller's current loan policies and applicable rules and regulations of applicable Governmental Authorities with respect to the amount, term, security and quality of such borrower or borrower's credit; and

(b) except as set forth on Seller Disclosure Schedule 5.06(b), prior to the Closing Date, the Selling Parties shall (unless required by any Regulator or with the prior written consent of Buyer, which consent shall not be unreasonably withheld, delayed or conditioned and provided, however, if consent is withheld, Buyer must notify the Selling Party in writing within three (3) Business Days of the request or such inaction shall be considered the equivalent of prior written consent (and if there is no objection by the Buyer during such three (3) Business Day period, then such consent shall be deemed to be granted)):

(i) maintain the Fixed Assets and Seller Real Estate in their present state of repair, order and condition, reasonable wear and tear and casualty excepted;

(ii) maintain its financial books, accounts and records in accordance with GAAP;

(iii) maintain its current schedule of internal and external compliance audits in accord with past custom and practice;

(iv) charge off assets in accordance with GAAP as consistently applied;

(v) comply, in all material respects, with all applicable laws and regulations relating to its operations;

(vi) with the exception of any contract governing the terms of a Seller deposit liability, not authorize or enter into any contract or amend, modify or supplement any contract relating to or affecting its operations or involving any of its assets or liabilities which obligates any Selling Party to expend $60,000 or more;

(vii) not take any action, or enter into or authorize any transaction, other than in the ordinary course of business and consistent with past practice, relating to or affecting in any material way its operations or involving any of its assets or liabilities;

(viii) not knowingly and voluntarily take any act which, or knowingly and voluntarily omitting to take any act the omission of which, likely would result in a breach of any material contract, commitment or obligation of any Selling Party;

(ix) not make any material changes in its accounting systems, policies, principles or practices relating to or affecting its operations or involving any of its assets or liabilities, except in accordance with GAAP and regulatory requirements;

(x) not enter into or renew any data processing service contract;

(xi) not engage or participate in any material transaction or incur or sustain any material obligation except in the ordinary course of business;

(xii) undertake any actions which are inconsistent with a program to use all reasonable efforts to maintain good relations with its employees and customers;

(xiii) not transfer, assign, encumber, or otherwise dispose of, or enter into any contract, agreement, or understanding to transfer, assign, encumber, or otherwise dispose of, any of its assets except in the ordinary course of business;

(xiv) not invest in any Fixed Assets or improvements in excess of $50,000 for any single item, or $150,000 in the aggregate, except for commitments previously disclosed to Buyer in writing, made on or before the date of this Agreement for replacements of furniture, furnishings and equipment, normal maintenance and refurbishing, purchased or made in the ordinary course of business and for emergency and casualty repairs and replacements;

(xv) not increase or agree to increase the salary, remuneration, or compensation of its employees or pay or agree to pay any bonus to any such employees, other than increases and bonuses in the ordinary course of business in conformity with past custom and practice or as contemplated by Section 6.04;

(xvi) not enter into any new employment agreements with employees of any Selling Party or any consulting or similar agreements with directors of any Selling Party; *provided, however,* that a Selling Party shall be permitted to engage the assistance of temporary or contract employees, to the extent such Selling Party deems necessary;

(xvii) not fail to use its commercially reasonable efforts to preserve its present operations intact, keep available the services of its present officers and employees or to preserve its present relationships with persons having business dealings with it;

(xviii) not amend or modify any of its promotional, deposit account or practices other than amendments or modifications in the ordinary course of business or otherwise consistent with the provisions of this Agreement;

(xix) maintain deposit rates substantially in accord with rates offered by other financial institutions in Seller's market, pursuant to Seller's policies and procedures, or as a reasonably necessary to maintain Seller's deposit base;

(xx) not materially change or amend its schedules or policies relating to service charges or service fees;

(xxi) comply in all material respects with the Contracts;

(xxii) except in the ordinary course of business consistent with past practices and standards and in accordance with Selling Parties' written policies and procedures (including creation of deposit liabilities), (A) enter into repurchase agreements, (B) enter into purchases or sales of federal funds, (C) execute sales of certificates of deposit, (D) borrow or agree to borrow any material amount of funds, or (E) directly or indirectly guarantee or agree to guarantee any material obligations of others except pursuant to outstanding letters of credit;

(xxiii) take any additional FHLB advances other than overnight or other short-term (less than ninety (90) days) advances, unless such additional advances do not exceed five percent (5%) of the total assets of the Selling Parties in the aggregate;

(xxiv) not purchase or otherwise acquire any investment security for its own account except for obligations of the government of the United States or agencies of the United States having durations or maturities of not more than five (5) years, provided, however, that in no event shall Seller acquire any investment securities with a classification as "held to maturity," or engage in any activity that would be inconsistent with the classification of investment securities as either "held to maturity" or "available for sale";

(xxv) except as required by applicable law or regulation not: (A) implement or adopt any material change in its interest rate risk management and hedging policies, procedures or practices; (B) fail to follow in all material respects its existing policies or practices with respect to managing its exposure to interest rate risk; or (C) fail to use commercially reasonable means to avoid any material increase in its aggregate exposure to interest rate risk;

(xxvi) not voluntarily take any action that would reduce Seller's loan loss reserves following the date of this Agreement or take any action which is not in compliance with Seller's past practices consistently applied and in compliance with GAAP;

(xxvii) not declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any equity securities of Seller or Holding Company, except as provided in Section 8.01(c);

(xxviii) (A) not settle or compromise, or offer or propose to settle or compromise, (1) any proceeding involving or against any Selling Party, other than any settlement or compromise solely for monetary relief of not more than $25,000 individually or $50,000 in the aggregate and that does not involve any equitable relief or limitations on the conduct of any Selling Party and which does not include any findings of fact or admission of culpability or wrongdoing by any Selling Party, or (2) any proceeding that relates to the Transactions; or (B) not institute any proceeding;

(xxix) not make or change any material tax election, change an annual tax accounting period, file any amended tax return, enter into any closing agreement, waive or extend any statute of limitations with respect to taxes, settle or compromise any tax liability, claim, or assessments, or surrender any right to claim a refund of taxes;

(xxx) not open any municipal deposit account other than such account in existence as of the date of this Agreement; or

(xxxi) not enter into any contract (conditional or otherwise) or resolve to do any of the foregoing.

Section 5.07 Acquisition Proposals. Seller and Holding Company each agree that it shall not, and shall cause its respective officers, directors, agents, advisors and Affiliates not to, solicit or encourage inquiries or proposals with respect to, or engage in any negotiations concerning, or provide any confidential information to, or have any discussions with, any person relating to, any tender or exchange offer, proposal for a merger, consolidation, sale of assets and assumption of liabilities, or other business combination involving Seller or Holding Company or any proposal or offer to acquire in any manner a substantial equity interest in, 25% or more of the assets or deposits of Seller or Holding Company, other than the Transactions (any of the foregoing, an "**Acquisition Proposal**"). Notwithstanding the foregoing, if Seller and Holding Company are not otherwise in violation of this Section 5.07, the boards of directors of Holding Company and Seller, and the Holding Company and Seller, may (i) take the action contemplated by Section 5.02 and (ii) provide information to, and may engage in such negotiations or discussions with, a person with respect to an Acquisition Proposal, directly or through representatives, if Holding Company's or Seller's board of directors, after consulting with and considering the advice of its financial advisor and its outside legal counsel, determines in good faith that its failure to provide information or to engage in any such negotiations or discussions could reasonably be expected to constitute a failure to discharge properly the fiduciary duties of such directors in accordance with applicable law. The Selling Parties shall promptly (within one Business Day) advise Buyer following the receipt by it of any written Acquisition Proposal (including the identity of the person making such Acquisition Proposal and a copy of such Acquisition Proposal), and advise Buyer of any material developments with respect to such Acquisition Proposal promptly (within one Business Day) upon the occurrence thereof.

Section 5.08 Regulatory Applications and Third-Party Consents. As promptly as practicable after the date of this Agreement, but in no event later than sixty (60) days after execution of this Agreement, Buyer and the Selling Parties shall file all applications, filings, notices, consents, permits, requests, or registrations required to obtain all Requisite Regulatory Approvals of any Regulator and consents of all third parties necessary to consummate the Transactions. In addition, as applicable, Buyer shall take any and all actions necessary so that all, or substantially all, of Seller's customers deposit accounts are insured by the National Credit Union Share Insurance Fund at the time of Closing. Buyer and the Selling Parties will use their commercially reasonable efforts to obtain the Requisite Regulatory Approvals and consents from third parties as promptly as practicable and will consult with one another with respect to the obtaining of all such authorizations and consents necessary or advisable to consummate the Transactions. Each Party will keep the other Party apprised of the status of material matters relating to completion of the Transactions. Copies of the non-confidential portions of applications and correspondence related to the Transactions to, from and between each Party and its respective Regulators shall be promptly provided to the other Party. Each of Buyer and the Selling Parties agrees to furnish the other Party, in advance of the filing, with all non-confidential information and applications concerning itself and its respective directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with any filing, notice or application made by or on behalf of Buyer or Seller to any third party or any Regulator. Buyer and the Selling Parties shall promptly advise each other upon receiving any communication from any Regulators or other Governmental Authority whose consent or approval is required for

consummation of the Transactions that causes such party to believe that there is a reasonable likelihood that such consent or approval will not be obtained or that the receipt of any such required consent or approval will be materially delayed. Notwithstanding the foregoing, nothing contained herein shall be deemed to require Buyer to take any action, or commit to take any action, or agree to any term, condition or restriction, in connection with obtaining the foregoing permits, consents, approvals and authorizations of third parties or any Regulator, which would (i) require Buyer to maintain capital ratios in excess of those maintained by the Buyer as of the date this Agreement, (ii) impose material restrictions on the operations of the Buyer which in the judgment of the Buyer would have a Material Adverse Effect on Buyer, or (iii) have a Material Adverse Effect on the Buyer (a "**Materially Burdensome Regulatory Condition**").

Section 5.09 Title Insurance and Surveys. The Selling Parties shall make available to Buyer prior to the Closing Date copies of its most recent, if any, owner's closing title insurance policy, binder or abstract and surveys on each parcel of the Seller Real Estate owned by a Selling Party, or other evidence of title. At Buyer's expense, Buyer may obtain updated title reports, abstracts or surveys on such Seller Real Estate at the Closing, as Buyer shall reasonably request; *provided, however*, that such reports must be ordered within ninety (90) calendar days after the execution of this Agreement or this right shall be deemed waived.

Section 5.10 Environmental Reports.

(a) The Selling Parties shall make available to Buyer copies of any material environmental reports in its reasonable possession that it has obtained or received with respect to the Seller Real Estate and the OREO within ten (10) Business Days after the date hereof.

(b) Buyer, in its discretion, within ten (10) days after the later of the date hereof or the date that the Buyer has had a reasonable opportunity to become aware of any recognized environmental conditions (as defined in ASTM Standard E1527-13 ("RECs") with respect to Real Estate of the Selling Parties, may request in writing that the Selling Parties order a Phase I environmental assessment with respect to any Real Estate of the Selling Parties ("**Phase I Report**"). Not later than forty-five (45) days after such notice, the Selling Parties shall obtain, at Buyer's sole cost and expense, such Phase I Report(s) and promptly deliver the same to Buyer.

(c) If any Phase I Report identifies any, such report recommends subsurface investigation, Buyer may, not later than five (5) days after receipt of such report, obtain a Phase II environmental assessment ("**Phase II Report**") from a mutually acceptable qualified environmental engineering firm at Buyer's sole cost and expense. Prior to commencing any work, Buyer shall provide an access and indemnity agreement to be mutually agreed upon by the Selling Parties and Buyer.

(d) Buyer agrees that the Phase II Report(s) and all underlying data, laboratory analysis, or other documentation provided by the environmental consultant to Buyer shall be provided to Selling Parties and otherwise maintained as confidential and shall not be disseminated, disclosed or provided to any other individual, party or entity, including Governmental Authorities, brokers, or any employees or agents of any of the foregoing, unless authorized in writing by a Selling Party and except as may be required by law.

(e) Any Phase I Report and Phase II Report or other environmental report requested pursuant to this Section 5.10 shall be at Buyer's sole cost and expense.

(f) Buyer will restore at its sole cost and expense any property for which it has undertaken an environmental investigation to the condition existing immediately prior to such investigation.

Section 5.11 Supplemental Information; Disclosure Supplements. From and after the date hereof to the Effective Time, if any Party becomes aware of any facts, circumstances or of the occurrence or impending occurrence of any event that does or could reasonably be expected to cause one or more of such Party's representations and warranties contained in this Agreement to be or to become inaccurate, misleading, incomplete or untrue in any material respect as of the Closing Date, such Party shall promptly give detailed written notice thereof to the other Party and use reasonable and diligent efforts to change such facts or events to make such representations and warranties true, unless the same shall have been waived in writing by the other Party. In addition, from and after the date hereof to the Effective Time, and at and as of the Effective Time, each Party shall supplement or amend any of its representations and warranties which apply to the period after the date hereof by delivering monthly written updates, if any changes should occur ("**Disclosure Schedule Updates**"), to the other Party with respect to any matter hereafter arising and not disclosed herein or in the Seller Disclosure Schedules that would render any such representation or warranty after the date of this Agreement materially inaccurate or incomplete as a result of such matter arising. Any required Disclosure Schedule Update shall be provided by each Party to the other Party within thirty (30) days after the conclusion of each month prior to the Closing Date. A matter identified in a Disclosure Schedule Update that causes any warranty or representation to be materially breached shall not cure or be deemed to cure such breach.

Section 5.12 Confidentiality of Records. Buyer and its authorized agents and representatives shall receive and treat all Records, documents and information obtained pursuant to any provision of this Agreement as confidential, until the Transactions have been consummated, and if not consummated, shall thereafter continue to maintain such confidentiality and not use such information for any purpose whatsoever, and shall, upon the request of Seller, return to Seller all originals and copies of such documents or other materials containing such information or Records. Until the Closing Date, Buyer shall use all such information only for purposes of effectuating the Transactions.

Section 5.13 Board and Committee Meetings. Seller shall provide Buyer with copies of the materials prepared for and provided to directors (board packages) in connection with board and committee meetings (if any) no later than ten (10) Business Days after such meetings occur, except for any confidential materials that include discussion of this Agreement and the Transactions or any matters related to an Acquisition Proposal or any other matter that has been determined to be confidential, and except for information where such disclosure would violate or prejudice the rights of its customers, jeopardize the attorney-client privilege of the Selling Parties or Holding Company, relates to confidential Regulator material or correspondence, or contravene any law, rule, regulation, order, judgement, decree, fiduciary duty or binding agreement entered into prior to the date of this Agreement or in the ordinary course of business.

Section 5.14 Cooperation on Conversion of Systems. At Buyer's sole expense, the Selling Parties agree to commence immediately using their commercially reasonable efforts to ensure an orderly transfer of information, processes, systems and data to Buyer and to otherwise assist Buyer in facilitating the conversion of all of the Selling Parties' systems into or to conform with, Buyer's systems so that, as of the Closing, the systems of the Selling Parties are readily convertible to Buyer's systems to the fullest extent possible without actually converting them prior to Closing, *provided, however,* the Selling Parties shall not be required to take any actions that would interfere with or prevent the performance of the normal business operations of the Selling Parties in any material respect, or violate applicable law or policy.

Section 5.15 Installation/Conversion of Signage/Equipment. Prior to Closing and after the receipt of all Requisite Regulatory Approvals, and the approval of this Agreement and the Transactions by the shareholders of Holding Company, at times mutually agreeable to Buyer and Seller, Buyer may, at Buyer's sole expense, install teller equipment, platform equipment, security equipment, computers, and signage at Seller's locations, and Seller shall cooperate with Buyer in connection with such installation; *provided, however,* that (a) such installation shall not interfere with the normal business activities and operation of Seller's locations; (b) no such signage shall be installed at Seller's locations more than five Business Days before the Closing Date; and (c) Buyer's name as appearing on any such signage shall be covered by an opaque covering material until after the close of business on the Closing Date.

