

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 1, 2025

FIRST BUSEY CORPORATION

(Exact name of registrant as specified in its charter)

**Nevada
(State or other jurisdiction
of incorporation)**

**0-15950
(Commission
File Number)**

**37-1078406
(I.R.S. Employer
Identification No.)**

**11440 Tomahawk Creek Parkway
Leawood, Kansas 66211
(Address of principal executive offices) (Zip Code)**

**(217) 365-4544
(Registrant's telephone number, including area code)**

**N/A
(Former name or former address, if changed since last report.)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	BUSE	Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On March 1, 2025, First Busey Corporation, a Nevada corporation (“Busey”), completed its previously announced merger (the “Merger”) with CrossFirst Bankshares, Inc., a Kansas corporation (“CrossFirst”), pursuant to the Agreement and Plan of Merger, dated as of August 26, 2024 (the “Merger Agreement”), by and between Busey and CrossFirst. At the closing of the Merger, CrossFirst merged with and into Busey with Busey continuing as the surviving corporation.

The Merger Agreement further provides that at a date and time following the Merger as determined by Busey, CrossFirst Bank, a Kansas state-chartered bank and a wholly owned subsidiary of CrossFirst, will merge with and into Busey Bank, an Illinois state-chartered bank and a wholly owned subsidiary of Busey, with Busey Bank as the surviving bank (the “Bank Merger”). The Bank Merger is expected to close on June 20, 2025.

Merger Consideration

Upon the terms and subject to the conditions of the Merger Agreement, at the effective time of the Merger (the “Effective Time”), each share of common stock, par value \$0.01 per share, of CrossFirst (“CrossFirst Common Stock”) outstanding immediately prior to the Effective Time, other than certain shares held by CrossFirst or Busey, was converted into the right to receive 0.6675 of a share (the “Exchange Ratio”) of common stock, par value \$0.001 per share, of Busey (“Busey Common Stock”). Holders of CrossFirst Common Stock will receive cash in lieu of fractional shares.

At the Effective Time, each share of Series A Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, of CrossFirst outstanding immediately prior to the Effective Time was converted into the right to receive one share of a newly created series of preferred stock of Busey (“New Busey Preferred Stock”).

Treatment of Busey’s Equity Awards

Following the closing, except as otherwise provided in the Merger Agreement, Busey equity awards generally remain outstanding and subject to the same terms and conditions as applied immediately prior to the Effective Time.

Each performance-based restricted stock unit award (“PSU”) issued by Busey and outstanding immediately prior to the Effective Time and earned based on Core Return on Average Tangible Common Equity (the “ROATCE PSUs”) was deemed earned with the achievement of the applicable performance goals based on actual performance through December 31, 2024, the latest practicable date prior to the Effective Time, and otherwise remains subject to the same terms and conditions (including service-based vesting terms) as applied to such ROATCE PSUs immediately prior to the Effective Time. The ROATCE PSUs have been deemed earned (i) at 100% of the target level of performance, for the ROATCE PSUs granted in 2023 and (ii) at 75% of the target level of performance, for the ROATCE PSUs granted in 2024.

Each Busey PSU previously granted that is tied to total stockholder return (“TSR”, and such PSUs, the “TSR PSUs”) with a performance period that ended December 31, 2024 (excluding TSR PSUs previously held by retirees) will be replaced, and each TSR PSU outstanding immediately prior to the Effective Time with performance periods ending December 31, 2025 and December 31, 2026 (including existing TSR PSUs held by retirees) will be modified, each effective March 1, 2025, such that the resulting new or modified PSUs (collectively, the “Merger PSUs”) will be earned based on Busey’s relative TSR rank as compared to the KBW Regional Banking Index, measured at the end of a performance period commencing January 1, 2025 and ending December 31, 2026. The Merger PSUs will be subject to the terms and conditions of Busey’s Amended 2020 Equity Incentive Plan and the applicable award agreements. The target number of PSUs subject to each such Merger PSU will be determined based on the number of PSUs that would have been earned in respect of the corresponding TSR PSU had performance for such corresponding TSR PSU been determined based on actual performance as of August 26, 2024, the day immediately prior to the announcement of the Merger, which will be (i) in the case of the 2022 TSR PSUs, 94.5% of the original target level of performance, (ii) in the case of the 2023 TSR PSUs, 96.2% of the original target level of performance, and (iii) in the case of the 2024 TSR PSUs, 76.9% of the original target level of performance. Such target number will also reflect the number of dividend equivalents accrued in respect of the corresponding existing TSR PSU that would have been earned based on the same actual TSR performance.

Each outstanding Busey time-based restricted stock unit award (the “Busey RSUs”) will vest in equal annual installments over three (3) years following the Effective Time; provided that if any Busey RSU would otherwise vest by its terms on an earlier date, any then-unvested portion as of such date shall vest on such original vesting date.

Each Busey equity award will be subject to double-trigger vesting upon an involuntary termination within twelve (12) months following the Effective Time (at target performance, in the case of Merger PSUs).

Treatment of CrossFirst’s Equity Awards

Each CrossFirst restricted stock award held by a CrossFirst non-employee director and each deferred share of CrossFirst Common Stock that is credited to a director participant’s account under the CrossFirst 2018 Directors’ Deferred Fee Plan, in each case outstanding as of immediately prior to the Effective Time, was converted into the right to receive shares of Busey Common Stock based on the Exchange Ratio. Each CrossFirst time-based restricted stock unit award (the “CrossFirst RSUs”) outstanding immediately prior to the Effective Time was converted into a restricted stock unit in respect of Busey Common Stock (a “Busey RSU”) based on the Exchange Ratio (rounded to the nearest whole share), subject to the same terms and conditions as were applicable to the CrossFirst RSUs prior to the Effective Time, and each CrossFirst performance-based restricted stock unit award (the “CrossFirst PSU”) was converted into a time-based Busey RSU based on the Exchange Ratio, subject to the same terms and conditions as were applicable to the CrossFirst PSUs prior to the Effective Time, assuming the achievement of the applicable performance goals based on, for the CrossFirst PSUs granted in 2023, actual performance through December 31, 2024, and, for the CrossFirst PSUs granted in 2024, target performance (rounded to the nearest whole share). Each CrossFirst stock-settled stock appreciation right (the “CrossFirst SARs”) outstanding immediately prior to the Effective Time was converted into a stock appreciation right in respect of Busey Common Stock based on the Exchange Ratio (rounded down to the nearest whole share), generally subject to the same terms and conditions as were applicable to the CrossFirst SAR prior to the Effective Time.

The foregoing description of the Merger and the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which is filed as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 3.03. Material Modifications to Rights of Security Holders.

Articles Amendment

In connection with the completion of the Merger, Busey filed (i) a Certificate of Amendment with the Nevada Secretary of State in order to amend its articles of incorporation (as amended, the “Articles”) to increase the number of authorized shares of Busey Common Stock from 100 million to 200 million (the “Articles Amendment”) and (ii) a Certificate of Designation to fix the designation, preferences, limitations and relative rights of the New Busey Preferred Stock (the “Certificate of Designation”). The Articles Amendment and Certificate of Designation each became effective shortly prior to the Effective Time. At the Effective Time and pursuant to the Merger Agreement, Busey issued 7,750 shares of New Busey Preferred Stock.

The description of the New Busey Preferred Stock under the section of the joint proxy statement/prospectus filed by Busey with the U.S. Securities and Exchange Commission (the “Commission”) on November 13, 2024 (the “Joint Proxy Statement/Prospectus”) entitled “Description of New Busey Preferred Stock” is incorporated herein by reference.

The foregoing summary and referenced description of the Articles Amendment and New Busey Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the full text of the Articles, the Articles Amendment and Certificate of Designation, respectively, copies of which are filed as Exhibits 3.1 (as further amended by the amendment filed as Exhibit 3.2 hereto), 3.3 and 3.6, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Directors

In accordance with the terms of the Merger Agreement and the Bylaw Amendment (as defined in Item 5.03 below), as of the Effective Time, the number of directors that comprise the full board of directors of Busey (the “Board”) was increased to thirteen (13), of which (i) eight (8) were directors of Busey or Busey Bank immediately prior to the Effective Time, including Van A. Dukeman and such other directors as determined by Busey (the “Busey Designated Directors”), and (ii) five (5) were directors of CrossFirst immediately prior to the Effective Time, including Michael J. Maddox and Rodney K. Brenneman and such other directors as determined by CrossFirst (the “CrossFirst Designated Directors”).

Resignation of Busey Directors

In connection with the Merger, at the Effective Time, Samuel P. Banks, George Barr, Gregory B. Lykins and Cassandra R. Sanford (the “Resigning Directors”) resigned as members of the Board. The resignations of the Resigning Directors were not the result, in whole or in part, of any disagreement with Busey or Busey’s management.

Continued Service of Directors; Election of Directors

The eight (8) Busey Designated Directors that continue to serve on the Board (or in the case of Scott A. Wehrli and Tiffany B. White, were appointed to the Board), in each case effective from and after the Effective Time, are as follows: Van A. Dukeman, Stanley J. Bradshaw, Michael D. Cassens, Karen M. Jensen, Frederic L. Kenney, Stephen V. King, Scott A. Wehrli and Tiffany B. White.

The five (5) CrossFirst Designated Directors that were appointed by the Board to fill the vacancies resulting from the resignations referred to above and the increase in the size of the Board to thirteen (13) as of the Effective Time, in each case effective from and after the Effective Time, are as follows: Michael J. Maddox, Rodney K. Brennehan, Steven W. Caple, Jennifer M. Grigsby and Kevin S. Rauckman (together with Scott A. Wehrli and Tiffany B. White, the “New Directors”).

In accordance with the Merger Agreement and the Bylaw Amendment, effective as of the Effective Time, (i) Mr. Dukeman continues to serve as the Executive Chairman of the Board and as the Chief Executive Officer of Busey, reporting to the Board, and as the Executive Chairman of Busey Bank, reporting to the board of directors of Busey Bank (the “Bank Board”) and (ii) Mr. Maddox was appointed to serve as the Executive Vice Chairman of the Board and as the President of Busey, reporting to the Chief Executive Officer of Busey, and as the Chief Executive Officer and President of Busey Bank, reporting to the Executive Chairman of the Bank Board.

Other than the Merger Agreement and the Maddox Letter Agreement (as defined below), there are no arrangements between the New Directors and any other person pursuant to which the New Directors were selected as directors. There are no transactions in which any New Director has an interest requiring disclosure under Item 404(a) of Regulation S-K.

Biographical Information of New Directors

Biographical Information of Scott A. Wehrli

Mr. Wehrli is Chairman and Principal of DuKane Precast Incorporated, a producer of pre-stressed, precast concrete wall panels, columns, beams and parking deck components with plant facilities in Naperville, Aurora and Plainfield, Illinois. He has also served as the mayor of Naperville, Illinois, since 2023.

Prior to its acquisition by Busey, he served as a member of the First Community Financial Partners, Inc. (“First Community”) Board of Directors and on its capital, strategic, leadership and compensation committees. Mr. Wehrli was elected to the Busey Bank Board of Directors in 2017 when First Community Financial Bank merged into Busey Bank. He became a member of the Board at the Effective Time. Mr. Wehrli is currently a member of the Enterprise Risk Committee.

Biographical Information of Tiffany B. White

Dr. White is Professor of Business Administration and Advertising, and the Bruce and Anne Strohm Faculty Fellow in the Gies College of Business at the University of Illinois. She serves as Academic Director of the MS in Management program at Gies and Faculty Athletics Representative for the University of Illinois, Big 10 and NCAA.

Dr. White has served as a member of Busey Bank’s Board of Directors since 2021 before joining the Board at the Effective Time. Currently, she is a member of the Audit Committee.

Biographical Information of CrossFirst Designated Directors

Biographical information related to the CrossFirst Designated Directors can be found under the heading “Information Regarding the Board and Director Nominees” under Proposal 1 in CrossFirst’s 2024 Proxy Statement filed with the Commission on March 26, 2024, which is incorporated herein by reference.

Lead Independent Director

Pursuant to the Merger Agreement and Bylaw Amendment, Mr. Brenneman was appointed as the Lead Independent Director of the Board effective as of the Effective Time.

Board Committees after the Merger

The committees of the Board are comprised of the following members, in each case effective as of the Effective Time:

- The Audit Committee will be chaired by Frederic L. Kenney, and will also include Michael D. Cassens, Jennifer M. Grigsby, Kevin S. Rauckman and Tiffany B. White.
- The Enterprise Risk Committee will be chaired by Michael D. Cassens, and will also include Jennifer M. Grigsby, Karen M. Jensen, Kevin S. Rauckman and Scott A. Wehrli.
- The Executive Management Compensation and Succession Committee will be chaired by Stephen V. King, and will also include Stanley J. Bradshaw, Rodney K. Brenneman, Steven W. Caple and Karen M. Jensen.
- The Nominating and Corporate Governance Committee will be chaired by Stanley J. Bradshaw, and will also include Rodney K. Brenneman, Steven W. Caple, Frederic L. Kenney and Stephen V. King.

Director Compensation

Each New Director (other than Mr. Maddox, who will be compensated as an executive officer) will be compensated for such service in accordance with Busey’s non-employee director compensation program on the same basis as other non-employee directors, as described under “Director Compensation” in Busey’s 2024 Proxy Statement filed with the Commission on April 12, 2024.

Executive Officers

Dukeman Letter Agreement

As previously described in the Joint Proxy Statement/Prospectus, Mr. Dukeman and Busey entered into a letter agreement in connection with the Merger (the “Dukeman Letter Agreement”). Except as provided therein, the Dukeman Letter Agreement does not amend or change Mr. Dukeman’s existing employment agreement.

The Dukeman Letter Agreement has previously been described under the section of the Joint Proxy Statement/Prospectus entitled “The Merger—Interests of Certain Busey Directors and Executive Officers in the Merger—Letter Agreement with Van A. Dukeman,” which description is incorporated herein by reference. The foregoing description of the Dukeman Letter Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Dukeman Letter Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Maddox Letter Agreement

Effective as of the Effective Time, Michael J. Maddox, age 55, the President and Chief Executive Officer of CrossFirst prior to the Effective Time, was appointed Executive Vice Chairman of the Board and as the President of Busey, reporting to the Chief Executive Officer of Busey, and as the Chief Executive Officer and President of Busey Bank, reporting to the Executive Chairman of the Bank Board.

Mr. Maddox has over 20 years of banking experience. Mr. Maddox served as President and CEO of CrossFirst from June 1, 2020 until the Effective Time. He continues to serve as CEO of CrossFirst Bank, a role he has held since November 28, 2008. He also served as President of CrossFirst Bank from November 28, 2008 until July 1, 2022 when the roles of CEO and President of CrossFirst Bank were split. Prior to joining CrossFirst Bank, he was a Regional President for Intrust Bank. In this role, he managed Intrust Bank's operations in Northeast Kansas. Mr. Maddox attended the University of Kansas from which he received a business degree and a law degree. Mr. Maddox completed the Graduate School of Banking at the University of Wisconsin – Madison in 2003. Mr. Maddox is involved with a number of community organizations, including the Kansas City Civic Council. He served on the board of CrossFirst Bank from 2008 until the Effective Time and served as the Chairman of the Board of CrossFirst Bank until the Effective Time.

As previously described in the Joint Proxy Statement/Prospectus, Mr. Maddox and Busey entered into a letter agreement in connection with the Merger (the "Maddox Letter Agreement"). The Maddox Letter Agreement has previously been described under the section of the Joint Proxy Statement/Prospectus entitled "The Merger—Interests of Certain CrossFirst Directors and Executive Officers in the Merger—Letter Agreement with Michael J. Maddox," which description is incorporated herein by reference. The foregoing description of the Maddox Letter Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Maddox Letter Agreement, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Other than the Merger Agreement and the Maddox Letter Agreement, there are no arrangements or understandings between Mr. Maddox and any person pursuant to which he was selected as the Executive Vice Chairman of Busey.

There are no family relationships between Mr. Maddox and any of Busey's directors, executive officers or persons nominated or chosen by Busey to become a director or executive officer, and Mr. Maddox is not a party to any transaction requiring disclosure under Item 404(a) of Regulation S-K.

Additional Executive Appointments

In connection with the Merger, effective at the Effective Time, (i) Amy J. Fauss, the Chief Operating Officer of CrossFirst prior to the Effective Time, was appointed Chief Information and Technology Officer of Busey and Busey Bank and (ii) Chip S. Jorstad, President of Credit and Bank Administration of Busey Bank, was appointed Chief Credit Officer of Busey Bank. W. Randall Rapp, the President of CrossFirst Bank, advised Busey that he will retire following the Merger and will not assume the position of President of Busey Bank as previously announced. Michael J. Maddox became the Chief Executive Officer and President of Busey Bank at the Effective Time.

Executive Agreements

Effective at the Effective Time, Busey entered into retention agreements with certain of its executive officers, including Amy L. Randolph, John J. Powers and Monica L. Bowe. The retention agreements each provide for payment of a retention bonus (the "Retention Bonus") in the amount of \$2,091,870 for Ms. Randolph, \$813,505 for Mr. Powers and \$1,627,010 for Ms. Bowe, respectively, less all applicable withholdings and deductions, payable, in the case of Mr. Powers, in two equal installments within forty-five days following the Effective Time and on or as soon as practicable following the first anniversary of the Effective Time, and in the case of Ms. Randolph and Ms. Bowe, one-third within forty-five days following the Effective Time and one-third on or as soon as practicable following each of the first and second anniversaries of the Effective Time, in each case, subject to the executive's continued employment through the relevant payment date. Pursuant to the retention agreements, each executive waives certain rights to terminate their employment with Busey for "good reason" pursuant to, and as defined in, the executive's existing employment agreement with Busey, as described in the retention agreements. If the executive's employment with Busey terminates prior to the final payment date by Busey without "cause", by the executive for "good reason", upon Busey's non-renewal of the applicable term of employment or in the event of death or disability, then, subject to the effectiveness of a release, the Retention Bonus will vest.

Each executive will remain subject to the covenants regarding confidentiality, non-competition, non-solicitation and intellectual property set forth in such executive's applicable employment agreement, and in the event Busey determines that the executive has violated any such covenants, the executive's eligibility for and receipt of any unpaid portion of the Retention Bonus will immediately terminate.

In addition, effective at the Effective Time, Busey entered into employment agreements with certain of its executive officers, including Scott A. Phillips, Busey's Interim Chief Financial Officer, Executive Vice President and Chief Accounting Officer. Mr. Phillips' agreement provides for one-year employment terms that automatically renew each year unless either Mr. Phillips or Busey provides the other with notice of nonrenewal. The agreement reflects the terms and conditions of Mr. Phillips' employment with Busey and entitles him to an annual base salary and annual performance bonuses and profit sharing benefits in accordance with Busey's plans, as well as participation generally in Busey's other employee benefit plans, including a \$500,000 life insurance policy. Mr. Phillips' agreement provides that, in the event that his employment is terminated by Busey other than for cause or disability or his agreement terminates due to Busey's non-renewal of such agreement or if he terminates for good reason, he or his beneficiary will receive a severance payment equal to the sum of his annual base salary plus the amount of his most recent performance bonus and one year of continued health insurance coverage. The employment agreement also provides for payment of a Retention Bonus in the amount of \$150,000, payable on the same terms as apply to Ms. Randolph and Ms. Bowe, as described above.

The foregoing description of the retention agreements and the employment agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Form of Retention Agreement and the Employment Agreement, copies of which are filed as Exhibits 10.5 and 10.6, respectively, to this Current Report on Form 8-K and is incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The information set forth under Item 3.03 of this Current Report on Form 8-K is incorporated herein by reference.

In connection with the Merger and in accordance with the Merger Agreement, effective as of the Effective Time, the Second Amended and Restated Bylaws of Busey were amended to provide for certain arrangements related to the Board and the Bank Board (such amendment, the "Bylaw Amendment," and Busey's bylaws, as amended in accordance with the Bylaw Amendment, the "Bylaws"). The terms set forth in the Bylaw Amendment will be applicable until the later of (i) March 1, 2028 and (ii) the two (2)-year anniversary of the date of the bank merger (the "Specified Period"). These arrangements may be modified, amended or repealed by the Board by the affirmative vote of at least seventy-five percent (75%) of the entire Board.

The Bylaw Amendment provides that, effective as of the Effective Time, the number of directors that comprise the Board is thirteen (13), of which (i) eight (8) are Busey Designated Directors, including Mr. Dukeman, and (ii) five (5) are CrossFirst Designated Directors, including Mr. Maddox and Mr. Brenneman.

The Bylaw Amendment also provides that, effective as of the Effective Time, (i) Mr. Dukeman will continue to serve as the Executive Chairman of the Board and as the Chief Executive Officer of Busey, reporting to the Board, and as the Executive Chairman of Busey Bank, reporting to the Bank Board and (ii) Mr. Maddox will serve as the Executive Vice Chairman of the Board and as the President of Busey, reporting to the Chief Executive Officer of Busey, and as the Chief Executive Officer of Busey Bank, reporting to the Executive Chairman of the Bank Board.

The Bylaw Amendment also provides that, effective as of the date immediately following the earlier of (i) the twelve (12) month anniversary of the Bank Merger and (ii) the eighteen (18) month anniversary of the Effective Time, (a) Mr. Dukeman will continue to serve as the Executive Chairman of the Board, reporting to the Board, and as the Executive Chairman of the Bank Board, reporting to the Bank Board, and (b) Mr. Maddox will serve as the Executive Vice Chairman of the Board and as the Chief Executive Officer and President of Busey, reporting to the Board, and as the Chief Executive Officer of Busey Bank, reporting to the Bank Board.

If during the Specified Period Mr. Dukeman is no longer serving as the Chief Executive Officer of Busey for any reason prior to the time at which Mr. Maddox would otherwise become the Chief Executive Officer of Busey, Mr. Maddox will succeed Mr. Dukeman as Chief Executive Officer of Busey.

Messrs. Dukeman and Maddox can only be removed from the leadership positions described above, have their reporting relationships modified or have their employment arrangements amended in a manner that is adverse to them with a majority vote of the entire Board.

The Bylaw Amendment also provides that the composition of the Bank Board will be identical to that of the Board.

The Bylaw Amendment also addresses certain other governance matters, including (i) that Mr. Brenneman will serve as the Lead Independent Director of the Board for two years following the Effective Time and (ii) matters related to the committees of the Board and the composition of such committees.

The Merger Agreement and the Bylaw Amendment provide that, following the Effective Time, the headquarters of Busey will be located in or near Kansas City, Missouri and the main office and legal headquarters of Busey Bank will remain in Champaign, Illinois.

The foregoing description of the Bylaw Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Bylaws and the Bylaw Amendment, copies of which are filed as Exhibits 3.4 and 3.5, respectively to this Current Report on Form 8-K and are incorporated herein by reference. Capitalized terms used but not defined in this Item 5.03 shall have the meaning ascribed to such terms in the Bylaw Amendment.

Item 8.01. Other Events.

On March 3, 2025, Busey issued a press release announcing the completion of the Merger. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

(i) Audited consolidated balance sheets of CrossFirst as of December 31, 2023 and 2024, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows of CrossFirst for each of the three years in the period ended December 31, 2024, the notes related thereto, and the Independent Registered Public Accounting Firm Report of Forvis Mazars, LLP, dated February 24, 2025, are filed as Exhibit 99.2 to this Current Report on Form 8-K and are incorporated herein by reference.

(b) Pro forma financial information.

Unaudited pro forma combined financial statements as of and for the year ended December 31, 2024, and the notes related thereto, are filed as Exhibit 99.3 to this Current Report on Form 8-K and are incorporated herein by reference.

(d) Exhibits

The following exhibits are filed as part of this Current Report on Form 8-K:

Exhibit No.	Description of Filed Exhibit
<u>2.1</u>	<u>Agreement and Plan of Merger, dated August 26, 2024, by and between First Busey Corporation and CrossFirst Bankshares, Inc. (incorporated by reference to Exhibit 2.1 to First Busey Corporation's Current Report on Form 8-K filed on August 27, 2024).</u>
<u>3.1</u>	<u>Amended and Restated Articles of Incorporation of First Busey Corporation, together with: (1) the Certificate of Amendment to Articles of Incorporation, dated July 31, 2007; (2) the Certificate of Amendment to Articles of Incorporation, dated December 3, 2009; (3) the Certificate of Amendment to Articles of Incorporation, dated May 21, 2010; and (4) the Certificate of Change Pursuant to Nevada Revised Statutes Section 78.209, dated September 8, 2015 (incorporated by reference to Exhibit 3.1 to First Busey Corporation's Quarterly Report on Form 10-Q filed on November 6, 2015).</u>
<u>3.2</u>	<u>Certificate of Amendment to Articles of Incorporation of First Busey Corporation, dated May 22, 2020 (incorporated by reference to Exhibit 4.2 to First Busey Corporation's Registration Statement on Form S-8 filed on May 29, 2020).</u>

- 3.3 [Certificate of Amendment to Articles of Incorporation of First Busey Corporation, dated February 27, 2025.*](#)
- 3.4 [Second Amended and Restated By-Laws of First Busey Corporation \(incorporated by reference to Exhibit 3.1 to First Busey Corporation's Current Report on Form 8-K filed on December 7, 2023\).](#)
- 3.5 [Amendment to the Second Amended and Restated By-laws of First Busey Corporation.*](#)
- 3.6 [Certificate of Designation of Series A Non-Cumulative Perpetual Preferred Stock of First Busey Corporation.*](#)
- 10.1 [Letter Agreement, dated August 26, 2024, by and between First Busey Corporation and Van A. Dukeman \(incorporated by reference to Exhibit 10.1 to First Busey Corporation's Current Report on Form 8-K filed on August 27, 2024\).](#)
- 10.2 [Letter Agreement, dated August 26, 2024, by and between First Busey Corporation and Michael J. Maddox \(incorporated by reference to Exhibit 99.1 to First Busey Corporation's Current Report on Form 8-K filed on August 27, 2024\).](#)
- 10.3 [Employment Agreement, dated June 1, 2020, by and between CrossFirst Bankshares, Inc. and Michael J. Maddox.*](#)
- 10.4 [CrossFirst Bankshares, Inc. 2018 Omnibus Equity Incentive Plan, as Amended and Restated.*](#)
- 10.5 [Form of Retention Agreement, dated as of March 1, 2025.*](#)
- 10.6 [Employment Agreement, dated as of March 1, 2025, by and between First Busey Corporation, Busey Bank and Scott A. Phillips.*](#)
- 23.1 [Consent of Forvis Mazars, LLP.*](#)
- 99.1 [Press Release, dated March 3, 2025.*](#)
- 99.2 [Audited consolidated balance sheets of CrossFirst as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows of CrossFirst for each of the three years in the period ended December 31, 2024, the notes related thereto, and the Independent Registered Public Accounting Firm Report of Forvis Mazars, LLP, dated February 24, 2025.*](#)
- 99.3 [Unaudited pro forma condensed combined financial statements as of and for the year ended December 31, 2024, and the notes related thereto.*](#)
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

*Filed Herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 3, 2025

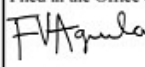
FIRST BUSEY CORPORATION

By: /s/ Scott A. Phillips

Scott A. Phillips

Interim Chief Financial Officer,

Executive Vice President & Chief Accounting Officer

Filed in the Office of  Secretary of State State Of Nevada	Business Number C6781-1993
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FRANCISCO V. AGUILAR
 Secretary of State
 401 North Carson Street
 Carson City, Nevada 89701-4201
 (775) 684-5708
 Website: www.nvsos.gov

Profit Corporation:
Certificate of Amendment (PURSUANT TO NRS 78.380 & 78.385/78.300)
Certificate to Accompany Restated Articles or Amended and Restated Articles (PURSUANT TO NRS 78.403)
Officer's Statement (PURSUANT TO NRS 80.030)

TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT

1. Entity information:	Name of entity as on file with the Nevada Secretary of State: <input style="width: 100%;" type="text" value="First Busey Corporation"/> Entity or Nevada Business Identification Number (NVID): <input style="width: 100%;" type="text" value="NV19931053778"/>
2. Restated or Amended and Restated Articles: (Select one) (If amending and restating only, complete section 1, 2, 3, 5 and 6)	<input type="checkbox"/> Certificate to Accompany Restated Articles or Amended and Restated Articles <input type="checkbox"/> Restated Articles - No amendments; articles are restated only and are signed by an officer of the corporation who has been authorized to execute the certificate by resolution of the board of directors adopted on: _____ The certificate correctly sets forth the text of the articles or certificate as amended to the date of the certificate. <input type="checkbox"/> Amended and Restated Articles * Restated or Amended and Restated Articles must be included with this filing type.
3. Type of Amendment Filing Being Completed: (Select only one box) (If amending, complete section 1, 3, 5 and 6.)	<input type="checkbox"/> Certificate of Amendment to Articles of Incorporation (Pursuant to NRS 78.380 - Before Issuance of Stock) The undersigned declare that they constitute at least two-thirds of the following: (Check only one box) <input type="checkbox"/> incorporators <input type="checkbox"/> board of directors The undersigned affirmatively declare that to the date of this certificate, no stock of the corporation has been issued <input checked="" type="checkbox"/> Certificate of Amendment to Articles of Incorporation (Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock) The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation* have voted in favor of the amendment is: <input style="width: 50px;" type="text" value="79%"/> Or <input type="checkbox"/> No action by stockholders is required, name change only. <input type="checkbox"/> Officer's Statement (foreign qualified entities only) - Name in home state, if using a modified name in Nevada: <input style="width: 100%;" type="text"/> Jurisdiction of formation: <input style="width: 100%;" type="text"/> Changes to takes the following effect: <input type="checkbox"/> The entity name has been amended. <input type="checkbox"/> Dissolution <input type="checkbox"/> The purpose of the entity has been amended. <input type="checkbox"/> Merger <input type="checkbox"/> The authorized shares have been amended. <input type="checkbox"/> Conversion <input type="checkbox"/> Other: (specify changes) _____ _____ * Officer's Statement must be submitted with either a certified copy of or a certificate evidencing the filing of any document, amendatory or otherwise, relating to the original articles in the place of the corporations creation.

This form must be accompanied by appropriate fees.



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Certificate of Amendment (PURSUANT TO NRS 78.380 & 78.385/78.390)
Certificate to Accompany Restated Articles or Amended and
Restated Articles (PURSUANT TO NRS 78.403)
Officer's Statement (PURSUANT TO NRS 80.030)

4. Effective Date and
Time: (Optional)

Date: 02/28/2025 Time: 10:01 p.m. CST
(must not be later than 90 days after the certificate is filed)

5. Information Being
Changed: (Domestic
corporations only)

Changes to takes the following effect:
[] The entity name has been amended.
[] The registered agent has been changed. (attach Certificate of Acceptance from new
registered agent)
[] The purpose of the entity has been amended.
[x] The authorized shares have been amended.
[] The directors, managers or general partners have been amended.
[] IRS tax language has been added.
[] Articles have been added.
[] Articles have been deleted.
[] Other.
The articles have been amended as follows: (provide article numbers, if available)
See Annex A attached
(attach additional page(s) if necessary)

6. Signature:
(Required)

X [Signature] EVP, General Counsel
Signature of Officer or Authorized Signer Title
X [Signature]
Signature of Officer or Authorized Signer Title

*If any proposed amendment would alter or change any preference or any relative or other right given to
any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to
the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power
of each class or series affected by the amendment regardless to limitations or restrictions on the voting
power thereof.

Please include any required or optional information in space below:
(attach additional page(s) if necessary)

This form must be accompanied by appropriate fees.

Annex A

Paragraph A of Article Fourth of the Amended and Restated Articles of Incorporation is amended to read as follows:

"A. Classes and Numbers of Shares. The total number of shares of all classes of stock the Corporation shall have authority to issue is 201,000,000 shares. The classes and the aggregate number of shares of stock of each class which the Corporation shall have authority to issue are as follows:

1. 200,000,000 shares of Common Stock, \$0.001 par value per share.
2. 1,000,000 shares of Preferred Stock, \$0.001 par value per share."

**AMENDMENT
TO THE
SECOND AMENDED AND RESTATED BY-LAWS
OF
FIRST BUSEY CORPORATION**

The Second Amended and Restated By-Laws of First Busey Corporation (the "By-Laws") shall be amended as follows:

A new Article X shall be added to the By-Laws to state:

**ARTICLE X
CERTAIN GOVERNANCE MATTERS**

Section 10.1. Interpretation; Definitions.

(a) The provisions of this Article X shall apply notwithstanding anything to the contrary set forth in the other Articles of these By-Laws. In the event of any inconsistency or conflict between any provision of this Article X and any other provision of these By-Laws, including Section 10.6 of these By-Laws with respect to Section 9.1 of these By-Laws, such provision of this Article X shall control.

