



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be Held May 4, 2026

TO THE SHAREHOLDERS OF KATAHDIN BANKSHARES CORP.:

You are hereby invited to attend the 2026 Annual Meeting of Shareholders of Katahdin Bankshares Corp., on Monday, May 4, 2026, at 11:00 a.m., Eastern Time at the Houlton Regional Hospital, Katahdin Trust Meeting Room, 20 Hartford Street, Houlton, Maine.

At the Annual Meeting, shareholders will be asked to:

1. Elect three directors as described in the Proxy Statement dated March 16, 2026, which accompanies this Notice of the Meeting.
2. Ratify the Board's selection of BerryDunn as the independent accountants of Katahdin Bankshares Corp., and its subsidiary Katahdin Trust Company, for the year ending December 31, 2026.
3. Transact any other business as may properly come before the Meeting.

Only those shareholders of record at the close of business on March 4, 2026, are entitled to notice of, and have their shares voted at, the Annual Meeting.

YOUR VOTE IS IMPORTANT

Regardless of whether you plan to attend the Annual Meeting in person, please take the time to follow your Proxy Card instructions to vote online, by phone or through the mail.

If you attend the Annual Meeting and decide to revoke your Proxy by voting in person, you may do so. In any event, a Proxy may be revoked at any time prior to the voting of the Proxy by giving appropriate notice to us.

March 16, 2026

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'Matthew M. Nightingale', written over a horizontal line.

Matthew M. Nightingale
Clerk of the Corporation

KATAHDIN BANKSHARES CORP.
11 Main Street
Patten, Maine 04765

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS
MONDAY, MAY 4, 2026

SOLICITATION OF PROXIES AND
MEETING INFORMATION

Katahdin Bankshares Corp. (“Bankshares”) is sending this Proxy Statement to you for the solicitation of Proxies by the Board of Directors of Bankshares to be voted at the Annual Meeting of Shareholders. This Proxy Statement and the enclosed Proxy are being mailed to shareholders on or about March 16, 2026.

INFORMATION ABOUT THE MEETING

When and Where is the Annual Meeting?

The Annual Meeting will be held on Monday, May 4, 2026, at 11:00 a.m., Eastern Time, at the Houlton Regional Hospital, Katahdin Trust Meeting Room, 20 Hartford Street, Houlton, Maine. This event will be held in person only.

What Matters will be Voted on at the Annual Meeting?

At the Annual Meeting, you will be asked to:

- Elect three directors to serve for a three-year term;
- Ratify the Board’s selection of BerryDunn as the independent accountants of Bankshares, and its subsidiary Katahdin Trust Company, for the year ending December 31, 2026; and
- Transact such other business as may properly come before the Annual Meeting.

Who is Entitled to Vote?

Only shareholders of record at the close of business on the record date, March 4, 2026, are entitled to receive notice of the Annual Meeting and to vote. On March 4, 2026, there were 3,184,414 shares of Bankshares’ Common Stock outstanding. Each share of Bankshares’ Common Stock is entitled to one vote on each matter considered at the Meeting, including one vote for each director to be elected. Shareholders are not entitled to cumulate their votes in the election of directors.

How Many Shares are Needed for a Quorum?

The presence at the Annual Meeting by Proxy of a majority of the outstanding shares eligible to vote at the Annual Meeting is required for a quorum to exist at the Annual Meeting. For this purpose, abstentions and broker non-votes are counted in determining the shares present at the Annual Meeting.

What Vote is Required to Elect Directors?

The three nominees for election as directors who receive the greatest number of votes will be elected directors. Votes may be cast in favor of some or all of the nominees for election to the Board of Directors or withheld as to some or all of the nominees.

How Do I Vote?

In advance of the Annual Meeting, you may vote online, by phone or by completing and properly signing the accompanying Proxy card and returning it to Bankshares. When you do so, your shares will be voted as you direct. If you give no directions on your Proxy, the shares represented by your Proxy, if properly signed, will be voted FOR election of all director nominees named on the enclosed Proxy and FOR ratification of the accountants selected by the Board of Directors. If any other matters are properly presented at the Annual Meeting for consideration, the persons named in the Proxy will have discretion to vote on those matters according to their best judgment.