Section 5.16 Minimum Share Deposits in Buyer. Seller's Loan Debtors and any other customers without a minimum of $5.00 in a Seller deposit account immediately prior to the Effective Time must have a minimum deposit of $5.00 at Buyer on the Closing Date in order to satisfy Buyer's membership requirements. Buyer agrees to open a deposit share account for any Loan Debtor who does not have a deposit balance of at least $5.00 in Seller on the Closing Date (which deposit account will be assumed by Buyer) and to fund such new deposit share account with a $5.00 deposit, in compliance with its policies and applicable law. Any such deposits shall constitute Transaction Expenses.

Section 5.17 Pre-Closing Adjustments. Each Selling Party agrees that it shall: (a) make any accounting adjustments or entries to its books of account and other financial records; (b) make or not make additional provisions to such Selling Party's allowance for credit losses; (c) sell or transfer any investment securities held by it; (d) charge-off any Loan; (e) create any new reserve account or make additional provisions to any other existing reserve account; (f) make changes in any accounting method; (g) accelerate, defer or accrue any anticipated obligation, expense or income item; and (h) make any other adjustments which would affect the financial reporting of the Selling Parties, on a consolidated basis after the Effective Time, in any case as Buyer shall reasonably request; provided, however, that no Selling Party shall be obligated to take any such requested action until immediately prior to the Closing and at such time as the Selling Parties shall have received reasonable assurances in writing that all conditions precedent to Buyer's obligations under this Agreement (except for the completion of actions to be taken at the Closing) have been satisfied, and no such adjustment which a Selling Party would not have been required to make but for the provisions of this Section 5.17 shall be deemed to be a breach of any warranty or representation made herein, be taken into account in the calculation of the Seller's Closing Equity Value, change the amount of the Merger Consideration, delay the Closing, or adversely affect Buyer's receipt of any Requisite Regulatory Approval.

Section 5.18 Certain Tax Matters. No Selling Party shall make any election inconsistent with prior tax returns or elections or settle or compromise any liability with respect to taxes without prior written notice to Buyer or as otherwise required by applicable law. Each Selling Party shall timely file all tax returns required to be filed prior to the Closing; provided, however, that each such tax return shall be delivered to Buyer for its review at least fifteen (15) Business Days prior to the anticipated date of filing of such tax return. Following the Effective Time, Buyer shall prepare (or cause to be prepared) and timely file (or cause to be timely filed) all tax returns for the Selling Parties for all periods ending on or before the Effective Time that are required to be filed by the Selling Parties after the Effective Time. If any Party is permitted or required, under applicable federal, state or local income tax laws, to treat the Closing Date as the last day of a taxable period, then such day shall be treated as the last day of a taxable period.

Section 5.19 Claims Letters. Concurrently with the execution and delivery of this Agreement and effective upon the Closing, each director and executive officer of Holding Company and the Seller shall have executed and delivered to Buyer a Claims Letter in the form attached hereto as Exhibit A-4.

Section 5.20 Pre-Closing Transfer of Excluded Assets, Contracts, Deposits and Other Liabilities. Prior to the consummation for the First Step Merger, Seller shall transfer to another financial institution or other entity any assets, contracts, deposits (including municipal deposits) or other liabilities that the Buyer has advised Seller that Buyer is prohibited from holding and for which no grace period for Buyer to hold is available or which Buyer requests be so transferred ("**Excluded Assets, Contracts, Deposits and Other Liabilities**"). The Excluded Assets, Deposits and Other Liabilities shall be listed in Buyer Disclosure Schedule 5.20. Any losses or transaction expenses attributable Seller's transfers of any Excluded Assets, Deposits and Other Liabilities shall be added the Closing Equity Value, regardless of amount.

ARTICLE VI
EMPLOYEES AND EMPLOYEE BENEFIT MATTERS

Section 6.01 Employees and Employee Benefit Matters.

(a) Buyer shall endeavor to retain as many of the Selling Parties' employees as it deems reasonably practical in its sole discretion. Buyer shall use its reasonable efforts to provide employees of the Selling Parties with meaningful career opportunities at Buyer following the Merger. Notwithstanding the foregoing, this Agreement is not intended to provide to any employee a legally enforceable right to continuing employment after the Effective Time, and any employees of the Selling Parties that continue employment with Buyer following the Effective Time shall become employees at will of Buyer.

(b) At and after the Effective Time, Buyer will provide any employee of the Selling Parties who is not otherwise covered by an individual employment agreement, change in control agreement or similar agreement and whose employment is involuntarily terminated by Buyer without cause within six (6) months following the Effective Time with a lump sum cash severance payment equal to two (2) weeks of pay for each full year of service with the Selling Parties, with a minimum benefit of four (4) weeks and a maximum benefit of twenty (20) weeks ("**Severance**

Amount"), with such payment made within thirty (30) calendar days of the date of termination and subject to such person's execution of a customary release provided by Buyer.

(c) Prior to the Effective Time, Buyer shall take all reasonable action so that employees of the Selling Parties who are employed by Buyer at or after the Effective Time (i) shall receive employee benefits which are at a level materially similar to similarly-situated employees of Buyer, taking into account all relevant factors, including duties, geographic location, tenure, qualifications and abilities, and (ii) shall be entitled to participate in the Buyer Employee Benefit Plans at a level materially similar to similarly-situated employees of Buyer (it being understood that inclusion of the employees of the Selling Parties in the Buyer Employee Benefit Plans may occur at different times with respect to different Buyer Employee Benefit Plans) to the extent that such participation does not result in a duplication of benefits and provided, further, that, with respect to clause (ii) until such time as Buyer fully integrates such employees into its plans, participation in the Seller Employee Benefit Plans (other than severance) shall be deemed to satisfy the foregoing standards. Buyer shall cause each Buyer Employee Benefit plan in which employees of the Selling Parties are eligible to participate to recognize the service of such employees with the Selling Parties (to the same extent as such service was credited for such purpose immediately prior to the Effective Time), for purposes of determining eligibility to participate in such Buyer Health Plan and the vesting of benefits, but not for purposes of accrual of benefits under any defined benefit pension plan, frozen plan or retiree health plan or to the extent that recognizing the service of such employees would result in a duplication of benefits. Notwithstanding any other provisions in this Agreement: (i) employees of the Selling Parties shall not be eligible to participate in the Buyer Credit Union Retirement Pension Plan; and (ii) Buyer shall provide the benefits described on Seller Disclosure Schedule 6.01(c).

(d) In the event of any termination of any Seller medical, dental, vision, health or disability plan, as applicable (collectively, "**Seller Health Plan**"), Buyer shall take all reasonable action to make available to the former Selling Parties employees (and their dependents) that continue employment with Buyer, medical, dental, vision, health or disability plan, as applicable (collectively, "**Buyer Health Plan**") on the same basis as it provides such coverage to similarly-situated Buyer employees, provided that Buyer shall take all reasonable action to cause each such Buyer Health Plan to (i) waive any preexisting condition limitations to the extent such conditions are covered under the applicable Buyer Health Plan, (ii) waive any waiting period limitation or evidence of insurability requirement which would otherwise be applicable to such employee on or after the Effective Time to the extent such employee had satisfied any similar limitation or requirement under an analogous Seller Health Plan prior to the Effective Time and (iii) provide credit towards the deductible and out-of-pocket maximum for eligible expenses incurred by the employees of the Selling Parties under the Seller Health Plans for the plan year in which coverage commences under the Buyer Health Plan.

(e) The Selling Parties shall, effective as of one (1) day prior to the Effective Time, terminate the Seller's 401(k) plan and any other plan that is intended to meet the requirements of Section 401(k) of the Code, and which is sponsored, or contributed to, by the Selling Parties or any Seller Subsidiary (collectively, the "**Seller 401(k) Plan**") and no further contributions shall be made to the Seller's 401(k) Plan except as required by law. At least ten (10) days prior to the Effective Time, the Seller shall provide to Buyer (i) executed resolutions of the board of directors of the Seller authorizing such termination, and (ii) executed amendments to the Seller 401(k) Plan

which (A) in Buyer's reasonable judgment are sufficient to assure compliance with all applicable requirements of the Code and regulations thereunder, including such that the tax-qualified status of the Seller 401(k) Plan will be maintained at the time of termination, and (B) provide for the roll over to another tax advantaged plan or lump sum payment of participants' accounts upon plan termination.

(f) From and after the Effective Time, Buyer shall have sole discretion with respect to the determination as to whether or when to terminate, merge or continue any of the Selling Parties Employee Benefit Plans.

(g) Neither Holding Company, Seller, any of its Subsidiaries, nor any officer, director, manager, employee, agent or representative of Holding Company, Seller or its Subsidiaries shall make any communication to service providers of Holding Company, Seller or its Subsidiaries regarding any Buyer Employee Benefit Plan or any compensation or benefits to be provided after the Effective Time without the advance approval of Buyer.

(h) No provision in this Agreement shall modify or amend any other agreement, plan, program, or document relating to a Seller Employee Benefit Plan unless this Agreement explicitly states that the provision "amends" that other agreement, plan, program, or document. This shall not prevent the parties entitled to enforce this Agreement from enforcing any provision in this Agreement, but no other party shall be entitled to enforce any provision in this Agreement on the grounds that it is an amendment to another agreement, plan, program, or document relating to a Seller Employee Benefit Plan.

(i) Prior to the Effective Time, Seller shall terminate (i) all indemnification agreements between each Selling Party and its directors, officers and employees, and (ii) the Seller Plans listed in Seller Disclosure Schedule 6.01(i).

(j) At or before the Effective Time, Holding Company and Seller shall make the payments to Holding Company and Seller employees set forth on Seller Disclosure Schedule 6.01(j).

Section 6.02 Indemnification.

(a) For a period of six (6) years after the Closing Date, Buyer shall indemnify, defend and hold harmless the present and former directors, officers and employees of each of Seller, Holding Company, and their respective Subsidiaries, and all such directors, officers and employees of Seller and Holding Company and their Subsidiaries serving as fiduciaries under any of the respective benefits plans of Seller and Holding Company (the "**Indemnified Parties**") to the fullest extent allowable under Florida law (as applicable) against all costs and expenses (including reasonable attorneys' fees, expenses and disbursements), judgements, fines, losses, claims, damages, settlements or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative (each, a "**Claim**"), arising out of or pertaining to the fact that the Indemnified Party prior to the Closing and only with respect to actions prior to Closing was a director, officer, employee, or fiduciary of Seller or Holding Company or their Subsidiaries or any such benefit plan or is or was serving at the request of Seller or Holding Company and their Subsidiaries as a director, officer, manager, employee, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other

business or non-profit enterprise (including any Employee Benefit Plan), whether asserted or claimed prior to, at or after the Closing Date (including with respect to the consummation of the Transactions), and provide advancement of expenses to the Indemnified Parties (provided that the Indemnified Party to whom expenses are advanced provides an undertaking to repay advances if it shall be determined that such Indemnified Party is not entitled to be indemnified pursuant to Florida corporate law).

(b) Seller and Holding Company will obtain, at Buyer's sole cost and expense a directors' and officers' liability insurance tail policy based on the Selling Parties' existing directors' and officers' liability insurance policy covering only actions and events occurring prior to the Closing that remains in effect for a period of six (6) years after the Closing Date; *provided*, that Buyer shall not be obligated to make premium payments for such six (6) year period in respect of such policy (or coverage replacing such policy) which exceeds, for the portion related to Seller's and Holding Company's directors and officers, 200% of the annual premium most recently paid by Seller (the "**Maximum Amount**"). If the amount of premium that is necessary to maintain or procure such insurance coverage exceeds the Maximum Amount, the Selling Parties shall use their reasonable best efforts to maintain the most advantageous policies of director's and officer's liability insurance obtainable for a premium equal to the Maximum Amount or may request Buyer procure at Buyer's expense, at a single premium cost equal to the Maximum Amount with comparable coverage and amounts containing terms and conditions which are substantially no less advantageous that the terms obtained by the Selling Parties.

(c) Any Indemnified Party wishing to claim indemnification under this Section 6.02 shall promptly notify Buyer upon learning of any Claim, provided that failure to so notify shall not affect the obligation of Buyer under this Section 6.02 unless, and only to the extent that, Buyer is actually and materially prejudiced in the defense of such Claim as a consequence. In the event of any such Claim (whether arising before or after the Effective Time), (i) Buyer shall have the right to assume the defense thereof and Buyer shall not be liable to such Indemnified Parties for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof, unless such Indemnified Party is advised in writing by counsel that the defense of such Indemnified Party by Buyer would create an actual or potential conflict of interest (in which case, Buyer shall not be obligated to reimburse or indemnify any Indemnified Party for the expenses of more than one such separate counsel for all Indemnified Parties, in addition to one local counsel in the jurisdiction where defense of any Claim has been or is to be asserted); (ii) the Indemnified Parties will cooperate in the defense of any such matter; (iii) Buyer shall not be liable for any settlement effected without its prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) and Buyer shall not settle any Claim without such Indemnified Party's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed); and (iv) Buyer shall have no obligation hereunder in the event that a Regulator having jurisdiction or a court of competent jurisdiction shall determine that indemnification of an Indemnified Party in the manner contemplated hereby is prohibited by applicable laws and regulations.

(d) If Buyer or any of its successors and assigns (i) shall consolidate with or merge into any other corporation, cooperative society, or entity and shall not be the continuing or surviving corporation, cooperative society, or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its property and assets to any individual, corporation, cooperative society, or

other entity, then, in each such case, proper provision shall be made so that the successors and assigns of Buyer and its Subsidiaries shall assume the obligations set forth in this Section 6.02.

(e) These rights shall survive the Closing and are intended to benefit, and shall be enforceable by, each Indemnified Party and his or her heirs, representatives or administrators. After the Closing, the obligations of Buyer under this Section 6.02 shall not be terminated or modified in such a manner as to adversely affect any Indemnified Party unless the affected Indemnified Party shall have consented in writing to such termination or modification. If any Indemnified Party makes any claim for indemnification or advancement of expenses under this Section 6.02 that is denied by Buyer, and a court of competent jurisdiction determines that the Indemnified Party is entitled to such indemnification or advancement of expense, then Buyer shall pay such Indemnified Party's costs and expenses, including legal fees and expenses, incurred in connection with enforcing such claim against Buyer. If any Indemnified Party makes any claim for indemnification or advancement of expenses under this Section 6.02 that is denied by Buyer, and a court of competent jurisdiction determines that the Indemnified Party is not entitled to such indemnification or advancement of expense, the Indemnified Party shall pay Buyer's costs and expenses, including legal fees and expenses, incurred in connection with defending such claim against the Indemnified Party.

(f) Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to Holding Company or Seller or any of their subsidiaries for any of their respective directors, officers or other employees, it being understood and agreed that the indemnification provided for in this Section 6.02 is not prior to or in substitution for any such claims under such policies.

Section 6.03 Approval of 280G Payments. If, after reviewing the calculations under Section 280G of the Code and other supporting materials prepared by the Selling Parties and their Representatives, either the Selling Parties or Buyer determine that any Person who is a "disqualified individual" has a right to any payments and/or benefits as a result of or in connection with the execution of this Agreement and the consummation of the transactions contemplated hereby that would be deemed to constitute "parachute payments" (as such terms are defined in Section 280G of the Code and the regulations promulgated thereunder) absent approval by the shareholders of the Selling Parties, then the Selling Parties will undertake their best efforts to modify its obligations to provide such payments or benefits to the extent necessary such that, after giving effect to such modifications, the modified payments or benefits would not constitute a parachute payment to a disqualified individual based on the calculations under Section 280G of the Code.