(b) The following definitions shall apply to this Article X:

- (i) "Bank Board" shall mean the Board of Directors of Busey Bank.
 - (ii) "Bank Merger Date" shall mean the date of the merger of CrossFirst Bank with and into Busey Bank.
 - (iii) "Busey Bank" shall mean Busey Bank, a wholly owned subsidiary of the corporation.
 - (iv) "CrossFirst Bank" shall mean CrossFirst Bank, a wholly-owned subsidiary of the corporation.
 - (v) "Designated Exchange" shall mean the primary stock exchange on which the corporation's common stock is listed.
 - (vi) "Effective Time" shall have the meaning set forth in the Agreement and Plan of Merger, dated as of August __, 2024, by and between First Busey Corporation and CrossFirst Bankshares, Inc., as it may have been amended, restated, supplemented or otherwise modified from time to time.
 - (vii) "Entire Board of Directors" shall mean the total number of directors that the Board would have if there were no vacancies.
-

(viii) “Legacy CrossFirst” shall mean CrossFirst Bankshares, Inc., a Kansas corporation, which has merged with and into the corporation effective as of the Effective Time.

(ix) “Legacy CrossFirst Directors” shall mean the persons who were directors of Legacy CrossFirst immediately prior to the Effective Time and who were designated to be directors of the corporation by Legacy CrossFirst prior to the Effective Time (other than Michael J. Maddox) and any additional directors nominated by the Legacy CrossFirst Directors Nominating Committee pursuant to Section 10.3(d) of this Article X provided that if Michael J. Maddox is for any reason not serving as a director of the corporation he shall not be considered a Legacy CrossFirst Director and the Legacy CrossFirst Director Nominating Committee shall not have any ongoing authority or right to nominate a replacement director for such directorship (i.e., there will only be four (4) Legacy CrossFirst Directors and directorships).

(x) “Legacy CrossFirst Directors Nominating Committee” shall mean a committee of the Board comprised of all of the Legacy CrossFirst Directors who satisfy the independence requirements (and any other requirements) for nominating committee membership under the rules of the Designated Exchange.

(xi) “Legacy First Busey” shall mean First Busey Corporation, a Nevada corporation, as in existence immediately prior to the Effective Time.

(xii) “Legacy First Busey Directors” shall mean the persons who were directors of Legacy First Busey or Busey Bank immediately prior to the Effective Time and who were designated to be directors of the corporation by Legacy First Busey prior to the Effective Time and any additional directors nominated by the Legacy First Busey Directors Nominating Committee pursuant to Section 10.3(e) of this Article X.

(xiii) “Legacy First Busey Directors Nominating Committee” shall mean a committee of the Board comprised of all of the Legacy First Busey Directors who satisfy the independence requirements (and any other requirements) for nominating committee membership under the rules of the Designated Exchange.

(xiv) “Specified Period” shall mean the period beginning at the Effective Time and ending on the later of (A) the three (3) year anniversary of the Effective Time and (B) the two (2) year anniversary of the Bank Merger Date.

Section 10.2. Executive Chairman and Chief Executive Officer.

(a) Effective as of the Effective Time, (i) Van A. Dukeman shall continue to serve as Executive Chairman of the Board and Chief Executive Officer of the corporation and shall report to the Board and as Executive Chairman of the Bank Board and shall report to the Bank Board and (ii) Michael J. Maddox shall serve as Executive Vice Chairman of the Board and President of the corporation and shall report to the Chief Executive Officer of the corporation and as Chief Executive Officer of Busey Bank and shall report to the Executive Chairman of the Bank Board.

(b) Effective as of the date immediately following the earlier of (i) the twelve (12) month anniversary of the Bank Merger Date, and (ii) the eighteen (18) month anniversary of the Effective Time, (A) Van A. Dukeman shall continue to serve as Executive Chairman of the Board and shall report to the Board and as Executive Chairman of the Bank Board and shall report to the Bank Board and (B) Michael J. Maddox shall serve as Executive Vice Chairman of the Board and Chief Executive Officer and President of the corporation and shall report to the Board and as Chief Executive Officer of Busey Bank and shall report to the Bank Board.

(c) In the event that during the Specified Period Van A. Dukeman shall no longer serve as Chief Executive Officer of the corporation, Michael J. Maddox shall serve as Chief Executive Officer of the corporation.

(d) During the Specified Period, (i) any removal of any of the individuals serving in the capacities set forth in subsections (a), (b) and (c) above from, or failure to appoint, re-elect or re-nominate any of them to, any such positions at the specified time during the Specified Period, (ii) any amendment or modification to any employment, consulting or similar agreement with either of them to the extent such amendment or modification would adversely affect such individual, (iii) any termination of their employment by, or other service with, the corporation or any subsidiary of the corporation, or (iv) any modification to any of their respective reporting relationships as set forth in these By-Laws shall, in each case, require the affirmative vote of a majority of the Entire Board of Directors. During the Specified Period, for so long as Van A. Dukeman is the Executive Chairman of the Board the position of Executive Chairman of the Board shall be an officer of the corporation. During the Specified Period, for so long as Van A. Dukeman is the Executive Chairman of the Bank Board the position of Executive Chairman of the Bank Board shall be an officer of Busey Bank.

(e) During the Specified Period, upon the death, resignation, removal or disqualification of, or other cessation of service by, Van A. Dukeman or Michael J. Maddox in the positions specified above during the time periods specified above, except as set forth in subsection (d) above, an individual approved by the affirmative vote of a majority of the Entire Board of Directors shall be appointed to serve in such positions.

Section 10.3. Composition of the Board and the Bank Board. During the Specified Period:

(a) The Entire Board of Directors shall be comprised of thirteen (13) directors, of which five (5) shall be Legacy CrossFirst Directors designated by Legacy CrossFirst (one of whom, as of the Effective Time, shall be Michael J. Maddox and one of whom, as of the Effective Time, shall be Rodney Brenneman if he shall be the Chair of the Board of Directors of Legacy CrossFirst immediately prior to the Effective Time, in which case Rodney Brenneman shall also be, as of the Effective Time, the Lead Independent Director of the Board) and eight (8) shall be Legacy First Busey Directors designated by First Busey (one of whom, as of the Effective Time, shall be Van A. Dukeman). Notwithstanding the foregoing, by the affirmative vote of a majority of the Entire Board of Directors the number of directors constituting the Entire Board of Directors may be increased to add additional directors in connection with a direct or indirect acquisition by the corporation or in connection with a capital raising by the corporation;

(b) All vacancies resulting from the cessation of service by any Legacy CrossFirst Director for any reason shall be filled by the Board with a nominee selected by the Legacy CrossFirst Directors Nominating Committee;

(c) All vacancies resulting from the cessation of service by any Legacy First Busey Director for any reason shall be filled by the Board with a nominee selected by the Legacy First Busey Directors Nominating Committee;

(d) The Legacy CrossFirst Directors Nominating Committee shall have the exclusive authority to nominate, on behalf of the Board, directors for election at each annual meeting of the corporation, or at any special meeting of the corporation at which directors are to be elected, to fill each seat previously held by a Legacy CrossFirst Director;

(e) The Legacy First Busey Directors Nominating Committee shall have the exclusive authority to nominate, on behalf of the Board, directors for election at each annual meeting of the corporation, or at any special meeting of the corporation at which directors are to be elected, to fill each seat previously held by a Legacy First Busey Director;

(f) All vacancies on the Board resulting from the cessation of service by any Legacy CrossFirst Director or any Legacy First Busey Director shall be promptly filled by the Board with the individuals chosen as provided for in this Article X; and

(g) If (i) Rodney Brenneman does not become the Lead Independent Director of the Board as contemplated in Section 10.3(a) above, (ii) upon the death, resignation, removal or disqualification of, or other cessation of service by, Rodney Brenneman as the Lead Independent Director of the Board, or (iii) upon the two (2) year anniversary of the Effective Time, the Lead Independent Director of the Board shall be a director approved by the affirmative vote of a majority of the Entire Board of Directors. The Lead Independent Director shall qualify as an independent director under the rules of the Designated Exchange.

(h) During the Specified Period, the composition of the Bank Board shall be identical to that of the Board.

Section 10.4. Composition of Committees.

(a) During the Specified Period, the Board shall have and maintain as standing committees an Executive Management Compensation and Succession Committee, an Audit Committee, a Nominating and Corporate Governance Committee (which, during the Specified Period, shall have two subcommittees, the Legacy CrossFirst Directors Nominating Committee and the Legacy First Busey Directors Nominating Committee, which shall be solely responsible for nominating and electing Legacy CrossFirst Directors and First Busey Legacy Directors, respectively, as set forth in these By-Laws) and an Enterprise Risk Committee.

(b) During the Specified Period, the Board may by resolution (which shall require the affirmative vote of a majority of the Entire Board of Directors) establish any committees not expressly contemplated by these By-Laws composed of directors as they may determine to be necessary or appropriate for the conduct of business of the corporation and may prescribe the composition, duties and procedures thereof, subject to Section 10.4 (c) below.

(c) During the Specified Period, each committee of the Board shall have at least one (1) Legacy CrossFirst Director, provided that, if any such committee shall have five (5) or more members, such committee shall have at least two (2) Legacy CrossFirst Directors and; provided further, that each of the Nominating and Corporate Governance Committee and the Executive Management Compensation and Succession Committee shall have at least five (5) members.

(d) During the Specified Period, the Board shall have and maintain the Legacy CrossFirst Directors Nominating Committee. At the end of the Specified Period, the Legacy CrossFirst Directors Nominating Committee shall be automatically disbanded.

(e) During the Specified Period, the Board shall have and maintain a Legacy First Busey Directors Nominating Committee. At the end of the Specified Period, the Legacy First Busey Directors Nominating Committee shall be automatically disbanded.

Section 10.5. Names; Headquarters. During the Specified Period, (a) the name of the corporation shall be "First Busey Corporation" and the name of Busey Bank shall be "Busey Bank", (b) the legal headquarters of the corporation shall be located in or near Kansas City, Missouri and (c) the main office and legal headquarters of Busey Bank shall be in Champaign, Illinois.

Section 10.6. Amendments.

Notwithstanding anything to the contrary set forth in these By-Laws, during the Specified Period, this Article X may be altered, amended or repealed (voluntarily or by merger, consolidation or otherwise by operation of law), and any Bylaw provision or other resolution inconsistent with these By-Laws may be adopted, by the Board only by (and any such alteration, amendment, repeal or inconsistent Bylaw provisions and other resolutions may be proposed or recommended by the Board for adoption by the shareholders of the corporation only by) an affirmative vote of at least seventy-five percent (75%) of the Entire Board of Directors, provided, however, that the foregoing shall not divest or limit the power of the stockholders to alter, amend, repeal or adopt By-Laws.

Filed in the Office of <i>FVAguilar</i> Secretary of State State Of Nevada	Business Number C6781-1993
	Filing Number 20254696374
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	Number of Pages 10



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 401 North Carson Street
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Certificate, Amendment or Withdrawal of Designation

NRS 78.1955, 78.1955(6)

- Certificate of Designation
- Certificate of Amendment to Designation - Before Issuance of Class or Series
- Certificate of Amendment to Designation - After Issuance of Class or Series
- Certificate of Withdrawal of Certificate of Designation

TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT

1. Entity information:	Name of entity: <input type="text" value="First Busey Corporation"/> Entity or Nevada Business Identification Number (NVID): <input type="text" value="NV19931053778"/>
2. Effective date and time:	For Certificate of Designation or Amendment to Designation Only (Optional): Date: <input type="text" value="02/28/2025"/> Time: <input type="text" value="10:01 p.m. CST"/> <small>(must not be later than 90 days after the certificate is filed)</small>
3. Class or series of stock: (Certificate of Designation only)	The class or series of stock being designated within this filing: <input type="text" value="Series A Non-Cumulative Perpetual Preferred Stock"/>
4. Information for amendment of class or series of stock:	The original class or series of stock being amended within this filing: <input type="text"/>
5. Amendment of class or series of stock:	<input type="checkbox"/> Certificate of Amendment to Designation- Before Issuance of Class or Series <small>As of the date of this certificate no shares of the class or series of stock have been issued.</small>
	<input type="checkbox"/> Certificate of Amendment to Designation- After Issuance of Class or Series <small>The amendment has been approved by the vote of stockholders holding shares in the corporation entitling them to exercise a majority of the voting power, or such greater proportion of the voting power as may be required by the articles of incorporation or the certificate of designation.</small>
6. Resolution: <small>Certificate of Designation and Amendment to Designation only)</small>	By resolution of the board of directors pursuant to a provision in the articles of incorporation this certificate establishes OR amends the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock.* <input type="text" value="See Annex A attached."/>
7. Withdrawal:	Designation being Withdrawn: <input type="text"/> Date of Designation: <input type="text"/> No shares of the class or series of stock being withdrawn are outstanding. The resolution of the board of directors authorizing the withdrawal of the certificate of designation establishing the class or series of stock: * <input type="text"/>
8. Signature: (Required)	<input checked="" type="checkbox"/> <i>Francisco V. Aguilar</i> <input type="text" value="EVP, General Counsel"/> Signature of Officer <input type="text" value="Date: 02/27/2025"/>

* Attach additional page(s) if necessary
 This form must be accompanied by appropriate fees.

Annex A

**CERTIFICATE OF DESIGNATION
OF
SERIES A NON-CUMULATIVE PERPETUAL PREFERRED STOCK
OF
FIRST BUSEY CORPORATION**

First Busey Corporation, a corporation organized and existing under the laws of the State of Nevada (the "Corporation"), does hereby certify that:

Pursuant to the authority conferred on the board of directors of the Corporation (the "Board") by the Amended and Restated Articles of Incorporation of the Corporation (the "Articles") and the Nevada General Corporation Law, the Board adopted the following resolution creating a series of preferred stock, designated as the Series A Non-Cumulative Perpetual Preferred Stock.

WHEREAS, the Articles provide for the issuance of two classes of shares: the common stock, par value \$0.001 per share (the "Common Stock"), and the preferred stock, par value \$0.001 per share (the "Preferred Stock"); and

WHEREAS, the Board is authorized by the Articles to provide for the establishment and/or the issuance of any series of Preferred Stock, the designation of such series and the preferences, limitations and relative rights relating to the shares of such series.

NOW, THEREFORE, BE IT RESOLVED, that there hereby is created out of the shares of the Preferred Stock, a series of Preferred Stock, to be named "Series A Non-Cumulative Perpetual Preferred Stock," consisting of 7,750 shares, which series shall have the following preferences, limitations and relative rights:

1. **Designation and Number of Shares.** There is hereby created out of the authorized and unissued shares of preferred stock of the Corporation authorized by Paragraph A of Article Fourth of the Articles a series of preferred stock designated as the "Series A Non-Cumulative Perpetual Preferred Stock" (the "Series A Preferred Stock"). The par value of the Series A Preferred Stock shall be \$0.001 per share. The authorized number of shares of Series A Preferred Stock shall be 7,750. The number of shares constituting the Series A Preferred Stock may be increased from time to time by resolution of the Board or a duly authorized committee of the Board in accordance with the Articles, the bylaws of the Corporation (the "Bylaws"), and applicable law up to the maximum number of shares of Preferred Stock authorized to be issued under the Articles less all shares at the time authorized of any other series of Preferred Stock or decreased from time to time by a resolution of the Board or a duly authorized committee of the Board in accordance with the Articles, the Bylaws, and applicable law but not below the number of shares of Series A Preferred Stock then outstanding. Shares of Series A Preferred Stock shall be dated the date of issue, which date shall be referred to herein as the "original issue date." Shares of outstanding Series A Preferred Stock that are redeemed, purchased, or otherwise acquired by the Corporation shall, automatically and without any further action, be cancelled and shall revert to authorized but unissued shares of the Preferred Stock, undesignated as to series. The Corporation shall have the

authority to issue fractional shares of Series A Preferred Stock.

2. Definitions. As used herein with respect to the Series A Preferred Stock:

“Appropriate Federal Banking Agency” means the “appropriate Federal banking agency” with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

“Business Day” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in Nevada.

3. Ranking. The shares of Series A Preferred Stock shall rank:

(a) senior, as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, to the Common Stock and to any other class or series of capital stock of the Corporation now or hereafter authorized, issued, or outstanding that, by its terms, does not expressly provide that such class or series ranks *pari passu* with the Series A Preferred Stock or senior to the Series A Preferred Stock as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, as the case may be (collectively, “Series A Junior Stock”);

(b) on a parity, as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, with any class or series of capital stock of the Corporation now or hereafter authorized, issued, or outstanding that, by its terms, expressly provides that such class or series ranks *pari passu* with the Series A Preferred Stock as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, as the case may be (collectively, “Series A Parity Stock”); and

(c) junior, as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, to any other class or series of capital stock of the Corporation now or hereafter authorized, issued, or outstanding that, by its terms, expressly provides that such class or series ranks senior to the Series A Preferred Stock as to dividends and upon liquidation, dissolution, and winding-up of the Corporation, as the case may be.

The Corporation may authorize and issue additional shares of Series A Preferred Stock, Series A Junior Stock and Series A Parity Stock from time to time without the consent of the holders of the Series A Preferred Stock.

4. Dividends.

(a) Holders of Series A Preferred Stock will be entitled to receive, only when, as, and if declared by the Board or a duly authorized committee of the Board, on each Dividend Payment Date (as defined below), out of assets legally available for the payment

of dividends thereof, non-cumulative cash dividends based on the liquidation preference of the Series A Preferred Stock of \$1,000 per share. Dividends on each share of Series A Preferred Stock shall accrue at a rate equal to 8.00% per annum on the liquidation preference of \$1,000 per share for each Dividend Period (as defined below) from and including March 15, 2025. In the event the Corporation issues additional shares of the Series A Preferred Stock after the original issue date, dividends on such shares may accrue from the original issue or any other date specified by the Board or a duly authorized committee of the Board at the time such additional shares are issued. Dividends on the Series A Preferred Stock will not be cumulative and will not be mandatory.

(b) If declared by the Board or a duly authorized committee of the Board, dividends will be payable on the Series A Preferred Stock quarterly in arrears on March 15, June 15, September 15, and December 15 of each year, beginning on June 15, 2025 (each such day a "Dividend Payment Date"). In the event that any Dividend Payment Date falls on a day that is not a Business Day, the dividend payment due on that date shall be postponed to the next day that is a Business Day and no additional dividends shall accrue as a result of that postponement.

(c) Dividends will be payable to holders of record of Series A Preferred Stock as they appear on the Corporation's stock register on the applicable record date, which shall be the 15th calendar day before the applicable Dividend Payment Date, or such other record date, not less than 15 calendar days nor more than 30 calendar days before the applicable Dividend Payment Date, as such record date shall be fixed by the Board or a duly authorized committee of the Board.

(d) A "Dividend Period" is the period from and including a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date or any earlier redemption date, except that the initial Dividend Period shall be deemed to have commenced on and include March 15, 2025 and continue to, but exclude, the next Dividend Payment Date. Dividends payable on the Series A Preferred Stock will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dollar amounts resulting from the calculation will be rounded to the nearest cent, with one-half cent being rounded upward. Dividends on the Series A Preferred Stock will cease to accrue on the redemption date, if any, with respect to the Series A Preferred Stock redeemed, unless the Corporation defaults in the payment of the redemption price of the Series A Preferred Stock called for redemption.

(e) Dividends on the Series A Preferred Stock will not be cumulative. If the Board or a duly authorized committee of the Board does not declare a dividend, in full or otherwise, on the Series A Preferred Stock in respect of a Dividend Period, then such unpaid dividends shall cease to accrue and shall not be payable on the applicable Dividend Payment Date or be cumulative, and the Corporation will have no obligation to pay (and the holders of the Series A Preferred Stock will have no right to receive) dividends accrued for such Dividend Period after the Dividend Payment Date for such Dividend Period, whether or not the Board or a duly authorized committee of the Board declares a dividend for any future Dividend Period with respect to the Series A Preferred Stock, the Common

Stock, or any other class or series of the Corporation's preferred stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not declared.

(f) Notwithstanding any other provision hereof, dividends on the Series A Preferred Stock shall not be declared, paid, or set aside for payment to the extent such act would cause the Corporation to fail to comply with the laws and regulations applicable to it, including applicable capital adequacy rules of the Board of Governors of the Federal Reserve System (the "Federal Reserve") or, as and if applicable, the capital adequacy rules or regulations of any Appropriate Federal Banking Agency.

(g) So long as any share of Series A Preferred Stock remains outstanding, on and after June 16, 2025:

(i) no dividend or distribution shall be declared, paid or set aside for payment, and no distribution shall be declared or made or set aside for payment, on any Series A Junior Stock, other than (A) a dividend payable solely in Series A Junior Stock or (B) any dividend in connection with the implementation of a stockholders' rights plan, or the issuance of rights, stock, or other property under any such plan, or the redemption or repurchase of any rights under any such plan;

(ii) no shares of Series A Junior Stock shall be repurchased, redeemed, or otherwise acquired for consideration by the Corporation, directly or indirectly, other than (A) as a result of a reclassification of Series A Junior Stock for or into other Series A Junior Stock, (B) the exchange or conversion of one share of Series A Junior Stock for or into another share of Series A Junior Stock, (C) through the use of the proceeds of a substantially contemporaneous sale of other shares of Series A Junior Stock, (D) purchases, redemptions, or other acquisitions of shares of Series A Junior Stock in connection with any employment contract, benefit plan, or other similar arrangement with or for the benefit of employees, officers, directors, or consultants, (E) purchases of shares of Series A Junior Stock pursuant to a contractually binding requirement to buy Series A Junior Stock existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan, or (F) the purchase of fractional interests in shares of Series A Junior Stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged; nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation; and

(iii) no shares of Series A Parity Stock shall be repurchased, redeemed, or otherwise acquired for consideration by the Corporation, directly or indirectly, other than (A) pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series A Preferred Stock and such Series A Parity Stock, if any, (B) as a result of a reclassification of Series A Parity Stock for or into other Series A Parity Stock, (C) the exchange or conversion of one share of Series A Parity Stock for or into another share of Series A Parity Stock or Series A Junior Stock, (D) through the use of the proceeds of a substantially contemporaneous sale of other shares of Series

A Parity Stock or Series A Junior Stock, (E) purchases of shares of Series A Parity Stock pursuant to a contractually binding requirement to buy Series A Parity Stock existing prior to the preceding Dividend Period, including under a contractually binding stock repurchase plan, or (F) the purchase of fractional interests in shares of Series A Parity Stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged; nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation;

unless, in each case, the full dividends for the most recently completed Dividend Period on all outstanding shares of Series A Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside.

(h) Notwithstanding the foregoing, if dividends are not paid in full, or set aside for payment in full, on any dividend payment date, upon the shares of Series A Preferred Stock and any Series A Parity Stock, all dividends declared upon shares of Series A Preferred Stock and any Series A Parity Stock for such dividend payment date shall be declared on a pro rata basis in proportion to the respective amounts of undeclared and unpaid dividends for the Series A Preferred Stock and all Series A Parity Stock on such dividend payment date. To the extent a dividend period with respect to any Series A Parity Stock coincides with more than one Dividend Period, for purposes of the immediately preceding sentence the Board shall treat such dividend period as two or more consecutive dividend periods, none of which coincides with more than one Dividend Period, or shall treat such dividend period(s) with respect to any Series A Parity Stock and Dividend Period(s) for purposes of the immediately preceding sentence in any other manner that it deems to be fair and equitable in order to achieve ratable payments of dividends on such Series A Parity Stock and the Series A Preferred Stock. To the extent a Dividend Period coincides with more than one dividend period with respect to any Series A Parity Stock, for purposes of the first sentence of this paragraph the Board shall treat such Dividend Period as two or more consecutive Dividend Periods, none of which coincides with more than one dividend period with respect to such Series A Parity Stock, or shall treat such Dividend Period(s) and dividend period(s) with respect to any Series A Parity Stock for purposes of the first sentence of this paragraph in any other manner that it deems to be fair and equitable in order to achieve ratable payments of dividends on the Series A Preferred Stock and such Series A Parity Stock. For the purposes of this paragraph, the term "dividend period" as used with respect to any Series A Parity Stock means such dividend periods as are provided for in the terms of such Series A Parity Stock.

(i) Subject to the foregoing, dividends (payable in cash, stock, or otherwise), as may be determined by the Board or a duly authorized committee of the Board, may be declared and paid on the Common Stock and any other class or series of capital stock ranking equally with or junior to Series A Preferred Stock from time to time out of any assets legally available for such payment, and the holders of Series A Preferred Stock shall not be entitled to participate in any such dividend.

5. Liquidation

(a) Upon any voluntary or involuntary liquidation, dissolution, or winding-up of the Corporation, holders of Series A Preferred Stock are entitled to receive out of the assets of the Corporation available for distribution to stockholders, after satisfaction of liabilities and obligations to creditors, if any, and subject to the rights of holders of any securities then outstanding ranking senior to or on parity with the Series A Preferred Stock with respect to distributions of assets, before any distribution or payment out of the assets of the Corporation is made to holders of Common Stock or any Series A Junior Stock, a liquidating distribution in the amount of the liquidation preference of \$1,000 per share plus any declared and unpaid dividends prior to the payment of the liquidating distribution, without accumulation of any dividends that have not been declared prior to the payment of the liquidating distribution. After payment of the full amount of such liquidating distribution, the holders of Series A Preferred Stock shall not be entitled to any further participation in any distribution of assets of the Corporation.

(b) In any such liquidating distribution, if the assets of the Corporation are not sufficient to pay the liquidation preferences (as defined below) in full to all holders of Series A Preferred Stock and all holders of any Series A Parity Stock, the amounts paid to the holders of Series A Preferred Stock and to the holders of all Series A Parity Stock will be paid pro rata in accordance with the respective aggregate liquidation preferences of those holders. In any such distribution, the "liquidation preference" of any holder of Series A Preferred Stock or any Series A Parity Stock means the amount otherwise payable to such holder in such distribution (assuming no limitation on the Corporation's assets available for such distribution), including any declared but unpaid dividends (and, in the case of any holder of stock other than the Series A Preferred Stock on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable). If the liquidation preference has been paid in full to all holders of Series A Preferred Stock and any Series A Parity Stock, the holders of the Corporation's Series A Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(c) For purposes of this Section 5, neither the sale, conveyance, exchange, or transfer of all or substantially all of the assets or business of the Corporation for cash, securities, or other property, nor the merger or consolidation of the Corporation with any other entity, including a merger or consolidation in which the holders of Series A Preferred Stock receive cash, securities, or property for their shares, shall constitute a liquidation, dissolution, or winding-up of the Corporation.

6. Redemption.

(a) The Series A Preferred Stock is not subject to any mandatory redemption, sinking fund, or other similar provision. The Series A Preferred Stock is not redeemable prior to March 2, 2030. Shares of Series A Preferred Stock then outstanding will be redeemable at the option of the Corporation, in whole or in part, from time to time, on March 2, 2030, or on any Dividend Payment Date on or after March 2, 2030, at a

redemption price equal to \$1,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends, to, but excluding, the date of redemption. Holders of the Series A Preferred Stock will have no right to require the redemption or repurchase of the Series A Preferred Stock. Notwithstanding the foregoing, at any time within 90 days following the occurrence of a Regulatory Capital Treatment Event (as defined below), the Corporation, at its option, may redeem, all (but not less than all) of the shares of the Series A Preferred Stock at the time outstanding, at a redemption price equal to \$1,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends, upon notice given as provided in sub-section (c) below. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the record date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such record date relating to the Dividend Payment Date as provided in Section 4(c) above. In all cases, the Corporation may not redeem shares of the Series A Preferred Stock without having received the prior approval of the Federal Reserve or any successor Appropriate Federal Banking Agency if then required under capital rules applicable to the Corporation.

(b) A “Regulatory Capital Treatment Event” means the good faith determination by the Board or a duly authorized committee of the Board that, as a result of (i) any amendment to, or change in, the laws, rules, or regulations of the United States or any political subdivision of or in the United States (including, for the avoidance of doubt, any agency or instrumentality of the United States, including the Federal Reserve and other federal banking agencies) that is enacted or becomes effective after the initial issuance of any share of the Series A Preferred Stock; (ii) any proposed change in those laws, rules, or regulations that is announced after the initial issuance of any share of the Series A Preferred Stock; or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules, or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series A Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation value of \$1,000 per share of the Series A Preferred Stock then outstanding as “Tier 1 Capital” (or its equivalent) for purposes of the capital adequacy rules of the Federal Reserve (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency), as then in effect and applicable, for as long as any share of the Series A Preferred Stock is outstanding.

(c) If shares of Series A Preferred Stock are to be redeemed, the notice of redemption shall be given to the holders of record of the Series A Preferred Stock to be redeemed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the Corporation’s stock register not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof. Each notice of redemption will include a statement setting forth (i) the redemption date; (ii) the number of shares of Series A Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price; and (iv) that dividends on the

shares to be redeemed will cease to accrue on the redemption date. If notice of redemption of any shares of Series A Preferred Stock has been duly given and if the funds necessary for such redemption have been set aside by the Corporation for the benefit of the holders of any shares of Series A Preferred Stock so called for redemption, then, on and after the redemption date, dividends will cease to accrue on such shares of Series A Preferred Stock; such shares of Series A Preferred Stock shall no longer be deemed outstanding; and all rights of the holders of such shares will terminate, except the right to receive the redemption price described in sub-section (a) above, without interest.

(d) In case of any redemption of only part of the shares of Series A Preferred Stock at the time outstanding, the shares to be redeemed shall be selected pro rata.

7. Voting Rights.

(a) Except as provided below and as determined by the Board or a duly authorized committee of the Board or as expressly required by law, the holders of shares of Series A Preferred Stock shall have no voting power, and no right to vote on any matter at any time, either as a separate series or class or together with any other series or class of shares of capital stock, and shall not be entitled to call a meeting of such holders for any purpose, nor shall they be entitled to participate in any meeting of the holders of the Common Stock.

(b) So long as any shares of Series A Preferred Stock remain outstanding, the affirmative vote or consent of the holders of at least two-thirds of all of the shares of Series A Preferred Stock at the time outstanding, voting separately as a class, shall be required to: (i) authorize, create, or issue, or increase the authorized amount of, shares of any class or series of capital stock ranking senior to the Series A Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution, or winding up of the Corporation, or issue any obligation or security convertible into or exchangeable for, or evidencing the right to purchase, any such class or series of the Corporation's capital stock; (ii) amend, alter, or repeal the provisions of the Articles (including this Certificate of Designation), (including, unless no vote on such merger or consolidation is required by Section 7(b)(iii)(B) below, any amendment, alteration or repeal by means of a merger, consolidation, or otherwise), so as to significantly and adversely affect the powers, preferences, privileges, or rights of the Series A Preferred Stock, taken as a whole; provided, however, that any amendment to authorize, create, or issue, or increase the authorized amount of, the Series A Preferred Stock, any Series A Junior Stock or any Series A Parity Stock, or any securities convertible into or exchangeable for Series A Junior Stock or Series A Parity Stock will not be deemed to significantly and adversely affect the powers, preferences, privileges, or rights of the Series A Preferred Stock; or (iii) complete a binding share exchange or reclassification involving the Series A Preferred Stock, or complete the sale, conveyance, exchange, or transfer of all or substantially all of the assets or business of the Corporation or consolidate with or merge into any other Corporation, unless, in any case, the shares of Series A Preferred Stock outstanding at the time of such consolidation or merger or sale either (A) remain outstanding or (B) are converted into or exchanged for preference securities of the surviving entity or any entity controlling the

surviving entity having such rights, preferences, privileges, and powers (including voting powers), taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges, and powers (including voting powers) of the Series A Preferred Stock, taken as a whole.

(c) The foregoing voting provisions will not apply if (i) at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series A Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Corporation for the benefit of the holders of Series A Preferred Stock to effect such redemption or (ii) such voting provisions are not permitted under the corporate governance requirements of the Nasdaq Stock Market, LLC (or any other exchange or automated quotation system on which the Common Stock may be listed or quoted).

(d) The rules and procedures for calling and conducting any meeting of the holders of Series A Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents, and any other aspect or matter with regard to such meeting or such consents shall be governed by any rules that the Board or any duly authorized committee of the Board, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Articles, the Bylaws, and applicable law.

8. No Conversion Rights. The holders of shares of Series A Preferred Stock shall not have any rights to convert such shares into shares of any other class or series of securities of the Corporation.

9. No Preemptive Rights. The holders of shares of Series A Preferred Stock will have no preemptive rights with respect to any shares of the Corporation's capital stock or any of its other securities convertible into or carrying rights or options to purchase or otherwise acquire any such capital stock or any interest therein, regardless of how any such securities may be designated, issued, or granted.