Can I Change My Vote After I Return My Proxy?¹

Yes. Even after you have submitted your Proxy, your Proxy may be withdrawn at any time before it is voted by:

- Delivering written notice to the Clerk of the Corporation, at 20 Katahdin Lane, P.O. Box 36, Houlton, ME 04730, at any time prior to the date of the Meeting, or
- Submitting a later dated proxy in time for the Meeting, or
- Attending the Annual Meeting and voting in person.

Who Pays the Costs of Soliciting Proxies?

The enclosed Proxy is solicited by the Board of Directors of Bankshares. Bankshares will bear the costs of soliciting this Proxy for the Annual Meeting. In addition to soliciting Proxies by mail or email, Bankshares' directors, officers, and employees may solicit Proxies personally or by telephone. No director, officer, or employee of Bankshares who solicits Proxies will receive any compensation for their solicitation other than their regular compensation for the positions they hold. Bankshares may pay compensation to other persons for the solicitation of Proxies.

¹ If you hold your shares indirectly (*e.g.* through a broker-dealer or bank) or are a participant in the Direct Registration System, the process for changing a vote is more complicated and will generally require considerable lead time.

Proposal 1: Election of Directors

The Articles of Incorporation of Bankshares provide that the Board of Directors shall be divided into three classes, with the term of office of only one class expiring at each Annual Meeting of Shareholders. At each Annual Meeting, the number of directors to be elected equals the number of directors of the class whose term expires at that meeting, unless the number of directors in that class is increased or decreased by the Board of Directors or shareholders. The directors who are elected to that class have three-year terms which are to expire at the third succeeding Annual Meeting of Shareholders.

In January 2026, the Board of Directors set the date of the 2026 Annual Meeting and took action to nominate Kimberley A. Niles, Jon J. Prescott, and Richard J. York, Sr. for re-election by shareholders at this year's Annual Meeting. If re-elected, each will have a three-year term of office until the 2029 Annual Meeting and until their successors are duly elected and qualified.

In addition to those three nominees, there are seven other current directors whose terms are not expiring at the 2026 Annual Meeting:

- Term Expiring at 2027 Annual Meeting: Keith P. Bourgoïn, Richard B. Harnum, Jr., and Paul R. Powers
- Term Expiring at 2028 Annual Meeting: Benjamin D. Carlisle, Julie A. Libby, Marianna Putnam Liddell, and Steven L. Richardson

The Board recommends that you vote **“FOR”** the election of Kimberley A. Niles, Jon J. Prescott, and Richard J. York, Sr. as directors.

Proposal 1: Election of Directors



**Kimberley A.
Niles**

DIRECTOR SINCE:
2015

AGE: 58

**KATAHDIN
COMMITTEES:**

Audit Committee
(Chair)

Director's Loan
Committee

HOMETOWN:
Atkinson,
New Hampshire

Key Experience & Qualifications

- Owner and Director of State of Granite, LLC (Montes Marble & Granite) in New Hampshire since 2016.
- Past Managing Director and Chief Financial Officer at Constant Energy Capital Management LLC.
- Founded VC CFO Services LLC in 2014.
- Served as the Chief Financial Officer at North Atlantic Capital Corp. for sixteen years in Portland, Maine.
- Began her professional career as an Assistant Controller before spending seven years working at public accounting firms in Miami, Florida as an Audit Senior and Audit Manager.
- Certified Public Accountant from 1998-2016.

Education

- Bachelor of Science in Business Administration—Whittemore School of Business & Economics, University of New Hampshire.

Community Involvement and Other Board Leadership Roles

- Private Equity CFOs (PECFO): Former Member.
- Maine Venture Fund: Former Board Member, Executive Committee, and Treasurer.
- University of New Hampshire, Rines Student Angel Fund: Former Student Mentor.

Top Skills

- Financial Governance
- Regulatory Compliance
- Transactional Expertise
- Operational Leadership
- Stakeholder Communication

Proposal 1: Election of Directors



**Jon J.
Prescott**

DIRECTOR SINCE:
1997

AGE: 58

**KATAHDIN
COMMITTEES:**

Asset Liability
Management
Committee

Audit Committee
(non-voting member)

Compensation
Committee
(non-voting member)

Director's Loan
Committee

HOMETOWN:
Houlton, Maine

Key Experience & Qualifications

- Currently serves as President and Chief Executive Officer of Katahdin Trust Company, a role he has held for nearly thirty years.
- Joined Katahdin Trust Company in 1989 and built broad experience in finance, marketing, and branch management, before being appointed CEO in 1997.
- Nearly four decades of experience in the banking industry with a history of prudent risk management, operational discipline, and sound judgment, reinforcing a commitment to protecting shareholder interests and promoting the bank's financial strength.