Section 6.04 Stay Bonuses. Notwithstanding any provision of this Agreement to the contrary, between the date of this Agreement and the Closing Date, the Selling Parties may offer and pay to their non-executive officer employees "stay bonuses" as disclosed in Seller Disclosure Schedule 6.04.

ARTICLE VII
CONDITIONS TO CLOSING

Section 7.01 Conditions to the Obligations of Selling Parties. Unless waived in writing by the Selling Parties, the obligations of the Selling Parties to consummate the Transactions are subject to the satisfaction at or prior to the Closing of the following conditions:

(a) *Performance*. Each of the acts and undertakings and covenants of Buyer to be performed at or before the Closing pursuant to this Agreement shall have been duly performed in all material respects.

(b) *Representations and Warranties; Covenants*. The representations and warranties of Buyer set forth in this Agreement (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties are expressly made as of a particular date, in which case as of such date); provided, that for purposes of this sentence, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct, either individually or in the aggregate, and without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, has had or would reasonably be expected to have a Material Adverse Effect on the ability of Buyer to perform its obligations pursuant to this Agreement.

(c) *Documents*. The Selling Parties shall have received the following documents from Buyer:

(1) Resolutions of Buyer's board of directors, certified by its Secretary or Assistant Secretary, authorizing the execution and delivery of this Agreement and the consummation of the Transactions to which Buyer is a party.

(2) A certificate of the Secretary or Assistant Secretary of Buyer as to the incumbency and signatures of officers.

(3) A certificate signed by the Chief Executive Officer of Buyer stating that the conditions set forth in Section 7.01(a) and Section 7.01(b) have been fulfilled.

(4) Such other instruments and documents as counsel for the Selling Parties may reasonably require as necessary or desirable to consummate the Transactions, all in form and substance reasonably satisfactory to counsel for the Selling Parties.

(d) *Tax Opinion*. As of the date of this Agreement, Seller and Holding Company have received a draft of a tax opinion from the accountants for the Seller and Holding Company as to the income tax consequences of the Transactions to the holders of Holding Company Common Stock (and who will own shares of Seller common stock at the Effective Time) who own shares for investment purposes, and that (a) any shares held for investment purposes would be considered a capital asset under the Code Section 1221, (b) any such gain or loss would be considered a capital gain or loss, and (c) the only recognition of taxable income shall be in connection with the Merger

(and not the First Step Merger) and there shall have been no change in such tax opinion as of the Effective Time.

Section 7.02 Conditions to the Obligations of Buyer. Unless waived in writing by Buyer, the obligations of Buyer to consummate the Transactions are subject to the satisfaction at or prior to the Closing of the following conditions:

(a) *Performance*. Each of the acts and undertakings and covenants of Seller and Holding Company to be performed at or before the Closing pursuant to this Agreement shall have been duly performed in all material respects.

(b) *Representations and Warranties*. The representations and warranties of Selling Parties set forth in Sections 3.01(g), 3.01(h), 3.04 and 3.23 (in each case after giving effect to the lead-in language to Article III) shall be true and correct (other than, in the case of Sections 3.01(g) and 3.01(h), such failures to be true and correct are de minimis) in each case as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties are expressly made as of a particular date, in which case as of such date), and the representations and warranties of Selling Parties set forth in Sections 3.01(a), 3.01(b), 3.01(f), 3.02, 3.17(a) and 3.17(i) (in each case, read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties but, in each case, after giving effect to the lead-in language to Article III) shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties are expressly made as of a particular date, in which case as of such date). All other representations and warranties of the Selling Parties set forth in this Agreement (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties but, in each case, after giving effect to the lead-in language to Article III) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties are expressly made as of a particular date, in which case as of such date); provided, that for purposes of this sentence, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct, either individually or in the aggregate, and without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, has had or would reasonably be expected to have a Material Adverse Effect on any Selling Party or the Surviving Entity.

(c) *Documents*. Buyer shall have received the following documents from the Selling Parties:

(1) Resolutions of each Selling Party's board of directors, certified by their respective Secretary or Assistant Secretary, authorizing the execution and delivery of this Agreement and the consummation of the Transactions and resolutions of each Selling Party's shareholders approving this Agreement and the Transactions to which such Party is a party.

(2) A certificate from the Secretary or Assistant Secretary of each Selling Party as to the incumbency and signatures of officers.

(3) A certificate signed by the Chief Executive Officer of each Selling Party stating that the conditions set forth in Section 7.02(a) and Section 7.02(b) have been satisfied.

(4) Such other documents or instruments as counsel for Buyer may reasonably require, including updated Seller Disclosure Schedules, as necessary or desirable for consummation of the Transactions, including an Assignment and Assumption Agreement, a Bill of Sale and Assignment, a Retirement Account Transfer Agreement and a Limited Power of Attorney, all in the form and substance reasonably satisfactory to counsel for Buyer.

(d) *Dissenting Shares*. The number of shares of Holding Company Common Stock or Seller Common Stock, that are Dissenting Shares shall be less than five percent (5%) of the number of shares of Holding Company Common Stock or Seller Common Stock, outstanding immediately prior to the effective time of the First Step Merger or the Effective Time, as applicable.

(e) *Regulator Approvals*. None of the Requisite Regulatory Approvals necessary to consummate the Transactions contemplated by this Agreement shall include any term, condition or restriction that results in the imposition of a Materially Burdensome Regulatory Condition.

(g) *Closing Equity Value; Allowance for Loan and Lease Losses*. Seller's Closing Equity Value calculated pursuant to Section 2.06 shall be an amount not less than the Minimum Equity Value and Seller's general allowance for loan and lease losses shall be an amount not less than 0.80% of loans and leases held for investment (i.e., excluding loans in Seller's pipeline and loans held by Seller for sale).

Section 7.03 Condition to the Obligations of Seller and Buyer. The respective obligations of each Party under this Agreement shall be subject to the fulfillment at or prior to the Closing Date of the following conditions, none of which may be waived:

(a) *Regulatory Approvals*. The Requisite Regulatory Approvals will have been obtained and the applicable waiting periods, if any, under all statutory or regulatory waiting periods will have lapsed. There shall not be pending on the Closing Date any motion for rehearing or appeal from such approval seeking to prohibit the Transactions .

(b) *Absence of Proceedings and Litigation*. No order shall have been entered and remain in force at the Closing Date restraining or prohibiting any of the Transactions in any legal, administrative or regulatory proceeding, and no action or proceeding shall have been instituted or threatened on or before the Closing Date seeking to restrain or prohibit the Transactions or which would be reasonably likely to have a Material Adverse Effect on any Selling Party.

(c) *Shareholder Approval*. This Agreement and the Transactions shall have been approved by the affirmative vote of the holders of a majority of the outstanding shares of Holding Company Common Stock entitled to vote at the Special Meeting (the "**Requisite Holding Company Vote**").

(d) *Third Party Consents*. The Parties shall have obtained the consent or approval of each person (other than the governmental approvals or consents referred to in Section 7.03(a)) whose consent or approval shall be required to consummate the Transactions, except those for

which failure to obtain such consents and approvals would not, individually or in the aggregate, have a Material Adverse Effect on the Surviving Entity (after giving effect to the consummation of the Transactions contemplated hereby).

(e) *First Step Merger*. Subject to Section 2.01(b), the First Step Merger shall have been duly authorized and approved by the parties thereto and the other terms and conditions of the First Step Merger shall have been satisfied so as to permit such transactions being contemplated thereby.

ARTICLE VIII
TERMINATION

Section 8.01 Termination. This Agreement may be terminated at any time prior to the Effective Time, upon the occurrence of any of the following conditions:

(a) *No Regulatory Approval*. By either the Selling Parties or Buyer, if (i) any Regulator or other Governmental Authority that must grant a Requisite Regulatory Approval has denied approval of the application for such Requisite Regulatory Approval and such denial has become final and non-appealable or (ii) any court or other Governmental Authority of competent jurisdiction shall have issued a final, unappealable order enjoining or otherwise prohibiting consummation of the Transactions , unless the failure to obtain the Requisite Regulatory Approvals shall be due to the failure of the Party seeking to terminate this Agreement to perform or observe the obligations, covenants and agreements of such Party set forth herein;

(b) *Material Breach of Representation, Warranty or Failure to Perform Covenant*. By either Buyer or any Selling Party (provided that the Party seeking termination is not then in material breach of any representation, warranty, covenant or other agreement contained herein), in the event of a breach of any covenant or agreement on the part of the other Party set forth in this Agreement, or if any representation or warranty of the other Party shall have become untrue, in either case such that the conditions set forth in Sections 7.01(a) and (b) or Sections 7.02(a) and (b), as the case may be, would not be satisfied and such breach or untrue representation or warranty has not been cured within thirty (30) days following written notice to the Party committing such breach or making such untrue representation or warranty, or by its nature or timing cannot be cured during such period (or such fewer days as remain prior to the Termination Date);

(c) *Delay*. By either the Selling Parties or Buyer in the event the Merger shall not have occurred by December 31, 2025 (the "**Termination Date**"), unless the failure of the Closing to occur by such date is due to the breach of any representation, warranty or covenant contained in this Agreement by the Party seeking to terminate, provided, however, that Buyer shall have the right to extend the Termination Date by two additional periods of three-months each and Seller shall have the right, if the Termination Date is extended after December 31, 2025, to pay to its shareholders a cash dividend of one-third of the Holding Company's consolidated net income for (i) 2025, and (ii) each full calendar month after December 31, 2025 and prior to the month in which the Closing occurs. For purposes of calculating the Holding Company's consolidated net income for 2025 and each full calendar month after December 31, 2025 and prior to the month in which the Closing occurs, all Transaction Expenses (other than change in control payments to Sammie D. Dixon, Jr.) shall be added back to, and therefore not constitute a deduction from, the Holding Company's consolidated net income. Dividend payments by the Holding Company shall

be subject to the Seller delivering the Minimum Equity Value at the Closing. Assuming a Closing on January 1, 2026, the following is an illustrative example of such a dividend payment that would be permissible:

Common Stock	$39,000,000
Retained Earnings	$55,000,000
Unrealized Gains/Losses	$(7,000,000)
2025 Holding Company Consolidated Net Income	$10,000,000
Transaction Expenses	$(7,000,000)
Seller Book Value	$90,000,000
Addback	
(i) Unrealized Gains/Losses	$7,000,000
(ii) Transaction Expenses	$7,000,000
(iii) ACL Recapture	$0
Closing Equity Value	$104,000,000
Less: Cash Dividend (1/3 of 2025 Net Income)	($3,333,300)
Closing Equity Value Less Dividend	$100,666,700

(d) *Mutual Consent*. By the mutual consent of the Parties in a written instrument, if the board of directors of each Party so determines by a vote of a majority of the members of the entire board;

(e) *Failure to Recommend Approval*. By Buyer if (i) the Seller or the Holding Company shall have materially breached its obligations under Sections 5.02 or 5.07 or (ii) if the board of directors of the Holding Company does not make the Holding Company Recommendation in the Proxy Statement or if, after making the Holding Company Recommendation in the Proxy Statement, the board of directors of the Holding Company effects a Holding Company Change in Recommendation;

(f) *No Shareholder Vote*. By either the Selling Parties or Buyer if the Special Meeting has been held and the Requisite Holding Company Vote has not been obtained;

(g) *Materially Burdensome Regulatory Condition*. By Buyer if any of the Requisite Regulatory Approvals includes any term, condition or restriction that results in the imposition of a Materially Burdensome Regulatory Condition;

(h) *Alternative Structure*. By either the Seller or Buyer if they fail to agree to an Alternative Structure during the period of time contemplated by Section 2.01(b).or

(i) *Superior Proposal*. By Holding Company if (i) the Selling Parties have not breached their obligations under Section 5.02 or Section 5.07, (ii) the Selling Parties have received and have determined to accept a Superior Proposal, and (iii) the Selling Parties enter into a definitive agreement with respect to the Superior Proposal contemporaneously with the termination of this Agreement.

Section 8.02 Effect of Termination and Abandonment. In the event of termination of this Agreement and the abandonment of the Transactions pursuant to this Article VIII, no Party to this

Agreement or any of the officers or directors of any of them shall have any liability of any nature whatsoever hereunder or further obligation to any other party hereunder except as set forth in Section 8.03 and Section 8.04.

Section 8.03 Liquidated Damages. If either (a) Buyer terminates this Agreement pursuant to Section 8.01(e); (b) (i) there is a Holding Company Change in Recommendation and (ii) either Party subsequently terminates this Agreement pursuant to Section 8.01(f), (c) (i) the Buyer terminates this Agreement pursuant to Section 8.01(b) and the breach giving rise to such termination was knowing or intentional and prior to such breach an Acquisition Proposal has been publicly announced, disclosed or communicated and (ii) within twelve (12) months of such termination the Holding Company or Seller consummates or enters into any agreement with respect to an Acquisition Proposal, or (d) the Holding Company terminates this Agreement pursuant to Section 8.01(i) then, within five (5) Business Days of such termination in the case of (a), (b) or (d), and within five (5) Business Days of the Holding Company's or Seller's consummation or execution of an agreement in the case of (c), the Selling Parties shall pay Buyer by wire transfer in immediately available funds, as agreed upon liquidated damages and not as a penalty and as the sole and exclusive remedy of Buyer, Seven Million Seven Hundred Seventy Five Thousand One Hundred Dollars ($7,775,100) (the "**Fee**"). Notwithstanding anything to the contrary in this Agreement, in the circumstances in which the Fee is or becomes payable pursuant to this Section 8.03, Buyer's sole and exclusive remedy (whether at law, in equity, in contract, in tort or otherwise) against the Selling Parties or any of their Affiliates with respect to the facts and circumstances giving rise to such payment obligation shall be payment of the Fee pursuant to this Section 8.03, and upon payment in full of such amount, none of Buyer or any of its Affiliates nor any other person shall have any rights or claims against the Selling Parties or any of their Affiliates (whether at law, in equity, in contract, in tort or otherwise) under or relating to this Agreement or the Transactions. The Selling Parties shall be jointly and severally liable for payment of any Fee. The Selling Parties shall not be required to pay the Fee on more than one occasion.

Section 8.04 Willful and Material Breach. Notwithstanding anything to the contrary contained in this Agreement, neither Buyer nor the Selling Parties shall be relieved or released from any liabilities or damages arising out of its willful and/or material breach of any provision of this Agreement occurring prior to termination, and the non-breaching Party shall be permitted to pursue any available legal remedies, including but not limited to specific performance as contemplated by Section 9.17.

ARTICLE IX
GENERAL PROVISIONS

Section 9.01 Fees and Expenses. Except as expressly provided herein, each Party shall bear the cost of all of its fees and expenses incurred in connection with the preparation of this Agreement and consummation of the Transactions. Notwithstanding the foregoing, in any action between the Parties seeking enforcement of any of the terms and provisions of this Agreement or in connection with any of the property described herein, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, and reasonable attorneys' fees and expenses as determined by the court.

Section 9.02 No Third-Party Beneficiaries. Except for (i) the rights set forth in Section 6.02 which are intended to benefit each Indemnified Party and his or her heirs and representatives, (ii) the rights set forth in Section 6.01(b), (c), and (d) which are intended to benefit each employee of the Selling Parties described therein; and (iii) if the Effective Time occurs, the right of the holders of Outstanding Seller Common Stock to receive the Merger Consideration payable pursuant to this Agreement, the rights of holders of Exercised Option Shares to receive the Exercised Option Share Consideration payable pursuant to this Agreement and the rights of the holders of Seller Stock Options to receive the Option Consideration payable pursuant to this Agreement, this Agreement is not intended nor should it be construed to create any express or implied rights in any third parties.