10. No Certificates. The Corporation may at its option issue shares of Series A Preferred Stock without certificates.

11. Transfer Agent; Registrar. The Corporation may appoint a transfer agent and registrar for the Series A Preferred Stock.

12. No Other Rights. The shares of Series A Preferred Stock shall not have any rights, preferences, privileges, or voting powers or relative, participating, optional, or other special rights, or qualifications, limitations, or restrictions thereof, other than as set forth herein or in the Articles, or as provided by applicable law.



EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into on June 1, 2020 (the "Effective Date") by and between CrossFirst Bankshares, Inc. a Kansas corporation, ("Bankshares") and Michael J. Maddox, ("Employee"), with reference to the following facts:

RECITALS:

The parties have agreed to execute this Agreement in order to memorialize the terms and conditions on which Bankshares shall employ Employee from and after the Effective Date of this Agreement.

Certain rights described below may inure to the benefit of other companies affiliated with Bankshares by virtue of being controlled by Bankshares ("Affiliated Companies"). As the context requires or as applicable, Bankshares or an Affiliated Company is herein referred to as the "Company".

AGREEMENTS:

Now, THEREFORE, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. POSITION AND DUTIES.

1.1 POSITION, TITLE, AND DUTIES. The Company hereby hires Employee to serve as the President and CEO of the Company. Employee's primary duty is to direct the strategic and operational growth of the Company and its subsidiary, CrossFirst Bank (the "Bank"). Employee will also serve as a director of the Company and the Bank but will not be paid fees for serving as a director.

(a) LIMITS ON AUTHORITY. Employee shall, to the best of his abilities, perform his duties in such capacity pursuant to this Agreement in compliance with applicable law, consistent with such direction as the Company's Board of Directors (the "Board of Directors") provides to Employee from time to time, and in accordance with Company's policies and procedures as published from time to time.

(b) REPORTING AND AUTHORITY. Subject to the directions of the Board of Directors, Employee shall have full authority and responsibility for supervising and managing to the best of his ability, the daily affairs of the Company including but not limited to: (i) presenting to the Company all business opportunities that come to his attention that are reasonably in the scope of business of the Company; (ii) working with the Company to develop and approve business objectives, policies and plans that improve the Company's long-term profitability and consequently improve the value of shareholder holdings; (iii) communicating business objectives and plans to subordinates, (iv) ensuring that plans and policies are promulgated to and implemented by subordinate managers, (v) ensuring that each business plan provides those functions required for achieving its business objectives and that each plan is properly organized, staffed and directed to fulfill its responsibilities, (vi) assisting the Company in directing periodic reviews of the Company's strategic position and combining this information with corollary analysis of the Company's production and financial resources, (vii) providing periodic financial information concerning the operations of the projects and growth plans to the Company, (viii) assisting the Company in developing and maintaining succession plans and management personnel for the Company and its Affiliated Companies; and (ix) ensuring that the operation of the projects comply with applicable laws.

1.2 ACCEPTANCE. Employee hereby accepts employment by the Company in the capacity set forth in Section 1.1, above, and agrees to perform the duties of such position from and after the Effective Date of this Agreement in a diligent, efficient, trustworthy, and businesslike manner. Employee agrees that, to the best of the Employee's ability and experience, Employee at all times shall loyally and conscientiously discharge all of the duties and responsibilities imposed upon Employee pursuant to this Agreement.

1.3 BUSINESS TIME. Employee shall devote his exclusive business time to the performance of his duties to the Company under Section 1.1 and elsewhere in this Agreement. Employee shall not undertake any activities that conflict with or significantly detract from his primary duties to the Company.

1.4 LOCATION. Employee shall perform his duties under this Agreement primarily in Leawood, Kansas and potentially other regions of the United States where the Company, or its Affiliated Companies, are active in conducting banking and other related service activities. Employee acknowledges and agrees that from time to time he shall be required to travel (at the cost and expense of the Company) to such other locations in order to discharge his duties under this Agreement.

1.5 TERM. The term of this Agreement commenced as of the Effective Date and shall be for a term of two (2) years, which term shall thereafter automatically renew for successive one (1) year terms unless: i) Company or Employee serve a Notice of Termination upon the other party of intent to not renew the term of this Agreement within thirty (30) days prior to the ensuing termination date, or ii) earlier terminated in accordance with Section 3, below.

1. STOCKHOLDING REQUIREMENT. The Board of Directors of the Company believes that it will be essential for Employee to participate in the Company's future growth as an equity stakeholder as well as an employee. As a condition to Employee's employment with the Company, Employee will be required to hold a minimum of four hundred thousand dollars (\$400,000) worth of Company stock ("Required Stock"). As a condition of Employee's continued employment with the Company, Employee shall not sell or transfer any Required Stock without the prior consent of the Compensation Committee of the Board of Directors (the "Compensation Committee"). In the event Employee fails to hold sufficient Company stock with a value equal to or in excess of the required minimum value for more than ninety (90) consecutive days, and unless such requirement is waived by the Compensation Committee, Employee shall be deemed to be in material breach of this Agreement.

2. COMPENSATION. The Company shall compensate Employee for his services pursuant to this Agreement as follows:

2.1 BASE COMPENSATION.

(a.) BASE SALARY. The Company shall pay to Employee an annual salary in the amount of five hundred thousand dollars (\$500,000.00) ("Base Salary"), payable in periodic installments in accordance with the Company's regular payroll practices as in effect from time to time. Such annual salary shall be subject to approval by the Compensation Committee. In addition, such annual salary is subject to periodic increases, in such amounts (if any) as the Company may determine to be appropriate, at the time of Employee's annual review pursuant to Section 2.1(b), below, or at such other times (if any) as the Company may select. In no event may Employee's Base Salary be reduced during the term of this Agreement, without Employee's consent.

(b.) PERIODIC REVIEWS. The Company shall review Employee's performance of his duties pursuant to this Agreement at least annually and from time to time and advise Employee of the results of that review. In connection with each such review, the Company shall evaluate whether any increase in Employee's compensation under Section 2.1(a), above, is appropriate. Any annual salary increase shall be effective as of such date as the Company, in its discretion, determines to be appropriate.

2.2 BONUSES.

(a) **CRITERIA.** Employee shall be eligible to receive periodic incentive bonuses under the Company's Incentive Plan (the "Bonuses") in such amounts, if any, and at such times as may be determined by the Board of Directors, in its sole discretion. Employee's bonus opportunity shall be 60% of Employee's current Base Salary for the full 2020 calendar year. By no later than March 15 of each year, the Compensation Committee will define the terms and conditions of such Bonuses for Employee for the following year based upon reasonable, measurable and obtainable goals for Employee and the Company.

(b) **TIMING OF PAYMENT.** The Bonus, if any, payable for each calendar year during the term of this Agreement shall be payable on or before March 15th of the calendar year immediately following the end of the calendar year in which such Bonus is earned.

2.3 FRINGE BENEFITS/VACATION.

(a) **VACATION.** Employee is trusted to take reasonable vacation time when needed. Employee will not receive compensation upon termination or credit in future calendar years for any unused vacation time.

(b) **OTHER FRINGE BENEFITS.** Employee shall be eligible to participate, on the same terms and conditions as all other employees of the Company, in all reasonable and customary fringe benefit plans made available to the employees of the Company and its Affiliated Companies, including but not limited to, Group Health Insurance (medical, vision and dental) and Long and Short Term Disability Insurance. The Company shall not materially reduce the life insurance, medical, health and accident, or disability plans currently available to Employee unless such reductions are implemented by the Company as part of a Company-wide cost reduction program and applicable to all of the Company's senior management employees. To the extent that any other employee of the Company may receive or become entitled to any additional fringe benefit, Employee shall also be entitled to receive such benefit.

(c) **MOBILE COMMUNICATIONS.** The Company at its expense shall provide Employee with iPhones and iPads and data plan for his use in connection with the Company's business with a provider acceptable to the Company. Employee shall use and maintain such devices in a reasonable manner. The Company shall pay for the purchase of such initial devices for Employee's use and a replacement when such devices are eligible for full replacement under Employee's data plan.

(d) **AUTOMOBILE ALLOWANCE.** Company shall provide Employee with an automobile allowance of one thousand five hundred dollars (\$1,500) per month, prorated for partial months worked, which shall be in lieu of any expense reimbursement for automobile or automobile-related expenditures (other than expenditures for car service or other transportation costs associated with Employee's business travel, which shall be reimburse in accordance with the terms of Section 2.4, below) or use of a Company owned or leased vehicle.

(e) **CLUB MEMBERSHIPS.** Employee shall be eligible for the continued use of three of his existing club memberships for his use in connection with the Company's business, which is acceptable with the Company, provided no regulation is promulgated or regulatory action is taken affecting the legal ability of Company to do so. Monthly club dues and all reasonable expenses incurred by Employee in connection with using such club for the Company's business shall be reimbursed to Employee by the Company. Employee shall be responsible for maintaining use records in accordance with applicable provisions of the Internal Revenue Code and Regulations.

2.4 REIMBURSEMENT OF EXPENSES. Company shall reimburse Employee for business expenses incurred by Employee in the performance of his duties, provided that such expenses are authorized under Company's Expense Reimbursement policy, in reasonable amounts, incurred for ordinary and necessary Company-related business expenses and are supported by itemized accountings and expense receipts that are timely submitted to the Company prior to any reimbursement.

2.5 STOCK APPRECIATION RIGHTS. Upon the Effective Date of this Agreement, Employee shall be granted an additional twenty five thousand nine hundred and seven (25,907) stock settled appreciation rights ("SSARs") subject to the Company's 2018 Omnibus Equity Incentive Plan ("Omnibus Plan") and the terms approved by the Compensation Committee at a Grant Price of nine dollars and thirty five cents (\$9.35) per share vesting in one third increments (eight thousand six hundred and thirty-six (8,636) SSARs on March 1, 2021, eight thousand six hundred and thirty-six (8,636) SSARs on February 28, 2022, and eight thousand six hundred and thirty-five (8,635) SSARs on February 27, 2023). In addition to all other vesting rights under the Omnibus Plan, in the event of Employee's resignation during the term, such grant of twenty five thousand nine hundred and seven (25,907) SSARs will fully vest should Employee's resignation be a result of an event that gives Employee grounds for a "Constructive Termination" as that term is defined in the Severance Plan (as defined in Section 3.1(c) below). These SSARs are granted at no net cost to the employee. Employee's rights in the shares may change in accordance with the provisions of the Omnibus Plan, as the same may be amended.

2 EQUITY INCENTIVE PLAN. As an active key employee in Company and its affiliates, Employee shall have the right to participate in the current Omnibus Plan for certain eligible key employees, a copy of which has been provided by Employer. As a part of Employee's compensation under this Agreement, Employee shall have the right to participate in the Omnibus Plan as determined by the Compensation Committee, subject to vesting and other rights described in the Omnibus Plan. Employee's initial equity incentive bonus opportunity effective in 2021 shall be no less than 50% of Employee's Base Salary. Incentive Rights are granted at no net cost to the employee. Employee's rights in any equity awards may change in accordance with the provisions of the Omnibus Plan. Upon the Effective Date of this Agreement, Employee shall be granted an additional five thousand three hundred and seventy-six (5,376) shares of time-based restricted stock units that will vest in approximate one third increments on March 1, 2021, February 28, 2022 and February 27, 2023.

3 TERMINATION.

3.1 DEFINITIONS. For purposes of this Agreement, the term:

(a) "DATE OF TERMINATION" or "TERMINATION DATE" shall mean the date specified in a Notice of Termination (as defined below).

(b) "NOTICE OF TERMINATION" shall mean a written notice, which includes the effective Date of Termination and (i) if delivered by the Company in connection with the Company's decision to terminate Employee's employment with the Company, sets forth in reasonable detail the reason for termination of Employee's employment, or (ii) if delivered by Employee in connection with a Constructive Termination (as such term is defined in the Severance Plan (as defined in Section 3.1(c) below)), specifies in reasonable detail the basis for such resignation.

(c) "SEVERANCE PLAN" shall mean the CrossFirst Bankshares, Inc. Senior Executive Severance Plan.

3.2 TERMINATION BY EMPLOYEE OR COMPANY DUE TO DEATH OR DISABILITY. If the Company terminates Employee during the term of this Agreement due to death or Disability or Employee terminates this Agreement due to Disability then following such termination the Company shall pay to Employee or Employee's legal representative:

(a) ACCRUED OBLIGATION. A lump sum cash payment equal to Employee's accrued, earned but unpaid compensation and bonuses for the period ending on the Date of Termination, provided, that such payment shall not include any potential or unearned bonuses or any other potential or unearned or benefits ("Accrued Obligations") shall be made on the sixtieth (60th) day following the Employee's Date of Termination; and

(b) COBRA PAYMENT. A lump sum cash payment equal to twelve (12) times the Company-paid portion of the monthly COBRA continuation premium for Employee and his eligible dependents, if any, for COBRA continuation coverage under the Company's health, vision and dental plans in effect as of Employee's Date of Termination due to Disability or death. Such amount will include the Company paid portion of the cost of the premiums for coverage of Employee's dependents if, and only to the extent that, such dependents were enrolled in a health, vision or dental plan sponsored by the Company before the Date of Termination.

For purposes of this Agreement, "Disability" shall have the meaning ascribed in the Severance Plan

3.3 OTHER TERMINATIONS. In the case of a termination for any reason other than Employee's death or Disability, Employee shall only be entitled to those severance benefits, if any, provided for under the Severance Plan ("Severance Payments")

3.4 CONDITIONAL NATURE OF SEVERANCE PAYMENTS. Notwithstanding any other provision of this Section 3 or any other provision of this Agreement to the contrary:

(a) NONSOLICITATION. Employee understands and agrees that because of his employment with the Company that he will acquire or have access to certain information of a confidential and secret nature derived from the operations of the Company's and its Affiliated Companies' business. Employee further understands and agrees that all correspondence, customer and investor lists and information, loan pricing techniques, underwriting methods, systems and products of the Company are confidential and trade secrets ("Confidential Information") and the disclosure or unauthorized use of such information would be detrimental to the Company. Employee understands and agrees that the nature of the Company's business is such that if Employee were to directly solicit, interfere with, or attempt to interfere with any of the Company's customer relationships or to directly or indirectly solicit, interfere with, or attempt to interfere with any of the Company's other employees relationships that existed at Employee's Termination Date and during the one (1) year period following the termination of Employee's employment with the Company, then it would be injurious to the Company. Therefore in consideration of the Employee and the Company complying with the terms of his employment, and subject to the condition precedent of the Company timely providing Employee the payments called for hereunder, Employee agrees:

(i) that, without the prior written consent of the Company, he will not directly or indirectly solicit interfere with or attempt to interfere with any of the Company's customer relationships or other employee relationships that existed at Employee's Termination Date and during the one (1) year period of time thereafter;

(ii) to assist in the avoidance of the unauthorized disclosure of the Company's Confidential Information, in addition to other remedies available to the Company and its Affiliated Companies, Employee will not, and understands and agrees that his right to receive the severance consideration described in Sections 3.2 and 3.3 above (to the extent Employee is otherwise entitled to such payments thereunder) shall be conditioned upon Employee not: i) directly or indirectly engaging in (whether as an employee, consultant, agent, proprietor, principal, partner, stockholder, corporate officer, director or otherwise); or ii) acquiring any ownership interest in or participating in the financing, operation, management or control of, any person, firm, corporation or business that directly or indirectly solicits, interferes with or attempts to interfere with any of the Company's customer relationships or other employee relationships that existed at Employee's Termination Date in any Metropolitan Statistical Area as defined from time to time by the U.S. Office of Management and Budget, Bureau of Labor Statistics, in which the Company or its successor owns controlling voting interest in any banking or other financial institution as such banking or other financial institutions are controlled by the Company or its Affiliated Companies upon Employee's Termination Date. The limitation upon Employee's ownership of outstanding shares or other units of ownership shall be excluded from this Section 3.4, provided such ownership is less than five (5) percent in any publicly-traded bank or financial institution;

(iii) without the prior written consent of the Company, Employee will not solicit, directly or indirectly, actively or inactively, the employees or independent contractors of the Company to become employees or independent contractors of any person, firm, corporation, business, or banking or other financial institution that directly or indirectly competes with the Company or solicits, interferes with, or attempts to interfere with the Company's customers; and,

(iv) on or before the Date of Termination, Employee shall return to Company, all records, lists, compositions, documents and other items which contain, disclose and/or embody any Confidential Information (including, without limitation, all copies, reproductions, summaries and notes of the contents thereof, expressly including all electronically stored data, wherever stored), regardless of the person causing the same to be in such form, and Employee will certify that the provisions of this paragraph have been complied with.

If Employee violates any restriction described in Section 3.4(a), then all Severance Payments and consideration to which Employee otherwise may be entitled under Section 3.2 and 3.3 above, as applicable, thereupon shall cease and Employee shall promptly return to the Company all severance payments received and other severance benefits theretofore incurred by Company for Employee's benefit. The Company agrees that nothing herein shall preclude Employee from retaining copies of his calendar, contact list or documents related to his investment in Company or responsibilities as a director to Company, and that Employee shall be entitled to freely offer employment references to the Company's other current or former employees.

(b) OTHER EMPLOYMENT. In the event Employee becomes employed as an employee or consultant for a company that provides banking services similar to services provided by the Company or its Affiliated Companies in a Metropolitan Statistical Area, described in Section 3.4(a)(ii), above, Employee shall not be entitled to receive any further amount of the severance consideration described in Sections 3.2 and 3.3 above, subsequent to the date of such employment. Employee acknowledges that this limitation is fair to both Employee and the Company and does not in any way restrain employee from exercising Employees lawful profession, trade or business.

(c) GENERAL RELEASE. Employee shall not be entitled to receive any benefits upon termination of employment described in this Section 3 (including any Severance Payments under the Severance Plan or described in Section 3.2 above) unless prior to receiving the same Employee executes a release pursuant to Section 9 of the Severance Plan, as applicable, or a general release of all known claims against the Company and its directors, officers, employees, stockholders, and other agents and their respective insurers, successors, and assigns, of all claims arising from or in any way relating to Employee's employment by the Company or the termination of that employment, provided that such release shall not extend to (i) any claims for benefits under any qualified retirement plan maintained by the Company, (ii) any claims for governmental unemployment benefits, or (iii) any claims for workers compensation benefits; (iv) Employee's rights, if any, under the Plan, (v) Employee's rights, if any, as an owner of any Shares of the Company, (vi) Employee's rights under this Agreement, or (vii) Employee's right to receive indemnification from the Company under applicable provisions of the law of the State where Employee is employed or the articles of organization, articles of incorporation, By Laws or Operating Agreement of the Company or its Affiliated Companies, as the case may be.

3 EQUITABLE REMEDIES. Employee acknowledges that irreparable harm will result to the Company in the event of a material breach by Employee of any of the covenants contained in Section 3.4. Employee agrees that, in the event of such a breach and in addition to any other legal or equitable remedies available to the Company, the Company will be entitled to specific performance of the covenants in Section 3.4; to an injunction to restrain the violation of such covenants by Employee and all other persons acting for or with Employee; or to both specific performance and an injunction. Employee further agrees that, in the event the Company brings an action for the enforcement of any of those covenants, and if the court finds any part of the covenant unreasonable as to time, area or activity covered, then the court shall make a finding as to what is reasonable and shall enforce this Agreement by judgment or decree to the extent of such findings.

4 MISCELLANEOUS

4.1 NOTICES. All notices permitted or required by this Agreement shall be in writing, and shall be deemed to have been delivered and received (i) when personally delivered, or (ii) on the third (3rd) business day after the date on which deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, or (iii) on the date on which transmitted by an electronic means generating a receipt confirming a successful transmission *provided that* on that same date a copy of such notice is deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested), or (iv) on the next business day after the date on which deposited with a regulated public carrier (e.g., Federal Express) designating overnight delivery service with a return receipt requested or equivalent thereof administered by such regulated public carrier, freight prepaid, and addressed in a sealed envelope to the party for whom intended at the address appearing on the signature page of this Agreement (if to the Company to the attention of the Secretary of the Company and if to the Employee to the attention of the Employee), or such other address or facsimile number, notice of which is given in a manner permitted by this Section 4.1.

4.2 EFFECT ON OTHER REMEDIES. Nothing in this Agreement is intended to preclude, and no provision of this Agreement shall be construed to preclude, the exercise of any other right or remedy which the Company or Employee may have by reason of the other's breach of obligations under this Agreement.

4.3 BINDING ON SUCCESSORS; ASSIGNMENT. This Agreement shall be binding upon, and inure to the benefit of, each of the parties hereto, as well as their respective heirs, successors, assigns, and personal representatives.

4.4 GOVERNING LAW, JURISDICTION AND VENUE. This Agreement shall be construed in accordance with and shall be governed by the laws of the State of Kansas, without regard to conflict of law principles. Each party consents to the jurisdiction of the courts of the State of Kansas as the exclusive jurisdiction for the purposes of construing or enforcing this Agreement and the venue of the District Court of the State of Kansas in Johnson, County, Kansas and that any dispute relating to this Agreement shall be brought in the District Court of the State of Kansas in Johnson, County, Kansas.

4.5 SEVERABILITY. If any of the provisions of this Agreement shall otherwise contravene or be invalid under the laws of any state, country or other jurisdiction where this Agreement is applicable but for such contravention or invalidity, such contravention or invalidity shall not invalidate all of the provisions of this Agreement but rather it shall be construed, insofar as the laws of that state or other jurisdiction are concerned, as not containing the provision or provisions contravening or invalid under the laws of that state or jurisdiction, and the rights and obligations created hereby shall be construed and enforced accordingly.

4.6 COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall be one and the same instrument, binding on all the signatories.

4.7 FURTHER ASSURANCES. Each party agrees, upon the request of another party, to make, execute, and deliver, and to take such additional steps as may be necessary to effectuate the purposes of this Agreement.

4.8 REASONABLE VERIFICATION. Company agrees that Employee shall have reasonable access to the Company's books and records in order to verify the accuracy of Bonus calculations that may be necessary following termination.

4.9 ENTIRE AGREEMENT; AMENDMENT. This Agreement (a) represents the entire understanding of the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous understandings, whether written or oral, regarding the subject matter hereof, and (b) may not be modified or amended, except by a written instrument, executed by the party against whom enforcement of such amendment may be sought.

4.10 TAXES.

(a) Anything to the contrary notwithstanding, all payments made by the Company to Employee or Employee's estate or beneficiaries will be subject to tax withholding pursuant to any applicable laws or regulations. Except as provided in this Agreement, Employee will be solely liable and responsible for the payment of taxes arising as a result of any payment hereunder including without limitation any unexpected or adverse tax consequence.

(b) This Agreement is intended to comply with the requirements of Code Section 409A ("Section 409A"). Accordingly, all provisions herein, or incorporated by reference, shall be construed and interpreted to comply with Section 409A and if necessary, any provision shall be held null and void to the extent such provision (or part thereof) fails to comply with Section 409A or regulations thereunder.

(c) If Employee is a specified employee (within the meaning of Code Section 409A) at the time Employee incurs a separation from service (within the meaning of Section 409A), then to the extent necessary to comply with Code Section 409A and avoid the imposition of taxes under Code Section 409A, the payment of certain benefits owed to Employee under this Agreement will be delayed and instead paid (without interest) to Employee upon the earlier of the first business day of the seventh month following Employee's separation from service or death.

(d) The Company and Employee agree that, for purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under this Agreement shall be treated as a separate payment of compensation for purposes of applying Section 409A deferral election rules and the exclusion from Section 409A for certain short-term deferral amounts. The Company and Employee also agree that any amounts payable solely on account of an involuntary separation from service of the Executive within the meaning of Section 409A shall be excludible from the requirements of Section 409A, either as involuntary separation pay or as short-term deferral amounts (e.g., amounts payable under the schedule prior to March 15 of the calendar year following the calendar year of involuntary separation) to the maximum possible extent.

(e) Notwithstanding anything to the contrary in this Agreement, all reimbursements and in kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

4. 11409A. To the extent that any payment or other consideration due from the Company to Employee hereunder would trigger any tax or penalty under Section 409A, the Company agrees that it will accelerate such payment or other consideration to the extent allowed by law in order to eliminate such tax or penalty. To the extent that any payment or other consideration called to be made under this Agreement fails to meet the requirements of Section 409A and the regulations relating to that statute, the Company shall immediately pay to Employee an additional sum equal to any amount required to be included as income as a result of such noncompliance.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the date set forth above.

CROSSFIRST BANKSHARES, INC.

/s/ Rod K. Brenneman

Rod K. Brenneman,
Chairman of the Board

MICHAEL J. MADDOX

/s/ Michael J. Maddox

Michael J. Maddox

CROSSFIRST BANKSHARES, INC.
2018 OMNIBUS EQUITY INCENTIVE PLAN
(As Amended and Restated)

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CROSSFIRST BANKSHARES, INC.
2018 OMNIBUS EQUITY INCENTIVE PLAN
(As amended and Restated)

SECTION 1
INTRODUCTION

- 1.1 *Establishment.* CrossFirst Bankshares, Inc., a corporation organized and existing under the laws of the state of Kansas, originally established effective as of October 25, 2018, the CrossFirst Bankshares, Inc. 2018 Omnibus Equity Incentive Plan for certain Service Providers of the Company and its Affiliates. The Company hereby amends and restates the CrossFirst Bankshares, Inc. 2018 Omnibus Equity Incentive Plan effective as of the Effective Date (the “Plan”)
- 1.2 *Purpose.* The purpose of this Plan is to allow eligible Service Providers of the Company and its Affiliates and Subsidiaries to acquire or increase a proprietary and vested interest in the growth and performance of the Company. The Plan is also designed to assist the Company in attracting and retaining selected Service Providers by providing them with the opportunity to participate in the success and profitability of the Company.
- 1.3 *Duration.* The Plan shall commence on the Effective Date and shall remain in effect, subject to the right of the Board to amend or terminate the Plan at any time pursuant to Section 15 hereof, until all Shares subject to the Plan shall have been issued, delivered, purchased, or acquired according to the Plan’s provisions. Unless the Plan shall be reapproved by the stockholders of the Company and the Board renews the continuation of the Plan, no Awards shall be issued pursuant to the Plan after the tenth (10th) anniversary of the Effective Date.

SECTION 2
DEFINITIONS

- 2.1 *Definitions.* The following terms shall have the meanings set forth below. “1933 Act” or “Securities Act” means the Securities Act of 1933.

“1934 Act” or “Exchange Act” means the Securities Exchange Act of 1934.

“Affiliate” of the Company means any Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by, or is under common Control with the Company.

“Award” means a grant made under this Plan in any form, which may include but is not limited to, Stock Options, Restricted Stock, Restricted Stock Units, Bonus Shares, Other Stock-Based Awards, Deferred Shares, Performance Shares, Stock Appreciation Rights, and Performance Units. Awards also include Legacy Awards.

“Award Agreement” means a written or electronic agreement or instrument between the Company and a Holder which evidences an Award and, in addition to being subject to this Plan, sets forth such additional and applicable terms, conditions, and limitations as the Committee establishes for the Award.

“Beneficiary” means the person, persons, trust, or trusts which have been designated by a Holder in his or her most recent written beneficiary designation filed with the Company (or any third-party Plan record keeper or administrator) to receive the benefits specified under this Plan upon the death of the Holder, or, if there is no designated beneficiary or surviving designated beneficiary, the Person or Persons entitled by will or the laws of descent and distribution to receive such benefits.

“Board” means the Board of Directors of the Company.

“Bonus Shares” means Shares that are awarded to a Participant without cost and without restriction in recognition of past or future performance (whether determined by reference to another employee benefit plan of the Company or otherwise) or as an incentive to become an Employee.

“Cause” means, unless otherwise defined in an Award Agreement or otherwise defined in a Participant’s employment agreement (in which case such definition will apply), any of the following:

- (i) Participant’s engagement in any act or acts of gross dishonesty or gross misconduct which result or are intended to result directly or indirectly in gain or personal enrichment at the expense of the Company or its affiliates and subsidiaries to which the Participant is not legally entitled;
- (ii) Participant’s conviction of, plea of guilty to, or plea of nolo contendere to a felony or other crime that involves fraud or dishonesty;
- (iii) Any willful action or omission by a Participant which (I) (A) would constitute grounds for immediate dismissal under any employment policy of the Company by which Participant is employed, (B) is a material violation of such policy and (C) in the determination of the Committee, could result in damage, liability or reputational harm to the Company, including use of illegal drugs while on the premises of the Company, or (II) is a violation of sexual harassment laws or the internal sexual harassment policy of the Company by which Participant is employed;
- (iv) Participant’s employment is required to be terminated by an order of a regulatory agency with authority over the Company or one of its Subsidiaries;
- (v) Participant’s habitual neglect of duties, including repeated absences from work without reasonable excuse; or
- (vi) Participant’s willful and intentional material misconduct in the performance of his or her duties that results in financial detriment to the Company or one of its Subsidiaries;

provided, however, that for purposes of clauses (iii), (iv), and (v), “Cause” shall not include any one or more of the following: bad judgment, negligence, or any act or omission believed by the Participant in good faith to have been in or not opposed to the interest of the Company (without intent of the Participant to gain, directly or indirectly, a profit to which the Participant was not legally entitled). A Participant who agrees to resign from his or her affiliation with the Company or any Subsidiary or Affiliate in lieu of being terminated for Cause may be deemed, in the sole discretion of the Committee, to have been terminated for Cause for purposes of this Plan.

“Change in Control” means the first to occur of the following event:

- (i) the purchase or other acquisition by any person, entity, or group of persons, within the meaning of Section 13(d) or 14(d) of the 1934 Act (excluding, for this purpose, the Company or its subsidiaries or any employee benefit plan or related trust of the Company or its subsidiaries), of beneficial ownership, within the meaning of Rule 13d-3 promulgated under the 1934 Act, of fifty percent (50%) or more of the combined voting power of the Company’s then-outstanding voting securities entitled to vote generally in the election of directors in any transaction or series of transactions;
- (ii) when individuals who, as of the Effective Date, constituting the Board (“Incumbent Board”) cease for any reason to constitute at least a majority of the Board, provided that any person who becomes a director subsequent to the Effective Date whose election, or nomination for election by the Company’s stockholders, was approved in advance by a vote of at least a majority of the directors then comprising the Incumbent Board, excluding members of its Incumbent Board who are no longer serving as directors (other than an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the 1934 Act, or an individual approved by the Incumbent Board as the result of an agreement intended to avoid or settle an actual or threatened contest), shall be, for purposes of this section, considered as though such person were a member of the Incumbent Board;
- (iii) consummation of a reorganization, merger, or consolidation, in each case following such reorganization, merger, or consolidation: (a) persons who were the stockholders of the Company immediately prior to such reorganization, merger, or consolidation immediately thereafter own fifty percent (50%) or less of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged, or consolidated corporation’s then-outstanding voting securities, or (b) less than a majority of members of the board or other governing body of such reorganized, merged, or consolidated corporation were members of the Incumbent Board at the time of the execution of the initial agreement or the approval of the transaction by the Board; or
- (iv) approval by stockholders of a liquidation or dissolution of the Company (and the Company shall commence such liquidation or dissolution), or consummation of the sale of all or substantially all of the assets of the Company (in one transaction or a series of transactions).

Notwithstanding the occurrence of any of the foregoing events, (x) a Change in Control shall not occur with respect to a Holder if, in advance of such event and to the extent permitted pursuant to Section 18.2, the Holder agrees in writing that such event shall not constitute a Change in Control, (y) to the extent that any payment under the Plan is subject to Code section 409A and an applicable payment event is a Change in Control, or an allowable payment “toggle” right is contingent upon a Change in Control having occurred, in addition to satisfying the above definition of Change in Control, such Change in Control must also constitute a change in control event under Code section 409, and (z) in no event shall a Public Offering constitute a Change in Control.

“Code” means the Internal Revenue Code of 1986, as it may be amended from time to time, and the rules and regulations promulgated thereunder.

“Committee” means (i) the Board, or (ii) one or more other committees of the Board to whom the Board has delegated all or part of its authority under this Plan. Initially, the Committee shall be the Board without any delegation of the Board’s authority under this Plan as contemplated by clause (ii) above.

“Company” means CrossFirst Bankshares, Inc., a Kansas corporation, and any successor thereto.