Education

- Bachelor of Science in Business Administration—University of Maine Orono.
- National Commercial Lending School—Stillwater, OK.
- Northern New England School of Banking—Durham, NH.

Community Involvement and Other Board Leadership Roles

- Houlton Water Company: Board Member.
- St. Mary's Church: Finance Committee.
- Maine Mutual Group & Affiliates: Director.
- Maine Bankers Association: Director; Executive Committee.

Top Skills

- Strategic Leadership
- Financial Stewardship
- Risk Management
- Regulatory Expertise
- Community & Stakeholder Relations

Proposal 1: Election of Directors



**Richard J.
York, Sr.**

DIRECTOR SINCE:
1997

AGE: 77

**KATAHDIN
COMMITTEES:**

Asset Liability
Management
Committee

Audit Committee

HOMETOWN:
Houlton, Maine

Key Experience & Qualifications

- Co-owner at York's of Houlton, an automotive dealership and multi-generation family business in Houlton, Maine. More than fifty years of involvement, having joined the company in 1975.
- Co-owner of Nature's Circle Farm, a certified organic potato farm located in New Limerick, Maine. Nearly three decades of agricultural leadership, having begun farming in 1997.
- A long history of hands-on leadership running and expanding a complex, customer-focused business providing practical insight into risk management, financial decision-making, and long-range planning.
- Served as the Vice Chairman of the Katahdin Bankshares Corp. Board of Directors from 2016-2025.

Education

- Bachelor of Science in Business Administration—University of Maine Orono.

Community Involvement Leadership Roles

- Houlton Community Golf Club: Member and Volunteer.

Top Skills

- Strategic Planning
- Profitability Management & Financial Insight
- Risk Management & Regulatory Awareness
- Leadership & Organizational Management

Director Information

The information in the following table is given as of March 4, 2026:

Name and Position	Age	Director Since	Principal Occupation	Shares Owned	Percentage Ownership
Steven L. Richardson, Chair	77	1978	Hardware Retailer	94,080 ¹	2.95%
Keith P. Bourgoïn, Vice Chair	54	2018	Certified Public Accountant	2,637	0.08%
Jon J. Prescott, President & CEO	58	1997	President & CEO, Katahdin Bankshares Corp. and Katahdin Trust Company	83,775 ²	2.63%
Benjamin D. Carlisle	50	2023	Forest Products and Timberland Management	2,669	0.08%
Richard B. Harnum, Jr.	51	2017	Commercial Real Estate Development	2,962	0.09%
Julie A. Libby	57	2023	Retired from the Asset Management Industry	1,998	0.06%
Marianna Putnam Liddell	50	2018	Attorney	2,421	0.08%
Kimberley A. Niles	58	2015	Cabinet and Countertop Sales	2,449	0.08%
Paul R. Powers	72	2000	Roofing Contractor	43,000 ³	1.35%
Richard J. York, Sr.	77	1997	Auto Dealership	52,219 ⁴	1.64%

1) Includes 89,460 shares held in spouse's name and 3,620 shares held jointly with children.

2) Includes 53,942 shares held jointly with spouse and 3,500 shares held in spouse's name.

3) Includes 7,750 shares held in spouse's name.

4) Includes 714 shares held in spouse's name and 1,872 shares held in a spouse family trust.

Director Compensation and Minimum Stock Ownership Requirement

During the year ending December 31, 2025, outside director retainer fees were paid consisting of \$16,000 for regular directors, \$18,000 for the Vice Chair, and \$19,000 for the Chair. Additionally, outside directors of Katahdin Trust Company (the "Bank") received a per meeting fee for full board meetings and subcommittee meetings attended. The Board and Committee chairs received \$1,200 per meeting and all other outside directors received \$1,000 per meeting. Board fees are paid twice per year. Directors also are reimbursed for mileage and travel expenses for attending meetings. Mr. Prescott does not receive retainer or meeting fees.