Section 9.03 Notices. All notices, requests, demands, and other communication given or required to be given under this Agreement shall be in writing, duly addressed to the parties hereto as follows or at such other address as any such party may later specify by such written notice:

To Seller or Holding Company:	Prime Meridian Holding Company Prime Meridian Bank 1471 Timberlane Road Tallahassee, Florida 32312 Attn: Sammie D. Dixon, Jr. Email: [redacted]
With a copy to:	Igler and Pearlman, P.A. 2457 Care Drive, Suite 203 Tallahassee, Florida 32308 Attn: Richard Pearlman Email: [redacted]
To Buyer:	MidFlorida Credit Union 129 S. Kentucky Avenue Lakeland, Florida 33801 Attn: Steve Moseley, President and Chief Executive Officer Email: [redacted]
With a copy to:	Smith Mackinnon, PA 301 East Pine Street, Suite 750 Orlando, Florida 32801 Attn: John P. Greeley, Esq. Email: [redacted]

Any such notice sent by registered or certified mail, return receipt requested, shall be deemed to have been duly given and received five (5) Business Days after the same is so addressed and mailed with postage prepaid. Notice sent by any other manner shall be effective only upon actual receipt thereof.

Section 9.04 Assignment. This Agreement may not be assigned by any Party hereto without the prior written consent of the other Parties hereto, and any attempted assignment in violation of this section is void and a material breach.

Section 9.05 Successors and Assigns. This Agreement shall be binding upon the Parties hereto and their respective successors or permitted assigns.

Section 9.06 Governing Law; Venue and Jurisdiction; Jury Trial Waiver. Subject to any applicable federal law, this Agreement shall be governed in all respects by the laws of the State of Florida, without giving effect to any conflict of laws rules thereof that would require the application of the laws of any other jurisdiction. Each of the Parties irrevocably submits to the jurisdiction of the state courts located in Polk County, Florida and the federal court with jurisdiction over Polk County, Florida with respect to the interpretation and enforcement of the provisions of this Agreement and in respect of the Transactions, and that such jurisdiction of such courts with respect thereto shall be exclusive, except solely to the extent that all such courts lawfully decline to exercise such jurisdiction. Each of the Parties hereby waives, and agrees not to assert, as a defense in any proceeding for the interpretation or enforcement hereof or in respect of any such transaction, that it is not subject to such jurisdiction. Each of the parties hereto hereby irrevocably waives any and all right to trial by jury of any claim or cause of action in any legal proceeding arising out of or related to this Agreement or the Transactions or other events contemplated hereby or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any Party. The Parties each agree that any and all such claims and causes of action shall be tried by the court without a jury. Each of the Parties further waives any right to seek to consolidate any such legal proceeding in which a jury trial has been waived with any other legal proceeding in which a jury trial cannot or has not been waived.

Section 9.07 Entire Agreement. This Agreement, together with the Seller Disclosure Schedule, Disclosure Schedule Updates and Exhibits hereto, contains all of the agreements of the Parties with respect to the matters contained herein and no prior or contemporaneous agreement or understanding, oral or written, pertaining to any such matters shall be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the Parties or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

Section 9.08 Interpretation. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement. A reference to a subsection without further reference to a Section is a reference to such subsection as contained in the same Section in which the reference appears. The words "herein," "hereof," "hereunder," and other words of similar import refer to this Agreement as a whole and not to any particular provision. The word "will" shall be interpreted as "shall. The words "include" or "including" shall mean without limitation by reason of enumeration.

Section 9.09 Severability. If any paragraph, section, sentence, clause, or phrase contained in this Agreement shall become illegal, null or void, or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void, or against public policy, the remaining paragraphs, sections, sentences, clauses, or phrases contained in this Agreement shall not be affected thereby.

Section 9.10 Waiver. The waiver of any breach of any provision under this Agreement by any Party shall not be deemed to be a waiver of any preceding or subsequent breach under this Agreement.

Section 9.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

Section 9.12 Force Majeure. No Party shall be deemed to have breached this Agreement solely by reason of delay or failure in performance resulting from a natural disaster, acts of civil or military authorities, fires, labor disturbances, floods, hurricanes or other storms, governmental rules or regulations, war, riot, delays in transportation, shortages of raw materials, power outages, or unauthorized hacking on or through the internet, or any other act of God, including a pandemic or epidemic (including, without limitation, COVID-19). The Parties hereto agree to cooperate in an attempt to overcome such a natural disaster or other act of God and consummate the Transactions, but if any Party reasonably believes that its interests would be materially and adversely affected by proceeding, such Party shall be excused from any further performance of its obligations and undertakings under this Agreement.

Section 9.13 Knowledge. Whenever any statement in this Agreement or in any list, certificate or other document delivered pursuant to this Agreement to any Party is made "to the Knowledge" of Buyer, Seller or Holding Company, such Knowledge shall have the meaning provided in Section 1.01.

Section 9.14 Survival. Only those agreements and covenants of the Parties that are by their terms applicable in whole or in part after the Effective Time shall survive the Effective Time. All other representations, warranties, agreements and covenants shall be deemed to be conditions of the Agreement and shall not survive the Effective Time.

Section 9.15 Transfer Charges and Assessments. All transfer, assignment, sales, conveyancing and recording charges, assessments and taxes applicable to the sale and transfer of Seller's assets to Buyer and the assumption of Seller's liabilities by Buyer shall be paid and borne by Buyer.

Section 9.16 Time of the Essence. Whenever performance is required to be made by a Party under a specific provision of this Agreement, time shall be of the essence.

Section 9.17 Specific Performance The Parties hereto agree that irreparable damage would occur in the event any covenants in this Agreement were not performed in accordance with their specific terms or otherwise were materially breached. It is accordingly agreed that, without the necessity of proving actual damages, any Party shall be entitled to temporary and/or permanent injunction or injunctions to prevent breaches of such performance and to specific enforcement of the terms and provisions in addition to any other remedy to which they may be entitled, at law or in equity.

[Signature Page Follows]

The Parties have duly authorized and executed this Agreement as of the date first above written.

MIDFLORIDA CREDIT UNION

By: */s/ Steve Moseley*
Name: Steve Moseley
Title: President and Chief Executive Officer

PRIME MERIDIAN BANK

By: */s/ Sammie D. Dixon, Jr.*
Name: Sammie D. Dixon, Jr.
Title: President and Chief Executive Officer

PRIME MERIDIAN HOLDING COMPANY

By: */s/ Sammie D. Dixon, Jr.*
Name: Sammie D. Dixon, Jr.
Title: President and Chief Executive Officer

APPENDIX B

AGREEMENT AND PLAN OF MERGER BETWEEN
PRIME MERIDIAN HOLDING COMPANY AND
PRIME MERIDIAN BANK

THIS AGREEMENT AND PLAN OF MERGER (the "First Step Merger Agreement") dated as of April 21, 2025, is made by and between **PRIME MERIDIAN HOLDING COMPANY**, a Florida corporation ("PMHG") and its wholly owned subsidiary, **PRIME MERIDIAN BANK**, a Florida banking corporation (the "Bank").

RECITALS:

WHEREAS, the boards of directors of PMHG and the Bank have approved and authorized the execution and delivery of this First Step Merger Agreement; and

WHEREAS, the boards of directors of PMHG and the Bank each believe this First Step Merger Agreement and the transactions contemplated hereby are in the best interest of the respective shareholders of PMHG and the Bank.

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, the parties hereto, intending to be legally bound, have agreed as follows:

ARTICLE 1
THE MERGER

Section 1.1 The Merger.

(a) Provided that this First Step Merger Agreement shall not have been terminated in accordance with its express terms, upon the terms and subject to the conditions of this First Step Merger Agreement and in accordance with the applicable provisions of the Florida law, at the Effective Time (as defined below) PMHG shall be merged with and into the Bank pursuant to the provisions of, and with the effects provided under, Florida law, the separate existence of PMHG shall cease and the Bank will be the surviving corporation and will continue its corporate existence under Florida law (the "Bank Merger"). As a result of the Bank Merger, (i) each share of PMHG common stock issued and outstanding immediately prior to the Effective Time, other than shares held by shareholders of PMHG who or which properly elect to exercise his, her or its right to dissent under Section 607.1301, et seq. Florida Statutes ("Dissenting Shares"), will be converted into the right to receive one share of Bank common stock for each share of PMHG common stock then held by such shareholder and (ii) each share of Bank common stock held by PMHG shall be cancelled. Dissenting Shares shall be entitled to payment of such sums as are provided under Florida law.

(b) PMHG and the Bank agree to execute and deliver articles of merger (the "Articles of Merger"), the terms of which shall be consistent with and subject to the terms of this First Step Merger Agreement, in order to facilitate the processing and approval of the applications contemplated in Section 2.3. The Bank and PMHG have entered into an Agreement and Plan of Merger with MidFlorida Credit Union ("MFCU") dated as of the date hereof (the "MFCU Merger

Agreement"), pursuant to which the Bank will merge with and into MFCU immediately following the Bank Merger (the "MFCU Merger").

(c) The Bank and PMHG agree to amend this First Step Merger Agreement as shall be appropriate to reflect the final structure and regulatory approval process appropriate for the Bank Merger and the MFCU Merger, in order to facilitate the processing and approval of the applications contemplated in Section 2.3, subject to any limitations or requirements of Florida or Federal law or as otherwise provided or permitted by the MFCU Merger Agreement.

Section 1.2 Effective Time; Closing. Provided that neither this First Step Merger Agreement nor the MFCU Merger Agreement shall have been terminated in accordance with its respective express terms, the closing of the Bank Merger (the "Closing") shall occur on a date that is mutually agreed by the parties following the satisfaction or waiver in writing of all of the conditions set forth in Article 2 hereof. The Bank Merger shall be effective on the date and at the time designated in the Articles of Merger as filed with the Florida Secretary of State (the "Effective Time").

Section 1.3 Articles of Incorporation and Bylaws; Offices. At the Effective Time, (a) the articles of incorporation and bylaws of the Bank, as in effect immediately prior to the Effective Time, shall be the articles of incorporation and bylaws of the Bank (as the surviving corporation) until thereafter amended in accordance with applicable law and (b) the offices of the Bank shall be those then in operation.

Section 1.4 Board of Directors and Officers. From and after the Effective Time, until duly changed in compliance with any applicable law and organizational documents of the Bank (as the surviving corporation), the board of directors and officers of the Bank (as the surviving corporation) shall be the board of directors and officers of the Bank in place immediately prior to the Effective Time.

Section 1.5 Representations and Warranties.

(a) PMHG is a corporation, duly organized, validly existing and in active status under the laws of the State of Florida. PMHG has all requisite corporate power and authority (including all licenses, franchises, permits and other governmental authorizations as are legally required) to carry on its business as now being conducted, to own, lease and operate its properties and assets as now owned, leased or operated and to enter into and carry out its obligations under this First Step Merger Agreement.

(b) The Bank is a banking corporation, duly organized, validly existing and in active status under the laws of the State of Florida. The Bank has all requisite corporate power and authority (including all licenses, franchises, permits and other governmental authorizations as are legally required) to carry on its business as now being conducted, to own, lease and operate its properties and assets as now owned, leased or operated and to enter into and carry out its obligations under this First Step Merger Agreement.

ARTICLE 2
CONDITIONS PRECEDENT

The obligations of PMHG and the Bank to consummate the Bank Merger are subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by the Bank or PMHG, in whole or in part):

Section 2.1 **PMHG's and the Bank's Performance**. Each of PMHG and the Bank shall have performed or complied in all material respects with all of the covenants and obligations to be performed or complied with by it under the terms of this First Step Merger Agreement on or prior to the Closing.

Section 2.2 **No Proceedings**. Since the date hereof, there shall not have been commenced or threatened against PMHG or the Bank any proceeding: (a) involving any challenge to, or seeking damages or other relief in connection with, the Bank Merger or the MFCU Merger; or (b) that may have the effect of preventing, delaying, making illegal or otherwise interfering with the Bank Merger or the MFCU Merger.

Section 2.3 **Consents and Approvals**. Any consents or approvals required to be secured by PMHG or the Bank by the terms of this First Step Merger Agreement or applicable law shall have been obtained and shall be reasonably satisfactory to PMHG and the Bank, and all applicable waiting periods shall have expired.

Section 2.4 **No Prohibition**. Neither the consummation nor the performance of either of the Bank Merger or the MFCU Merger will, directly or indirectly (with or without notice or lapse of time), contravene, or conflict with or result in a violation of any applicable law, regulation or court or regulatory order.

Section 2.5 **Shareholder Approval**. This First Step Merger Agreement, the MFCU Merger Agreement, the Bank Merger, the MFCU Merger, the Amended and Restated Articles of Incorporation of PMHG, and the other transactions contemplated by the MFCU Merger Agreement shall have been duly and validly approved by PMHG's shareholders and PMHG, in its capacity as the sole shareholder of the Bank, to the extent required by law. In that regard, PMHG shall cause a meeting of its shareholders for the purpose of acting upon this First Step Merger Agreement, the MFCU Merger Agreement, the Bank Merger, the MFCU Merger, the Amended and Restated Articles of Incorporation of PMHG and the transactions contemplated by the MFCU Merger Agreement as contemplated by the MFCU Merger Agreement. PMHG shall send to its shareholders notice of such meeting together with a proxy statement, which shall include a copy of this First Step Merger Agreement, the MFCU Merger Agreement, and a copy of the portions of the Florida law governing the rights of shareholders seeking dissenter's rights.

Section 2.6 **Amended and Restated Articles of Incorporation**. Immediately prior to the Effective Time, PMHG shall file Amended and Restated Articles of Incorporation to be organized as a "Successor Institution" in accordance with Section 658.40(4), Florida Statutes.

ARTICLE 3
TERMINATION

Section 3.1 **Reasons for Termination and Abandonment**. This First Step Merger Agreement, by prompt written notice given to the other parties prior to or at the Closing, may be terminated:

(a) by mutual consent of the boards of directors of PMHG and the Bank;

(b) automatically upon termination of the MFCU Merger Agreement;

(c) by either PMHG or by the Bank if:

(i) any of the conditions in Article 2 has not been satisfied and PMHG and the Bank have not waived such condition on or before the Closing; or

(ii) the other commits a willful breach of its obligations under this First Step Merger Agreement and the act or omission that constitutes a willful breach is not or cannot be cured within ten (10) days after receipt by the breaching party of written demand for cure by the non-breaching party.

(d) by PMHG, if its shareholders fail to approve this First Step Merger Agreement, the MFCU Merger Agreement, the Bank Merger, or the MFCU Merger;

(e) by the Bank, if PMHG, in its capacity as the sole shareholder of the Bank, fails to approve this First Step Merger Agreement, the MFCU Merger Agreement, the Amended Restated and Articles of Incorporation of PMHG the Bank Merger, or the MFCU Merger; or

(f) by either PMHG or the Bank, if the Closing has not occurred (other than through the failure of any party seeking to terminate this First Step Merger Agreement to comply fully with its obligations under this First Step Merger Agreement) on or before the termination date set forth in the MFCU Merger Agreement.

Section 3.2 **Effect of Termination**. If this First Step Merger Agreement is terminated pursuant to Section 3.1 of this First Step Merger Agreement, this First Step Merger Agreement shall forthwith become void, there shall be no liability under this First Step Merger Agreement on the part of PMHG or the Bank, and all rights and obligations of each party hereto shall cease; provided, however, that, nothing herein shall relieve any party from liability for the breach of any of its covenants or agreements set forth in this First Step Merger Agreement.

Section 3.3 **Expenses**. All expenses incurred by a party or on its behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this First Step Merger Agreement, and all other matters related to the Bank Merger or the MFCU Merger shall be paid by the party incurring or otherwise responsible for such expenses whether or not the Bank Merger or the MFCU Merger are consummated.