“Consultant” means a consultant or an advisor, excluding an Employee, to the Company or an Affiliate who (i) is a natural person, (ii) provides bona fide services to the Company or the Affiliate that are not rendered in connection with the offer or sale of securities in a capital raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities, and (iii) is employed by or providing services to the Company or an Affiliate at the time the Award is granted under this Plan to such person. A person will only be a Consultant if he or she qualifies as a consultant or advisor under Rule 701(c)(1) of the 1933 Act or under Instruction A.1.(a)(1) of Form S-8 under the 1933 Act. Consultants shall include advisory directors of the Company.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

“Date of Grant” or “Grant Date” means, with respect to any Award, the date as of which such Award is granted under the Plan, which date shall be the later of (i) the date on which the Committee resolved to grant the Award, which date may be subsequent to the date the Committee takes the governing action, or (ii) the first day of the Service Provider’s service to the Company or an Affiliate.

“Deferred Shares” means Shares that are awarded to a Participant on a deferred basis pursuant to Section 9.4. “Director” means a director serving on the Board.

“Disabled” or “Disability” means a mental or physical illness that entitles the Participant to receive benefits under a long-term disability plan of the Company, or if there is no such plan or the Participant is not covered by such a plan or the Participant is not an Employee, a mental or physical illness that renders the Participant totally and permanently incapable of performing the Participant’s duties for the Company. With respect to an Award that is or becomes subject to Section 409A of the Code and for which the Participant’s disability is an applicable payment event, the Participant shall not be determined to be Disabled unless the Participant is “disabled” as defined in Code section 409A(a)(2)(C). Notwithstanding the foregoing, a determination that a Participant is Disabled shall not qualify under this Plan if it is the result of (i) a willfully self-inflicted injury or willfully self-induced sickness; or (ii) an injury or disease contracted, suffered, or incurred while participating in a criminal offense. The determination of Disabled or Disability for purposes of this Plan shall be made by a physician satisfactory to the Board and shall not be construed to be an admission of disability for any other purpose.

“Dividend Equivalents” has the meaning ascribed in Section 4.7.

“Effective Date” means October 25, 2018.

“Eligible Employees” means all Employees (including officers and directors who are also Employees) of the Company, a Subsidiary or an Affiliate upon whose judgment, initiative, and efforts the Company depends, or will depend, for the successful conduct of the Company’s business.

“Employee” means a common law employee of the Company, a Subsidiary or an Affiliate. Mere service as a Director or payment of a director’s fee by the Company or an Affiliate shall not be sufficient to constitute “employment” by the Company or an Affiliate.

“Executive Officer” means (i) the Chief Executive Officer, Chief Financial Officer, or president of the Company, any vice president of the Company, including any vice president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function or any other person who performs similar policy-making functions for the Company, (ii) any Executive Officers (as defined in part (i) of this definition) of subsidiaries of the Company who perform policy-making functions for the Company, and (iii) any Person designated or identified by the Board as being an Executive Officer for purposes of the 1933 Act or the 1934 Act, including any Person designated or identified by the Board as being a Section 16 Person.

“Fair Market Value” means,

(i) For purposes of any Awards granted before the date of a Public Offering the value of the Stock determined in good faith by the Committee in its sole discretion. Such determination shall be conclusive and binding on all persons. For this purpose, the Committee may adopt such formulas as in its opinion shall reflect the true fair market value of such Stock from time to time and may rely on such independent advice with respect to such fair market value determination as the Committee shall deem appropriate.

(ii) For purposes of any Awards granted on the date of a Public Offering, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement in Form S-1 filed with the Securities and Exchange Commission for the Public Offering.

(iii) For purposes of any Awards granted on any date after a Public Offering, the Fair Market Value will be the closing price as reported on NASDAQ or any other principal exchange on which the Shares are then listed on such date, or if the Shares were not traded on such date, then on the next preceding trading day that the Shares were traded on such exchange, as reported by such responsible reporting service as the Committee may select. The Committee may, in its sole discretion and if consistently applied, elect that Fair Market Value will be determined based upon the last sale before or the first sale after the grant, the arithmetic mean of the high and low prices on the trading day before or the trading day of the grant. If the Shares are not listed on any such exchange, “Fair Market Value” shall be such value as determined by the Committee in its discretion and, to the extent necessary, shall be determined in a manner consistent with Section 409A of the Code and the regulations thereunder.

The determination of fair market value for purposes of tax withholding may be made in the Committee’s discretion subject to applicable laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

“Holder” means a Participant, Beneficiary, or Permitted Transferee who is in possession of an Award Agreement representing an Award that (i) in the case of a Participant, has been granted to such individual, (ii) in the case of a Beneficiary, has been transferred to such person under the laws of descent and distribution, or (iii) in the case of a Permitted Transferee, has been transferred to such person as permitted by the Committee, and, with respect to all of the above clauses (i), (ii), and (iii), such Award Agreement has not expired, been canceled, or been terminated.

“Legacy Award” means any Award that originally was granted under a Legacy Plan and which was assumed as an Award under this Plan. Legacy Awards include stock options, stock appreciation rights, restricted shares and restricted stock units.

“Legacy Plan” means any of the CrossFirst Bankshares, Inc. Stock Appreciation Rights Plan, the CrossFirst Bankshares, Inc. Equity Incentive Plan, the CrossFirst Bankshares, Inc. New Market Founder Equity Incentive Plan, or the CrossFirst Bankshares, Inc. Employee Equity Incentive Plan, as any of the same may be amended before or after the Effective Date.

“NASDAQ” means applicable Nasdaq exchange on which the Shares are listed, including the NASDAQ Global Market or the Nasdaq Global Select Market.

“Nonqualified Stock Option” means any Option granted pursuant to Section 6 to purchase Stock.

“Option” means a right to purchase Stock granted pursuant to Section 6 at a stated price for a specified period of time. Such definition includes only nonqualified stock options. No incentive stock options under Code section 422 are authorized to be granted under the Plan. “Option Agreement” or “Option Award Agreement” means a written or electronic agreement or instrument between the Company and a Holder evidencing an Option.

“Optionee” shall have the meaning as set forth in Section 6.2. For the avoidance of any doubt, in situations where the Option has been transferred to a Permitted Transferee or passed to a Beneficiary in accordance with the laws of descent and distribution, the Optionee may not be the same person as the Holder of the Option.

“Option Exercise Price” means the price at which Shares subject to an Option may be purchased, determined in accordance with Section 6.2(b).

“Other Stock-Based Award” means any award of Shares or payment of cash that is valued in whole or in part by reference to, or is otherwise based on, Shares, other property, or achievement of performance metrics or measures.

“Participant” means a Service Provider of the Company designated by the Committee from time to time during the term of the Plan to receive one or more Awards under the Plan.

“Performance Award” means any Award that will be issued or granted, or become vested or payable, as the case may be, upon the achievement of certain performance goals (as described in Section 10) to a Participant pursuant to Section 10.

“Performance Period” means the period of time as specified by the Committee during which any performance goals are to be measured.

“Performance Shares” means an Award made pursuant to Section 9 which entitles a Holder to receive Shares, their cash equivalent, or a combination thereof based on the achievement of performance targets during a Performance Period.

“Performance Units” means an Award made pursuant to Section 9 which entitles a Holder to receive cash, Stock, or a combination thereof based on the achievement of performance goals during a Performance Period.

“Permitted Transferee” has the meaning ascribed in Section 12.3.

“Person” shall have the meaning ascribed to such term in Section 3(a)(9) of the 1934 Act and used in Sections 13(d) and 14(d) thereof, including “group” as defined in Section 13(d) thereof.

“Plan” has meaning ascribed in Section 1.1.

“Public Offering” means the sale of shares of the Stock to the public pursuant to an effective registration statement (other than a registration statement on Form S-4 or S-8 or any similar or successor form) filed under the Securities Act in connection with an underwritten offering.

“Restricted Stock” means Stock granted under Section 8 that is subject to those restrictions set forth therein and the Award Agreement. “Restricted Stock Unit” means an Award granted under Section 8 evidencing the Holder’s right to receive a Share (or, at the Committee’s discretion, a cash payment equal to the Fair Market Value of a Share) at some future date and that is subject those restrictions set forth therein and the Award Agreement.

“Rule 16b-3” means Rule 16b-3 promulgated under the 1934 Act.

“SAR” or “Stock Appreciation Right” means an Award that is designated as an SAR pursuant to Section 7. “SAR Holder” shall have the meaning as set forth in Section 7.2.

“Section 16 Person” means a Person who is subject to obligations under Section 16 of the 1934 Act with respect to transactions involving equity securities of the Company.

“Service Provider” means an Eligible Employee, a Consultant, or a nonemployee Director of the Company and its Affiliates. Solely for purposes of Substitute Awards, the term Service Provider includes any current or former Employee, or Consultant or nonemployee Director of an Acquired Entity (as defined in the definition of Substitute Awards) who holds Acquired Entity Awards (as defined in the definition of Substitute Awards) immediately prior to the Acquisition Date (as defined in the definition of Substitute Awards).

“Share” means a share of Stock.

“Stock” means authorized and issued or unissued common stock of the Company, at such par value as may be established from time to time.

“Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code or any corporation or other entity in an unbroken chain of corporations or entities beginning with the Company if each of the corporations or entities (other than the last corporation or entity in the unbroken chain) owns stock or other ownership interests possessing fifty percent (50%) or more of the total combined voting power of all classes of stock or other ownership interests in one of the other corporations or entities in the chain.

“Substitute Award” means an Award granted under the Plan in substitution for stock or stock-based awards (“Acquired Entity Awards”) held by current and former employees, former nonemployee directors of another corporation or entity, or other Persons who become Service Providers as the result of a merger or consolidation of the employing corporation or other entity (the “Acquired Entity”) with the Company, a Subsidiary, or an Affiliate, or the acquisition by the Company, a Subsidiary, or an Affiliate, of property or stock of, or other ownership interest in, the Acquired Entity immediately prior to such merger, consolidation, or acquisition (“Acquisition Date”) as agreed to by the parties to such corporate transaction and as may be set forth in the definitive purchase agreement. The limitations of Section 4.1 on the number of Shares reserved or available for grants, and the limitations under Sections 6.2 and 7.1 with respect to the Option Exercise Prices and SAR exercise prices, shall not apply to Substitute Awards. Any issuance of a Substitute Award which relates to an Option or an SAR shall be completed in conformity with the rules under Code section 409A relating to the substitutions and assumptions of stock rights by reason of a corporate transaction.

“Vested Option” means any Option, or portion thereof, which is exercisable by the Holder. Vested Options remain exercisable only for that period of time as provided for under this Plan and any applicable Option Award Agreement. Once a Vested Option is no longer exercisable after otherwise having been exercisable, the Option shall become null and void.

- 2.2 *General Interpretive Principles.* (i) Words in the singular shall include the plural and vice versa, and words of one gender shall include the other gender, in each case, as the context requires; (ii) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Plan and not to any particular provision of this Plan, and references to Sections are references to the Sections of this Plan unless otherwise specified; (iii) the word “including” and words of similar import when used in this Plan shall mean “including, without limitation,” unless otherwise specified; and (iv) any reference to any U.S. federal, state, or local act, statute, or law shall be deemed to also refer to all amendments or successor provisions thereto, as well as all rules and regulations promulgated under such act, statute, or law, unless the context otherwise requires.

SECTION 3 PLAN ADMINISTRATION

- 3.1 *Composition of Committee.* The Plan shall be administered by the Committee. To the extent the Board considers it desirable for transactions relating to Awards to be eligible to qualify for an exemption under Rule 16b-3, the Committee will consist of two (2) or more directors of the Company, all of whom qualify as “non-employee directors” within the meaning of Rule 16b-3.
- 3.2 *Authority of Committee.* Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to:
- (a) select the Service Providers to whom Awards may from time to time be granted hereunder;

- (b) determine the type or types of Awards to be granted to eligible Service Providers;
- (c) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards;
- (d) determine the terms and conditions of any Award;
- (e) determine whether, and to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards, or other property;
- (f) determine, as to all or part of any Award as to any Participant, at the time the Award is granted or thereafter, that the exercisability, vesting, payment, or settlement of an Award shall be accelerated upon a Participant's death, disability, retirement, Change in Control, termination of employment following a Change in Control, or other special circumstance determined by the Committee, to determine that Awards shall continue to become exercisable, vested, settled, or paid in full or in installments after termination of employment, to extend the period for exercise of Options or SARs following termination of employment (but not, except for any Legacy Award, beyond ten (10) years from the Grant Date of the Option or SAR) or to provide that any Restricted Stock Award, Restricted Stock Unit Award, Performance Unit Award, Performance Share Award, or Other Stock-Based Award shall in whole or in part not be forfeited upon Participant's death, disability, retirement, Change in Control, termination of employment following a Change in Control, or other special circumstance determined by the Committee, provided the Committee shall consider potential tax consequences in making any such determinations or taking any such actions;
- (g) determine whether, to what extent, and under what circumstances an Award may be vested, paid, settled, canceled, forfeited, or surrendered, or, in connection with a Participant's death, disability, retirement, Change in Control, termination of employment following a Change in Control, or other special circumstances determined by the Committee, whether and to what extent any terms of, or restrictions on, an Award may be waived or accelerated (including the acceleration of the exercisability of, or waiver of all of the terms and conditions applicable to, any Award or any group of Awards for any reason and at any time) or, to extend the period subsequent to the termination of employment within which an Award may be exercised;
- (h) if a Participant is promoted, demoted, or transferred to a different business unit of the Company during a Performance Period, make adjustments to any performance goals, the applicable Performance Period, or eliminate or cancel the Award, to the extent the Committee determines that the Award, the performance goals, or the Performance Period are no longer appropriate in order to make the outstanding Award appropriate and comparable to the initial Award;
- (i) determine whether, and to what extent, and under what circumstances Awards may be canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended;
- (j) correct any defect, supply an omission, reconcile any inconsistency, and otherwise interpret and administer the Plan and any instrument or Award Agreement relating to the Plan or any Award hereunder;

- (k) grant Awards in replacement of Awards previously granted under this Plan or any other compensation plan of the Company, provided that any such replacement grant that would be considered a repricing shall be subject to stockholder approval;
- (l) cause the forfeiture of any Award or recover any Shares, cash, or other property attributable to an Award for violations of and in accordance with any Company ethics policy or pursuant to any Company compensation or recoupment clawback policy, in each case, in effect on the Effective Date or as adopted or amended thereafter;
- (m) with the consent of the Holder, amend any Award Agreement at any time; provided that the consent of the Holder shall not be required for any amendment (i) that, in the Committee's determination, does not materially adversely affect the rights of the Holder, or (ii) which is necessary or advisable (as determined by the Committee) to carry out the purpose of the Award as a result of any new applicable law or change in an existing applicable law, or (iii) to the extent the Award Agreement specifically permits amendment without consent;
- (n) modify and amend the Plan, establish, amend, suspend, or waive such rules, regulations, and procedures of the Plan, and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and
- (o) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

3.3 *Committee Delegation.* The Committee shall have the right, from time to time, to delegate in writing to one or more officers of the Company the authority of the Committee to grant and determine the terms and conditions of Awards granted under the Plan, subject to any applicable laws. In no event shall any such delegation of authority be permitted with respect to Awards granted to any member of the Board or to any Service Provider who is subject to Rule 16b-3 under the Exchange Act (as determined in accordance with applicable guidance as of the applicable date of determination). The Committee shall also be permitted to delegate, to any appropriate officer or employee of the Company, responsibility for performing certain ministerial functions under the Plan. In the event that the Committee's authority is delegated to officers or employees in accordance with the foregoing, all provisions of the Plan relating to the Committee shall be interpreted in a manner consistent with the foregoing by treating any such reference as a reference to such officer or employee for such purpose. Any action undertaken in accordance with the Committee's delegation of authority hereunder shall have the same force and effect as if such action was undertaken directly by the Committee and shall be deemed for all purposes of the Plan to have been taken by the Committee.

3.4 *Determination Under the Plan.* Unless otherwise expressly provided in the Plan, all designations, determinations, adjustments, interpretations, and other decisions under or with respect to the Plan, any Award, or Award Agreement shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all persons, including the Company, any Participant, any Holder, and any stockholder. No member of the Committee shall be liable for any action, determination, or interpretation made in good faith, and all members of the Committee shall, in addition to their rights as Directors, be fully protected by the Company with respect to any such action, determination, or interpretation.

SECTION 4
STOCK SUBJECT TO THE PLAN; AWARD LIMITS

- 4.1 *Number of Shares.* Subject to adjustment as provided in Section 4.4 the aggregate number of Shares authorized for issuance under the Plan in accordance with the provisions of the Plan pursuant to Awards shall be two million six hundred thousand (2,600,000) Shares subject to such restrictions or other provisions as the Committee may from time to time deem necessary (the "Maximum Share Limit"). Any Share issued pursuant to or subject to a Legacy Award or Substitute Award shall not count against the Maximum Share Limit.
- 4.2 *Source of Shares.* Any Shares issued hereunder may consist, in whole or in part, of authorized and unissued shares or treasury shares. The Shares may be divided among the various Plan components and types of Awards as the Committee shall determine. The Company shall at all times during the term of the Plan and while any Awards are outstanding retain as authorized and unissued Stock, or as treasury Stock, at least the number of Shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.
- 4.3 *Share Counting.* Subject to the below, Shares that are subject to an underlying Award and Shares that are issued pursuant to the exercise of an Award shall be applied to reduce the maximum number of Shares remaining available for use under the Plan. Any Shares that are subject to an Award, including a Legacy Award, under this Plan that are not used because the terms and conditions of the Award are not met, including any Shares that are subject to an Award, including a Legacy Award, that expires or is terminated for any reason, shall again be available for grant under the Plan. If an SAR is settled in Shares, only the number of Shares delivered in settlement of an SAR shall cease to be available for grant under the Plan, regardless of the number of Shares with respect to which the SAR was exercised. If any Shares subject to an Award, including a Legacy Award, granted hereunder are withheld or applied as payment in connection with the exercise of an Award (including the withholding of Shares on the exercise of an Option that is settled in Shares) or the withholding or payment of taxes related thereto, such Shares shall again be available for grant under the Plan.
- 4.4 *Adjustments in Authorized Shares.* If, without the receipt of consideration therefor by the Company, the Company shall at any time increase or decrease the number of its outstanding Shares or change in any way the rights and privileges of such Shares such as, but not limited to, the payment of a stock dividend or any other distribution upon such Shares payable in Stock, or through a stock split, spin-off, extraordinary cash dividend, subdivision, consolidation, combination, reclassification, or recapitalization involving the Stock, or any similar corporate event or transaction, such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan then in relation to the Stock that is affected by one or more of the above events, (i) the numbers, rights, privileges, and kinds of Shares that may be issued under this Plan or under particular forms of Awards, (ii) the number and kind of Shares subject to outstanding Awards, and (iii) the Option Exercise Price or SAR exercise price applicable to outstanding Awards, shall be increased, decreased, or changed in like manner as if they had been issued and outstanding, fully paid, and nonassessable at the time of such occurrence.

4.5 *General Adjustment Rules.*

- (a) If any adjustment or substitution provided for in this Section 4 shall result in the creation of a fractional Share under any Award, such fractional Share shall be rounded to the nearest whole Share and fractional Shares shall not be issued.
- (b) In the case of any such substitution or adjustment affecting an Option (including a Nonqualified Stock Option) or an SAR, such substitution or adjustment shall be made in a manner that is in accordance with the substitution and assumption rules set forth in Treasury Regulations 1.424-1 and the applicable guidance relating to Code section 409A.

4.6 *Reservation of Rights.* Except as provided in this Section 4, a Participant shall have no rights by reason of (i) any subdivision or consolidation of shares of stock of any class, (ii) the payment of any dividend, or (iii) any other increase or decrease in the number of shares of stock of any class. Any issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to any Award (including the Option Exercise Price of Shares subject to an Option). The grant of an Award pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, to merge or consolidate, or to dissolve, liquidate, sell, or transfer all or any part of its business or assets.

4.7 *Dividend Equivalents.* Subject to the provisions of the Plan and to the extent expressly provided in the applicable Award Agreement, the recipient of an Award other than an Option or SAR may, if so determined by the Committee, be entitled to receive, currently or on a deferred basis, amounts equivalent to cash, stock, or other property in lieu of dividends on Shares (“Dividend Equivalents”) with respect to the number of Shares covered by the Award, as determined by the Committee in its sole discretion. The Committee may provide that the Dividend Equivalents (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested and may provide that the Dividend Equivalents are subject to the same vesting or performance conditions as the underlying Award. Notwithstanding the foregoing, Dividend Equivalents credited in connection with an Award that vests based on the achievement of performance goals shall be subject to restrictions and risk of forfeiture to the same extent as the Award with respect to which such Dividend Equivalents have been credited.

4.8 *Cancellation and Rescission of Awards; Clawback Policy.* The Committee may cancel, rescind, suspend, withhold, or otherwise limit or restrict any unexercised, unvested, unpaid, or deferred Award, cause the forfeiture of any Award, or recover any Shares, income, cash, or other property attributable to an Award, and any proceeds (including any income thereon) from the disposition of, such Shares, income, cash, or other property, at any time if the Holder is not or has not been in compliance with the Company ethics policy, any restrictive covenant with the Company or Affiliate, or any applicable term and condition of an Award. Any Awards granted under this Plan, any income earned with respect thereto, and any property, including Shares, received in connection with any exercise, settlement, payment or vesting of, or lapse of restriction on, the Awards, and any proceeds (and any income thereon) received from the disposition of any such property, shall be subject to any clawback, recoupment, or forfeiture provision included in any law, Award Agreement, Company policy, employment agreement, program document, term sheet, benefit plan or program, or Committee resolution, action, policy, or procedure in place on the Grant Date of the Award, provided, however, to the extent required by law (e.g., Dodd-Frank) or securities exchange listing standard, a Company clawback policy may apply retroactively.

- 4.9 *Non-Employee Director Sublimit.* No non-employee director may be granted Awards of Options, SARs, Restricted Shares, Restricted Share Units, Bonus Shares, Performance Shares, or Performance Units (or any other Award which is denominated in Shares) in any one (1) calendar year with respect to a number of Shares that exceeds a number equal to the quotient of \$200,000 divided by the grant date fair value of the awards (determined under applicable accounting principles), rounded down to the nearest whole share; provided, however, for purposes of the foregoing limitation, (a) any Shares deferred pursuant to a nonqualified deferred compensation arrangement shall count against the limit only during the calendar year in which such Award is initially made and not in the calendar year in which the deferred Shares are ultimately issued, and (b) no Shares under any Award or portion thereof which is made pursuant to an election made by a non-employee director to receive his or her non-employee director cash compensation in the form of an Award under this Plan rather than in cash shall count against the limit in this Section 4.9.

SECTION 5 PARTICIPATION

- 5.1 *Basis of Grant.* Participants in the Plan shall be those Service Providers who have performed, are performing, or during the term of their incentive arrangement will perform, services for the Company or any Affiliate thereof.
- 5.2 *Types of Grants; Limits* Participants may be granted from time to time one or more Awards; provided, however, that the grant of each such Award shall be separately approved by the Committee or its designee, and receipt of one such Award shall not result in the automatic receipt of any other Award. Written or electronic notice shall be given to such Participant, specifying the terms, conditions, right, and duties related to such Award.
- 5.3 *Award Agreements.* Each Participant shall enter into an Award Agreement(s) with the Company, in such form as the Committee shall determine and which is consistent with the provisions of the Plan, specifying the applicable Award terms, conditions, rights, and duties. Unless otherwise explicitly stated in the Award Agreement, Awards shall be deemed to be granted as of the date specified in the grant resolution of the Committee, which date shall be the date of any related agreement(s) with the Participant. Unless explicitly provided in a particular Award Agreement that the terms of the Plan are to be superseded, in the event of any inconsistency between the provisions of the Plan and any such Award Agreement(s) entered into hereunder, the provisions of the Plan shall govern. The Company will have no duty or obligation to any Participant to advise such Holder as to the time or manner or tax treatment of exercising such Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award.
- 5.4 *Restrictive Covenants.* The Committee may, in its sole and absolute discretion, place certain restrictive covenants in an Award Agreement requiring the Participant to agree to refrain from certain actions. Such restrictive covenants, if contained in the Award Agreement, will be binding on the Participant.

SECTION 6 STOCK OPTIONS

- 6.1 *Grant of Options.* A Participant may be granted one or more Options. Each Option grant shall be considered a separate grant and in no event shall the exercise of one Option affect the right to exercise any other Option or affect the number of Shares for which any other Option may be exercised.

- 6.2 *Option Agreements.* Each Option granted under the Plan shall be evidenced by an Option Award Agreement, which shall be entered into by the Company and the Participant to whom the Option is granted (the “Optionee”), and which shall contain, or be subject to, the following terms and conditions, as well as such other terms and conditions not inconsistent therewith, as the Committee may consider appropriate in each case.
- (a) *Number of Shares.* Each Option Award Agreement shall state that it covers a specified number of Shares, as determined by the Committee.
 - (b) *Price.* Each Option Award Agreement shall state the Option Exercise Price at which each Share covered by an Option may be purchased. Such Option Exercise Price shall be determined in each case by the Committee, but in no event other than with respect to the issuance of a Substitute Award shall the Option Exercise Price for each Share covered by an Option be less than the Fair Market Value of the Stock on the Date, Option’s as determined Grant by the Committee.
 - (c) *Duration of Options.* Each Option Award Agreement shall state the period of time, determined by the Committee, within which the Option may be exercised by the Holder (the “Option Period”). The Option Period must expire, in all cases except for any Legacy Award, not more than ten (10) years from the Option’s Grant Date. Each Option Award Agreement shall also state the periods of time, if any, as determined by the Committee, when incremental portions of each Option shall become exercisable. If any Option or portion thereof is not exercised during its Option Period, such unexercised portion shall be deemed to have been forfeited and have no further force or effect.
 - (d) *Post-Service Option Exercise Rules.*
 - (i) Each Option Agreement shall state the period of time, if any, determined by the Committee, within which the Vested Option may be exercised after an Optionee ceases to be a Service Provider and may provide for different periods of time depending upon whether such cessation as a Service Provider was on account of the Participant’s death, Disability, voluntary resignation, retirement, cessation as a Director, or the Company having terminated such Optionee’s employment with or without cause for any or no reason.
 - (ii) In the case of a Participant that is an Employee, a termination of service shall not occur if the Participant is on military leave, sick leave, or other bona fide leave of absence (such as temporary employment by the government) if the period of such leave does not exceed six (6) months, or if longer, as long as the Participant’s right to reemployment with the Company or an Affiliate is provided either by statute or by contract.
 - (iii) In the case of a Participant that is both an Employee and a Director of the Company, the Participant’s cessation as an Employee but continuation as a Director of the Company will not constitute a termination of service under the Plan. Unless an Option Agreement provides otherwise, a Participant’s change in status from serving as an Employee and/or Director will not be considered a termination of the Participant serving as a Service Provider for purposes of any Option expiration period under the Plan.

- (iv) If, within the period of time specified in the Option Award Agreement following the Option Holder's termination of employment, an Option Holder is prohibited by law or a Company's insider trading policy from exercising any Nonqualified Stock Option, the period of time during which such Option may be exercised will automatically be extended until the thirtieth (30th) day following the date the prohibition is lifted. Notwithstanding the immediately preceding sentence, in no event shall the Option exercise period be extended beyond the tenth (10th) anniversary of the Option's Grant Date.
- (e) *Transferability.* Except to the extent permitted by the Committee pursuant to Section 12.3, Options shall not be transferable by the Optionee except by will or pursuant to the laws of descent and distribution. Each Vested Option shall be exercisable during the Optionee's lifetime only by him or her, or in the event of Disability or incapacity, by his or her guardian or legal representative. Shares issuable pursuant to any Option shall be delivered only to or for the account of the Optionee, or in the event of Disability or incapacity, to his or her guardian or legal representative.
- (f) *Exercise, Payments, etc.*
 - (i) Unless otherwise provided in the Option Award Agreement, each Vested Option may be exercised by delivery to the General Counsel and Corporate Secretary of the Company, or his or her designee(s), a written or electronic notice specifying the number of Shares with respect to which such Option is exercised and payment of the Option Exercise Price. Such notice shall be in a form satisfactory to the Company and shall specify the particular Vested Option that is being exercised and the number of Shares with respect to which the Vested Option is being exercised. The exercise of the Vested Option shall be deemed effective upon receipt of such notice by the General Counsel and Corporate Secretary of the Company, or his or her designee(s), and payment to the Company. The purchase of such Stock shall take place at the principal offices of the Company upon delivery of such notice, at which time the purchase price of the Stock shall be paid in full by any of the methods or any combination of the methods set forth in clause (ii) below.
 - (ii) The Option Exercise Price may be paid by cash or certified bank check and, in the Committee's sole discretion by any of the following additional methods:
 - A. By delivery to the Company of Shares then owned by the Holder, the Fair Market Value of which equals the purchase price of the Stock purchased pursuant to the Vested Option, properly endorsed for transfer to the Company; provided, however, that Shares used for this purpose must have been held by the Holder for such minimum period of time as may be established from time to time by the Committee; and provided further that the Fair Market Value of any Shares delivered in payment of the purchase price upon exercise of the Options shall be the Fair Market Value as of the exercise date, which shall be the date of delivery of the Stock used as payment for the Option Exercise Price;

In lieu of actually surrendering to the Company the Shares then owned by the Holder, the Committee may, in its discretion permit the Holder to submit to the Company a statement affirming ownership by the Holder of such number of Shares and request that such Shares, although not actually surrendered, be deemed to have been surrendered by the Holder as payment of the exercise price;

- B. For any Holder other than an Executive Officer or except as otherwise prohibited by the Committee, by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board;
 - C. For any Nonqualified Stock Option, by a “net exercise” arrangement pursuant to which the Company will not require a payment of the Option Exercise Price but will reduce the number of shares of common stock issued upon the exercise by the largest number of whole shares that has a fair market value on the date of exercise that does not exceed the aggregate Option Exercise Price. With respect to any remaining balance of the aggregate option price, the Company will accept a cash payment from the Holder; or
 - D. Any combination of the methods of consideration payment provided in this clause (ii).
- (g) *Date of Grant.* Unless otherwise specified in the Option Award Agreement, an option shall be considered as having been granted on the date specified in the grant resolution of the Committee.
- (h) *Withholding.* Upon any exercise of a Nonqualified Stock Option, the Optionee shall make appropriate arrangements with the Company for the Company for the satisfaction of applicable withholding under federal and state income tax and payroll laws, including payment of such taxes through delivery of Stock or by withholding Stock to be issued under the Option, as provided in Section 16 hereof.
- (i) *Adjustment of Options.* Subject to the limitations set forth below and those contained in Section 6 and 15, the Committee may make any adjustment in the Option Exercise Price, the number of Shares subject to, or the terms of, an outstanding Option and a subsequent granting of an Option by amendment or by substitution of an outstanding Option. Such amendment, substitution, or regrant may result in terms and conditions (including Option Exercise Price, number of Shares covered, vesting schedule, or exercise period) that differ from the terms and conditions of the original Option; provided, however, except as permitted under Section 11, the Committee may not, without stockholder approval (i) amend an Option to reduce its Option Exercise Price, (ii) cancel an Option and regrant an Option with an Option Exercise Price lower than the original Option Exercise Price of the cancelled Option, (iii) cancel an option in exchange for cash or another Award, or (iv) take any other action (whether in the form of an amendment, cancellation, or replacement grant) that has the effect of “repricing” an Option, as defined under the rules of the established stock exchange or quotation system on which the Company Stock is then listed or traded if such Exchange’s or quotation system’s rules define what constitutes a repricing. Other than with respect to a modification that a reasonable person would not find to be a material adverse change in an Optionee’s rights under an Option, the Committee also may not adversely affect the rights of any Optionee to previously granted Options without the consent of such Optionee. If such action is affected by the amendment, the effective date of such amendment shall be the date of the original grant. Any adjustment, modification, extension, or renewal of an Option shall be effected such that the Option is either exempt from, or is compliant with, Code section 409A.

- (j) *Modification, Extension, and Assumption of Options.* Within the limitations of the Plan and Code section 409A, the Committee may modify, extend, or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or another issuer) in return for the grant of new Options or a different type of award for the same or a different number of Shares and at the same or a different Option Exercise Price (if applicable). The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option.
 - (k) *Minimum Vesting/Exercisability.* The exercise conditions for Options may be based on the achievement of specific performance goals, may be time based following the achievement of specific performance goals, may be based on the occurrence of a specified event, and/or may be imposed under applicable securities laws; provided that, except with respect to any Option granted to a nonemployee Director or any Legacy Award, any time-based exercise conditions (other than time-based exercise conditions following the achievement of specific performance goals) shall remain in effect (in whole or in part) at least until the first (1st) anniversary of the Grant Date, except as may otherwise be provided in an Award Agreement for accelerated exercisability in the event of death, disability, retirement, Change in Control, a termination of employment following a Change in Control, or other special circumstances determined by the Committee.
- 6.3 *Stockholder Privileges.* No Holder shall have any rights as a stockholder with respect to any Shares covered by an Option until the Holder becomes the holder of record of such Stock, and no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date such Holder becomes the holder of record of such Stock, except as provided in Section 4.