Directors are required to own Company shares totaling 3 times the annual retainer of regular directors. Directors have 3 years to meet the minimum ownership requirement. The Company has a policy by which a minimum of 75% of all directors' fees will be issued in Company stock until the ownership level is achieved. The number of shares issued under that policy is determined twice per year, based on the end of day Over-The-Counter Markets stock price on February 15 for fees payable in the preceding January and August 15 for fees payable in the preceding July.

Board Committees

The Board of Directors has designated various committees, including the Audit Committee, Asset Liability Management Committee (ALCO), Compensation Committee and Directors' Loan Committee. Each committee keeps minutes of its proceedings and reports its actions to the full Board as the committee determines to be appropriate or when requested by the Board Chair.

Audit Committee. Board members who currently serve on the Audit Committee are Kimberley A. Niles, Chair; Richard B. Harnum, Jr.; Julie A. Libby; Paul R. Powers; and Richard J. York, Sr. The Audit Committee's primary function is to assist the Board in fulfilling its oversight responsibilities with respect to the following: (i) the system of internal controls established by management; (ii) the institution's compliance with significant laws and regulations, particularly those designated by the Federal Reserve Bank, Federal Deposit Insurance Corporation (FDIC) or the Maine Bureau of Financial Institutions; and (iii) external audit, internal audit, and loan review processes. In addition, the Committee provides an avenue for communication among the internal audit manager, the independent accountants, an internal audit consultant, a loan review consultant, and the Board.

Asset Liability Management Committee (ALCO). Board members who currently serve on ALCO are Keith P. Bourgoïn; Marianna Putnam Liddell; Jon J. Prescott; Richard J. York, Sr.; and (as ex-officio member) Steven L. Richardson. Also serving on this Committee are Chief Financial Officer Matthew M. Nightingale, Chair, and five other members of Bank management. The Committee seeks to maximize earnings and return on capital within acceptable levels of interest rate risk, liquidity risk, capital limitations, and credit risk. The Committee establishes policies and procedures for asset/liability management to minimize the Bank's interest rate risk and to provide adequate earnings under a range of plausible future interest rate environments. The Committee also recognizes the importance of anticipating liquidity needs while managing the balance sheet and related earnings streams.

Compensation Committee. Board members who currently serve on the Compensation Committee are Julie A. Libby, Chair; Keith P. Bourgoïn; Benjamin D. Carlisle; Richard B. Harnum, Jr.; and Steven L. Richardson. The Committee's primary purpose is to make recommendations to the Board on compensation philosophy for the Bank and Bankshares, to approve the compensation of the Directors and the CEO, and to monitor and oversee compensation practices of the Bank, consistent with relevant regulatory guidance.

Directors' Loan Committee. Board members who currently serve on the Directors' Loan Committee are Benjamin D. Carlisle, Chair; Marianna Putnam Liddell; Kimberley A. Niles; Jon J. Prescott; Paul R. Powers; and Steven L. Richardson, along with three members of Bank management. The Committee and full Board take an active role in managing and reviewing credit on an ongoing basis. Loans above certain dollar thresholds require review and approval by the Committee. Loans above certain higher dollar thresholds require approval by the full Board. The Committee seeks to implement processes that provide for suitable oversight of risks yet allow for timely responses to customer loan requests.

Proposal 2: Ratification of Accountants

The Board of Directors has approved and recommends for shareholder ratification the selection of BerryDunn as the independent accountants of Bankshares and its subsidiary Katahdin Trust Company, for the year ending December 31, 2026.

The Board recommends that you vote **“FOR”** ratifying the selection of the independent accountants.

OTHER BUSINESS

Bankshares management does not know of any other business that will be presented for action at the Annual Meeting to which this Proxy Statement relates. Should any other matter properly come before the Meeting, the persons named in the enclosed Proxy will have discretionary authority to vote all Proxies with respect to such matter according to their judgment (unless such authority is withheld on the Proxy).

By Order of the Board of Directors



Matthew M. Nightingale
Clerk of the Corporation

Patten, Maine
March 16, 2026

YOUR VOTE IS VERY IMPORTANT.

VOTE YOUR SHARES TODAY!