ARTICLE 4
MISCELLANEOUS

Section 4.1 **Governing Law**. All questions concerning the construction, validity and interpretation of this First Step Merger Agreement and the performance of the obligations imposed by this First Step Merger Agreement shall be governed by the internal laws of the State of Florida applicable to contracts made and wholly to be performed in such state without regard to conflicts of laws.

Section 4.2 **Jurisdiction and Service of Process**. Any action or proceeding seeking to enforce, challenge or avoid any provision of, or based on any right arising out of, this First Step Merger Agreement shall be brought only in the courts of the State of Florida, Leon County, and each of the parties consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to jurisdiction or venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

Section 4.3 **Assignments, Successors and No Third Party Rights**. Neither of the parties to this First Step Merger Agreement may assign any of its rights under this First Step Merger Agreement without the prior written consent of the other party. Subject to the preceding sentence, this First Step Merger Agreement and every representation, warranty, covenant, agreement and provision hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing expressed or referred to in this First Step Merger Agreement will be construed to give any Person (as defined in the MFCU Merger Agreement) other than the parties to this First Step Merger Agreement any legal or equitable right, remedy or claim under or with respect to this First Step Merger Agreement or any provision of this First Step Merger Agreement.

Section 4.4 **Waiver**. Neither the failure nor any delay by any party in exercising any right, power or privilege under this First Step Merger Agreement or the documents referred to in this First Step Merger Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law: (a) no claim or right arising out of this First Step Merger Agreement or the documents referred to in this First Step Merger Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this First Step Merger Agreement or the documents referred to in this First Step Merger Agreement.

Section 4.5 **Notices**. All notices, consents, waivers and other communications under this First Step Merger Agreement must be in writing and will be deemed to have been duly given if delivered by hand or by nationally recognized overnight delivery service (receipt requested), mailed by registered or certified U.S. mail (return receipt requested) postage prepaid, or via email,

to their respective President at such party's main office, or to such other place as the either party shall furnish to the other in writing. Except as otherwise provided herein, all such notices, consents, waivers and other communications shall be effective: (a) if delivered by hand, when delivered; (b) if mailed in the manner provided in this Section, five (5) business days after deposit with the United States Postal Service; (c) if delivered by overnight express delivery service, on the next business day after deposit with such service; and (d) if by email, on the next business day.

Section 4.6 Entire Agreement. This First Step Merger Agreement and any documents executed by the parties pursuant to this First Step Merger Agreement and referred to herein constitute the entire understanding and agreement of the parties hereto and supersede all other prior agreements and understandings, written or oral, relating to such subject matter between the parties.

Section 4.7 Modification. This First Step Merger Agreement may not be amended except by a written agreement signed by each of the parties hereto. Without limiting the foregoing, the parties may by written agreement signed by each of them: (a) extend the time for the performance of any of the obligations or other acts of the parties hereto; (b) waive any inaccuracies in the representations or warranties contained in this First Step Merger Agreement or in any document delivered pursuant to this First Step Merger Agreement; and (c) waive compliance with or modify, amend or supplement any of the conditions, covenants, agreements, representations or warranties contained in this First Step Merger Agreement or waive or modify the performance of any of the obligations of any of the parties hereto, which are for the benefit of the waiving party.

Section 4.8 Severability. Whenever possible, each provision of this First Step Merger Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this First Step Merger Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this First Step Merger Agreement unless the consummation of the transactions contemplated hereby is adversely affected thereby.

Section 4.9 Further Assurances. The parties agree: (a) to furnish upon request to each other such further information; (b) to execute and deliver to each other such other documents; and (c) to do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this First Step Merger Agreement and the documents referred to in this First Step Merger Agreement.

Section 4.10 Survival. The representations, warranties and covenants contained herein shall terminate and be of no further effect after the Effective Time.

Section 4.11 Specific Performance. The parties acknowledge and agree that irreparable damage would occur if any provision of this First Step Merger Agreement were not performed by a party in accordance with the terms hereof and that any party shall be entitled to specific performance of the terms hereof.

Section 4.12 Counterparts; Facsimile/PDF Signatures. This First Step Merger Agreement may be executed in counterparts, each of which shall be deemed an original, but all of

which together shall constitute one and the same instrument. This First Step Merger Agreement may be executed and accepted by facsimile, DocuSign or portable data file (pdf) signature and any such signature shall be of the same force and effect as an original signature.

Section 4.13 Recitals and Definitions. The recitals constitute an integral part of this First Step Merger Agreement, evidencing the intent of the parties and describing the circumstances surrounding its execution. Accordingly, the recitals are, by this express reference, made a part of the covenants hereof, and this First Step Merger Agreement shall be construed in the light thereof.

In witness whereof, the parties hereto have caused this First Step Merger Agreement to be executed by their respective officers on the day and year first written above.

PRIME MERIDIAN HOLDING COMPANY

By: */s/ Sammie D. Dixon, Jr.*
Sammie D. Dixon, Jr.
Chief Executive Officer

PRIME MERIDIAN BANK

By: */s/ Sammie D. Dixon, Jr.*
Sammie D. Dixon, Jr.
Chief Executive Officer

APPENDIX C

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF PRIME MERIDIAN HOLDING COMPANY

Pursuant to the provisions of the Florida Financial Institutions Codes and Section 607.1007, Florida Statutes, Prime Meridian Holding Company hereby amends and restates its Articles of Incorporation by adopting the following Amended and Restated Articles of Incorporation which shall take effect as of 11:57 p.m., Eastern Time, on _____, 202_.

ARTICLE I

The name of the corporation shall be PMB Successor Bank and its place of business shall be located at 1471 Timberlane Road, Tallahassee, Florida 32317.

ARTICLE II

The corporation shall be organized as a successor institution in accordance with Sections 658.40(4) and 658.42(2), Florida Statutes.

ARTICLE III

The corporation is authorized to issue 9,000,000 shares of common stock ("Common Stock") with a par value of $5.00 per share.

ARTICLE IV

The term for which the corporation shall exist shall be one (1) year.

ARTICLE V

The number of directors shall not be fewer than five (5). The names and street addresses of the directors of this corporation are:

Name	Street Address
Kenneth H. Compton	1471 Timberlane Road, Tallahassee, Florida 32317
William D. Crona	1471 Timberlane Road, Tallahassee, Florida 32317
Sammie D. Dixon, Jr.	1471 Timberlane Road, Tallahassee, Florida 32317
Steven L. Evans	1471 Timberlane Road, Tallahassee, Florida 32317
Roy R. Guemple	1471 Timberlane Road, Tallahassee, Florida 32317
Chris L. Jensen, Jr.	1471 Timberlane Road, Tallahassee, Florida 32317
Kathleen C. Jones	1471 Timberlane Road, Tallahassee, Florida 32317
Frank L. Langston	1471 Timberlane Road, Tallahassee, Florida 32317
Robert H. Kirby	1471 Timberlane Road, Tallahassee, Florida 32317
L. Collins Proctor, Sr.	1471 Timberlane Road, Tallahassee, Florida 32317
Garrison A. Rolle	1471 Timberlane Road, Tallahassee, Florida 32317
Richard A. Weidner	1471 Timberlane Road, Tallahassee, Florida 32317

ARTICLE VI

These Amended and Restated Articles of Incorporation consolidate all amendments into a single document and may be amended in the manner from time to time provided by law and the right conferred upon the shareholders by any provision of these Amended and Restated Articles of Incorporation is hereby made subject to this reservation.

ARTICLE VII

The name and street address of the person signing these Amended and Restated Articles of Incorporation is Sammie D. Dixon, Jr., 1471 Timberlane Road, Tallahassee, Florida 32317.

CERTIFICATE

The foregoing Amended and Restated Articles of Incorporation were adopted by the (a) Board of Directors of the corporation on _____, 2025, and (b) holders of the outstanding shares of Common Stock, being the sole voting group entitled to vote on the Amended and Restated Articles of Incorporation, on _____, 2025 and the number of votes cast for the Amended and Restated Articles of Incorporation was sufficient for approval by holders of Common Stock.

IN WITNESS WHEREOF, the undersigned President and Chief Executive Officer of this corporation has executed these Restated Articles of Incorporation on _____, 202__.

_____
Sammie D. Dixon, Jr.
President and Chief Executive Officer

Approved by the Florida Office of Financial Regulation this ___ day of _____, 202__.

Tallahassee, Florida

_____

APPENDIX D

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Section 658.44, *Florida Statutes*

658.44 Approval by stockholders; rights of dissenters; preemptive rights.—

(1) The office shall not issue a certificate of merger to a resulting state bank or trust company unless the plan of merger and merger agreement, as adopted by a majority of the entire board of directors of each constituent bank or trust company, and as approved by each appropriate federal regulatory agency and by the office, has been approved:

(a) By the stockholders of each constituent national bank as provided by, and in accordance with the procedures required by, the laws of the United States applicable thereto, and

(b) After notice as hereinafter provided, by the affirmative vote or written consent of the holders of at least a majority of the shares entitled to vote thereon of each constituent state bank or state trust company, unless any class of shares of any constituent state bank or state trust company is entitled to vote thereon as a class, in which event as to such constituent state bank or state trust company the plan of merger and merger agreement shall be approved by the stockholders upon receiving the affirmative vote or written consent of the holders of a majority of the shares of each class of shares entitled to vote thereon as a class and of the total shares entitled to vote thereon. Such vote of stockholders of a constituent state bank or state trust company shall be at an annual or special meeting of stockholders or by written consent of the stockholders without a meeting as provided in s. 607.0704.

Approval by the stockholders of a constituent bank or trust company of a plan of merger and merger agreement shall constitute the adoption by the stockholders of the articles of incorporation of the resulting state bank or state trust company as set forth in the plan of merger and merger agreement.

(2) Written notice of the meeting of, or proposed written consent action by, the stockholders of each constituent state bank or state trust company shall be given to each stockholder of record, whether or not entitled to vote, and whether the meeting is an annual or a special meeting or whether the vote is to be by written consent pursuant to s. 607.0704, and the notice shall state that the purpose or one of the purposes of the meeting, or of the proposed action by the stockholders without a meeting, is to consider the proposed plan of merger and merger agreement. Except to the extent provided otherwise with respect to stockholders of a resulting bank or trust company pursuant to subsection (7), the notice shall also state that dissenting stockholders, including stockholders not entitled to vote but dissenting under paragraph (c), will be entitled to payment in cash of the value of only those shares held by the stockholders:

(a) Which at a meeting of the stockholders are voted against the approval of the plan of merger and merger agreement;

(b) As to which, if the proposed action is to be by written consent of stockholders pursuant to s. 607.0704, such written consent is not given by the holder thereof; or

(c) With respect to which the holder thereof has given written notice to the constituent state bank or trust company, at or prior to the meeting of the stockholders or on or prior to the date

specified for action by the stockholders without a meeting pursuant to s. 607.0704 in the notice of such proposed action, that the stockholder dissents from the plan of merger and merger agreement, and which shares are not voted for approval of the plan or written consent given pursuant to paragraph (a) or paragraph (b).

Hereinafter in this section, the term "dissenting shares" means and includes only those shares, which may be all or less than all the shares of any class owned by a stockholder, described in paragraphs (a), (b), and (c).

(3) On or promptly after the effective date of the merger, the resulting state bank or trust company, or a bank holding company which, as set out in the plan of merger or merger agreement, is offering shares rights, obligations, or other securities or property in exchange for shares of the constituent banks or trust companies, may fix an amount which it considers to be not more than the fair market value of the shares of a constituent bank or trust company and which it will pay to the holders of dissenting shares of that constituent bank or trust company and, if it fixes such amount, shall offer to pay such amount to the holders of all dissenting shares of that constituent bank or trust company. The amount payable pursuant to any such offer which is accepted by the holders of dissenting shares, and the amount payable to the holders of dissenting shares pursuant to an appraisal, shall constitute a debt of the resulting state bank or state trust company.

(4) The owners of dissenting shares who have accepted an offer made pursuant to subsection (3) shall be entitled to receive the amount so offered for such shares in cash upon surrendering the stock certificates representing such shares at any time within 30 days after the effective date of the merger, and the owners of dissenting shares, the value of which is to be determined by appraisal, shall be entitled to receive the value of such shares in cash upon surrender of the stock certificates representing such shares at any time within 30 days after the value of such shares has been determined by appraisal made on or after the effective date of the merger.

(5) The fair value, as defined in s. 607.1301(5), of dissenting shares of each constituent state bank or state trust company, the owners of which have not accepted an offer for such shares made pursuant to subsection (3), shall be determined pursuant to ss. 607.1326-607.1331 except as the procedures for notice and demand are otherwise provided in this section as of the effective date of the merger.

(6) Upon the effective date of the merger, all the shares of stock of every class of each constituent bank or trust company, whether or not surrendered by the holders thereof, shall be void and deemed to be canceled, and no voting or other rights of any kind shall pertain thereto or to the holders thereof except only such rights as may be expressly provided in the plan of merger and merger agreement or expressly provided by law.

(7) The provisions of subsection (6) and, unless agreed by all the constituent banks and trust companies and expressly provided in the plan of merger and merger agreement, subsections (3), (4), and (5) are not applicable to a resulting bank or trust company or to the shares or holders of shares of a resulting bank or trust company the cash, shares, rights, obligations, or other

securities or property of which, in whole or in part, is provided in the plan of merger or merger agreement to be exchanged for the shares of the other constituent banks or trust companies.

(8) The stock, rights, obligations, and other securities of a resulting bank or trust company may be issued as provided by the terms of the plan of merger and merger agreement, free from any preemptive rights of the holders of any of the shares of stock or of any of the rights, obligations, or other securities of such resulting bank or trust company or of any of the constituent banks or trust companies.

(9) After approval of the plan of merger and merger agreement by the stockholders as provided in subsection (1), there shall be filed with the office, within 30 days after the time limit in s. 658.43(5), a fully executed counterpart of the plan of merger and merger agreement as so approved if it differs in any respect from any fully executed counterpart thereof theretofore filed with the office, and copies of the resolutions approving the same by the stockholders of each constituent bank or trust company, certified by the president, or chief executive officer if other than the president, and the cashier or corporate secretary of each constituent bank or trust company, respectively, with the corporate seal impressed thereon.

History.—s. 4, ch. 28016, 1953; ss. 12, 35, ch. 69-106; s. 3, ch. 76-168; s. 1, ch. 77-457; ss. 34, 151, 152, ch. 80-260; ss. 2, 3, ch. 81-318; s. 147, ch. 83-216; ss. 29, 51, ch. 84-216; s. 1, ch. 91-307; ss. 1, 127, ch. 92-303; s. 1789, ch. 2003-261; s. 15, ch. 2008-75; s. 290, ch. 2019-90.

Note.—Former s. 661.05.

APPENDIX E

Section 607.1301 through Section 607.1333, *Florida Statutes*

607.1301 Appraisal rights; definitions.—The following definitions apply to ss. 607.1301-607.1340:

(1) "Accrued interest" means interest at the rate agreed to by the corporation and the shareholder asserting appraisal rights, or at the rate determined by the court to be equitable, which rate may not be greater than the rate of interest determined for judgments pursuant to s. 55.03; however, if the court finds that the shareholder asserting appraisal rights acted arbitrarily or otherwise not in good faith, no interest shall be allowed by the court.

(2) "Affiliate" means a person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, another person or is a senior executive of such person. For purposes of paragraph (6)(a), a person is deemed to be an affiliate of its senior executives.

(3) "Corporate action" means an event described in s. 607.1302(1).

(4) "Corporation" means the domestic corporation that is the issuer of the shares held by a shareholder demanding appraisal and, for matters covered in ss. 607.1322-607.1340, includes the domesticated eligible entity in a domestication, the covered eligible entity in a conversion, and the survivor of a merger.