SECTION 7
STOCK APPRECIATION RIGHTS

- 7.1 *Grant of SARs.* Subject to the terms and conditions of this Plan, an SAR may be granted to a Participant at any time and from time to time as shall be determined by the Committee in its sole discretion.
- (a) *Number of Shares.* The Committee shall have complete discretion to determine the number of SARs granted to any Participant, subject to the limitations imposed in this Plan and by applicable law.
 - (b) *Exercise Price and Other Terms.* Except with respect to SARs issued in connection with a Substitute Award, all SARs shall be granted with an exercise price or grant price no less than the Fair Market Value of the underlying Shares on the SARs' Date of Grant. The Committee, subject to the provisions of this Plan, shall have complete discretion to determine the terms and conditions of SARs granted under this Plan.

- (c) *Duration of SARs.* Each SAR Award Agreement shall state the period of time, determined by the Committee, within which the SARs may be exercised by the Holder (the “SAR Period”). Except with respect to an Legacy Award which is a SAR, the SAR Period must expire, in all cases, not more than ten (10) years from the SAR Grant Date.
- (d) *Minimum Vesting/Exercisability.* The exercise conditions for SARs may be based on the achievement of specific performance goals, may be time based following the achievement of specific performance goals, may be based on the occurrence of a specified event, and/or may be imposed under applicable securities laws; provided that, except with respect to any SAR granted to a nonemployee Director or any Legacy Award, any time-based exercise conditions (other than time-based exercise conditions following the achievement of specific performance goals) shall remain in effect (in whole or in part) at least until the first (1st) anniversary of the Grant Date, except as may otherwise be provided in an Award Agreement for accelerated exercisability in the event of death, disability, retirement, Change in Control, a termination of employment following a Change in Control, or other special circumstances determined by the Committee.
- 7.2 *SAR Award Agreement.* Each SAR granted under the Plan shall be evidenced by a written or electronic SAR Award Agreement which shall be entered into by the Company and the Participant to whom the SAR is granted (the “SAR Holder”), and which shall specify the exercise price per share, the terms of the SAR, the conditions of exercise, *and such other terms and conditions as the Committee in its sole discretion shall determine.*
- 7.3 *Exercise of SARs.* SARs shall be exercisable on such terms and conditions as the Committee in its sole discretion shall determine.
- 7.4 *Expiration of SARs.* Unless otherwise specified in an SAR Award Agreement or a SAR which is a Legacy Award, each SAR Award Agreement shall expire on the earlier of (i) the tenth (10th) anniversary of the SAR’s Date of Grant, or (ii) after the period of time, if any, determined by the Committee, within which the SAR may be exercised after an SAR Holder ceases to be a Service Provider. The SAR Award Agreement may provide for different periods of time following an SAR Holder’s cessation as a Service Provider during which the SAR may be exercised depending upon whether such cessation as a Service Provider was on account of the Participant’s death, Disability, voluntary resignation, cessation as a Director, or the Company having terminated such SAR Holder’s employment with or without Cause.
- 7.5 *Adjustment of SARs.* Subject to the limitations set forth below and those contained in Sections 7 and 16, the Committee may make any adjustment in the SAR exercise price, the number of Shares subject to, or the terms of, an outstanding SAR and a subsequent granting of an SAR by amendment or by substitution of an outstanding SAR. Such amendment, substitution, or regrant may result in terms and conditions (including SAR exercise price, number of Shares covered, vesting schedule, or exercise period) that differ from the terms and conditions of the original SAR; provided, however, except as permitted under Section 11, the Committee may not, without stockholder approval (i) amend an SAR to reduce its exercise price, (ii) cancel an SAR and regrant an SAR with an exercise price lower than the original SAR exercise price of the cancelled SAR, (iii) cancel an SAR in exchange for cash or another Award, or (iv) take any other action (whether in the form of an amendment, cancellation, or replacement grant) that has the effect of “repricing” an SAR, as defined under applicable NASDAQ rules or the rules of the established stock exchange or quotation system on which the Company Stock is then listed or traded. The Committee also may not adversely affect the rights of any SAR Holder to previously granted SARs without the consent of such SAR Holder. If such action is affected by the amendment, the effective date of such amendment shall be the date of the original grant. Any adjustment, modification, extension, or renewal of an SAR shall be effected such that the SAR is either exempt from, or is compliant with, Code section 409A.

- 7.6 *Payment of SAR Amount.* Upon exercise of an SAR relating to one or more Shares, a Holder shall be entitled to receive payment from the Company in an amount equal to the aggregate positive difference between the Fair Market Value of the Share(s) for which an SAR exercise is being made over the aggregate exercise price of such SARs. At the Committee's discretion, the payment upon an SAR exercise may be in whole Shares of equivalent value, cash, or a combination of whole Shares and cash. Fractional Shares shall be rounded to the nearest whole Share.

SECTION 8
AWARDS OF RESTRICTED STOCK AND RESTRICTED STOCK UNITS

- 8.1 *Restricted Stock Awards Granted by Committee.* Coincident with or following designation for participation in the Plan and subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Restricted Stock to any Service Provider in such amounts as the Committee shall determine.
- 8.2 *Restricted Stock Unit Awards Granted by Committee.* Coincident with or following designation for participation in the Plan and subject to the terms and provisions of the Plan, the Committee may grant a Service Provider Restricted Stock Units in connection with or separate from a grant of Restricted Stock. Upon the vesting of Restricted Stock Units, the Holder shall be entitled to receive the full value of the Restricted Stock Units payable in Shares or, if determined by the Committee, cash.
- 8.3 *Restrictions.* A Holder's right to retain Shares of Restricted Stock or be paid with respect to Restricted Stock Units shall be subject to such restrictions, including his or her continued performance as a Service Provider for a restricted period specified by the Committee, or the attainment of specified performance goals and objectives, as may be established by the Committee with respect to such Award; provided that, except with respect to any Award granted to a nonemployee Director or any Legacy Award, any time-based restrictions (other than time-based restrictions following the achievement of specific performance goals) shall remain in effect (in whole or in part) at least until the first (1st) anniversary of the Grant Date, except as may otherwise be provided in an Award Agreement for accelerated vesting in the event of death, disability, retirement, Change in Control, a termination of employment following a Change in Control, or other special circumstances determined by the Committee. The Committee may in its sole discretion require different periods of service or different performance goals and objectives with respect to (i) different Holders, (ii) different Restricted Stock or Restricted Stock Unit Awards, or (iii) separate, designated portions of the Shares constituting a Restricted Stock Award. Any grant of Restricted Stock or Restricted Stock Units shall contain terms such that the Award is either exempt from, or compliant with, Code section 409A.
- 8.4 *Privileges of a Stockholder, Transferability.* Unless otherwise provided in the Award Agreement, a Participant shall have all voting, dividend, liquidation, and other rights with respect to Shares of Restricted Stock; provided, however, that any dividends paid on Shares of Restricted Stock prior to such Shares becoming vested shall be held in escrow by the Company and subject to the same restrictions on transferability and forfeitability as the underlying Shares of Restricted Stock. Any voting, dividend, liquidation, or other rights shall accrue to the benefit of a Holder only with respect to Shares of Restricted Stock held by, or for the benefit of, the Holder on the record date of any such dividend or voting date. A Participant's right to sell, encumber or otherwise transfer such Restricted Stock shall, in addition to the restrictions otherwise provided for in the Award Agreement, be subject to the limitations of Section 12.2 hereof. The Committee may determine that a Holder of Restricted Stock Units is entitled to receive Dividend Equivalents on such units. If the Committee determines that Restricted Stock Units shall receive Dividend Equivalents, such feature will be specified in the applicable Award Agreement. Restricted Stock Units shall not have any voting rights.

8.5 *Enforcement of Restrictions.* The Committee may in its sole discretion require one (1) or more of the following methods of enforcing the restrictions referred to in Sections 8.3 and 8.4:

- (a) placing a legend on the stock certificates, or the Restricted Stock Unit Award Agreement, as applicable, referring to restrictions;
- (b) requiring the Holder to keep the stock certificates, duly endorsed, in the custody of the Company while the restrictions remain in effect;
- (c) requiring that the stock certificates, duly endorsed, be held in the custody of a third-party nominee selected by the Company who will hold such Shares of Restricted Stock on behalf of the Holder while the restrictions remain in effect; or
- (d) inserting a provision into the Restricted Stock Award Agreement prohibiting assignment of such Award Agreement until the terms and conditions or restrictions contained therein have been satisfied or released, as applicable.

8.6 *Termination of Service.* Unless otherwise provided in an Award Agreement or otherwise provided for in an employment agreement (in which case such provisions will apply), in the event a Participant ceases to be a Service Provider for any reason before a Restricted Stock Award or Restricted Stock Unit Award has fully vested, any unvested portion of such Award shall be immediately forfeited upon such cessation of service. An Award Agreement may provide for the automatic vesting of any or all shares of Restricted Stock or Restricted Stock Units in connection with a Service Provider's separation from service due to one or more reasons, including, death, disability, retirement, Change in Control, a termination of employment following a Change in Control, or other special circumstances determined by the Committee.

SECTION 9

PERFORMANCE SHARES, PERFORMANCE UNITS, BONUS SHARES, OTHER STOCK-BASED AWARDS, AND DEFERRED SHARES

9.1 *Awards Granted by Committee.* Coincident with or following designation for participation in the Plan, a Participant may be granted Performance Shares or Performance Units.

9.2 *Terms of Performance Shares or Performance Units.* The Committee shall establish maximum and minimum performance targets to be achieved during the applicable Performance Period. Each grant of a Performance Share or Performance Unit Award shall be subject to additional terms and conditions not inconsistent with the provisions of the Plan. The Committee shall determine what, if any, payment is due with respect to an Award and whether such payment shall be made in cash, Stock, or some combination.

9.3 *Bonus Shares.* The Committee is authorized, subject to limitations under applicable law, to make such other Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to Shares, as deemed by the Committee to be consistent with the purposes of the Plan, including (i) Shares awarded purely as a “bonus” and not subject to any restrictions or conditions (Bonus Shares), or (ii) any award of Shares or payment of cash that is valued in whole or in part by reference to, or are otherwise based on, Shares, other property, or achievement of performance metrics or measures (Other Stock-Based Awards). The Committee has absolute discretion to determine whether any consideration (other than services) is to be received by the Company or any Affiliate as a condition precedent to the grant of Other Stock-Based Awards, subject to such minimum consideration as may be required by applicable law.

9.4 *Deferred Shares.* Subject to the terms and provisions of the Plan, Deferred Shares may be granted to any Participant in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee. The Committee may impose such conditions or restrictions on any Deferred Shares as it may deem advisable, including time-vesting restrictions and deferred payment features. The Committee may cause the Company to establish a grantor trust to hold Shares subject to Deferred Share Awards. Without limiting the generality of the foregoing, the Committee may grant to any Participant, or permit any Participant to elect to receive, Deferred Shares in lieu of or in substitution for any other compensation (whether payable currently or on a deferred basis, and whether payable under this Plan or otherwise) which such Participant may be eligible to receive from the Company or a Subsidiary. In no event shall any Deferred Shares relate to the exercise of an Option or a SAR. Any Award Agreement or other Company-sponsored deferred compensation plan relating to the grant of Deferred Shares shall separately contain the requisite terms and conditions such that the Deferred Shares Award complies with Code section 409A; provided, however, in all cases except as may otherwise be expressly provided for under the other plan, any Shares issued upon the settlement and payment of any Deferred Shares shall be under and pursuant to this Plan. Unless

otherwise expressly specified in another plan or agreement, any credited right to receive a Share under a Company-sponsored nonqualified deferred compensation plan or agreement, whether credited due to an election to defer compensation or due to the conversion of Dividend Equivalents into additional Shares, shall be a Deferred Share under this Plan and issuable under the terms and conditions set forth herein.

SECTION 10 PERFORMANCE AWARDS

10.1 *Terms of Performance Awards.* Except as provided in Section 11, Performance Awards will be issued or granted, or become vested or payable, only after the end of the relevant Performance Period. The performance goals to be achieved for each Performance Period and the amount of the Award to be distributed upon satisfaction of those performance goals shall be conclusively determined by the Committee. When the Committee determines whether a performance goal has been satisfied for any Performance Period, the Committee, where the Committee deems appropriate, may make such determination using calculations which may include or exclude one, or more than one, “extraordinary items” as determined under U.S. generally accepted accounting principles, and the Committee may determine whether a performance goal has been satisfied for any Performance Period, taking into account the alternative which the Committee deems appropriate under the circumstances. The Committee also may take into account any other unusual or nonrecurring items, including the charges or costs associated with restructurings of the Company, discontinued operations, and the cumulative effects of accounting changes and, further, may take into account any unusual or nonrecurring events affecting the Company, changes in applicable tax laws or accounting principles or such other factors as the Committee may determine reasonable and appropriate under the circumstances (including any factors that could result in the Company’s paying nondeductible compensation to an Employee or nonemployee Director).

10.2 *Performance Goals.* If an Award is subject to performance vesting restrictions or conditions, then the lapsing of restrictions thereon, or the vesting thereof, and the distribution of cash, Shares, or other property pursuant thereto, as applicable, shall be subject to the achievement of one or more objective performance goals established by the Committee, may be based on the attainment of one or any combination of performance metrics determined appropriate by the Committee, and which may be established on an absolute or relative basis for the Company as a whole or any of its subsidiaries, operating divisions, or other operating units, including, but not limited to:

- (a) earnings per share (this could include basic, diluted, or core);
- (b) return on average assets;
- (c) return on average equity;
- (d) total shareholder return;
- (e) asset quality;
- (f) net income;
- (g) pre-tax income;
- (h) efficiency ratio;
- (i) asset growth;
- (j) loan growth;
- (k) deposit growth;
- (l) core deposit growth;
- (m) net interest margin (including tax-equivalent);
- (n) achievement of business criteria or operational goals, consisting of one or more objectives based on meeting specified revenue, market share, market penetration, business development, geographic business expansion goals, objectively identified project milestones, production volume levels, cost targets, customer satisfaction, and goals relating to acquisitions, divestitures or joint ventures; and/or
- (o) accomplishment of mergers, acquisitions, dispositions, public offerings, or similar extraordinary business transactions;

provided that applicable incentive goals may be applied on a pre-tax or post-tax basis; and provided further that the Committee may, when the applicable incentive goals are established, provide that the formula for such goals may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions, or divestitures, foreign exchange impacts and any unusual, infrequently occurring, or nonrecurring gain or loss. As established by the Committee, the incentive goals may include, without limitation, GAAP and non-GAAP financial measures.

- 10.3 *Adjustments.* The Committee may adjust upwards or downwards the amount payable pursuant to such Award, or waive the achievement of the applicable performance goals in the case of the Participant's death, disability, Change in Control, or other special circumstance determined by the Committee.

SECTION 11
CHANGE IN CONTROL

- 11.1 *Effect of a Change in Control.* The provisions of this Section 11.1 shall apply in the case of a Change in Control, unless otherwise provided in the Award Agreement or any special Plan document or separate agreement with a Participant governing an Award.

- (a) *Awards Assumed or Substituted by Surviving Entity.* With respect to Awards assumed by any surviving entity or acquiring entity in connection with the Change in Control (such surviving entity or acquiring entity the "Surviving Entity") or otherwise equitably converted or substituted in connection with a Change in Control: if within one year after the effective date of the Change in Control, a Participant's employment is involuntarily terminated other than for Cause, then (i) all of that Participant's outstanding Options or SARs shall become fully exercisable, (ii) all time-based vesting restrictions on his or her outstanding Awards shall lapse, and (iii) the payout level under all of that Participant's performance-based Awards that were outstanding immediately before the effective time of the Change in Control shall be determined and deemed to have been earned as of the date of termination based upon (A) an assumed achievement of all relevant performance goals at the "target" level if the date of termination occurs during the first half of the applicable performance period, or (B) the actual level of achievement of all relevant performance goals against target (measured as of the end of the calendar quarter immediately preceding the date of termination), if the date of termination occurs during the second half of the applicable performance period, and, in either such case, there shall be a pro rata payout to such Participant within 60 days following the date of termination of employment (unless a later date is required under Section 18.2), based upon the length of time (in days) within the performance period that has elapsed prior to the date of termination of employment. Any Options or SARs shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Agreement. Any Assumption of an Option or a SAR under this Section 11.1(a) must be in a manner that complies with Code section 424(a).
- (b) *Awards not Assumed or Substituted by Surviving Entity.* Upon the occurrence of a Change in Control, and except with respect to any Awards assumed by the Surviving Entity or otherwise equitably converted or substituted in connection with the Change in Control in a manner approved by the Committee or the Board: (i) outstanding Options or SARs shall become fully exercisable, (ii) time-based vesting restrictions on outstanding Awards shall lapse, and (iii) the payout level attainable under outstanding performance-based Awards shall be deemed to have been fully earned as of the effective date of the Change in Control based upon (A) an assumed achievement of all relevant performance goals at the "target" level if the Change in Control occurs during the first half of the applicable performance period, or (B) the actual level of achievement of all relevant performance goals against target measured as of the date of the Change in Control, if the Change in Control occurs during the second half of the applicable performance period, and, in either such case, there shall be a pro rata payout to Participants within sixty (60) days following the Change in Control (unless a later date is required by Section 18.2 hereof), based upon the length of time (in days) within the performance period that has elapsed prior to the Change in Control. Any Options or SARs shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Agreement.

- 11.2 *Other Permissible Actions with Respect to Awards in a Change in Control.* In addition to Section 11.1 and except as may be specifically provided in a Participant's Award Agreement, in connection with a Change in Control, the Committee may elect to take one or more of the following actions with respect to each outstanding Award:
- (a) Cancellation of the Award and a payment to the Participant with respect to each Share subject to the portion of the Award that is vested as of the transaction date equal to the underlying Fair Market Value of the Share underlying the Award or, in the case of an Option or SAR, an amount equal to the excess of (i) the value, as determined by the Board in its absolute discretion, of the property (including cash) received by the holder of a share of Stock as a result of the transaction, over (ii) the per-Share Option Exercise Price or SAR exercise price (such excess, the "Spread"). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent having a value equal to such Fair Market Value or Spread, respectively. In addition, any escrow, holdback, earnout, or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Stock. If the Fair Market Value or Spread applicable to an Award is zero (0) or a negative number, then the Award may be cancelled without making a payment to the Participant.
 - (b) With respect to an outstanding Option or SAR, cancellation of the Award without the payment of any consideration; provided that the Participant shall be notified of such treatment and given an opportunity to exercise the Award to the extent the Option or SAR is vested or becomes vested as of the effective date of the transaction during a period of not less than five (5) business days preceding the effective date of the transaction, unless (i) a shorter period is required to permit a timely closing of the transaction, and (ii) such shorter period still offers the Participant a reasonable opportunity to exercise the Award. Any exercise of the Option or SAR during such period may be contingent upon the closing of the transaction.
 - (c) With respect to an outstanding Option or SAR, suspension of the Participant's right to exercise the Award during a limited period of time preceding the closing of the transaction, if such suspension is administratively necessary to permit the closing of the transaction.
 - (d) Termination of any right the Participant has to exercise an Option or SAR before vesting in the Shares subject to the Award (i.e., "early exercise"), such that following the closing of the transaction the Award may only be exercised to the extent it is vested.
- 11.3 *Board Discretion.* For the avoidance of doubt, the Board has discretion to accelerate, in whole or part, the vesting and exercisability of an Award in connection with a Change in Control covered by this Section 11. Any such determinations by the Board under this Section 11 may be made generally with respect to all Participants, or may be made on a case-by-case basis with respect to particular Participants.

SECTION 12
RIGHTS OF EMPLOYEES; PARTICIPANTS

- 12.1 *Employment.* Nothing contained in the Plan or in any Award granted under the Plan shall confer upon any Participant any right with respect to the continuation of his or her services as a Service Provider or interfere in any way with the right of the Company, subject to the terms of any separate employment or consulting agreement to the contrary, at any time to terminate such services or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an Award. Whether an authorized leave of absence, or absence in military or government service, shall constitute a termination of Participant's services as a Service Provider shall be determined by the Committee at the time.
- 12.2 *Nontransferability.* Except as provided in Section 12.3, no right or interest of any Holder in an Award granted pursuant to the Plan shall be assignable or transferable during the lifetime of the Participant, either voluntarily or involuntarily, or be subjected to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge, or bankruptcy. In the event of a Participant's death, a Holder's rights and interests in all Awards shall, to the extent not otherwise prohibited hereunder, be transferable by testamentary will or the laws of descent and distribution, and payment of any amounts due under the Plan shall be made to, and exercise of any Options or SARs may be made by, the Holder's legal representatives, heirs, or legatees. If, in the opinion of the Committee, a person entitled to payments or to exercise rights with respect to the Plan is disabled from caring for his or her affairs because of a mental condition, physical condition, or age, payment due such person may be made to, and such rights shall be exercised by, such person's guardian, conservator, or other legal personal representative upon furnishing the Committee with evidence satisfactory to the Committee of such status. "Transfers" shall not be deemed to include transfers to the Company or "cashless exercise" procedures with third parties who provide financing for the purpose of (or who otherwise facilitate) the exercise of Awards consistent with applicable laws and the authorization of the Committee.
- 12.3 *Permitted Transfers.* Pursuant to conditions and procedures established by the Committee from time to time, the Committee may permit Awards to be, without consideration other than nominal consideration, transferred to, exercised by, and paid to any person or entity related to or affiliated with a Participant, including the Participant's employer or an affiliate thereof, a Person who has a right to appoint the Participant as a nonemployee Director, or members of the Participant's immediate family or trusts whose beneficiaries or beneficial owners are members of the Participant's immediate family (a "Permitted Transferee"). Notwithstanding any other provision in the Plan to the contrary, where applicable the Committee may interpret the terms Service Provider or Participant to include a Permitted Transferee. In the case of initial Awards, at the request of the Participant, the Committee may permit the naming of the Permitted Transferee as the Award recipient. Any permitted transfer shall be subject to the condition that the Committee receive evidence satisfactory to it that the transfer is being made without any consideration (other than nominal consideration) being paid to the Participant. With respect to any Holder who is not the original Service Provider that was granted the Award (e.g., a Permitted Transferee), all provisions relating to the transferred Award that are determined with reference to the original Service Provider, including without limitation those that refer to the original Service Provider's employment or service with the Company or its Subsidiaries, shall continue to be determined with reference to the original Service Provider after any transfer of the Award to the non-Service Provider Holder.

SECTION 13
GENERAL RESTRICTIONS

- 13.1 *Investment Representations.* The Company may require any person to whom an Award is granted, as a condition to receiving Stock under the Award, to give written assurances in substance and form satisfactory to the Company and its counsel to the effect that such person is acquiring the Stock subject to the Award for his or her own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effect as the Company deems necessary or appropriate in order to comply with federal and applicable state securities laws. Legends evidencing such restrictions may be placed on the certificates evidencing the Stock.
- 13.2 *Compliance with Securities Laws.*
- (a) *General.* Each Award shall be subject to the requirement that, if at any time counsel to the Company shall determine that the listing, registration, or qualification of the Shares subject to such Award upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, is necessary as a condition of, or in connection with, the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained on conditions acceptable to the Committee. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, or qualification.
 - (b) *Sarbanes-Oxley.* Each Holder who is a Director or an Executive Officer is restricted from taking any action with respect to any Award if such action would result in (i) a violation of Section 306 of the Sarbanes-Oxley Act of 2002, and the regulations promulgated thereunder, whether or not such law and regulations are applicable to the Company, or (ii) any policies adopted by the Company restricting transactions in the Stock.
 - (c) *Compliance with Rule 701.* To the extent that any Awards are granted prior to a Public Offering and the filing of an effective registration statement on Form S-8, the Plan is intended to be a written compensatory benefit plan within the meaning of Rule 701 promulgated under the Securities Act and, therefore, such Awards are subject to the restrictions set forth in Rule 701, and are “restricted securities,” as such term is defined in Rule 144 promulgated under the Securities Act, and any resale of the Shares underlying such Awards must be in compliance with the registration requirements of the Securities Act or an exemption therefrom. Awards issued pursuant to the Plan prior to a Public Offering and the filing of an effective registration statement on Form S-8 shall in no event exceed the limitations set forth in Rule 701(d), as applicable from time to time.

- (d) *Securities Law Requirements.* Shares shall not be issued under the Plan unless, in the opinion of counsel acceptable to the Board, the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Company shall not be liable for a failure to issue Shares as a result of such requirements. In addition, an Option and Restricted Stock Unit shall comply with all conditions of Rule 12h-1(f)(1) under the Exchange Act and any SEC interpretations relating thereto until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. Such conditions include, without limitation, the transferability restrictions set forth in Rule 12h-1(f)(1)(iv) and (v) under the Exchange Act, which shall apply to an Option or Restricted Stock Unit and, prior to exercise or settlement, to the Shares to be issued upon exercise of such Option or settlement of a Restricted Stock Unit during the period commencing on the Date of Grant and ending on the earlier of (i) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or (ii) the date when the Company makes a determination that it will cease to rely on the exemption afforded by Rule 12h-1(f)(1) under the Exchange Act. During such period, an Option and Restricted Stock Unit and, prior to exercise or settlement thereof, respectively, the Shares to be issued upon exercise of such Option shall be restricted as to any pledge, hypothecation or other transfer by the Optionee, including any short position, any "put equivalent position" (as defined in Rule 16a-1(h) under the Exchange Act) or any "call equivalent position" (as defined in Rule 16a-1(b) under the Exchange Act).

SECTION 14
OTHER EMPLOYEE BENEFITS

The amount of any compensation deemed to be received by a Participant as a result of the exercise of an Option or the grant, payment, or vesting of any other Award shall not constitute "earnings" with respect to which any other benefits of such Participant are determined, including benefits under (a) any pension, profit sharing, life insurance, or salary continuation plan, or other employee benefit plan of the Company, or (b) any agreement between the Company and the Participant, except as such plan or agreement shall otherwise expressly provide.

SECTION 15
PLAN AMENDMENT, MODIFICATION, AND TERMINATION

- 15.1 *Amendment, Modification, and Termination.* The Board may at any time terminate, and from time to time may amend or modify, the Plan; provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the stockholders if stockholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements, to comply with the requirements for listing on any exchange where the Shares are listed, or if the Company, on the advice of counsel, determines that stockholder approval is otherwise necessary or desirable.
- 15.2 *Adjustment Upon Certain Unusual or Nonrecurring Events.* The Board may make adjustments in the terms and conditions of Awards in recognition of unusual or nonrecurring events (including the events described in Section 4.4) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Board determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.
- 15.3 *Awards Previously Granted.* Notwithstanding any other provision of the Plan to the contrary (but subject to a Holder's employment being terminated for Cause and Section 15.2), no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Holder of such Award.

SECTION 16
WITHHOLDING

- 16.1 *Withholding Requirement.* The Company's obligations to deliver Shares upon the exercise of an Option or SAR, or upon the vesting, settlement, or issuance of any other Award, shall be subject to the Participant's satisfaction of all applicable federal, state, and local income and other tax (including Social Security and Medicare taxes) withholding requirements.
- 16.2 *Satisfaction of Withholding Requirement.* The Committee may, in its sole discretion, provide that when taxes are to be withheld in connection with the exercise, vesting, settlement, or issuance of an Award, the Holder may elect to make payment for the withholding taxes, by one or a combination of the following methods:
- (a) payment of an amount in cash equal to the amount to be withheld;
 - (b) payment by tendering previously acquired Shares (either actually or by attestation) valued at their then Fair Market Value in an amount equal to the amount to be withheld;
 - (c) requesting that the Company withhold from the Shares otherwise issuable to the Holder Shares having a value equal to their then Fair Market Value and equal to the amount to be withheld; and
 - (d) withholding from any other compensation otherwise due to the Holder.
- 16.3 *Withholding with Stock.* To the extent the Committee permits withholding through either the payment of previously acquired Shares or withholding from the Shares otherwise issuable to the Holder, any such withholding shall be in accordance with any rules or established procedures for election by Participants or Holders including any rules or restrictions relating to the period of time any previously acquired Shares have been held or owned, the timing of any elections, the irrevocability of any elections, or any special rules relating to a Participant who is an officer or director of the Company within the meaning of Section 16 of the 1934 Act.

SECTION 17
NONEXCLUSIVITY OF THE PLAN

- 17.1 *Nonexclusivity of the Plan.* Neither the adoption of the Plan nor the submission of the Plan to stockholders of the Company for approval shall be construed as creating any limitations on the power or authority of the Board or of the Committee to continue to maintain or adopt such other or additional incentive or other compensation arrangements of whatever nature as the Board or the Committee, as the case may be, may deem necessary or desirable, or to preclude or limit the continuation of any other plan, practice, or arrangement for the payment of compensation or fringe benefits to Employees or nonemployee Directors generally, or to any class or group of Employees or nonemployee Directors, which the Company now has lawfully put into effect, including any retirement, pension, savings, and stock purchase plan, insurance, death, and disability benefits, and executive short-term incentive plans.

SECTION 18
REQUIREMENTS OF LAW

- 18.1 *Requirements of Law.* The issuance of Stock and the payment of cash pursuant to the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges as may be required. Notwithstanding any provision of the Plan or any Award, Holders shall not be entitled to exercise or receive benefits under any Award, and the Company shall not be obligated to deliver any Shares or other benefits to a Holder, if such exercise, receipt of benefits, or delivery would constitute a violation by the Holder or the Company of any applicable law or regulation.
- 18.2 *Code Section 409A.*
- (a) This Plan is intended to meet or to be exempt from the requirements of Code section 409A, and shall be administered, construed, and interpreted in a manner that is in accordance with and in furtherance of such intent. Any provision of this Plan that would cause an Award to fail to satisfy Code section 409A or, if applicable, an exemption from the requirements of that Section, shall be amended (in a manner that as closely as practicable achieves the original intent of this Plan) to comply with Code section 409A or any such exemption on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Code section 409A.
 - (b) If an Award provides for payments or benefits that (i) constitute a "deferral of compensation" within the meaning of Code section 409A, and (ii) are triggered upon a termination of employment, then to the extent required to comply with Code section 409A, the phrases "termination of employment," "separation from service," or words and phrases of similar import, shall be interpreted to mean a "separation from service" within the meaning of Code section 409A.
 - (c) If a Participant was a "specified employee," then to the extent required in order to comply with Code section 409A, all payments, benefits, or reimbursements paid or provided under any Award that constitute a "deferral of compensation" within the meaning of Code section 409A, that are provided as a result of a "separation from service" within the meaning of Section 409A and that would otherwise be paid or provided during the first six (6) months following such separation from service shall be accumulated through and paid or provided (together with interest at the applicable federal rate under Code section 7872(f)(2)(A) in effect on the date of the separation from service) on the first business day that is more than six (6) months after the date of the separation from service (or, if the Participant dies during such six (6) month period, within ninety (90) days after the Participant's death).
 - (d) To the extent that payment of an amount that constitutes a "deferral of compensation" within the meaning of Code section 409A is contingent upon the Participant executing a release of claims against the Company, the release must be executed by the Participant and become effective and irrevocable in accordance with its terms no later than the earlier of (i) the date set forth in the Award, or (ii) fifty-five (55) days following separation from service.
 - (e) If a Consultant is entitled under an Award to compensation for consulting services and the Award or payment constitutes a "deferral of compensation" within the meaning of Code section 409A, the compensation must be paid no later than the earlier of (i) the date specified for payment under the Award, or (ii) within 90 days following the end of the calendar month in which the Participant performs the services to which the compensation relates, provided that all required documentation is timely submitted.

- (f) To the extent that any Award is subject to Code section 409A, any substitution of such Award may only be made if such substitution is made in a manner permitted and compliant with Code section 409A.
- (g) In no event will the Company or any Affiliate have any liability to any Participant with respect to any penalty or additional income tax imposed under Code section 409A even if there is a failure on the part of the Company or Committee to avoid or minimize such Section's penalty or additional income tax.

18.3 *Rule 16b-3.* Each transaction under the Plan is intended to comply with all applicable conditions of Rule 16b-3, to the extent Rule 16b-3 reasonably may be relevant or applicable to such transaction. To the extent any provision of the Plan or any action by the Committee under the Plan fails to so comply, such provision or action shall, without further action by any person, be deemed to be automatically amended to the extent necessary to effect compliance with Rule 16b-3; provided, however, that if such provision or action cannot be amended to effect such compliance, such provision or action shall be deemed null and void to the extent permitted by law and deemed advisable by the Committee.