(5) "Fair value" means the value of the corporation's shares determined:

(a) Immediately before the effectiveness of the corporate action to which the shareholder objects.

(b) Using customary and current valuation concepts and techniques generally employed for similar businesses in the context of the transaction requiring appraisal, excluding any appreciation or depreciation in anticipation of the corporate action unless exclusion would be inequitable to the corporation and its remaining shareholders.

(c) Without discounting for lack of marketability or minority status.

(6) "Interested transaction" means a corporate action described in s. 607.1302(1), other than a merger pursuant to s. 607.1104, involving an interested person in which any of the shares or assets of the corporation are being acquired or converted. As used in this definition:

(a) "Interested person" means a person, or an affiliate of a person, who at any time during the 1-year period immediately preceding approval by the board of directors of the corporate action:

1. Was the beneficial owner of 20 percent or more of the voting power of the corporation, other than as owner of excluded shares;

2. Had the power, contractually or otherwise, other than as owner of excluded shares, to cause the appointment or election of 25 percent or more of the directors to the board of directors of the corporation; or

3. Was a senior executive or director of the corporation or a senior executive of any affiliate of the corporation, and will receive, as a result of the corporate action, a financial benefit not generally available to other shareholders as such, other than:

a. Employment, consulting, retirement, or similar benefits established separately and not as part of or in contemplation of the corporate action;

b. Employment, consulting, retirement, or similar benefits established in contemplation of, or as part of, the corporate action that are not more favorable than those existing before the corporate action or, if more favorable, that have been approved on behalf of the corporation in the same manner as is provided in s. 607.0832; or

c. In the case of a director of the corporation who, in the corporate action, will become a director or governor of the acquirer or any of its affiliates, rights and benefits as a director or governor that are provided on the same basis as those afforded by the acquirer generally to other directors or governors of such entity or such affiliate.

(b) "Beneficial owner" means any person who, directly or indirectly, through any contract, arrangement, or understanding, other than a revocable proxy, has or shares the power to vote, or to direct the voting of, shares; except that a member of a national securities exchange is not deemed to be a beneficial owner of securities held directly or indirectly by it on behalf of another person if the member is precluded by the rules of the exchange from voting without instruction on contested matters or matters that may affect substantially the rights or privileges of the holders of the securities to be voted. When two or more persons agree to act together for the purpose of voting their shares of the corporation, each member of the group formed thereby is deemed to have acquired beneficial ownership, as of the date of the agreement, of all shares having voting power of the corporation beneficially owned by any member of the group.

(c) "Excluded shares" means shares acquired pursuant to an offer for all shares having voting power if the offer was made within 1 year before the corporate action for consideration of the same kind and of a value equal to or less than that paid in connection with the corporate action.

(7) "Preferred shares" means a class or series of shares the holders of which have preference over any other class or series of shares with respect to distributions.

(8) "Senior executive" means the chief executive officer, chief operating officer, chief financial officer, or any individual in charge of a principal business unit or function.

(9) Notwithstanding s. 607.01401(67), "shareholder" means a record shareholder, a beneficial shareholder, and a voting trust beneficial owner.

History.—s. 118, ch. 89-154; s. 21, ch. 2003-283; s. 2, ch. 2005-267; s. 161, ch. 2019-90; s. 41, ch. 2020-32; s. 2, ch. 2021-13.

607.1302 Right of shareholders to appraisal.—

(1) A shareholder of a domestic corporation is entitled to appraisal rights, and to obtain payment of the fair value of that shareholder's shares, in the event of any of the following corporate actions:

(a) Consummation of a domestication or a conversion of such corporation pursuant to s. 607.11921 or s. 607.11932, as applicable, if shareholder approval is required for the domestication or the conversion;

(b) Consummation of a merger to which such corporation is a party:

1. If shareholder approval is required for the merger under s. 607.1103 or would be required but for s. 607.11035, except that appraisal rights shall not be available to any shareholder of the corporation with respect to shares of any class or series that remains outstanding after consummation of the merger where the terms of such class or series have not been materially altered; or

2. If such corporation is a subsidiary and the merger is governed by s. 607.1104;

(c) Consummation of a share exchange to which the corporation is a party as the corporation whose shares will be acquired, except that appraisal rights shall not be available to any shareholder of the corporation with respect to any class or series of shares of the corporation that is not acquired in the share exchange;

(d) Consummation of a disposition of assets pursuant to s. 607.1202 if the shareholder is entitled to vote on the disposition, except that appraisal rights shall not be available to any shareholder of the corporation with respect to shares or any class or series if:

1. Under the terms of the corporate action approved by the shareholders there is to be distributed to shareholders in cash the corporation's net assets, in excess of a reasonable amount reserved to meet claims of the type described in ss. 607.1406 and 607.1407, within 1 year after the shareholders' approval of the action and in accordance with their respective interests determined at the time of distribution; and

2. The disposition of assets is not an interested transaction;

(e) An amendment of the articles of incorporation with respect to a class or series of shares which reduces the number of shares of a class or series owned by the shareholder to a fraction of a share if the corporation has the obligation or the right to repurchase the fractional share so created;

(f) Any other merger, share exchange, disposition of assets, or amendment to the articles of incorporation, in each case to the extent provided as of the record date by the articles of incorporation, bylaws, or a resolution of the board of directors providing for appraisal rights, except that no bylaw or board resolution providing for appraisal rights may be amended or otherwise altered except by shareholder approval;

(g) An amendment to the articles of incorporation or bylaws of a corporation, the effect of which is to adversely affect the interest of the shareholder by altering or abolishing appraisal rights under this section;

(h) With regard to a class of shares prescribed in the articles of incorporation in any corporation as to which that particular class of shares was in existence prior to October 1, 2003, including any shares within that class subsequently authorized by amendment, and for classes of shares authorized on or after October 1, 2003, in any corporation with 100 or fewer shareholders, any amendment of the articles of incorporation if the shareholder is entitled to vote on the amendment and if such amendment would adversely affect such shareholder by:

1. Altering or abolishing any preemptive rights attached to any of his, her, or its shares;

2. Altering or abolishing the voting rights pertaining to any of his, her, or its shares, except as such rights may be affected by the voting rights of new shares then being authorized of any existing or new class or series of shares;

3. Effecting an exchange, cancellation, or reclassification of any of his, her, or its shares, when such exchange, cancellation, or reclassification would alter or abolish the shareholder's voting rights or alter his, her, or its percentage of equity in the corporation, or effecting a reduction or cancellation of accrued dividends or other arrearages in respect to such shares;

4. Reducing the stated redemption price of any of the shareholder's redeemable shares, altering or abolishing any provision relating to any sinking fund for the redemption or purchase of any of his, her, or its shares, or making any of his, her, or its shares subject to redemption when they are not otherwise redeemable;

5. Making noncumulative, in whole or in part, dividends of any of the shareholder's preferred shares which had theretofore been cumulative;

6. Reducing the stated dividend preference of any of the shareholder's preferred shares; or

7. Reducing any stated preferential amount payable on any of the shareholder's preferred shares upon voluntary or involuntary liquidation;

(i) An amendment of the articles of incorporation of a social purpose corporation to which s. 607.504 or s. 607.505 applies;

(j) An amendment of the articles of incorporation of a benefit corporation to which s. 607.604 or s. 607.605 applies;

(k) A merger, domestication, conversion, or share exchange of a social purpose corporation to which s. 607.504 applies; or

(l) A merger, domestication, conversion, or share exchange of a benefit corporation to which s. 607.604 applies.

(2) Notwithstanding subsection (1), the availability of appraisal rights under paragraphs (1)(a), (b), (c), (d), (e), (f), and (h) shall be limited in accordance with the following provisions:

(a) Appraisal rights shall not be available for the holders of shares of any class or series of shares which is:

1. A covered security under s. 18(b)(1)(A) or (B) of the Securities Act of 1933;

2. Not a covered security, but traded in an organized market (or subject to a comparable trading process) and has at least 2,000 shareholders and the outstanding shares of such class or series have a market value of at least $20 million, exclusive of the value of outstanding shares held by the corporation's subsidiaries, by the corporation's senior executives, by the corporation's directors, and by the corporation's beneficial shareholders and voting trust beneficial owners owning more than 10 percent of the outstanding shares; or

3. Issued by an open end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and which may be redeemed at the option of the holder at net asset value.

(b) The applicability of paragraph (a) shall be determined as of:

1. The record date fixed to determine the shareholders entitled to receive notice of the meeting of shareholders to act upon the corporate action requiring appraisal rights, the record date fixed to determine the shareholders entitled to sign a written consent approving the corporate action requiring appraisal rights, or, in the case of an offer made pursuant to s. 607.11035, the date of such offer; or

2. If there will be no meeting of shareholders, no written consent approving the corporate action, and no offer made pursuant to s. 607.11035, the close of business on the day before the consummation of the corporate action or the effective date of the amendment of the articles, as applicable.

(c) Paragraph (a) is not applicable and appraisal rights shall be available pursuant to subsection (1) for the holders of any class or series of shares where the corporate action is an interested transaction.

(d) For the purposes of subparagraph (a)2., a comparable trading process exists if:

1. The market price of the corporation's shares is determined at least quarterly based on an independent valuation and by following a formalized process that is designed to determine a value for the corporation's shares that is comparable to the value of comparable publicly traded companies; and

2. The corporation repurchases the shares at the price set by its board of directors based upon the independent valuation and subject to certain terms and conditions established by the corporation and provides the corporation's shareholders with a trading market comparable to that typically available had the corporation's shares been traded in an organized market.

(3) Notwithstanding any other provision of this section, the articles of incorporation as originally filed or any amendment to the articles of incorporation may limit or eliminate appraisal rights for any class or series of preferred shares, except that:

(a) No such limitation or elimination shall be effective if the class or series does not have the right to vote separately as a voting group, alone or as part of a group, on the action or if the action is a domestication under s. 607.11920 or a conversion under s. 607.11930, or a merger having a similar effect as a domestication or conversion in which the domesticated eligible entity or the converted eligible entity is an eligible entity; and

(b) Any such limitation or elimination contained in an amendment to the articles of incorporation that limits or eliminates appraisal rights for any of such shares that are outstanding immediately before the effective date of such amendment or that the corporation is or may be required to issue or sell thereafter pursuant to any conversion, exchange, or other right existing immediately before the effective date of such amendment shall not apply to any corporate action that becomes effective within 1 year after the effective date of such amendment if such action would otherwise afford appraisal rights.

History.—s. 119, ch. 89-154; s. 5, ch. 94-327; s. 31, ch. 97-102; s. 22, ch. 2003-283; s. 1, ch. 2004-378; s. 3, ch. 2005-267; s. 5, ch. 2014-209; s. 162, ch. 2019-90; s. 42, ch. 2020-32; s. 3, ch. 2021-13.

607.1303 Assertion of rights by nominees and beneficial owners.—

(1) A record shareholder may assert appraisal rights as to fewer than all the shares registered in the record shareholder's name but owned by a beneficial shareholder or a voting trust beneficial owner only if:

(a) The record shareholder objects with respect to all shares of the class or series owned by the beneficial shareholder or the voting trust beneficial owner;

(b) The particular beneficial shareholder or voting trust beneficial owner acquired all such shares before the record date established under s. 607.1321 in connection with the applicable corporate action; and

(c) The record shareholder notifies the corporation in writing of its name and address (if the record shareholder beneficially owns the shares as to which appraisal rights are being asserted) or notifies the corporation in writing of the name and address of the particular beneficial shareholder or voting trust beneficial owner on whose behalf appraisal rights are being asserted.

The rights of a record shareholder who asserts appraisal rights for only part of the shares held of record in the record shareholder's name under this subsection shall be determined as if the shares as to which the record shareholder objects and the record shareholder's other shares were registered in the names of different record shareholders.

(2) A beneficial shareholder and a voting trust beneficial owner may assert appraisal rights as to shares of any class or series held on behalf of the shareholder only if such shareholder:

(a) Submits to the corporation the record shareholder's written consent to the assertion of such rights no later than the date referred to in s. 607.1322(2)(b)2.

(b) Does so with respect to all shares of the class or series that are beneficially owned by the beneficial shareholder or the voting trust beneficial owner.

(c) Acquired all shares of the class or series before the record date established under s. 607.1321 in connection with the applicable corporate action.

History.—s. 23, ch. 2003-283; s. 163, ch. 2019-90; s. 43, ch. 2020-32; s. 4, ch. 2021-13.

607.1320 Notice of appraisal rights.—

(1) If a proposed corporate action described in s. 607.1302(1) is to be submitted to a vote at a shareholders' meeting, the meeting notice (or, where no approval of such action is required pursuant to s. 607.11035, the offer made pursuant to s. 607.11035) must state that the corporation has concluded that shareholders are, are not, or may be entitled to assert appraisal rights under this chapter. If the corporation concludes that appraisal rights are or may be available, a copy of ss. 607.1301-607.1340 must accompany the meeting notice or offer sent to those record shareholders entitled to exercise appraisal rights.

(2) In a merger pursuant to s. 607.1104, the parent corporation must notify in writing all record shareholders of the subsidiary who are entitled to assert appraisal rights that the corporate action became effective. Such notice must be sent within 10 days after the corporate action became effective and include the materials described in s. 607.1322.

(3) If a proposed corporate action described in s. 607.1302(1) is to be approved by written consent of the shareholders pursuant to s. 607.0704:

(a) Written notice that appraisal rights are, are not, or may be available must be sent to each shareholder from whom a consent is solicited at the time consent of such shareholder is first solicited, and, if the corporation has concluded that appraisal rights are or may be available, a copy of ss. 607.1301-607.1340 must accompany such written notice; and

(b) Written notice that appraisal rights are, are not, or may be available must be delivered, at least 10 days before the corporate action becomes effective, to all nonconsenting and nonvoting shareholders, and, if the corporation has concluded that appraisal rights are or may be available, a copy of ss. 607.1301-607.1340 must accompany such written notice.

(4) Where a corporate action described in s. 607.1302(1) is proposed or a merger pursuant to s. 607.1104 is effected, and the corporation concludes that appraisal rights are or may be available, the notice referred to in subsection (1), paragraph (3)(a), or paragraph (3)(b) must be accompanied by:

(a) Financial statements of the corporation that issued the shares that may be or are subject to appraisal rights, consisting of a balance sheet as of the end of the fiscal year ending not more than 16 months before the date of the notice, an income statement for that fiscal year, and a cash flow statement for that fiscal year; however, if such financial statements are not reasonably available, the corporation must provide reasonably equivalent financial information; and

(b) The latest available interim financial statements, including year-to-date through the end of the interim period, of such corporation, if any.

(5) The right to receive the information described in subsection (4) may be waived in writing by a shareholder before or after the corporate action is effected.

History.—s. 120, ch. 89-154; s. 35, ch. 93-281; s. 32, ch. 97-102; s. 24, ch. 2003-283; s. 164, ch. 2019-90; s. 44, ch. 2020-32.

607.1321 Notice of intent to demand payment.—

(1) If a proposed corporate action requiring appraisal rights under s. 607.1302 is submitted to a vote at a shareholders' meeting, a shareholder who wishes to assert appraisal rights with respect to any class or series of shares:

(a) Must have beneficially owned the shares of such class or series as of the record date for the shareholders' meeting at which the proposed corporate action is to be submitted to a vote;

(b) Must deliver to the corporation before the vote is taken written notice of the shareholder's intent, if the proposed corporate action is effectuated, to demand payment for all shares of such class or series beneficially owned by the shareholder as of the record date for the shareholders' meeting at which the proposed corporate action is to be submitted to a vote; and

(c) Must not vote, or cause or permit to be voted, any shares of such class or series in favor of the proposed corporate action.