18.4 *Governing Law.* The Plan and all agreements hereunder shall be construed in accordance with and governed by the laws of the state of Kansas without giving effect to the principles of the conflict of laws to the contrary.

RETENTION AGREEMENT

This **RETENTION AGREEMENT** (this “**Agreement**”) is entered into by and among **FIRST BUSEY CORPORATION** (“**First Busey**”), **BUSEY BANK** (the “**Bank**,” and together with First Busey, “**Employer**”) and [NAME] (“**Executive**”). This Agreement shall be effective as of the Effective Time of the Merger (each as defined in the Agreement and Plan of Merger (the “**Merger Agreement**”) by and between First Busey and CrossFirst Bankshares, Inc. (“**CrossFirst**”), dated as of August 26, 2024, under which, among other things, CrossFirst will merge with and into First Busey). In the event that the Effective Time shall not occur, this Agreement shall be void as of the date it was entered into and of no force and effect.

RECITALS

A. As of the date of execution hereof, Executive is employed by Employer, pursuant to that certain Employment Agreement effective as of [Date] between Employer and Executive (as amended from time to time, the “**Employment Agreement**”); and

B. Employer appreciates Executive’s service to Employer and believes that it is important that Executive remain in the employ of Employer following the Effective Time, and in recognition thereof Employer shall grant Executive a one-time retention bonus of [Number] (\$[●]) (the “**Retention Bonus**”) payable in accordance with the terms and conditions set forth herein.

Now, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements of the parties contained herein, the parties hereby agree as follows:

AGREEMENTS**1. Payment of Retention Bonus.**

(a) Payment Timing. Subject to the terms and conditions set forth herein, the Retention Bonus will be payable to Executive in a lump sum, less all applicable withholdings and deductions, [one-third (1/3)][one-half (1/2)] within forty-five (45) days following the Effective Time and [one-third (1/3)][one-half (1/2)] on or as soon as practicable following [each of] the first [anniversary][and second anniversaries] of the Effective Time (each such payment date, a “**Payment Date**”), in each case subject to Executive’s continued employment through the relevant Payment Date, in accordance with the terms hereof.

(b) At Will Employment. For the avoidance of doubt, nothing contained herein modifies the fact that Executive’s employment with Employer remains “at will” in accordance with Section 4(e) of the Employment Agreement.

2. Waiver of Good Reason. In consideration for the Retention Bonus being granted to Executive pursuant to the terms and conditions set forth herein, Executive hereby waives any right Executive may have to terminate Executive’s employment with Employer for Good Reason pursuant to, and as defined in, the Employment Agreement, resulting from and in connection with the transactions contemplated by the Merger Agreement.

3. Treatment on Termination.

(a) Payment in Connection with Certain Terminations. If Executive's employment with Employer terminates prior to the final Payment Date under Sections 6(b), 6(c) or 6(e) of the Employment Agreement, then, subject to the effectiveness of a release substantially in the form attached as Exhibit A to the Employment Agreement (the "**Release**"), Employer shall pay to Executive, in addition to all other payments and benefits that Executive is entitled to under Sections 6(b), 6(c) or 6(e) of the Employment Agreement, as applicable, a lump sum cash payment equal to any unpaid portion of the Retention Bonus at the first regularly scheduled Employer payday that is administratively feasible following the effectiveness of the Release. For the avoidance of doubt, upon such payment pursuant to this **Section 3(a)**, Executive shall have no further right to payment from Employer under this Agreement.

(b) Effect of Other Terminations. If Executive's employment with Employer terminates prior to the final Payment Date (other than as provided under **Section 3(a)** above), then Executive shall not have any right to any payment of any unpaid portion of the Retention Bonus.

4. Executive Covenants; Protected Disclosures. As a material inducement to Employer granting the Retention Bonus to Executive, Executive hereby reaffirms Executive's obligations to abide by the restrictions set forth in Sections 9, 10 and 12 of the Employment Agreement. In the event Employer determines that Executive has violated any of the restrictions contained in Sections 9, 10 or 12 of the Employment Agreement, Executive's eligibility for and receipt of any unpaid portion of the Retention Bonus shall immediately terminate. The foregoing is in addition to any other rights and remedies available to Employer under this Agreement, the Employment Agreement or otherwise under any applicable law. Notwithstanding the foregoing, Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Accordingly, Executive shall have the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law and Executive does not need Employer's permission to do so. Executive shall also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Nothing in this Agreement shall be construed to authorize, or limit liability for, an act that is otherwise prohibited by law, such as the unlawful access of material by unauthorized means. Nothing contained herein (or in the Release) is intended to, and this **Section 4** and Sections 9, 10 and 12 of the Employment Agreement shall not, (x) limit Executive's rights under applicable law to initiate communications directly with, provide information to, respond to any inquiries from, or report possible violations of law or regulation to any governmental entity or self-regulatory authority, or to file a charge with or participate in an investigation conducted by any governmental entity or self-regulatory authority or (y) preclude Executive from disclosing or discussing information lawfully acquired about wages, hours or other terms and conditions of employment if used for purposes protected by Section 7 of the National Labor Relations Act such as joining or forming a union, engaging in collective bargaining or engaging in other concerted activity for the mutual aid or protection of employees, and Executive does not need Employer's permission to do so. In addition, it is understood that nothing herein (or the Release) shall require Executive to notify Employer of a request for information from any governmental entity or self-regulatory authority or of Executive's decision to file a charge with or participate in an investigation conducted by any governmental entity or self-regulatory authority. Notwithstanding the foregoing, Executive recognizes that, in connection with the provision of information to any governmental entity or self-regulatory authority, Executive must inform such governmental entity or self-regulatory authority that the information Executive is providing is confidential. Despite the foregoing, Executive is not permitted to reveal to any third party, including any governmental entity or self-regulatory authority, information Executive came to learn during Executive's service to Employer that is protected from disclosure by any applicable privilege, including but not limited to the attorney-client privilege or attorney work product doctrine. Employer does not waive any applicable privileges or the right to continue to protect its privileged attorney-client information, attorney work product, and other privileged information.

5. **Code Section 409A.** The parties agree that this Agreement shall be interpreted to comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (“Code”), and the regulations thereunder, and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Furthermore, it is the parties’ intention that the payments pursuant to **Sections 1 and 3** of this Agreement qualify for the exemptions from Code Section 409A set forth in Treasury Regulation § 1.409A-1(b)(4) or Treasury Regulation § 1.409A-1(b)(9). In no event whatsoever will Employer be liable for any additional tax, interest or penalties that may be imposed on Executive under Code Section 409A or any damages for failing to comply with Code Section 409A. For purposes of Section 409A, each payments made under this Agreement will be treated as a separate payment.

6. **Governing Law and Enforcement.** This Agreement shall be construed and the legal relations of the parties shall be determined in accordance with the laws of the State of Illinois without reference to the law regarding conflicts of law.

7. **Jurisdiction.** Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement, shall be brought against either of the parties exclusively in the courts of the State of Illinois, County of Champaign, or, if it has or can acquire jurisdiction, in the United States District court for the Central District of Illinois, 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 venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on either party anywhere in the world. EXECUTIVE AND EMPLOYER HEREBY WAIVE THEIR RIGHT TO TRIAL BY JURY IN THE EVENT OF A DISPUTE, AND EXECUTIVE REPRESENTS THAT EXECUTIVE’S WAIVER IS KNOWING, VOLUNTARY AND INTENTIONAL.

8. **Entire Agreement.** This Agreement, the Employment Agreement and the Release (when executed) constitute the entire agreement between the parties concerning the subject matter hereof, and supersede all prior negotiations, undertakings, agreements and arrangements with respect thereto, whether written or oral. The provisions of this Agreement shall be regarded as divisible and separate; if any provision is declared invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected. In the event any provision of this Agreement is held to be overbroad as written, such provision shall be deemed to be amended to narrow the application of such provision to the extent necessary to make such provision enforceable according to applicable law.

9. **Counterparts.** This Agreement may be executed in any number of counterparts (including by electronic signature), each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. A PDF, facsimile or other reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by facsimile or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen.

10. **Clawback.** The Retention Bonus and any other amount or benefit received under this Agreement shall be subject to potential cancellation, recoupment, rescission, payback, or other action in accordance with the terms of any applicable Employer clawback policy (the “Policy”) or any applicable law, as may be in effect from time to time. Executive acknowledges and consents to Employer’s application, implementation, and enforcement of (a) the Policy or any similar policy established by Employer that may apply to Executive and (b) any provision of applicable law relating to cancellation, rescission, payback, or recoupment of compensation, as well as Executive’s express agreement that Employer may take such actions as may be necessary to effectuate the Policy, any similar policy, or applicable law, without further consideration or action.

11. **Withholding of Taxes.** Employer may withhold from any benefits payable under this Agreement all federal, state, city and other taxes as may be required pursuant to any law, governmental regulation, or ruling.

12. **Successors; Assignment.** This Agreement shall be binding upon and inure to the benefit of Executive, Employer and their respective personal representatives, successors and assigns. For the purposes of this Agreement, any successor or assign of Employer shall be deemed to be “**Employer**.” Employer shall require any successor or assign of Employer or any direct or indirect purchaser or acquirer of all or substantially all of the business, assets or liabilities of Employer, whether by transfer, purchase, merger, consolidation, stock acquisition or otherwise, to assume and agree in writing to perform this Agreement and Employer’s obligations hereunder in the same manner and to the same extent as Employer would have been required to perform them if no such transaction had occurred.

13. **Amendment.** This Agreement may not be amended or modified except by written agreement signed by Executive and Employer.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on February 27, 2025, effective as of the Effective Time.

FIRST BUSEY CORPORATION

EXECUTIVE

By: _____
Van A. Dukeman
Chairman and Chief Executive Officer

[NAME]

BUSEY BANK

By: _____
Van A. Dukeman
Chairman and Chief Executive Officer

Signature Page to [Name] Retention Agreement

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “**Agreement**”) is by and among First Busey Corporation (“**First Busey**”), Busey Bank (the “**Bank**” and, together with First Busey, “**Employer**”), and Scott A. Phillips (“**Executive**,” and together with Employer, the “**Parties**”). This Agreement shall be effective as of the Effective Time of the Merger (each as defined in the Agreement and Plan of Merger (the “**Merger Agreement**”) between First Busey and CrossFirst Bankshares, Inc. (“**CrossFirst**”), dated as of August 26, 2024, under which, among other things, CrossFirst will merge with and into First Busey). In the event that the Effective Time shall not occur, this Agreement shall be void as of the date it was entered into and of no force and effect.

RECITALS

- A. The Bank is a wholly owned subsidiary of First Busey.
- B. As of the date of execution hereof, Executive is employed by Employer.
- C. Employer has notified Executive that it intends to continue Executive’s employment after the Effective Time.
- D. Executive desires to be employed by Employer as of and following the Effective Time in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements of the Parties contained herein, the Parties hereby agree as follows:

AGREEMENTS

Section 1. Term with Automatic Renewal Provision. After the Effective Time, Executive shall be employed by Employer for a period of one (1) year commencing as of the Effective Time (the “**Initial Term**”). Following the Initial Term, the term shall automatically renew for additional one (1) year periods, unless either Party provides written notice of nonrenewal to the other Party not less than thirty (30) days prior to the end of the Initial Term or such one (1) year renewal period (the Initial Term and any subsequent renewal periods, the “**Term**”).

Section 2. Employment.

(a) **Positions and Duties.** Subject to the terms of this Agreement, Executive shall devote Executive’s full business time, energies and talent to serving as the Executive Vice President, Chief Accounting Officer of First Busey and the Bank (the “**EVP, CAO**”) at the direction of the Executive Vice President, Chief Financial Officer of First Busey (the “**CFO**”). Notwithstanding the foregoing, Employer and Executive acknowledge and agree that, as of February 18, 2025, Executive has been appointed as Interim CFO of First Busey and as Interim CFO of the Bank, which roles Executive will hold in addition to Executive’s role as the EVP, CAO, until such time First Busey determines. Accordingly, during such time as Executive will serve as Interim CFO of First Busey, Executive shall serve in each of the foregoing capacities at the direction of the Chief Executive Officer of First Busey (the “**CEO**”). Executive shall perform all duties assigned to Executive faithfully, loyally and efficiently, and shall have such duties, authority and responsibilities as may be assigned to Executive from time to time by the CFO or CEO, as applicable, which duties, authority and responsibilities shall include those customarily held by such officer of comparable companies, subject always to the charter and bylaw provisions and policies of Employer. Executive shall perform the duties required by this Agreement at Employer’s principal place of business in Fort Myers, Florida unless the nature of such duties requires otherwise. Notwithstanding the foregoing, during the Term, Executive may devote reasonable time to activities other than those required under this Agreement, including activities of a charitable, educational, religious or similar nature (including professional associations) to the extent such activities do not in any material way inhibit, prohibit, interfere with or conflict with Executive’s duties under this Agreement or conflict in any material way with the business of Employer.

(b) **Transfers.** The Board of Directors of First Busey (the “**Board**”) may, in its sole discretion, cause Executive’s employment to be transferred from Employer to any wholly-owned subsidiary of First Busey, in which case all references in this Agreement to “**Employer**” shall be deemed to refer to such subsidiary (and First Busey, if applicable).

Section 3. Compensation and Benefits. Subject to the terms of this Agreement, during the Term of this Agreement, Employer shall compensate Executive for Executive’s services as follows:

(a) **Base Compensation.** Executive’s annual base salary rate shall be three hundred twenty-five thousand dollars (\$325,000.00) (the “**Base Salary**”), which shall be payable in accordance with Employer’s normal payroll practices as are in effect from time to time. Beginning with the 2026 calendar year and annually thereafter, the Board (or an authorized committee thereof) shall review Executive’s Base Salary at such time as it reviews Employer’s executive compensation to determine whether Executive’s Base Salary should be maintained at its existing level or increased, with any increase being effective as determined by the Board (or an authorized committee thereof). If Executive’s Base Salary is increased by Employer, such increased Base Salary will then constitute the Base Salary for all purposes of this Agreement.

(b) **Discretionary Performance Bonus.** Employer shall consider Executive for a bonus each year during the Term based on performance criteria established by Employer and any other factors deemed by Employer to be appropriate. Bonuses shall be awarded, if at all, in the sole discretion of Employer, and nothing in this Agreement shall require the payment of a bonus in any given year. Payment of any such bonus shall be made as soon as practicable after it is earned, but in no event later than two and one-half (2½) months following the end of the calendar year in which it is earned; provided that bonuses shall not be considered earned until Employer has made all determinations and taken all actions necessary to establish such bonuses.

(c) **Long-Term Incentive Program.** During the Term, Executive shall be eligible to receive annual grants under Employer’s long-term equity incentive program, as determined in the sole discretion of the Board (or an authorized committee thereof).

(d) **Profit Sharing Benefit.** Executive shall be eligible to receive an annual profit sharing benefit based on the combined amount of Executive’s Base Salary and, if applicable, Executive’s discretionary performance bonus, after Executive meets the eligibility requirements of the applicable profit sharing plan. The Board shall decide the exact amount of this benefit annually in its sole discretion. Employer shall contribute this benefit for the account of Executive to Employer’s tax-qualified retirement plan and/or any nonqualified deferred compensation plan that Employer establishes or maintains. All such profit sharing benefit payments shall be determined and governed by the terms of the applicable plan as may be in effect from time to time. Employer shall have no obligation to continue to maintain any particular benefit plan or arrangement and the profit sharing benefit described in this **Section 3(d)** may be amended or terminated by Employer at any time for any reason or no reason, provided such amendment or termination applies to all other similarly situated senior executives of Employer.

(e) **Retention Award.** Employer shall grant Executive a one-time retention bonus of one hundred fifty thousand dollars (\$150,000.00) (the “**Retention Bonus**”). The Retention Bonus will be payable to Executive in a lump sum, less all applicable withholdings and deductions, one-third (1/3) within forty-five (45) days following the Effective Time and one-third (1/3) on or as soon as practicable following each of the first and second anniversaries of the Effective Time (each such payment date, a “**Payment Date**”), in each case subject to Executive’s continued employment through the relevant Payment Date, in accordance with the terms thereof. In consideration for the Retention Bonus being granted to Executive and the other benefits provided by this Agreement, Executive hereby waives any right Executive may have to terminate their employment with Employer for Good Reason pursuant to this Agreement, as a result of the execution of the Merger Agreement or the consummation of the transactions contemplated by the Merger Agreement, or changes resulting from integration matters in connection with the Merger during the twenty-four (24) month period following the Effective Time.

(f) **Reimbursement of Expenses.** Employer shall reimburse Executive for all travel, entertainment and other out-of-pocket business expenses that Executive reasonably and necessarily incurs in the performance of Executive’s duties under this Agreement. Executive shall document these expenses to the extent necessary to comply with all applicable laws and Employer policies. Any reimbursement payments hereunder shall be made as provided in Employer policies and in no event later than two and one-half (2½) months following the end of the calendar year in which the corresponding expenses are incurred.

(g) **Other Benefits.** Executive shall be eligible to participate, subject to the terms thereof, in all Employer retirement plans and health, dental, life insurance and similar plans, as may be in effect from time to time with respect to similarly situated senior executives. In addition to the foregoing benefits, Executive shall be eligible to participate in Employer’s key life insurance program, on the first entry date following the Effective Time (which entry date is September 1, 2025) with an aggregate death benefit amount of five hundred thousand dollars (\$500,000.00), subject to satisfaction of insurability and all other terms of such program, as it may be amended from time to time.

(h) **Vacations.** Executive shall be subject to Employer’s general vacation policy as may be in effect from time to time, but shall accrue not less than twenty-five (25) days of paid vacation annually.

(i) **Withholding.** Employer may withhold any applicable federal, state and local withholding and other taxes from payments or benefits that become due or allowances that are provided to Executive.

Section 4. Reasons for Termination of Employment. Executive's employment hereunder may be terminated during the Term under the following circumstances:

(a) **Death.** Executive's employment hereunder will terminate upon his or her death.

(b) **Disability.** If, as a result of Executive's incapacity due to physical or mental illness, Executive will have been substantially unable to perform his or her duties hereunder for a continuous period of 180 days, Employer may terminate Executive's employment hereunder for "**Disability.**" During any period that Executive fails to perform his or her duties hereunder as a result of incapacity due to physical or mental illness, Executive will continue to receive his or her full Base Salary set forth in **Section 3(a)** until his or her employment terminates.

(c) **Cause.** Employer may terminate Executive's employment for Cause if: (i) Executive engages in one (1) or more unsafe or unsound banking practices or material violations of a law or regulation applicable to Employer or any subsidiary; (ii) Executive engages in any repeated violations of a policy of Employer after being warned in writing by the Board or the CFO or CEO, as applicable not to violate such policy; (iii) Executive engages in any single violation of a policy of Employer if such violation materially and adversely affects the business or affairs of Employer; (iv) Executive fails to timely implement a direction or order of the Board or the CFO or CEO, as applicable, unless such direction or order would violate the law; (v) Executive engages in a breach of fiduciary duty or act of dishonesty involving the affairs of Employer; (vi) Executive is removed or suspended from banking pursuant to Section 8(e) of the Federal Deposit Insurance Act or any other applicable state or federal law; (vii) Executive commits a material breach of Executive's obligations under this Agreement that Executive fails to remedy to the reasonable satisfaction of Employer within thirty (30) days after written notice is delivered by Employer to Executive that sets forth in reasonable detail the basis for Employer's determination that Executive materially breached an obligation under this Agreement (provided that notice and opportunity to cure need not be provided to Executive more than once in any calendar year); (viii) Executive materially fails to perform Executive's duties to Employer with the degree of skill, care or competence expected by Employer that Executive fails to remedy to the reasonable satisfaction of Employer within thirty (30) days after written notice is delivered by Employer to Executive that sets forth in reasonable detail the basis for Employer's determination that Executive materially failed to perform Executive's duties to Employer (provided that notice and opportunity to cure need not be provided to Executive more than once in any calendar year); or (ix) Executive is found guilty of, or pleads *nolo contendere* to, a felony or an act of dishonesty in connection with the performance of Executive's duties as an officer of Employer, or an act that disqualifies Executive under applicable laws, rules or regulations from serving as an officer or director of Employer.

(d) **Good Reason.** Executive may terminate his or her employment for “Good Reason” within 60 days after Executive has actual knowledge of the occurrence, without the written consent of Executive, of one of the following events that has not been cured within 30 days after written notice thereof has been given by Executive to Employer setting forth in reasonable detail the basis of the event (provided that such notice must be given to Employer within 60 days of Executive becoming aware of such condition). “Good Reason” means the occurrence of any one (1) or more of the following, without Executive’s prior consent: (i) a material reduction in Executive’s Base Salary, unless such reduction applies to all similarly situated senior executives of Employer; (ii) Employer changes the primary location of Executive’s employment to a place that is more than fifty (50) miles from Executive’s primary location of employment as of the Effective Time; or (iii) Employer otherwise commits a material breach of its obligations under this Agreement. Executive’s continued employment during the 60-day period referred to above in this **Section 4(d)** will not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

(e) **Without Cause.** Employer may terminate Executive’s employment hereunder without Cause by providing Executive with a Notice of Termination (as defined below). This means that, notwithstanding this Agreement, Executive’s employment with Employer will be “at will.”

(f) **Without Good Reason.** Executive may terminate Executive’s employment hereunder without Good Reason by providing Employer with a Notice of Termination.

Section 5. Termination of Employment Procedure.

(a) **Notice of Termination.** Any termination of Executive’s employment by Employer or by Executive during the Term (other than termination pursuant to **Section 4(a)**) will be communicated by written Notice of Termination to the other party hereto in accordance with **Section 15(i)**. For purposes of this Agreement, a “Notice of Termination” means a notice which will indicate the specific termination provision in this Agreement relied upon and will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive’s employment under the provision so indicated if the termination is based on **Sections 4(b), 4(c) or 4(d)**.

(b) **Termination Date.** “Termination Date” means (i) if Executive’s employment is terminated by his or her death, the date of his or her death; (ii) if Executive’s employment is terminated pursuant to **Section 4(b)**, the date set forth in the Notice of Termination; and (iii) if Executive’s employment is terminated for any other reason, the date on which a Notice of Termination is given or any later date (within 30 days after the giving of such notice) set forth in such Notice of Termination; provided, however, that if such termination is due to a Notice of Termination by Executive, Employer will have the right to accelerate such notice and make the Termination Date the date of the Notice of Termination or such other date prior to Executive’s intended Termination Date as Employer deems appropriate, which acceleration will in no event be deemed a termination by Employer without Cause or constitute Good Reason. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits, which are subject to Section 409A of the hereinafter defined Code (together with the applicable regulations thereunder, “**Section 409A**”), upon or following a termination of employment unless such termination is also a “separation from service” within the meaning of Section 409A (and the guidance issued thereunder) and, for purposes of any such provision of this Agreement, references to a “resignation,” “termination,” “termination of employment,” “retirement” or like terms shall mean separation from service.

(c) **Removal from any Boards and Position.** Upon the termination of Executive's employment with Employer for any reason, he or she will be deemed to resign (i) from the board of directors of First Busey, the Bank, any of their respective subsidiaries and/or any other board to which he or she has been appointed or nominated by or on behalf of Employer (including the Board), and (ii) from any position (including, but not limited to, as an officer or director) or any other fiduciary role with First Busey, the Bank, and any of their respective subsidiaries or their benefit plans.

Section 6. Compensation upon Termination of Employment. This Section 6 provides the payments and benefits to be paid or provided to Executive as a result of his or her termination of employment. Except as provided in this Section 6, Executive will not be entitled to any payments or benefits from Employer as a result of the termination of his or her employment, regardless of the reason for such termination.

(a) **Termination for Any Reason.** Following the termination of Executive's employment, regardless of the reason for such termination and including, without limitation, a termination of his or her employment by Employer for Cause or by Executive without Good Reason, upon expiration of the Term, or by reason of Executive's death or Disability, Employer will pay or provide to Executive (and upon Executive's death, Executive's heirs, executors and administrators) the following (collectively, the "Accrued Benefits") as soon as practicable following the Termination Date:

(i) (A) any earned but unpaid Base Salary, (B) any earned but unpaid bonus under Section 3(b) for previously completed performance periods and (C) any accrued and unused vacation and personal time pay through the Termination Date;

(ii) reimbursement for any amounts due to Executive pursuant to Section 3(f), provided that Executive submits the required documentation in accordance with established policies and within thirty (30) days of the Termination Date; and

(iii) any compensation and/or benefits as may be due or payable to Executive in accordance with the terms and provisions of any employee benefit plans or programs of Employer.

Upon any termination of Executive's employment hereunder, except as otherwise provided herein, Executive (or his or her beneficiary, legal representative or estate, as the case may be, in the event of his or her death or Disability) will be entitled to such rights in respect of any awards granted to Executive under Employer's long-term equity incentive program, and to only such rights, as are provided by the plan or the award agreement pursuant to which such awards have been granted to Executive or other written agreement or arrangement between Executive and Employer.

(b) Termination by Employer without Cause or upon Non-Renewal of the Term or by Executive for Good Reason (Non-Change in Control). If Executive's employment is terminated by Employer other than for Cause or a Disability, upon Employer's non-renewal of the Term, or by Executive for Good Reason, Employer (in lieu of any severance pay under any severance pay plans, programs or policies) will pay or provide the Accrued Benefits and, subject to the effectiveness of a release as set forth in **Section 7**, will pay to Executive:

(i) an amount equal to one hundred percent (100%) of the sum of (A) Executive's then applicable Base Salary, plus (B) the amount of the most recent performance bonus that Employer actually paid to Executive pursuant to **Section 3(b)**, payable in substantially equal installments over a one (1)-year period in accordance with Employer's regular payroll practices then in effect;

(ii) reimbursement for up to twelve (12) months for continuing coverage for Executive and, if applicable, Executive's spouse and eligible dependents under Employer's health insurance pursuant to the health care continuation rules of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), provided that Executive remains eligible for, and timely elects, such COBRA continuation for such period following the Termination Date. To the extent Executive paid a portion of the premium for such benefits while employed, Executive shall continue to pay such portion during the period of continuation hereunder, and any period of continuation hereunder shall be credited against Executive's continuation rights under COBRA; and

(iii) a lump sum cash payment equal to any unpaid portion of the Retention Bonus.

(c) Termination by Employer without Cause or upon Non-Renewal of the Term or by Executive for Good Reason (Change in Control Related). If Executive's employment is terminated by Employer other than for Cause or a Disability, upon Employer's non-renewal of the Term, or by Executive for Good Reason, in each case within one (1) year following a Change in Control, Employer (in lieu of any severance pay under any severance pay plans, programs or policies, and in lieu of any payments or benefits provided under **Section 6(b)**) will pay or provide the Accrued Benefits and, subject to the effectiveness of a release as set forth in **Section 7**, will pay to Executive:

(i) a lump sum cash payment equal to one hundred percent (100%) of the sum of (A) Executive's then applicable Base Salary, plus (B) the amount of the most recent performance bonus that Employer actually paid to Executive pursuant to **Section 3(b)**;

(ii) a lump sum cash payment in respect of twelve (12) months of continuing coverage under Employer's health insurance pursuant to COBRA; and

(iii) a lump sum cash payment equal to any unpaid portion of the Retention Bonus.

(iv) The payments and benefits set forth in this **Section 6(c)** shall be paid within sixty (60) days following the Termination Date, provided, that in the event the Change in Control event does not qualify as a “change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation” within the meaning of Treasury Regulation Section 1.409A-3(i)(5), the timing of payment of the benefits set forth in this **Section 6(c)** shall be reformed to the extent necessary to comply with Section 409A.

(d) **Applicable Definitions.** “Change in Control” means the occurrence of any of the following events:

(i) During any period of not more than 36 months, individuals who constitute the Board as of the beginning of the period (the “**Incumbent Directors**”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the beginning of such period, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of First Busey in which such person is named as a nominee for director, without written objection to such nomination) will be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of First Busey as a result of an actual or publicly threatened election contest with respect to directors or as a result of any other actual or publicly threatened solicitation of proxies by or on behalf of any person other than the Board will be deemed to be an Incumbent Director;

(ii) Any “person” (as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended from time to time, or any successor thereto, and the applicable rules and regulations thereunder (the “**Exchange Act**”) and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), is or becomes a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of First Busey representing 30% or more of the combined voting power of First Busey’s then-outstanding securities eligible to vote for the election of the Board (“**Company Voting Securities**”); provided, however, that the event described in this **Section 6(d)(ii)** will not be deemed to be a Change in Control by virtue of the ownership, or acquisition, of Company Voting Securities: (i) by First Busey, (ii) by any employee benefit plan (or related trust) sponsored or maintained by First Busey, (iii) by any underwriter temporarily holding securities pursuant to an offering of such securities or (iv) pursuant to a Non-Qualifying Transaction (as defined in **Section 6(d)(iii)**);

(iii) The consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving First Busey that requires the approval of First Busey’s stockholders, whether for such transaction or the issuance of securities in the transaction (a “**Business Combination**”), unless immediately following such Business Combination: (A) more than 60% of the total voting power of (x) the entity resulting from such Business Combination (the “**Surviving Entity**”), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of at least 95% of the voting power, is represented by Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Entity or the parent), is or becomes the beneficial owner, directly or indirectly, of 30% or more of the total voting power of the outstanding voting securities eligible to elect directors of the parent (or, if there is no parent, the Surviving Entity) and (C) at least a majority of the members of the board of directors of the parent (or, if there is no parent, the Surviving Entity) following the consummation of the Business Combination were Incumbent Directors at the time of the Board’s approval of the execution of the initial agreement providing for such Business Combination (any Business Combination which satisfies all of the criteria specified in (A), (B) and (C) of this **Section 6(d)(iii)**) will be deemed to be a “**Non-Qualifying Transaction**”);

- (iv) The consummation of a sale of all or substantially all of First Busey's assets (other than to an affiliate of First Busey); or
- (v) First Busey's stockholders approve a plan of complete liquidation or dissolution of First Busey.

Notwithstanding the foregoing, a Change in Control will not be deemed to occur solely because any person acquires beneficial ownership of more than 30% of the Company Voting Securities as a result of the acquisition of Company Voting Securities by First Busey which reduces the number of Company Voting Securities outstanding; provided that if after such acquisition by First Busey such person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person, a Change in Control will then occur.

(e) Termination by Reason of Death or Disability. If Executive's employment terminates on account of death or is terminated by Employer for Disability, Employer (in lieu of any severance pay under any severance pay plans, programs or policies) will pay or provide the Accrued Benefits and, subject to **Section 7**, will pay to Executive (or Executive's heirs, executors and administrators) a lump sum cash payment equal to any unpaid portion of the Retention Bonus.

Section 7. Release.

(a) As a condition to Employer's obligation to pay any amount under **Sections 6(b), 6(c) and 6(e)**, Executive (or, as applicable, Executive's heirs, executors and administrators) shall execute a general release of, and waiver of claims against, Employer and its subsidiaries and affiliates, substantially in the form attached hereto as Exhibit A (the "**Release**") on or before the sixtieth (60th) day following the Termination Date. For the avoidance of doubt, in order for such Release to be deemed effective for purposes of this Agreement, any applicable revocation period with respect to such Release and waiver must have expired on or before such sixtieth (60th) day.

(b) The payments and benefits provided in **Sections 6(b), 6(c) and 6(e)** will, as applicable, begin (or be completed in the case of lump sum payments) within sixty (60) days following the Termination Date, subject to Executive's compliance with the requirements of this **Section 7**, except as otherwise required by **Section 15(j)**; provided that if such 60-day period spans two calendar years, no payment conditioned upon execution of such release will be paid before the first day of the second calendar year.

Section 8. Section 280G. In the event that any payments or benefits otherwise payable to Executive (the “**Payments**”) (a) constitute “parachute payments” within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the “**Code**”), and (b) but for this **Section 8**, would be subject to the excise tax imposed by Section 4999 of the Code, then such Payments will be either (i) delivered in full, or (ii) delivered as to such lesser extent that would result in no portion of such Payments being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999 of the Code (and any equivalent state or local excise taxes), results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such Payments may be taxable under Section 4999 of the Code. Unless the Parties otherwise agree in writing, any determination required under this **Section 8** will be made in writing by a nationally- recognized accounting firm selected jointly by Employer and Executive (the “**Accountants**”), whose determination will be conclusive and binding upon Executive and Employer for all purposes. For purposes of making the calculations required by this **Section 8**, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Parties agree to furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this provision. Employer will bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this provision. Any reduction in the Payments required by this provision will occur in the following order, as applicable: (1) reduction of cash payments; (2) reduction of vesting acceleration of equity awards; and (3) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant for equity awards. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis.

Section 9. Confidentiality.

(a) Executive acknowledges that the nature of Executive’s employment shall require that Executive produce and have access to Confidential Information (as defined below) regarding Employer and its subsidiaries and affiliates for whom Executive performs services by virtue of employment with Employer (collectively with Employer, the “**Covered Entities**”). Subject to **Section 9(c)** and **Section 9(d)**, Executive shall hold in confidence and during the course of Executive’s employment with Employer and for a period of five (5) years following termination of employment for any reason (unless such information qualifies as a trade secret or is information provided to the Covered Entities by a customer, in which case the foregoing obligation shall continue for so long as such trade secret or customer information remains protected or is required to be kept confidential under or pursuant to applicable law), Executive shall not directly or indirectly use, copy or disclose to third parties any Confidential Information, in whole or part, unless such use, copying or disclosure becomes reasonably necessary in connection with Executive’s performance of Executive’s duties hereunder, or the Confidential Information lawfully becomes available to the public from other sources, or Executive is authorized in writing by Employer to use, copy or disclose it or Executive is required to make disclosure by law or pursuant to the authority of any administrative agency or judicial body. All Confidential Information and all other records, files, documents and other materials or copies thereof relating to the business of Employer or the other Covered Entities that Executive prepares or uses shall always be the sole property of Employer or the other Covered Entities. Executive’s access to and use of Employer’s or the other Covered Entities’ computer systems, networks and equipment, and all information of Employer or the other Covered Entities contained therein, shall be restricted to legitimate business purposes on behalf of Employer or the other Covered Entities; any other access to or use of such systems, network and equipment is without authorization and is prohibited. The restrictions contained in this **Section 9** shall extend to any personal computers or other electronic devices or similar media of Executive that are used for business purposes relating to Employer or the other Covered Entities. Executive shall not transfer any information of Employer or the other Covered Entities to any personal computer or other electronic device or similar media that is not otherwise used for any business purpose relating to Employer or the other Covered Entities. Executive shall promptly return all originals and copies of any Confidential Information and other records, files, documents and other materials relating to the business of Employer and the other Covered Entities to Employer if Executive’s employment with Employer is terminated for any reason. In addition, Executive shall immediately upon termination for any reason surrender all personal electronic devices or similar media ever used to access Confidential Information or conduct business on behalf of Employer or any other Covered Entity for joint (Executive and Employer) inspection and removal of information of Employer and the other Covered Entities, including without limitation, Confidential Information, or upon direction from Employer, Executive will permanently delete and erase any Confidential Information stored on such personal media and certify in writing that Executive has complied with the return of property obligations set forth in this **Section 9(a)**.

(b) “Confidential Information” means any type of trade secret (as defined by applicable law) or other confidential and proprietary information, whether in hard-copy or electronic format or communicated orally, relating to the business of Employer or the other Covered Entities, that Executive acquires through Executive’s employment with Employer or the other Covered Entities and that Employer or the other Covered Entities designate or treat as confidential through its policies, procedures and/or practices. Confidential Information is limited to information that is not generally known to competitors, that has not been voluntarily disclosed to the public by Employer or the other Covered Entities and that is not otherwise lawfully in the public domain. Confidential Information includes (i) any files, lists or other information relating to customers and compilations of any of the foregoing including, without limitation, identity of customers and key contact persons of customers and assets held for customers; (ii) financial information and projections, including, without limitation, financial and business data, cost and performance data, pricing factors, and profit and profit margin data; (iii) strategic, marketing and research information including, without limitation, business plans, strategies and market research data; (iv) technical information including, without limitation, software, source code, object code and other non-public intellectual property; (v) personnel data and information applicable to management, supervisory or human resources personnel including, without limitation, performance evaluations and salary, bonus and incentive data (excluding such information pertaining to Executive); and (vi) methods of operation. The term “Confidential Information” shall not include information that (A) is in the public domain, provided it has not been placed in the public domain through a violation of this Agreement; (B) becomes available to Executive on a non-confidential basis from a source other than Employer or the other Covered Entities (provided that such source is not under a duty of confidentiality to Employer or the other Covered Entities); (C) is required to be disclosed by a court of competent jurisdiction (except to the extent the information is protected by an appropriate protective order); or (D) is independently developed by Executive on his or her own time without use of, reliance on or reference to any Confidential Information of Employer or the other Covered Entities.

(c) Notwithstanding the foregoing, an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (i) is made: (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Accordingly, Executive has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Executive also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Nothing in this Agreement shall be construed to authorize, or limit liability for, an act that is otherwise prohibited by law, such as the unlawful access of material by unauthorized means.

(d) Nothing contained herein (or in the Release) is intended to, and this **Section 9** shall not, (i) limit Executive's rights under applicable law to initiate communications directly with, provide information to, respond to any inquiries from, or report possible violations of law or regulation to any governmental entity or self-regulatory authority, or to file a charge with or participate in an investigation conducted by any governmental entity or self-regulatory authority or (ii) preclude Executive from disclosing or discussing information lawfully acquired about wages, hours or other terms and conditions of employment if used for purposes protected by Section 7 of the National Labor Relations Act such as joining or forming a union, engaging in collective bargaining or engaging in other concerted activity for the mutual aid or protection of employees, and Executive does not need Employer's permission to do so. In addition, it is understood that nothing herein (or in the Release) shall require Executive to notify Employer of a request for information from any governmental entity or self-regulatory authority or of Executive's decision to file a charge with or participate in an investigation conducted by any governmental entity or self-regulatory authority. Notwithstanding the foregoing, Executive recognizes that, in connection with the provision of information to any governmental entity or self-regulatory authority, Executive must inform such governmental entity or self-regulatory authority that the information Executive is providing is confidential. Despite the foregoing, Executive is not permitted to reveal to any third party, including any governmental entity or self-regulatory authority, information Executive came to learn during Executive's service to Employer that is protected from disclosure by any applicable privilege, including but not limited to the attorney-client privilege or attorney work product doctrine. Employer does not waive any applicable privileges or the right to continue to protect its privileged attorney-client information, attorney work product, and other privileged information.

Section 10. Non-Competition and Non-Solicitation Covenants. Executive acknowledges and agrees that the resources, training, goodwill, and reputation of Employer and the other Covered Entities are the primary and material factors in Executive's ability to develop and service the customers of Employer or the other Covered Entities, and that all customers serviced by Executive on behalf of Employer or the other Covered Entities are customers of Employer or the other Covered Entities. Therefore, as an essential ingredient of and in consideration of this Agreement and Executive's employment or continued employment by Employer, together with the professional and financial benefits and other consideration described herein, Executive hereby agrees that during Executive's employment with Employer and for a period of one (1) year after termination of Executive's employment with Employer for any reason and whether such termination of employment is during the Term or after the termination or expiration of the Term (the "**Restrictive Period**"), Executive shall not directly or indirectly do any of the following (the "**Restrictive Covenant**"):

(a) (i) invest in, own, manage, operate, control, finance, participate in the ownership, management or control of, or lend Executive's name or lend Executive's credit to, any Financial Institution (as defined below) with an office located, or to be located at, an address identified in a filing with any governmental or regulatory authority, within the Restricted Area (as defined below); or (ii) become employed by, associate with or in any manner be connected with, serve as an employee, officer or director of or consultant to, or render services or advice to, anywhere within the Restricted Area, to the extent involving executive or management responsibilities or duties, any person, firm, partnership, corporation, trust or other entity that owns or operates, a bank, savings and loan association, credit union, finance company, payment processing company, wealth management or investment advisory firm, or similar financial institution or other entity that offers competitive products and services as Employer or any other Covered Entity (a "**Financial Institution**");

(b) directly or indirectly, for Executive or any Financial Institution: (i) hire or induce or attempt to induce any officer, employee or agent of Employer or any other Covered Entity to leave the employ of Employer or any other Covered Entity; (ii) in any way interfere with the relationship between Employer or any other Covered Entity and any such officer, employee or agent; (iii) employ, or otherwise engage as an employee, independent contractor or otherwise, any such officer, employee or agent; or (iv) induce or attempt to induce any supplier, licensee or other business relation of Employer or any other Covered Entity to cease doing business with Employer or any other Covered Entity or in any way interfere with the relationship between Employer or any other Covered Entity and any of their respective suppliers, licensees or other business relations, where Executive had business contact with, with respect to whom Executive had direct responsibility or involvement, for whom Executive performed work, or about whom Executive acquired Confidential Information as an employee of Employer, during the final twenty-four (24) months of Executive's employment with Employer with respect to, such suppliers, licensees or other business relations; or

(c) directly or indirectly, for Executive or any Financial Institution, solicit or accept the business of, or provide competitive products, activities or services to, any person or entity (i) that Employer or any other Covered Entity provided services or products to during the final twenty-four (24) months of Executive's employment with Employer and (ii) with whom Executive had business contact, with respect to whom Executive had direct responsibility or involvement, for whom Executive performed work or about whom Executive acquired Confidential Information as an employee of Employer, during the final twenty-four (24) months of Executive's employment with Employer.

The foregoing Restrictive Covenant shall not prohibit Executive from owning directly or indirectly capital stock or similar securities that are listed on a securities exchange or quoted on the National Association of Securities Dealers Automated Quotation System that do not represent more than one percent (1%) of the outstanding capital stock of any Financial Institution. In the event a successor to First Busey succeeds to or assumes First Busey's rights and obligations under this Agreement in connection with a Change in Control, **Section 10(a)** shall apply only to the primary service areas of Employer and the other Covered Entities as they existed immediately before the Change in Control. For purposes of **Section 10(a)**, the "**Restricted Area**" means an area that encompasses a fifty (50) mile radius from each banking and other office location of Employer and the other Covered Entities for which Executive conducted or supervised business activities on behalf of Employer and/or the other Covered Entities during the final twenty-four (24) months of Executive's employment with Employer. Executive may not circumvent the Restricted Area through remote, electronic or other means. For purposes of **Section 10(b)**, "**officer, employee or agent**" means any person who is or was an officer, employee or independent contractor of Employer or any other Covered Entity during Executive's employment and with respect to whom Executive had work-related contact or supervisory responsibility in the course of conducting business for Employer and the other Covered Entities or about whom Executive acquired Confidential Information related to such person's compensation, other employment terms, performance or advancement potential, other than a former officer, employee or independent contractor who has not been employed or engaged by Employer or any other Covered Entity during the final twelve (12) months of Executive's employment with Employer without any inducement, encouragement or involvement of Executive, or any employee or independent contractor providing purely clerical or janitorial services.

Section 11. Remedies for Breach. Executive has reviewed the provisions of this Agreement with legal counsel, or has been given adequate opportunity to seek such counsel, and Executive acknowledges and expressly agrees that the Restrictive Covenant and other restrictions and obligations contained herein are reasonable with respect to their duration, geographical area and scope. Executive further acknowledges that the Restrictive Covenant and such other restrictions and obligations are reasonable and necessary for the protection of the legitimate business interests of Employer and the other Covered Entities, that they create no undue hardships, that any violation of these provisions would cause substantial injury to Employer and the other Covered Entities and their respective interests, that Employer would not have agreed to enter into this Agreement without receiving Executive's agreement to be bound by these provisions and that such provisions were a material inducement to Employer to enter into this Agreement. Executive hereby acknowledges and agrees that during the Restrictive Period, Employer shall have the right to communicate the existence and terms of this Agreement to any third party with whom Executive may seek or obtain future employment or other similar arrangement. In the event Employer determines that Executive has violated any of the restrictions contained in **Sections 9, 10, or 12**, Executive's eligibility for and receipt of any severance payments or benefits under **Sections 6(b), 6(c) or 6(e)** shall immediately terminate. In addition, in the event of any violation or threatened violation of the Restrictive Covenant or the other restrictions and obligations contained in this Agreement, Employer, in addition to and not in limitation of, any other rights, remedies or damages available to Employer under this Agreement or otherwise at law or in equity, shall be entitled to temporary, preliminary and permanent injunctive relief to prevent or restrain any such violation by Executive and any and all persons directly or indirectly acting for or with Executive, as the case may be. If Executive violates the Restrictive Covenant and Employer brings legal action for injunctive or other relief, Employer shall not, as a result of the time involved in obtaining such relief, be deprived of the benefit of the full period of the Restrictive Covenant. Accordingly, the Restrictive Covenant shall be deemed to have the duration specified herein computed from the date the relief is granted but reduced by the time between the period when the Restrictive Period began to run and the date of the first violation of the Restrictive Covenant by Executive.

Section 12. Intellectual Property.

(a) At all times from and after the date of this Agreement, Executive agrees to not, directly or indirectly, use, register, or assist others to use or register, any designation (including, without limitation, any service mark, trademark, trade name or other indicia of source) that is the same as or confusingly similar to the legal or operating names of any Covered Entity in connection with any banking, wealth management, lending, trust, mortgage, payment processing, or other financial services or products. Executive further acknowledges and agrees that Executive's obligations under this **Section 12(a)** are necessary to protect consumers from confusion as to source, affiliation, association or sponsorship, and that such obligations are reasonable and will not preclude or materially impede Executive from gainful employment.

(b) Executive acknowledges and expressly agrees that Employer and the other Covered Entities shall be the sole owner of all intellectual property and the fruits and proceeds thereof that result from his or her provision of services to Employer and the other Covered Entities, including, without limitation, all inventions, creations, improvements, discoveries, trade secrets, secret processes, technology, know-how, methods, developments, software, works of authorship or other creative works, and/or any improvements thereof, whether patentable or not, whether reduced to practice or not and whether or not conceived or developed during Executive's working hours, and which: (i) were developed using any trade secret information of Employer or the other Covered Entities; (ii) relate at the time of conception or reduction to practice to actual or contemplated business or activities of Employer, the other Covered Entities or their respective predecessors; or (iii) result from or are derived from any work performed by Executive (or anyone over which Executive has supervisory authority) for Employer or the other Covered Entities of any kind or character whatsoever, other than Executive's right to compensation hereunder (which right to compensation shall not limit or restrict Employer's rights hereunder). Executive shall, at the request of Employer, execute such assignments, certificates or other instruments as Employer or the other Covered Entities may reasonably deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend its right, title and interest in or to any such properties.

Section 13. Indemnity; Other Protections.

(a) **Indemnification.** Employer shall indemnify Executive (and, upon Executive's death, Executive's heirs, executors and administrators) to the fullest extent permitted by law against all expenses, including reasonable attorneys' fees, court and investigative costs, judgments, fines and amounts paid in settlement (collectively, "**Expenses**") reasonably incurred by Executive in connection with or arising out of any pending, threatened or completed action, suit or proceeding in which Executive becomes involved by reason of Executive's having been an officer or director of Employer. The indemnification rights provided for herein are not exclusive and shall supplement any rights to indemnification that Executive may have under any applicable bylaw or charter provision of Employer, or any resolution of Employer or any applicable statute.

(b) **Advancement of Expenses.** In the event that Executive becomes a party, or is threatened to be made a party, to any pending, threatened or completed action, suit or proceeding for which Employer is permitted or required to indemnify Executive under this Agreement, any applicable bylaw or charter provision of Employer, any resolution of Employer, or any applicable statute, Employer shall, to the fullest extent permitted by law, advance all Expenses incurred by Executive in connection with the investigation, defense, settlement, or appeal of any threatened, pending or completed action, suit or proceeding, subject to receipt by Employer of a written undertaking from Executive to reimburse Employer for all Expenses actually paid by Employer to or on behalf of Executive in the event it shall be ultimately determined that Employer cannot lawfully indemnify Executive for such Expenses, and to assign to Employer all rights of Executive to indemnification under any policy of directors' and officers' liability insurance to the extent of the amount of Expenses actually paid by Employer to or on behalf of Executive.

(c) **Litigation.** Unless precluded by an actual or potential conflict of interest, Employer shall have the right to recommend counsel to Executive to represent Executive in connection with any claim covered by this **Section 13**. Further, Executive's choice of counsel, Executive's decision to contest or settle any such claim and the terms and amount of the settlement of any such claim shall be subject to Employer's prior written approval, which approval shall not be unreasonably withheld by Employer.

Section 14. Regulatory Conditions. If Employer is not permitted to make any payments that may become due to Executive under **Sections 6(b)**, **6(c)** or **6(e)** because First Busey or the Bank is not in compliance with any regulatory-mandated minimum capital requirements or if making the payments would cause First Busey's or the Bank's capital to fall below such minimum capital requirements, then Employer shall delay making such payments until the earliest possible date it could resume making the payments without violating such minimum capital requirements. Further, if Employer is not permitted to make any payments that may become due to Executive under **Sections 6(b)**, **6(c)** or **6(e)** because of the operation of any other applicable law or regulation, then Employer shall delay making such payments until the earliest possible date it could resume making the payments without violating such applicable law or regulation.

Section 15. General Provisions.

(a) **Amendment.** Except as set forth explicitly herein, this Agreement may not be amended or modified except by written agreement signed by Executive and Employer.

(b) **Successors; Assignment.** This Agreement shall be binding upon and inure to the benefit of Executive, Employer and their respective personal representatives, successors and assigns. Except as set forth in **Section 10(a)**, for the purposes of this Agreement, any successor or assign of Employer shall be deemed to be “**Employer.**” Employer shall require any successor or assign of Employer or any direct or indirect purchaser or acquirer of all or substantially all of the business, assets or liabilities of Employer, whether by transfer, purchase, merger, consolidation, stock acquisition or otherwise, to assume and agree in writing to perform this Agreement and Employer’s obligations hereunder in the same manner and to the same extent as Employer would have been required to perform them if no such transaction had occurred.

(c) **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties concerning the subject matter hereof, and supersedes all prior negotiations, undertakings, agreements and arrangements with respect thereto, whether written or oral, whether with First Busey or the Bank. The provisions of this Agreement shall be regarded as divisible and separate; if any provision is declared invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected. In the event any provision of this Agreement or part thereof (including any provision of the Restrictive Covenant) is held to be overbroad as written under circumstances then existing by a court of competent jurisdiction, the Parties authorize such court to modify and reform such provision so that it may be enforced to the maximum extent permitted by law.

(d) **Survival.** The provisions of **Section 9** (Confidentiality), **Section 10** (Non-Competition and Non-Solicitation Covenants), **Section 11** (Remedies for Breach), **Section 12** (Intellectual Property), **Section 13** (Indemnity; Other Protections), **Section 14** (Regulatory Conditions) and **Section 15** (General Provisions) shall survive the expiration or termination of this Agreement for any reason.

(e) **Governing Law and Enforcement.** This Agreement shall be construed and the legal relations of the Parties shall be determined in accordance with the laws of the State of Florida without reference to the law regarding conflicts of law.

(f) **Jurisdiction.** Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement, shall be brought against either of the Parties exclusively in the courts of the State of Florida, County of Lee, or, if it has or can acquire jurisdiction, in the United States District court for the Middle District of Florida, 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 venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on either Party anywhere in the world. EXECUTIVE AND EMPLOYER HEREBY WAIVE THEIR RIGHT TO TRIAL BY JURY IN THE EVENT OF A DISPUTE, AND EXECUTIVE REPRESENTS THAT EXECUTIVE’S WAIVER IS KNOWING, VOLUNTARY AND INTENTIONAL.

(g) **Prevailing Party Legal Fees.** Should either Party initiate any action or proceeding to enforce this Agreement or any provision hereof, or for damages by reason of any alleged breach of this Agreement or of any provision hereof, or for a declaration of rights hereunder (a “**Covered Dispute**”), the prevailing Party in any such Covered Dispute shall be entitled to receive from the other Party all costs and expenses, including reasonable attorneys’ fees, incurred by the prevailing Party in connection with such Covered Dispute.

(h) **Waiver.** No waiver by either Party at any time of any breach by the other Party of, or compliance with, any condition or provision of this Agreement to be performed by the other Party shall be deemed a waiver of any similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

(i) **Notices.** Notices pursuant to this Agreement shall be in writing and shall be deemed given when received; and, if mailed, shall be mailed by United States registered or certified mail, return receipt requested, postage prepaid; and if to Employer, addressed to the principal headquarters of First Busey, attention: General Counsel; and if to Executive, to the address for Executive as most currently reflected in the corporate records or to such other address as Executive has most recently provided to Employer.

(j) **Section 409A.**

(i) This Agreement is intended to comply with the requirements of Section 409A, and the Parties agree that it shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. Notwithstanding anything herein to the contrary, no termination or other similar payments and benefits hereunder shall be payable on account of Executive's termination of employment unless Executive's termination of employment constitutes a "separation from service" within the meaning of Section 409A. To the extent any reimbursements or in-kind benefit payments under this Agreement are subject to Section 409A, such reimbursements and in-kind benefit payments shall be made in accordance with Treasury Regulation §1.409A-3(i)(1)(iv). This Agreement may be amended to the extent necessary (including retroactively) by Employer to maintain to the maximum extent practicable the original intent of this Agreement while avoiding the application of taxes or interest under Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for Executive's compensation and benefits and Employer does not guarantee that any compensation or benefits provided under this Agreement will satisfy the provisions of Section 409A.

(ii) If at the time of any payment hereunder Executive is considered to be a Specified Employee and such payment is required to be treated as deferred compensation subject to Section 409A, then, to the extent required by Section 409A, such payments shall be delayed as provided in paragraph (iii) below. For purposes of Section 409A, each payment made under this Agreement, or pursuant to another plan or arrangement, will be treated as a separate payment. The term "**Specified Employee**" means any person who holds a position with Employer of senior vice president or higher and has compensation greater than that stated in Section 416(i)(1)(A)(i) of the Code. The determination of whether Executive is a Specified Employee shall be based upon the twelve (12)-month period ending on each December 31st (such twelve (12)-month period is referred to below as the "identification period"). If Executive is determined to be a Specified Employee during the identification period, he or she shall be treated as a Specified Employee for purposes of this Agreement during the twelve (12)-month period that begins on the April 1st following the close of such identification period. For purposes of determining whether Executive is a Specified Employee under Section 416(i) of the Code, compensation shall mean Executive's W-2 compensation as reported by Employer for a particular calendar year.

(iii) All payments under this Agreement required to be delayed pursuant to this **Section 15(j)** shall be accumulated and paid in a lump-sum, catch-up payment as of the first (1st) day of the seventh (7th) month following the Termination Date (or, if earlier, the date of death of Executive), with all such delayed payments being credited with interest (compounded monthly) for such period of delay equal to the prime rate in effect on the first (1st) day of such six (6)-month period. Any portion of the benefits hereunder that were not otherwise due to be paid during the six (6)-month period following the Termination Date shall be paid to Executive in accordance with the payment schedule established herein.

(k) **Clawback.** Any amount or benefit received under this Agreement shall be subject to potential cancellation, recoupment, rescission, payback, or other action in accordance with the terms of any applicable Employer clawback policy (the “**Policy**”) or any applicable law, as may be in effect from time to time. Executive acknowledges and consents to Employer’s application, implementation, and enforcement of (i) the Policy or any similar policy established by Employer that may apply to Executive and (ii) any provision of applicable law relating to cancellation, rescission, payback, or recoupment of compensation, as well as Executive’s express agreement that Employer may take such actions as may be necessary to effectuate the Policy, any similar policy, or applicable law, without further consideration or action.

(l) **Acknowledgements.** Executive acknowledges and agrees that: (i) Executive has been and hereby is advised in writing to consult with an attorney prior to executing this Agreement and (ii) Executive was given at least fourteen (14) days to consider whether to execute this Agreement, although Executive may execute it sooner if desired.

(m) Construction. This Agreement shall be deemed drafted equally by the Parties. Any presumption or principle that the language of this Agreement is to be construed against any Party shall not apply. Whenever used in this Agreement, the singular includes the plural and vice versa (where applicable); the words “hereof,” “herein,” “hereto,” “hereby,” “hereunder,” and other words of similar import refer to this Agreement as a whole (including exhibits); all references to sections, schedules and exhibits are to sections, schedules and exhibits in or to this Agreement unless otherwise specified; the words “include,” “includes” and “including” means “include, without limitation,” “includes, without limitation” and “including, without limitation,” respectively; any reference to a document or set of documents, and the rights and obligations of the parties under any such documents, means such document or documents as amended from time to time, and any and all modifications, extensions, renewals, substitutions or replacements thereof; and references to a statute shall refer to the statute and any amendments and any successor statutes, and to all regulations promulgated under or implementing the statute, as amended, or its successors, as in effect at the relevant time. The headings used in this Agreement are for convenience only, shall not be deemed to constitute a part hereof, and shall not be deemed to limit, characterize or in any way affect the construction or enforcement of the provisions of this Agreement. This Agreement may be executed electronically in any number of identical counterparts, any of which may contain the signatures of less than all Parties, and all of which together shall constitute a single agreement. All remedies of any Party are cumulative and not alternative, and are in addition to any other remedies available at law, in equity or otherwise.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement on February 21, 2025, effective as of the Effective Time.

FIRST BUSEY CORPORATION

By: /s/ Van A. Dukeman
Van A. Dukeman
Chairman and Chief Executive Officer

EXECUTIVE

/s/ Scott A. Phillips
Scott A. Phillips

BUSEY BANK

By: /s/ Van A. Dukeman
Van A. Dukeman
Chairman and Chief Executive Officer

Signature Page to Phillips Employment Agreement

Forvis Mazars, LLP
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Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference of our report dated February 24, 2025 with respect to the consolidated financial statements of CrossFirst Bankshares, Inc. as of December 31, 2024 and 2023, and for each of the years in the three-year period ended December 31, 2024, into the following Registration Statements of First Busey Corporation: Registration Statement (No. 333-274620) on Form S-3, (Nos. 333-272268, 333-256365, 333-238782) on Form S-8, and (No. 333-282727) on Form S-4, as amended, and the related proxy statement/prospectus. We also consent to the reference to our firm under the caption "Experts" in any such registration statement.

Forvis Mazars, LLP

Kansas City, Missouri March 3, 2025

Forvis Mazars, LLP is an independent member of Forvis Mazars Global Limited

**FOR IMMEDIATE RELEASE**

March 3, 2025

First Busey Corporation Completes Acquisition of CrossFirst Bankshares, Inc. and CrossFirst Bank

CHAMPAIGN, IL and LEAWOOD, KS—First Busey Corporation (“Busey”) (NASDAQ: BUSE), the holding company for Busey Bank, announced today the completion of its acquisition by merger of CrossFirst Bankshares, Inc. (“CrossFirst”) (NASDAQ: CFB), the holding company for CrossFirst Bank, effective March 1, 2025. The transaction was previously jointly announced on August 27, 2024.

Busey will operate CrossFirst Bank as a separate banking subsidiary of Busey until it is merged with Busey Bank, which is expected to occur in June 2025. At the time of the bank merger, CrossFirst Bank’s banking centers will become branches of Busey Bank and operate under the Busey brand, creating a premier full-service commercial bank serving clients from 77 locations across 10 states with combined total assets of approximately \$20 billion, \$17 billion in total deposits, \$15 billion in total loans and \$14 billion in wealth assets under care. The holding company will be headquartered in Leawood, Kansas in the Kansas City metro area, which is central to the combined footprint. Busey Bank’s headquarters will remain in Champaign, Illinois.

The combination extends Busey’s regional operating model into high-growth metro markets—bolstering its commercial banking relationships and offering additional opportunities to grow its wealth management business and payment technology solutions subsidiary, FirsTech, Inc.

“This is a transformational partnership that advances our organization and will ultimately benefit each of our Pillars—associates, customers, communities and shareholders,” said Van Dukeman, Chairman and CEO of Busey and Chairman of Busey Bank. “Over the past few years, we have been keenly focused on maintaining Busey’s fortress balance sheet—featuring exceptional credit quality, strong liquidity, excess capital and diversified revenue streams buttressed by our wealth management and payments processing businesses—to be well positioned to capitalize on a financially and strategically compelling opportunity of size and scale. This is that opportunity and we look forward to fully integrating our banks while leveraging the talent, expertise, increased scale and market presence to benefit our Pillars.”

“Taking our organization to new heights, this partnership combines our growing commercial bank with the power of Busey’s core deposit franchise, exceptional wealth management platform and the impressive payment tech solutions at FirsTech, Inc.,” said Mike Maddox, former CrossFirst CEO, President and Director who now serves as Vice Chairman and President of Busey and President and CEO of Busey Bank. “We firmly believe our strong metro market footprint, commercial focus and growth potential will help elevate the combined company to be a leading regional banking institution throughout the Midwest and Southwestern regions of the U.S. We look forward to building upon the strong legacy of outstanding service and community engagement that both organizations have developed to create even more opportunities for our teams and clients.”

Board of Directors

Effective immediately, Busey and Busey Bank will be governed by a Board of Directors comprised of 13 directors, eight from Busey or Busey Bank and five from CrossFirst:

- Van Dukeman, Chairman and CEO
- Mike Maddox, Vice Chairman and President
- Rod Brenneman, Lead Independent Director
- Stan Bradshaw
- Steve Caple
- Michael Cassens
- Jennifer Grigsby
- Karen Jensen
- Fred Kenney
- Steve King
- Kevin Rauckman
- Scott Wehrli
- Tiffany White

Transaction Details

Under the terms of the merger agreement, at the effective time of the merger on March 1, 2025, each share of CrossFirst's common stock was converted into the right to receive 0.6675 of a share of Busey common stock, with CrossFirst shareholders receiving cash in lieu of fractional shares. Former CrossFirst common shareholders are eligible to receive Busey's ongoing dividends as declared. With the transaction now complete, former CrossFirst shareholders own approximately 36.5% of the combined company, on a fully-diluted basis.

Shares of CrossFirst common stock ceased trading after the closing of the NASDAQ stock market on February 28, 2025. The combined company's common shares will continue trading on the NASDAQ under the "BUSE" ticker symbol.

About First Busey Corporation

As of December 31, 2024, First Busey Corporation (Nasdaq: BUSE) was a \$12.05 billion financial holding company headquartered in Champaign, Illinois.

Busey Bank, a wholly-owned bank subsidiary of First Busey Corporation, had total assets of \$12.01 billion as of December 31, 2024, and is headquartered in Champaign, Illinois. Busey Bank currently has 62 banking centers, with 21 in Central Illinois markets, 17 in suburban Chicago markets, 20 in the St. Louis Metropolitan Statistical Area, three in Southwest Florida, and one in Indianapolis. More information about Busey Bank can be found at busey.com. CrossFirst Bank—also a wholly-owned bank subsidiary of First Busey Corporation as of March 1, 2025—had total assets of \$7.7 billion as of December 31, 2024, and is a full-service financial institution with locations in Kansas, Missouri, Oklahoma, Texas, Arizona, Colorado and New Mexico.

Through its Wealth Management division, Busey Bank provides a full range of asset management, investment, brokerage, fiduciary, philanthropic advisory, tax preparation, and farm management services to individuals, businesses, and foundations. Assets under care totaled \$13.83 billion as of December 31, 2024. More information about Busey Bank's Wealth Management services can be found at busey.com/wealthmanagement.

Busey Bank's wholly-owned subsidiary, FirsTech, Inc., specializes in the evolving financial technology needs of small and medium-sized businesses, highly regulated enterprise industries, and financial institutions. FirsTech provides comprehensive and innovative payment technology solutions, including online, mobile, and voice-recognition bill payments; money and data movement; merchant services; direct debit services; lockbox remittance processing for payments made by mail; and walk-in payments at retail agents. Additionally, FirsTech simplifies client workflows through integrations enabling support with billing, reconciliation, bill reminders, and treasury services. More information about FirsTech can be found at firstechpayments.com.

For the first time, Busey Bank was named among the World's Best Banks for 2024 by *Forbes*, earning a spot on the list among 68 U.S. banks and 403 banks worldwide. Additionally, Busey Bank was honored to be named among America's Best Banks by *Forbes* magazine for the third consecutive year. Ranked 40th overall in 2024, Busey Bank was the second-ranked bank headquartered in Illinois of the six banks that made this year's list and the highest-ranked bank of those with more than \$10 billion in assets. Busey Bank is humbled to be named among the 2024 Best Banks to Work For by *American Banker*, the 2024 Best Places to Work in Money Management by *Pensions and Investments*, the 2024 Best Places to Work in Illinois by *Daily Herald Business Ledger*, the 2024 Best Places to Work in Indiana by the Indiana Chamber of Commerce, and the 2024 Best Companies to Work For in Florida by *Florida Trend* magazine. We are honored to be consistently recognized globally, nationally and locally for our engaged culture of integrity and commitment to community development.

For more information about us, visit [busey.com](https://www.busey.com).