(2) If a proposed corporate action requiring appraisal rights under s. 607.1302 is to be approved by written consent, a shareholder who wishes to assert appraisal rights with respect to any class or series of shares:

(a) Must have beneficially owned the shares of such class or series as of the record date established for determining who is entitled to sign a written consent;

(b) Must assert such appraisal rights for all shares of such class or series beneficially owned by the shareholder as of the record date for determining who is entitled to sign the written consent; and

(c) Must not sign a consent in favor of the proposed corporate action with respect to that class or series of shares.

(3) If a proposed corporate action specified in s. 607.1302(1) does not require shareholder approval pursuant to s. 607.11035, a shareholder who wishes to assert appraisal rights with respect to any class or series of shares:

(a) Must have beneficially owned the shares of such class or series as of the date the offer to purchase is made pursuant to s. 607.11035;

(b) Must deliver to the corporation before the shares are purchased pursuant to the offer a written notice of the shareholder's intent to demand payment if the proposed corporate action is

effected for all shares of such class or series beneficially owned by the shareholder as of the date the offer to purchase is made pursuant to s. 607.11035; and

(c) Must not tender, or cause or permit to be tendered, any shares of such class or series in response to such offer.

(4) A shareholder who may otherwise be entitled to appraisal rights but does not satisfy the requirements of subsection (1), subsection (2), or subsection (3) is not entitled to payment under this chapter.

History.—s. 25, ch. 2003-283; s. 7, ch. 2004-378; s. 165, ch. 2019-90; s. 5, ch. 2021-13.

607.1322 Appraisal notice and form.—

(1) If a proposed corporate action requiring appraisal rights under s. 607.1302(1) becomes effective, the corporation must deliver a written appraisal notice and form required by paragraph (2)(a) to all shareholders who satisfied the requirements of s. 607.1321(1), (2), or (3). In the case of a merger under s. 607.1104, the parent must deliver a written appraisal notice and form to all record shareholders who may be entitled to assert appraisal rights.

(2) The appraisal notice must be delivered no earlier than the date the corporate action became effective, and no later than 10 days after such date, and must:

(a) Supply a form that specifies the date that the corporate action became effective and that provides for the shareholder to state:

1. The shareholder's name and address.

2. The number, classes, and series of shares as to which the shareholder asserts appraisal rights.

3. That the shareholder did not vote for or consent to the transaction.

4. Whether the shareholder accepts the corporation's offer as stated in subparagraph (b)4.

5. If the offer is not accepted, the shareholder's estimated fair value of the shares and a demand for payment of the shareholder's estimated value plus accrued interest, if and to the extent applicable.

(b) State:

1. Where the form must be sent and where certificates for certificated shares must be deposited and the date by which those certificates must be deposited, which date may not be earlier than the date by which the corporation must receive the required form under subparagraph 2.

2. A date by which the corporation must receive the form, which date may not be fewer than 40 nor more than 60 days after the date the subsection (1) appraisal notice and form are sent, and state that the shareholder shall have waived the right to demand appraisal with respect to the shares unless the form is received by the corporation by such specified date.

3. The corporation's estimate of the fair value of the shares.

4. An offer to each shareholder who is entitled to appraisal rights to pay the corporation's estimate of fair value set forth in subparagraph 3.

5. That, if requested in writing, the corporation will provide to the shareholder so requesting, within 10 days after the date specified in subparagraph 2., the number of shareholders who return the forms by the specified date and the total number of shares owned by them.

6. The date by which the notice to withdraw under s. 607.1323 must be received, which date must be within 20 days after the date specified in subparagraph 2.

(c) If not previously provided, be accompanied by a copy of ss. 607.1301-607.1340.

History.—s. 26, ch. 2003-283; s. 166, ch. 2019-90; s. 6, ch. 2021-13.

607.1323 Perfection of rights; right to withdraw.—

(1) A shareholder who receives notice pursuant to s. 607.1322 and who wishes to exercise appraisal rights must sign and return the form received pursuant to s. 607.1322(1) and, in the case of certificated shares, deposit the shareholder's certificates in accordance with the terms of the notice by the date referred to in the notice pursuant to s. 607.1322(2)(b)2. Once a shareholder deposits that shareholder's certificates or, in the case of uncertificated shares, returns the signed forms, that shareholder loses all rights as a shareholder, unless the shareholder withdraws pursuant to subsection (2).

(2) A shareholder who has complied with subsection (1) may nevertheless decline to exercise appraisal rights and withdraw from the appraisal process by so notifying the corporation in writing by the date set forth in the appraisal notice pursuant to s. 607.1322(2)(b)6. A shareholder who fails to so withdraw from the appraisal process may not thereafter withdraw without the corporation's written consent.

(3) A shareholder who does not sign and return the form and, in the case of certificated shares, deposit that shareholder's share certificates if required, each by the date set forth in the notice described in s. 607.1322(2), shall not be entitled to payment under ss. 607.1301-607.1340.

History.—s. 27, ch. 2003-283; s. 167, ch. 2019-90.

607.1324 Shareholder's acceptance of corporation's offer.—

(1) If the shareholder states on the form provided in s. 607.1322(1) that the shareholder accepts the offer of the corporation to pay the corporation's estimated fair value for the shares, the corporation shall make such payment to the shareholder within 90 days after the corporation's receipt of the form from the shareholder.

(2) Upon payment of the agreed value, the shareholder shall cease to have any right to receive any further consideration with respect to such shares.

History.—s. 28, ch. 2003-283; s. 168, ch. 2019-90.

607.1326 Procedure if shareholder is dissatisfied with offer.—

(1) A shareholder who is dissatisfied with the corporation's offer as set forth pursuant to s. 607.1322(2)(b)4. must notify the corporation on the form provided pursuant to s. 607.1322(1) of that shareholder's estimate of the fair value of the shares and demand payment of that estimate plus accrued interest, if and to the extent applicable.

(2) A shareholder who fails to notify the corporation in writing of that shareholder's demand to be paid the shareholder's stated estimate of the fair value plus accrued interest, if and to the extent applicable, under subsection (1) within the timeframe set forth in s. 607.1322(2)(b)2. waives the right to demand payment under this section and shall be entitled only to the payment offered by the corporation pursuant to s. 607.1322(2)(b)4.

(3) With respect to a shareholder who properly makes demand for payment pursuant to subsection (1), at any time after the shareholder makes such demand, including during a court proceeding under s. 607.1330, the corporation shall have the right to prepay to the shareholder all or any portion of the amount that the corporation determines to be due under s. 607.1322(2)(b)3. and the shareholder shall be obligated to accept such prepayment.

(a) If such prepayment is made within 90 days after the earlier of the date on which the appraisal notice is provided by the corporation under s. 607.1322(1) or the deadline date by which the appraisal notice is required to be provided by the corporation under s. 607.1322(2), accrued interest will be payable, if at all, to the shareholder entitled to appraisal rights, calculated and accrued from the date on which the corporate action became effective and only on amounts that are determined to be due to the shareholder and are above the amount so prepaid. Accrued interest will not be payable to the shareholder entitled to appraisal rights on the prepayment previously made to the shareholder by the corporation pursuant to this paragraph.

(b) If such prepayment is made more than 90 days after the earlier of the date on which the appraisal notice is provided by the corporation under s. 607.1322(1) or the deadline date by which the appraisal notice is required to be provided by the corporation under s. 607.1322(2), the prepayment must include accrued interest on the amount of the prepayment, calculated at the rate of interest determined for judgments pursuant to s. 55.03 and calculated and accrued from the date that the corporate action became effective through the date of the prepayment previously made to the shareholder by the corporation pursuant to this paragraph. In addition, accrued interest will be payable to the shareholder entitled to appraisal rights on such amounts, if any, determined to be due to the shareholder in excess of the prepaid amount, calculated and accrued from the date on which the corporate action became effective.

History.—s. 29, ch. 2003-283; s. 169, ch. 2019-90; s. 7, ch. 2021-13.

607.1330 Court action.—

(1) If a shareholder makes demand for payment under s. 607.1326 which remains unsettled, the corporation shall commence a proceeding within 60 days after receiving the payment demand and petition the court to determine the fair value of the shares and accrued interest, if and to the extent applicable, calculated and accrued from the date the corporate action became effective and taking into account the amount of any prepayment previously made to the shareholder by the

corporation pursuant to s. 607.1326(3). If the corporation does not commence the proceeding within the 60-day period, any shareholder who has made a demand pursuant to s. 607.1326 may commence the proceeding in the name of the corporation.

(2) The proceeding shall be commenced in the circuit court in the applicable county. If by virtue of the corporate action becoming effective the entity has become a foreign eligible entity without a registered office in this state, the proceeding shall be commenced in the county in this state in which the principal office or registered office of the domestic corporation merged with the foreign eligible entity was located immediately before the time the corporate action became effective. If such entity has, and immediately before the corporate action became effective had, no principal or registered office in this state, then the proceeding shall be commenced in the county in this state in which the corporation has, or immediately before the time the corporate action became effective had, an office in this state. If such entity has, or immediately before the time the corporate action became effective had, no office in this state, the proceeding shall be commenced in the county in which the corporation's registered office is or was last located.

(3) All shareholders, whether or not residents of this state, whose demands remain unsettled shall be made parties to the proceeding as in an action against their shares. The corporation shall serve a copy of the initial pleading in such proceeding upon each shareholder party who is a resident of this state in the manner provided by law for the service of a summons and complaint and upon each nonresident shareholder party by registered or certified mail or by publication as provided by law.

(4) The jurisdiction of the court in which the proceeding is commenced under subsection (2) is plenary and exclusive. If it so elects, the court may appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The appraisers shall have the powers described in the order appointing them or in any amendment to the order. The shareholders demanding appraisal rights are entitled to the same discovery rights as parties in other civil proceedings. There shall be no right to a jury trial.

(5) Each shareholder entitled to appraisal rights who is made a party to the proceeding is entitled to judgment for the amount of the fair value of such shareholder's shares as found by the court, plus accrued interest, if and to the extent applicable and as found by the court, taking into account the amount of any prepayment previously made to the shareholder by the corporation pursuant to s. 607.1326(3).

(6) The corporation shall pay each such shareholder the amount found to be due within 10 days after final determination of the proceedings. Upon payment of the judgment, the shareholder shall cease to have any rights to receive any further consideration with respect to such shares other than any amounts ordered to be paid for court costs and attorney fees under s. 607.1331.

History.—s. 2, ch. 2004-378; s. 170, ch. 2019-90; s. 8, ch. 2021-13.

607.1331 Court costs and counsel fees.—

(1) The court in an appraisal proceeding shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall

assess the costs against the corporation, except that the court may assess costs against all or some of the shareholders demanding appraisal, in amounts the court finds equitable, to the extent the court finds such shareholders acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this chapter.

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

(a) Against the corporation and in favor of any or all shareholders demanding appraisal if the court finds the corporation did not substantially comply with ss. 607.1320 and 607.1322; or

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

(3) If the court in an appraisal proceeding finds that the services of counsel for any shareholder were of substantial benefit to other shareholders similarly situated, and that the fees for those services should not be assessed against the corporation, the court may award to such counsel reasonable fees to be paid out of the amounts awarded the shareholders who were benefited.

(4) To the extent the corporation fails to make a required payment pursuant to s. 607.1324, the shareholder may sue directly for the amount owed and, to the extent successful, shall be entitled to recover from the corporation all costs and expenses of the suit, including attorney fees.

History.—s. 30, ch. 2003-283; s. 98, ch. 2004-5; s. 171, ch. 2019-90.

607.1332 Disposition of acquired shares.—Shares acquired by a corporation pursuant to payment of the agreed value thereof or pursuant to payment of the judgment entered therefor, as provided in this chapter, may be held and disposed of by such corporation as authorized but unissued shares of the corporation, except that, in the case of a merger or share exchange, they may be held and disposed of as the plan of merger or share exchange otherwise provides. The shares of the survivor into which the shares of such shareholders demanding appraisal rights would have been converted had they assented to the merger shall have the status of authorized but unissued shares of the survivor.

History.—s. 31, ch. 2003-283; s. 172, ch. 2019-90.

607.1333 Limitation on corporate payment.—

(1) No payment shall be made to a shareholder seeking appraisal rights if, at the time of payment, the corporation is unable to meet the distribution standards of s. 607.06401. In such event, the shareholder shall, at the shareholder's option:

(a) Withdraw his, her, or its notice of intent to assert appraisal rights, which shall in such event be deemed withdrawn with the consent of the corporation; or

(b) Retain his, her, or its status as a claimant against the corporation and, if it is liquidated, be subordinated to the rights of creditors of the corporation, but have rights superior to the shareholders not asserting appraisal rights, and if the corporation is not liquidated, retain his, her,

or its right to be paid for the shares, which right the corporation shall be obliged to satisfy when the restrictions of this section do not apply.

(2) The shareholder shall exercise the option under paragraph (1)(a) or paragraph (1)(b) by written notice filed with the corporation within 30 days after the corporation has given written notice that the payment for shares cannot be made because of the restrictions of this section. If the shareholder fails to exercise the option, the shareholder shall be deemed to have withdrawn his or her notice of intent to assert appraisal rights.

History.—s. 32, ch. 2003-283; s. 173, ch. 2019-90; s. 45, ch. 2020-32.

APPENDIX F

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HOVDE GROUP

April 16, 2025

Board of Directors
Prime Meridian Holding Company
1471 Timberlane Road
Tallahassee, FL 32312

Dear Board of Directors:

Hovde Group, LLC ("we" or "Hovde") understands that Prime Meridian Holding Company, a Florida corporation and registered bank holding company (the "Holding Company"), its wholly-owned subsidiary, Prime Meridian Bank, a Florida commercial bank (the "Seller," and together with the Holding Company, the "Selling Parties," each a "Selling Party"), and MidFlorida Credit Union, a Florida chartered credit union (the "Buyer"), are about to enter into an Agreement and Plan of Merger (the "Agreement") as of April 17, 2025. The Buyer, the Holding Company, and Seller may be referred to herein each as a "Party" and collectively as the "Parties." As used herein, Agreement shall refer to the draft of the Agreement and Plan of Merger dated April 15, 2025 provided to Hovde by the Holding Company, and all Article and Section references shall refer to Articles or Sections in the Agreement. Capitalized terms used herein that are not otherwise defined shall have the same meanings attributed to them in the Agreement.

Subject to the terms and conditions set forth in the Agreement, the Holding Company and Seller have entered into an agreement and plan of merger (the "First Step Merger Agreement") which agreement provides that the Holding Company shall file Restated Articles of Incorporation with the Florida Secretary State to become a Florida banking corporation and successor institution pursuant to applicable Florida statutes and shall merge with and into Seller (the "First Step Merger"). By virtue of the First Step Merger the separate existence of the Holding Company shall cease and automatically, without any action on the part of the Holding Company, Seller or any shareholder of the Holding Company, each share of Holding Company Common Stock issued and outstanding immediately prior to the effective time of the First Step Merger (other than Dissenting Shares) shall be converted into the right to receive one share of Seller Common Stock. Additionally, each Holding Company Stock Option issued and outstanding immediately prior to the effective time of the First Step Merger shall be converted into one Seller Stock Option (with all other terms and conditions to remain unchanged).

Immediately following the First Step Merger, (i) the Buyer shall acquire the assets and liabilities of Seller by merger of Seller with and into Buyer (the "Merger"), (ii) the separate existence of Seller shall cease, (iii) and Buyer shall be the continuing entity in the Merger (the "Surviving Entity"), all in accordance with FBCA, FFIC, and applicable federal or state law, and (iv) the name of the Surviving Entity shall be "MidFlorida Credit Union." At the Effective Time, each outstanding share of Seller Common Stock shall be converted into the right to

receive the Per Share Merger Consideration pursuant to Sections 2.05 and 2.07 of the Agreement.

At the Effective Time, by virtue of the Merger and without any action on the part of the Parties or any shareholder of Seller, each share of Seller Common Stock issued and outstanding immediately prior to the Effective Time (other than cancelled and retired shares and Dissenting Shares and referred to herein as the "Outstanding Seller Common Stock") shall become and be converted into the right to receive from the Buyer the Per Share Merger Consideration and thereupon shall no longer be outstanding and shall automatically be cancelled and shall cease to exist. The "Per Share Merger Consideration" shall be $58.50 per share of Outstanding Seller Common Stock. Subject to adjustment contemplated by Section 2.06 of the Agreement, the "Merger Consideration" shall be an amount equal to the Per Share Merger Consideration multiplied by the number of shares of Outstanding Seller Common Stock at the Effective Time.

At the Effective Time, each Holding Company Stock Option that is outstanding and unexercised as of the date of the Agreement shall become automatically vested and exercisable in full and cancelled, and the holder thereof shall have the right to receive from the Seller on (or immediately prior to) the Closing Date a cash payment in an amount, rounded down to the nearest whole cent, equal to the product of (i) the Per Share Merger Consideration minus the per share exercise price of such Holding Company Stock Option multiplied by (ii) the number of shares of Holding Company Common Stock subject to Holding Company Stock Option (the "Option Payment"). The aggregate of the Option Payments paid to all holders of the Holding Company Stock Options shall be referred to as the "Option Consideration," and together with the Merger Consideration, the "Aggregate Consideration."

Section 2.06 of the Agreement provides for an adjustment to the Per Share Merger Consideration if the Closing Equity Value is less than the Minimum Equity Value, and in such event, the Per Share Merger Consideration shall be reduced by an amount equal to $2.25 for each dollar difference between (i) the Minimum Equity Value, less (ii) the Closing Equity Value, and the Per Share Merger Consideration shall in turn be reduced proportionately. If the Closing Equity Value is equal to or greater than the Minimum Equity Value, there will be no adjustment to the Aggregate Consideration.

We note that Article VII of the Agreement provides for normal and customary closing conditions and obligations of the Selling Parties to consummate the Merger including: (i) none of the Requisite Regulatory Approvals necessary to consummate the Merger contemplated by the Agreement shall include any term, condition or restriction that results in the imposition of a Materially Burdensome Regulatory Condition; (ii) the Seller's Closing Equity Value calculated pursuant to Section 2.06 of the Agreement shall be an amount not less than the Minimum Equity Value; (iii) the Seller's general allowance for loan and lease losses shall be an amount not less than 0.80% of loans and leases held for investment; (iv) the Agreement and the Transactions shall have been approved by the affirmative vote of the holders of a majority of the outstanding shares of Holding Company Common Stock entitled to vote at the Special

Meeting (the "Requisite Holding Company Vote"); (v) the number of shares of Holding Company Common Stock or Seller Common Stock, that are Dissenting Shares shall be less than five percent (5%) of the number of shares of Holding Company Common Stock or Seller Common Stock outstanding immediately prior to the effective time of the First Step Merger or the Effective Time; (vi) no order shall have been entered and remain in force at the Closing Date restraining or prohibiting any of the Transactions, and no action or proceeding shall have been instituted or threatened on or before the Closing Date seeking to restrain or prohibit the Transactions or which would be reasonably likely to have a Material Adverse Effect on any Selling Party; and (vii) the First Step Merger shall have been duly authorized and approved by the parties thereto and the other terms and conditions of the First Step Merger shall have been satisfied so as to permit the transactions as contemplated by the First Step Merger.

We also note that Article VIII of the Agreement provides that the Agreement may be terminated as set forth in Section 8.01(c) in the event the Merger shall not have occurred by December 31, 2025 (the "Termination Date"); provided, however, the Buyer shall have the right to extend the Termination Date by two additional periods of three-months each, and the Seller shall have the right, if the Termination Date is extended after December 31, 2025, to pay to its shareholders a cash dividend of one-third of the Holding Company's consolidated net income for (a) 2025, and (b) each full calendar month after December 31, 2025 and prior to the month in which the Closing occurs. Additionally, Article VIII provides that the Agreement may be terminated if any of the other conditions of Section 8.01 are met including: (i) by either the Selling Parties or Buyer, if any Regulator or other Governmental Authority has denied approval of the application for such Requisite Regulatory Approval and such denial has become final and non-appealable or if any court or other Governmental Authority of competent jurisdiction shall have issued a final, unappealable order enjoining or otherwise prohibiting consummation of the Transactions; (ii) by either the Selling Parties or Buyer if the Special Meeting has been held and the Requisite Holding Company Vote has not been obtained; (iii) by the Buyer if any of the Requisite Regulatory Approvals includes any term, condition or restriction that results in the imposition of a Materially Burdensome Regulatory Condition; and (iv) as set forth in Section 8.03 by Holding Company if the Selling Parties have received and have determined to accept a Superior Proposal, and the Selling Parties enter into a definitive agreement with respect to the Superior Proposal contemporaneously with the termination of the Agreement. If the Agreement is terminated in accordance with any of the provisions of Section 8.03, then the Selling Parties shall pay Buyer by wire transfer in immediately available funds, as agreed upon liquidated damages and not as a penalty and as the sole and exclusive remedy of Buyer, Seven Million Seven Hundred Seventy Five Thousand One Hundred Dollars ($7,775,100) (the "Fee").

With your knowledge and consent and for purposes of our analysis and opinion we have assumed that: (i) the Merger Consideration will be equal to $194,863,734, the Option Consideration will be equal to $6,167,003 and therefore the Aggregate Consideration is $201,030,737, (i.e., the Aggregate Consideration equals the Merger Consideration plus the Option Consideration); (ii) the Closing Equity Value will not be less than the Minimum Equity Value and therefore there will be no adjustment to the Aggregate Consideration pursuant to the

provisions of Section 2.06, (iii) all of the closing conditions set forth in Article VII of the Agreement are satisfied; (iv) the Agreement is not terminated pursuant to any of the provisions set forth in Article VIII; and (v) the Transactions and the Merger will proceed and be consummated in accordance with the terms of the Agreement.

You have requested our opinion as to whether the Aggregate Consideration to be received by the shareholders and optionholders of the Holding Company under the terms of the Agreement is fair to the shareholders and optionholders of the Holding Company from a financial point of view. Our opinion addresses only the fairness of the Aggregate Consideration to be received by the shareholders and optionholders of the Holding Company, who will be shareholders and optionholders of the Seller at the Effective Time, and we are not opining on any individual stock, cash, option, or other components of the Aggregate Consideration.

During the course of our engagement and for the purposes of the opinion set forth herein, we have:

(i) reviewed the draft of the Agreement dated April 15, 2025 provided to Hovde by the Holding Company;

(ii) reviewed unaudited financial statements for the Holding Company and the Seller for the twelve-month period ended December 31, 2024 and the three-month period ended March 31, 2025;

(iii) reviewed certain historical annual reports of the Holding Company, including the audited annual report of the Holding Company for the fiscal year ended December 31, 2023;

(iv) reviewed certain historical publicly available business and financial information concerning the Holding Company and the Seller;

(v) reviewed certain internal financial statements and other financial and operating data concerning the Holding Company and the Seller;

(vi) reviewed financial projections prepared in consultation with certain members of the senior management of the Holding Company and the Seller;

(vii) discussed with certain members of senior management of the Holding Company and the Seller the business, financial condition, results of operations and future prospects of the Holding Company and the Seller, the past and current operations of the Holding Company and the Seller, and the Holding Company's assessment of the rationale for the Merger;

(viii) assessed current general economic, market and financial conditions;

(ix) reviewed the terms of recent merger, acquisition and control investment transactions, to the extent publicly available, involving financial institutions and financial institution holding companies that we considered relevant;

(x) took into consideration our experience in other similar transactions and securities valuations as well as our knowledge of the banking and financial services industry;

(xi) reviewed certain publicly available financial and stock market data relating to selected public companies that we deemed relevant to our analysis; and

(xii) performed such other analyses and considered such other factors as we have deemed appropriate.

We have assumed, without investigation, that there have been, and from the date hereof through the Closing there will be no material changes in the financial condition and results of operations of the Holding Company, the Seller or the Buyer since the date of the latest financial information described above. We have further assumed, without independent verification, that the representations and financial and other information included in the Agreement and all other related documents and instruments that are referred to therein or otherwise provided to us by the Holding Company and the Buyer are true and complete. We have relied upon the management of the Holding Company as to the reasonableness and achievability of the financial forecasts, projections and other forward-looking information provided to Hovde by the Holding Company and the Holding Company's professionals, and we assumed such forecasts, projections and other forward-looking information have been reasonably prepared by the Holding Company and the Holding Company's professionals on a basis reflecting the best currently available information and the Holding Company's professionals judgments and estimates. We have assumed that such forecasts, projections and other forward-looking information would be realized in the amounts and at the times contemplated thereby, and we do not assume any responsibility for the accuracy or reasonableness thereof. We have been authorized by the Holding Company to rely upon such forecasts, projections and other information and data, and we express no view as to any such forecasts, projections or other forward-looking information or data, or the bases or assumptions on which they were prepared.

In performing our review, we have assumed and relied upon the accuracy and completeness of all of the financial and other information that was available to us from public sources, that was provided to us by the Holding Company or the Buyer or their respective representatives or that was otherwise reviewed by us for purposes of rendering this opinion. We have further relied on the assurances of the respective managements of the Holding Company and the Buyer that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. We have not been asked to undertake, and have not undertaken, an independent verification of any of such information, and we do not assume any

responsibility or liability for the accuracy or completeness thereof. We have assumed that each party to the Agreement would advise us promptly if any information previously provided to us became inaccurate or was required to be updated during the period of our review.

We are not experts in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for losses with respect thereto. We have assumed that such allowances for the Holding Company, the Seller and the Buyer are, in the aggregate, adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. We were not requested to make, and have not made, an independent evaluation, physical inspection or appraisal of the assets, properties, facilities, or liabilities (contingent or otherwise) of the Holding Company, the Seller or the Buyer, the collateral securing any such assets or liabilities, or the collectability of any such assets, and we were not furnished with any such evaluations or appraisals, nor did we review any loan or credit files of the Holding Company, the Seller or the Buyer.

We have undertaken no independent analysis of any pending or threatened litigation, regulatory action, possible unasserted claims or other contingent liabilities to which the Holding Company, the Seller or the Buyer is a party or may be subject, and our opinion makes no assumption concerning, and therefore does not consider, the possible assertion of claims, outcomes or damages arising out of any such matters. We have also assumed, with your consent, that the Holding Company, the Seller and the Buyer are not parties to any material pending transaction, including without limitation any financing, recapitalization, acquisition or transaction, divestiture or spin-off, other than the Merger contemplated by the Agreement.

We have relied upon and assumed, with your consent and without independent verification, that the Merger will be consummated substantially in accordance with the terms set forth in the Agreement, without any waiver of material terms or conditions by the Holding Company, the Seller, the Buyer or any other party to the Agreement and that the final Agreement will not differ materially from the draft we reviewed. We have assumed that the Merger will be consummated in compliance with all applicable laws and regulations. The Holding Company has advised us that they are not aware of any factors that would impede any necessary regulatory or governmental approval of the Merger. We have assumed that the necessary regulatory and governmental approvals as granted will not be subject to any conditions that would be unduly burdensome on the Holding Company, the Seller or the Buyer or would have a material adverse effect on the contemplated benefits of the Merger.

Our opinion does not consider, include or address: (i) any legal, tax, accounting, or regulatory consequences of the Merger to the Holding Company, the Seller, the Buyer or their respective shareholders or members; (ii) any advice or opinions provided by any other advisor to the respective Boards of Directors of the Holding Company or the Seller; (iii) any other strategic alternatives that might be available to the Holding Company or the Seller; or (iv) whether the Buyer has sufficient cash or other sources of funds to enable it to pay the consideration contemplated by the Merger.

Our opinion does not constitute a recommendation to the Holding Company as to whether or not they should enter into the Agreement or to any shareholders of the Holding Company as to how such shareholders should vote at any meetings of shareholders called to consider and vote upon the Merger. Our opinion does not address the underlying business decision to proceed with the Merger or the fairness of the amount or nature of the compensation, if any, to be received by any of the officers, directors or employees of the Holding Company or the Seller relative to the amount of consideration to be paid with respect to the Merger. Our opinion should not be construed as implying that the total proceeds to be received by the Holding Company from the Merger is necessarily the highest or best price that could be obtained by the Holding Company in a sale transaction or combination transaction with a third party. Other than as specifically set forth herein, we are not expressing any opinion with respect to the terms and provisions of the Agreement or the enforceability of any such terms or provisions. Our opinion is not a solvency opinion and does not in any way address the solvency or financial condition of the Holding Company, the Seller or the Buyer.

This opinion was approved by Hovde's fairness opinion committee. This letter is directed solely to the Board of Directors of the Holding Company and is not to be used for any other purpose or quoted or referred to, in whole or in part, in any registration statement, prospectus, proxy statement, or any other document, except in each case in accordance with our prior written consent; provided, however, we hereby consent to the inclusion and reference to this letter in any registration statement, proxy statement or information statement to be delivered to the holders of the Holding Company's Common Stock in connection with the Merger if, and only if, (i) this letter is quoted in full or attached as an exhibit to such document, (ii) this letter has not been withdrawn prior to the date of such document, and (iii) any description of or reference to Hovde or the analyses performed by Hovde or any summary of this opinion in such filing is in a form acceptable to Hovde and its counsel in the exercise of their reasonable judgment.

Our opinion is based solely upon the information available to us and described above, and the economic, market and other circumstances as they exist as of the date hereof. Events occurring and information that becomes available after the date hereof could materially affect the assumptions and analyses used in preparing this opinion. We have not undertaken to update, revise, reaffirm or withdraw this opinion or to otherwise comment upon events occurring or information that becomes available after the date hereof.

In arriving at this opinion, we did not attribute any particular weight to any single analysis or factor but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, we believe that our analyses must be considered as a whole and that selecting portions of our analyses, without considering all analyses, would create an incomplete view of the process underlying this opinion.

We, as part of our investment banking business, regularly perform valuations of businesses and their securities in connection with transactions and acquisitions and other

corporate transactions. In addition to being retained to render this opinion letter, we were retained by the Holding Company to act as its financial advisor in connection with the Merger. In connection with our services, pursuant to the terms of the Engagement Agreement entered into by us and the Holding Company dated April 10, 2025, we will receive a fairness opinion fee that is contingent upon the issuance of this opinion letter and a completion fee, less the fairness opinion fee, that is contingent upon the consummation of the Merger. The Holding Company has also agreed to indemnify us and our affiliates for certain liabilities that may arise out of our engagement.

Other than in connection with this present engagement, in the past two years, we have not provided investment banking or financial advisory services to The Holding Company, the Seller or the Buyer for which we received a fee. We or our affiliates may presently or in the future seek or receive compensation from the Buyer in connection with future transactions, or in connection with potential advisory services and corporate transactions, although to our knowledge none are expected at this time. In the ordinary course of our business as a broker/dealer, we may from time to time purchase securities from, and sell securities to, the Holding Company, the Seller or the Buyer or their affiliates. Except for the foregoing, during the past two years there have not been, and there currently are no mutual understandings contemplating in the future, any material relationships between us and the Buyer.

Based upon and subject to the foregoing review, assumptions and limitations, we are of the opinion, as of the date hereof, that the Aggregate Consideration to be received by the shareholders and optionholders of the Holding Company under the terms of the Agreement is fair to the shareholders and optionholders of the Holding Company from a financial point of view.

Sincerely,

Hovde Group, LLC

HOVDE GROUP, LLC