First Busey Corporation Contacts

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Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended. These forward-looking statements are covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These statements, which are based on certain assumptions and estimates and describe Busey's future plans, strategies, and expectations, can generally be identified by the use of the words "may," "will," "should," "could," "would," "goal," "plan," "potential," "estimate," "project," "believe," "intend," "anticipate," "expect," "target," "aim" and similar expressions. These forward-looking statements include statements relating to Busey's projected growth, anticipated future financial performance, financial condition, credit quality, and management's long-term performance goals, as well as statements relating to the anticipated effects on results of operations and financial condition from expected developments or events, business and growth strategies, and any other statements that are not historical facts.

These forward-looking statements are subject to significant risks, assumptions, and uncertainties, and could be affected by many factors. Factors that could have a material adverse effect on Busey's financial condition, results of operations, and future prospects can be found under the "Special Cautionary Note Regarding Forward-Looking Statements" and "Item 1A. Risk Factors" sections of Busey's Annual Report on Form 10-K for the year ended December 31, 2024, and other reports Busey files with the U.S. Securities and Exchange Commission (the "SEC").

Because of those risks and other uncertainties, Busey's actual future results, performance, achievement, or industry results, may be materially different from the results indicated by these forward-looking statements. In addition, Busey's past results of operations are not necessarily indicative of its future results.

You should not place undue reliance on any forward-looking statements, which speak only as of the dates on which they were made. Busey does not undertake an obligation to update these forward-looking statements, even though circumstances may change in the future, except as required under federal securities law. Busey qualifies all of its forward-looking statements by these cautionary statements.

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CrossFirst Bankshares, Inc.
Independent Auditor's Report and
Consolidated Financial Statements
December 31, 2024, 2023 and 2022

CrossFirst Bankshares, Inc.
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Independent Auditor's Report

Board of Directors and Audit Committee
CrossFirst Bankshares, Inc.
Leawood, Kansas

Opinions on the Consolidated Financial Statements and Internal Control over Financial Reporting

We have audited the consolidated financial statements of CrossFirst Bankshares, Inc., which comprise the consolidated statements of financial condition as of December 31, 2024 and 2023, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes to the consolidated financial statements. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of CrossFirst Bankshares, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

We also have audited CrossFirst Bankshares, Inc.'s internal control over financial reporting as of December 31, 2024, based on criteria established in the Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, CrossFirst Bankshares, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on COSO.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audits of the Consolidated Financial Statements and Internal Control over Financial Reporting" section of our report. We are required to be independent of CrossFirst Bankshares, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Consolidated Financial Statements and Internal Control over Financial Reporting

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management also is responsible for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Management's Assessment of Internal Control Over Financial Reporting.

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CrossFirst Bankshares, Inc.'s ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements and Internal Control over Financial Reporting

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and about whether effective internal control over financial reporting was maintained in all material respects, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of financial statements or an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit of financial statements and an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances.
- Obtain an understanding of internal control over financial reporting relevant to the audit of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CrossFirst Bankshares, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. Because management's assessment and our audit were conducted to meet the reporting requirements of Section 112 of the Federal Deposit Insurance Corporation Improvement Act (FDICIA), our audit of CrossFirst Bankshares, Inc.'s internal control over financial reporting included controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and with the instructions to the Consolidated Financial Statements for Bank Holding Companies (Form FR Y-9-C). An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Forvis Mazars, LLP

**Kansas City, Missouri
February 24, 2025**

CrossFirst Bankshares, Inc.
Consolidated Statements of Financial Condition

	<u>2024</u>	<u>2023</u>
	<i>(Dollars in thousands)</i>	
Assets		
Cash and cash equivalents	\$ 409,209	\$ 255,229
Available-for-sale securities - taxable	450,508	413,217
Available-for-sale securities - tax-exempt	319,340	353,436
Loans, net of unearned fees	6,258,263	6,127,690
Allowance for credit losses on loans	78,962	73,462
Loans, net of the allowance for credit losses on loans	6,179,301	6,054,228
Premises and equipment, net	68,548	70,869
Restricted equity securities	3,682	3,950
Interest receivable	35,831	37,294
Foreclosed assets held for sale	5,976	—
Goodwill and other intangible assets, net	27,766	31,335
Bank-owned life insurance	72,813	70,810
Other	96,726	90,312
Total assets	<u>\$ 7,669,700</u>	<u>\$ 7,380,680</u>
Liabilities and stockholders' equity		
Deposits		
Non-interest-bearing	\$ 976,762	\$ 990,458
Savings, NOW and money market	3,806,359	3,669,726
Time	1,931,836	1,831,092
Total deposits	6,714,957	6,491,276
Federal Home Loan Bank advances	76,184	77,889
Other borrowings	8,261	8,950
Interest payable and other liabilities	96,461	94,422
Total liabilities	6,895,863	6,672,537
Stockholders' equity		
Preferred stock, \$0.01 par value: Authorized - 5,000,000 shares; issued - 7,750 shares at December 31, 2024 and 2023, respectively	—	—
Common stock, \$0.01 par value: Authorized - 200,000,000 shares; issued - 53,660,989 and 53,326,641 shares at December 31, 2024 and 2023, respectively	537	533
Treasury stock, at cost: 4,340,033 and 3,990,753 shares held at December 31, 2024 and 2023, respectively	(62,695)	(58,251)
Additional paid-in capital	548,364	543,556
Retained earnings	350,277	272,351
Accumulated other comprehensive loss	(62,646)	(50,046)
Total stockholders' equity	773,837	708,143
Total liabilities and stockholders' equity	<u>\$ 7,669,700</u>	<u>\$ 7,380,680</u>

See Notes to Consolidated Financial Statements

CrossFirst Bankshares, Inc.
Consolidated Statements of Operations

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands, except per share data)</i>		
Interest Income			
Loans, including fees	\$ 455,110	\$ 400,910	\$ 224,138
Available-for-sale securities - taxable	19,843	11,518	4,577
Available-for-sale securities - tax-exempt	9,878	13,846	15,338
Deposits with financial institutions	8,932	8,017	3,751
Dividends on bank stocks	427	860	709
Total interest income	<u>494,190</u>	<u>435,151</u>	<u>248,513</u>
Interest Expense			
Deposits	252,247	201,812	49,982
Fed funds purchased and repurchase agreements	—	54	96
Federal Home Loan Bank Advances	3,058	7,754	4,759
Other borrowings	252	690	142
Total interest expense	<u>255,557</u>	<u>210,310</u>	<u>54,979</u>
Net Interest Income	<u>238,633</u>	<u>224,841</u>	<u>193,534</u>
Provision for Credit Losses	<u>11,112</u>	<u>14,489</u>	<u>11,501</u>
Net Interest Income after Provision for Credit Losses	<u>227,521</u>	<u>210,352</u>	<u>182,033</u>
Non-Interest Income			
Service charges and fees on client accounts	9,101	8,186	6,228
ATM and credit card interchange income	6,029	5,469	6,523
Gain on sale of loans	1,468	2,684	47
Income from bank-owned life insurance	2,003	1,709	1,602
Swap fees and credit valuation adjustments, net	723	365	188
Other non-interest income	3,819	2,251	2,693
Total non-interest income	<u>23,143</u>	<u>20,664</u>	<u>17,281</u>
Non-Interest Expense			
Salaries and employee benefits	93,114	89,178	75,288
Occupancy	12,825	12,355	10,663
Professional fees	5,989	7,081	5,275
Deposit insurance premiums	7,231	7,261	3,354
Data processing	4,164	4,255	4,750
Advertising	2,641	2,886	3,201
Software and communication	7,274	7,023	5,093
Foreclosed assets, net	442	128	(17)
Core deposit intangible amortization	3,569	3,503	350
Other non-interest expense	13,774	13,237	13,785
Total non-interest expense	<u>151,023</u>	<u>146,907</u>	<u>121,742</u>
Net Income Before Taxes	<u>99,641</u>	<u>84,109</u>	<u>77,572</u>
Income tax expense	21,095	17,440	15,973
Net Income	<u>\$ 78,546</u>	<u>\$ 66,669</u>	<u>\$ 61,599</u>
Basic Earnings Per Common Share	<u>\$ 1.58</u>	<u>\$ 1.35</u>	<u>\$ 1.24</u>
Diluted Earnings Per Common Share	<u>\$ 1.56</u>	<u>\$ 1.34</u>	<u>\$ 1.23</u>

See Notes to Consolidated Financial Statements

CrossFirst Bankshares, Inc.
Consolidated Statements of Comprehensive Income (Loss)

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands)</i>		
Net Income	\$ 78,546	\$ 66,669	\$ 61,599
Other Comprehensive (Loss) Income			
Unrealized (loss) gain on available-for-sale securities	(16,107)	18,879	(111,661)
Less: income tax (benefit) expense	(3,158)	4,722	(26,870)
Unrealized (loss) gain on available-for-sale securities, net of income tax	(12,949)	14,157	(84,791)
Reclassification adjustment for realized gain (loss) included in income	60	(1,127)	96
Less: income tax expense (benefit)	14	(266)	24
Less: reclassification adjustment for realized gain (loss) included in income, net of income tax	46	(861)	72
Unrealized loss on cash flow hedges	(3,305)	(380)	(1,551)
Less: income tax benefit	(750)	(83)	(368)
Unrealized loss on cash flow hedges, net of income tax	(2,555)	(297)	(1,183)
Reclassification adjustment for (loss) gain on cash flow hedges	(3,836)	275	—
Less: income tax (benefit) expense	(886)	65	—
Less: reclassification adjustment for (loss) gain on cash flow hedges, net of income tax	(2,950)	210	—
Other comprehensive (loss) income	(12,600)	14,511	(86,046)
Comprehensive Income (Loss)	\$ 65,946	\$ 81,180	\$ (24,447)

See Notes to Consolidated Financial Statements

CrossFirst Bankshares, Inc.
Consolidated Statements of Stockholders' Equity

	Preferred Stock		Common Stock		Treasury Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount					
December 31, 2021	—	—	50,450,045	526	(28,347)	526,806	147,099	21,489	\$ 667,573
Adoption of ASU 2016-13	—	—	—	—	—	—	(2,610)	—	(2,610)
Net income	—	—	—	—	—	—	61,599	—	61,599
Other comprehensive loss - available-for-sale securities	—	—	—	—	—	—	—	(84,863)	(84,863)
Other comprehensive loss - cash flow hedges	—	—	—	—	—	—	—	(1,183)	(1,183)
Issuance of shares from equity-based awards	—	—	446,598	4	—	(565)	—	—	(561)
Open market common share repurchases	—	—	(2,448,428)	—	(35,780)	—	—	—	(35,780)
Employee receivables from sale of stock	—	—	—	—	—	—	7	—	7
Stock-based compensation	—	—	—	—	—	4,417	—	—	4,417
December 31, 2022	—	—	48,448,215	530	(64,127)	530,658	206,095	(64,557)	608,599
Net income	—	—	—	—	—	—	66,669	—	66,669
Other comprehensive gain - available-for-sale securities	—	—	—	—	—	—	—	15,018	15,018
Other comprehensive loss - cash flow hedges	—	—	—	—	—	—	—	(507)	(507)
Issuance of preferred shares	7,750	—	—	—	—	7,750	—	—	7,750
Preferred dividends \$53.33 per share	—	—	—	—	—	—	(413)	—	(413)
Issuance of shares from equity-based awards	—	—	290,028	3	—	(740)	—	—	(737)
Warrants exercised, cash settled	—	—	—	—	—	(418)	—	—	(418)
Acquisition - purchase accounting	—	—	597,645	—	5,876	1,025	—	—	6,901
Stock-based compensation	—	—	—	—	—	5,281	—	—	5,281
December 31, 2023	7,750	—	49,335,888	533	(58,251)	543,556	272,351	(50,046)	708,143
Net income	—	—	—	—	—	—	78,546	—	78,546
Other comprehensive loss - available-for-sale securities	—	—	—	—	—	—	—	(12,995)	(12,995)
Other comprehensive gain - cash flow hedges	—	—	—	—	—	—	—	395	395
Preferred dividends \$80.00 per share	—	—	—	—	—	—	(620)	—	(620)
Issuance of shares from equity-based awards	—	—	334,348	4	—	(825)	—	—	(821)
Open market common share repurchases	—	—	(349,280)	—	(4,444)	—	—	—	(4,444)
Stock-based compensation	—	—	—	—	—	5,633	—	—	5,633
December 31, 2024	<u>7,750</u>	<u>\$ —</u>	<u>49,320,956</u>	<u>\$ 537</u>	<u>\$ (62,695)</u>	<u>\$ 548,364</u>	<u>\$ 350,277</u>	<u>\$ (62,646)</u>	<u>\$ 773,837</u>

See Notes to Consolidated Financial Statements

CrossFirst Bankshares, Inc.
Consolidated Statements of Cash Flows

For the Year Ended December 31,

	2024	2023	2022
	<i>(Dollars in thousands)</i>		
Operating Activities			
Net income	\$ 78,546	\$ 66,669	\$ 61,599
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	8,758	9,461	5,305
Provision for credit losses	11,112	14,489	11,501
Accretion of discounts on loans	(2,463)	(2,548)	(252)
Accretion of discounts and amortization of premiums on securities	545	2,759	4,288
Stock-based compensation	5,633	5,281	4,417
Foreclosed asset impairment	144	—	—
Loss (gain) on disposal of fixed assets	50	(67)	(77)
Loss (gain) on sale of foreclosed assets and related impairments	—	80	(62)
Gain on sale of loans	(1,468)	(2,684)	(47)
Origination of loans held for sale	(2,111)	(47,643)	—
Proceeds from sale of loans held for sale	2,427	50,997	—
Deferred income taxes	(1,270)	(2,086)	(1,970)
Net increase in bank owned life insurance	(2,003)	(1,709)	(1,602)
Net realized (gains) losses on equity securities	(18)	(132)	181
Net realized (gains) losses on available-for-sale securities	(60)	1,127	(96)
Dividends on FHLB stock	(406)	(842)	(699)
Changes in:			
Interest receivable	1,463	(7,092)	(10,970)
Other assets	1,820	5,032	1,814
Other liabilities	765	8,263	7,023
Net cash provided by operating activities	<u>101,464</u>	<u>99,355</u>	<u>80,353</u>
Investing Activities			
Net change in loans	(137,964)	(654,056)	(732,041)
Purchases of available-for-sale and equity securities	(102,954)	(220,437)	(116,136)
Proceeds from maturities of available-for-sale securities	60,929	35,593	80,091
Proceeds from sale of available-for-sale and equity securities	20,371	157,885	20,109
Proceeds from the sale of foreclosed assets	20	1,050	237
Advances for cost to complete foreclosed assets	(966)	—	—
Purchase of premises and equipment	(3,607)	(8,954)	(2,569)
Proceeds from the sale of premises and equipment and related insurance claims	145	67	147
Purchase of restricted equity securities	(11,156)	(11,465)	(13,175)
Proceeds from sale of restricted equity securities	11,852	22,791	14,352
Terminated cash flow hedges	43	—	3,290
Net cash activity from acquisitions	—	19,279	125,749
Net cash used in investing activities	<u>(163,287)</u>	<u>(658,247)</u>	<u>(619,946)</u>
Financing Activities			
Net increase (decrease) in demand deposits, savings, NOW and money market accounts	122,937	(192,728)	94,529
Net increase in time deposits	100,744	867,140	302,889
Net decrease in fed funds purchased and repurchase agreements	—	(1,050)	—
Net (decrease) increase in federal funds sold	—	(20,000)	20,000
Proceeds from Federal Home Loan Bank advances	—	22,671	50,000
Repayment of Federal Home Loan Bank advances	(1,937)	(88,264)	(154,048)
Net proceeds of lines of credit	—	(79,968)	79,968
Proceeds from issuance of preferred shares, net of issuance cost	—	7,750	—
Issuance of common shares, net of issuance cost	4	3	4
Proceeds from employee stock purchase plan	533	402	364
Repurchase of common stock	(4,500)	—	(35,780)
Acquisition of common stock for tax withholding obligations	(1,358)	(1,142)	(929)
Settlement of warrants	—	(418)	—
Net decrease in employee receivables	—	—	7
Dividends paid on preferred stock	(620)	(413)	—
Net cash provided by financing activities	<u>215,803</u>	<u>513,983</u>	<u>357,004</u>
Increase (decrease) in Cash and Cash Equivalents	153,980	(44,909)	(182,589)
Cash and Cash Equivalents, Beginning of Period	255,229	300,138	482,727
Cash and Cash Equivalents, End of Period	<u>\$ 409,209</u>	<u>\$ 255,229</u>	<u>\$ 300,138</u>
Supplemental Cash Flows Information			
Interest paid	\$ 251,376	\$ 197,490	\$ 50,604
Income taxes paid	23,875	21,509	15,499
Repossessed assets in settlement of loans	5,174	—	—

See Notes to Consolidated Financial Statements

CrossFirst Bankshares, Inc.
Notes to Consolidated Financial Statements

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization and Nature of Operations

CrossFirst Bankshares, Inc., a Kansas corporation (the “Company”), is a bank holding company whose principal activities are the ownership and management of its wholly owned subsidiary, CrossFirst Bank (the “Bank”). The Bank has three wholly owned subsidiaries: (i) CrossFirst Investments, Inc., which holds investments in marketable securities; (ii) CFBSA I, LLC, which can hold foreclosed non-real estate assets; and (iii) CFBSA II, LLC, which can hold foreclosed real estate assets.

On August 26, 2024, the Company and First Busey Corporation, a Nevada corporation (“Busey”), entered into an Agreement and Plan of Merger (the “Merger Agreement”). The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, the Company will merge with and into Busey, with Busey as the surviving corporation in the merger (the “Merger”). The Merger Agreement further provides that at a date and time following the Merger as determined by Busey, the Bank, a Kansas state-chartered bank and a wholly owned subsidiary of the Company, will merge with and into Busey Bank, an Illinois state-chartered bank and a wholly owned subsidiary of Busey, with Busey Bank as the surviving bank. During December 2024, Busey shareholders and the Company’s shareholders each voted to adopt and approve, as applicable, all proposals relating to the merger. During January 2025, all required regulatory approvals for Busey to acquire the Company by merger were obtained. The transaction remains subject to the completion of the remaining customary closing conditions. Subject to satisfying these conditions, the parties currently expect to close the holding company merger on March 1, 2025.

Upon the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the “Effective Time”), each share of common stock, par value \$0.01 per share, of the Company (“CrossFirst Common Stock”) outstanding immediately prior to the Effective Time, other than certain shares held by the Company or Busey, will be converted into the right to receive 0.6675 of a share of common stock, par value \$0.001 per share, of Busey. Holders of CrossFirst Common Stock will receive cash in lieu of fractional shares.

At the Effective Time, each share of Series A Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, of the Company (“CrossFirst Preferred Stock” or “Series A Preferred Stock”) outstanding immediately prior to the Effective Time will be converted into the right to receive one share of a newly created series of preferred stock of Busey, provided that at the election of Busey, Busey may cause the CrossFirst Preferred Stock to be converted in the Merger at the Effective Time into the right to receive an amount of cash equal to the liquidation preference thereof, plus the amount of any accrued and unpaid dividends thereon through the Effective Time.

The Bank is engaged in providing a full range of banking and financial services to individual and corporate clients primarily through its branches in: (i) Leawood, Kansas; (ii) Wichita, Kansas; (iii) Kansas City, Missouri; (iv) Oklahoma City, Oklahoma; (v) Tulsa, Oklahoma; (vi) Dallas, Texas; (vii) Fort Worth, Texas; (viii) Frisco, Texas; (ix) Phoenix, Arizona; (x) Tucson, Arizona; (xi) Colorado Springs, Colorado; (xii) Denver, Colorado; and (xiii) Clayton, New Mexico. The Bank is subject to regulation by certain federal and state agencies and undergoes periodic examinations by those regulatory authorities.

The Company’s accounting and reporting policies conform to accounting principles generally accepted in the United States (“GAAP”). The consolidated financial statements include the accounts of the Company, the Bank and its wholly-owned subsidiaries. All significant intercompany accounts and transactions were eliminated in consolidation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses, valuation of deferred tax assets, valuation of goodwill, stock-based compensation, derivatives, and fair values of financial instruments.

Summary of Significant Accounting Policies

Cash Equivalents - The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2024, cash equivalents consisted primarily of both interest-bearing and non-interest-bearing accounts with other banks. Approximately \$350 million of the Company's cash and cash equivalents were held at the Federal Reserve Bank of Kansas City at December 31, 2024. The Company is required to maintain reserve funds in cash and/or on deposit with the Federal Reserve Bank. The reserve required at December 31, 2024 was \$0. In addition, the Company is required from time to time to place cash collateral with third parties as part of its back-to-back swap agreements and cash flow hedges. At December 31, 2024, \$1.0 million of cash collateral was required. At December 31, 2024, the Company's cash accounts, excluding funds at the Federal Reserve Bank and funds required as cash collateral, exceeded federally insured limits by \$20.7 million.

Securities - Debt securities for which the Company has no immediate plan to sell but which may be sold in the future, are classified as available-for-sale ("AFS") and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income (loss). Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains and losses on the sale of debt securities are recorded on the trade date and are determined using the specific identification method.

Equity securities are recorded at fair value with unrealized gains and losses included in earnings. Gains and losses on the sale of equity securities are recorded on the trade date and are determined using the specific identification method.

The Company elected a measurement alternative for five private equity investments that did not have a readily determinable fair value and did not qualify for the practical expedient to estimate fair value using the net asset value per share. A cost basis was calculated for the equity investments. The recorded balance will adjust for any impairment or any observable price changes for an identical or similar investment of the same issuer.

For AFS securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the securities' amortized cost basis is written down to fair value through income. For AFS securities that do not meet the criteria above, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. Management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security is compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than amortized cost basis. The Company has elected to exclude accrued interest receivable from investment securities from the credit loss assessment as interest deemed uncollectible is written off through interest income.

Loans - Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding principal balances adjusted for unearned income, charge-offs, the allowance for credit losses, any unamortized deferred fees or costs on originated loans and unamortized premiums or discounts on purchased loans.

For loans amortized at cost, interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, as well as premiums and discounts, are deferred and amortized as a level yield adjustment over the respective term of the loan.

The accrual of interest on mortgage and commercial loans is discontinued at the time the loan is 90 days past due unless the credit is well secured and in process of collection. A credit is considered well secured if it is secured by collateral in the form of liens or pledges of real or personal property, including securities, that have a realizable value sufficient to discharge the debt (including accrued interest) in full or is secured by the guaranty of a financially responsible party. A debt is in the process of collection if collection of the debt is proceeding in due course either through legal action, including enforcement procedures, or in appropriate circumstances, through collection efforts not involving legal action which are reasonably expected to result in repayment of the debt or in its restoration to a current status. Past due status is based on contractual terms of the loan. In all cases, loans are placed on non-accrual or charged off at an earlier date, if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on non-accrual or charged off are reversed against interest income. The interest on these loans is accounted for on the cash basis or cost recovery method, until the loans qualify for return to accrual. When payments are received on non-accrual loans, payments are applied to principal unless there is a clear indication that the quality of the loan has improved to the point that it can be placed back on accrual status. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The Company aggregates the loan portfolio by similar credit risk characteristics. The loan segments are described in additional detail below:

- **Commercial and Industrial** - The category includes loans and lines of credit to commercial and industrial clients for use in property, plant, and equipment purchases, business operations, expansions and for working capital needs. Loan terms typically require amortizing payments that decrease the outstanding loan balance while the lines of credit typically require interest-only payments with maturities ranging from one- to three-years. Lines of credit allow the borrower to draw down and repay the line of credit based on the borrower's cash flow needs. Repayment is primarily from the cash flow of a borrower's principal business operation. Credit risk is driven by creditworthiness of a borrower and the economic conditions that impact the cash flow stability from business operations.
- **Energy** - The category includes loans to oil and natural gas clients for use in financing working capital needs, exploration and production activities, and acquisitions. The loans are repaid primarily from the conversion of crude oil and natural gas to cash. Credit risk is driven by creditworthiness of a borrower and the economic conditions that impact the cash flow stability from business operations. Energy loans are typically collateralized with the underlying oil and gas reserves.
- **Commercial Real Estate - Owner-Occupied** - The category includes relationships where the Company is usually the primary provider of financial services for the company and/or the principals and the primary source of repayment is through the cash flows generated by the borrowers' business operations. Owner-occupied commercial real estate loans are typically secured by a first lien mortgage on real property plus assignments of all leases related to the properties. Credit risk may be impacted by the creditworthiness of a borrower, property values and the local economies in the borrower's market areas.
- **Commercial Real Estate – Non-Owner-Occupied** - The category includes loans that typically involve larger principal amounts and repayment of these loans is generally dependent on the leasing income generated from tenants. These are viewed primarily as cash flow loans and secondarily as loans secured by real estate.

Additionally, the category includes construction and land development loans that are based upon estimates of costs and estimated value of the completed project. Independent appraisals and a financial analysis of the developers and property owners are completed. Sources of repayment include secondary market permanent loans, sales of developed property or an interim loan commitment from the Company until permanent financing is obtained. These loans are higher risk than other real estate loans due to their ultimate repayment being sensitive to interest rate changes, general economic conditions, and the availability of long-term financing.

The category also includes loans that are secured by multifamily properties. Repayment of these loans is primarily dependent on occupancy rates and rental income.

Credit risk for non-owner-occupied commercial real estate loans may be impacted by the creditworthiness of a borrower, property values and the local economies in the borrower's market areas.

- **Residential Real Estate** - The category includes loans that are generally secured by owner-occupied 1-4 family residences. Repayment of these loans is primarily dependent on the personal income and credit rating of the borrowers. We also offer open- and closed-end home equity loans, which are loans generally secured by second lien positions on residential real estate. Credit risk in these loans can be impacted by economic conditions within or outside the borrower's market areas that might impact either property values or a borrower's personal income.

- **Consumer** - The category includes personal lines of credit and various term loans such as automobile loans and loans for other personal purposes. Repayment is primarily dependent on the personal income and credit rating of the borrowers. Credit risk is driven by consumer economic factors (such as unemployment and general economic conditions in the borrower's market area) and the creditworthiness of a borrower.

Risk Ratings - The Company uses a series of grades which reflect its assessment of the credit quality of loans based on an analysis of the borrower's financial condition, liquidity and ability to meet contractual debt service requirements. Risk ratings are established for loans at origination and are monitored on an ongoing basis. The rating assigned to a loan reflects the risks posed by the borrower's expected performance and the transaction's structure. Performance metrics used to determine a risk rating include, but are not limited to, cash flow adequacy, liquidity, and collateral. A description of the loan risk ratings follows:

- **Pass** - The category includes loans that are considered satisfactory and borrowers that generally maintain good liquidity and financial condition, or the credit is currently protected with sales trends remaining flat or declining. Most ratios compare favorably with industry norms and Company policies. Debt is programmed and timely repayment is expected.
- **Special Mention** - The category includes borrowers that generally exhibit adverse trends in operations or an imbalanced position in their balance sheet that has not reached a point where repayment is jeopardized. Credits are currently protected but, if left uncorrected, the potential weaknesses may result in deterioration of the repayment prospects for the credit or in the Company's credit or lien position at a future date. These credits are not adversely classified and do not expose the Company to enough risk to warrant adverse classification.
- **Substandard** - The category includes borrowers that generally exhibit well-defined weakness(es) that jeopardize repayment. Credits are inadequately protected by the current worth and paying capacity of the obligor or of the collateral pledged. A distinct possibility exists that the Company will sustain some loss if deficiencies are not corrected. Loss potential, while existing in the aggregate amount of substandard assets, does not have to exist in individual assets classified substandard. Substandard loans include both performing and non-performing loans and are broken out in the table below.
- **Doubtful** - The category includes borrowers that exhibit weaknesses inherent in a substandard credit and characteristics that these weaknesses make collection or liquidation in full highly questionable or improbable based on existing facts, conditions, and values. Because of reasonably specific pending factors, which may work to the advantage and strengthening of the assets, classification as a loss is deferred until its more exact status may be determined.
- **Loss** - Credits that are considered uncollectible or of such little value that their continuance as a bankable asset is not warranted.

Allowance for Credit Losses - The Current Expected Credit Loss ("CECL") model requires an estimate of expected credit losses, measured over the contractual life of an instrument, that considers forecasts of future economic conditions in addition to information about past events and current conditions.

The Company uses a loss-rate ("cohort") method to estimate the expected allowance for credit losses ("ACL") for all loan pools. The cohort method identifies and captures the balance of a pool of loans with similar risk characteristics, as of a particular point in time to form a cohort, then tracks the respective losses generated by that cohort of loans over their remaining lives, or until the loans are "exhausted" (i.e., have reached an acceptable point in time at which a significant majority of all losses are expected to have been recognized). The Company has elected to exclude accrued interest receivable from the ACL process, because a timely write-off policy exists.

The ACL is the sum of three components: (i) asset specific / individual loan reserves; (ii) quantitative (formulaic or pooled) reserves; and (iii) qualitative (judgmental) reserves.

Asset Specific - When unique qualities cause a loan's exposure to loss to be inconsistent with the pooled reserves, the loan is individually evaluated. Individual reserves are calculated for loans that are risk-rated substandard and on non-accrual and loans that are risk-rated doubtful or loss that are greater than a defined dollar threshold. Reserves on asset specific loans may be based on collateral, for collateral-dependent loans, or on quantitative and qualitative factors, including expected cash flow, market sentiment, and guarantor support.

Quantitative - The Company utilizes the cohort method, which identifies and captures the balance of a pool of loans with similar risk characteristics as of a particular time to form a cohort. The cohort is then tracked for losses over the remaining life of loans or until the pool is exhausted. The Company uses a lookback period of approximately six years to establish the cohort population. By using the historical data timeframe, the Company can establish a historical loss factor for each of its loan segments.

Qualitative - The Company uses qualitative factors to adjust the historical loss factors for current conditions. The Company primarily uses the following qualitative factors:

- The nature and volume of changes in risk ratings;
- The volume and severity of past due loans;
- The volume of non-accrual loans;
- The nature and volume of the loan portfolio, including the existence, growth, and effect of any concentrations of credit;
- Changes in the Institute of Supply Management's Purchasing Manager Indices ("PMI") for services and manufacturing;
- Changes in collateral values;
- Changes in lending policies, procedures, and quality of loan reviews;
- Changes in lending staff; and
- Changes in competition, legal and regulatory environments

In addition to the current condition qualitative adjustments, the Company uses the Federal Reserve's unemployment forecast to adjust the ACL based on forward looking guidance. The Federal Reserve's unemployment forecast extends three years and is eventually reverted to the mean of six percent by year 10.

Unfunded Loan Commitments

In addition to the ACL for funded loans, the Company maintains reserves to cover the risk of loss associated with off-balance sheet unfunded loan commitments. The allowance for off-balance sheet credit losses is maintained within the other liabilities in the statements of financial condition. Under the CECL framework, adjustments to this liability are recorded as provision for credit losses in the statements of operations. Unfunded loan commitment balances are evaluated by loan class and further segregated by revolving and non-revolving commitments. In order to establish the required level of reserve, the Company applies average historical utilization rates and ACL loan model loss rates for each loan class to the outstanding unfunded commitment balances.

Refer to *Note 4: Loans and Allowance for Credit Losses* for additional information regarding the policies, procedures, and credit quality indicators used by the Company.

Premises and Equipment - With the exception of premises and equipment acquired through business combinations, which are initially measured and recorded at fair value, depreciable assets are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are capitalized and depreciated using the straight-line method over the terms of the respective leases or the estimated useful lives of the improvements, whichever is shorter. Expected terms include lease option periods to the extent that the exercise of such options is reasonably assured. The Company generally assigns depreciable lives of 35 to 40 years for buildings and improvements, 5 to 7 years for furniture and fixtures and 3 to 5 years for equipment. The Company reviews premises and equipment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future net cash flows expected to result from the use of the asset and its eventual disposal is less than its carrying amount.

Restricted Equity Securities - Restricted equity securities include investments in FHLB Topeka and FHLB Dallas. FHLB Topeka and FHLB Dallas are Federal Home Loan Banks and investment in their stock is required for institutions that are members of the Federal Home Loan System. The required investment in the common stock is based on a predetermined formula.

Bank-Owned Life Insurance - The Company has purchased life insurance policies on certain key employees that are accounted for under the fair value method. Bank-owned life insurance is recorded at the amount that can be realized under the insurance contract at the statement of financial condition date, which is the cash surrender value. Changes in cash surrender value are recorded in earnings in the period in which the changes occur.

Foreclosed Assets Held-for-Sale - Assets acquired through, or in lieu of, loan foreclosure are held-for-sale and are initially recorded at fair value less estimated costs to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less estimated costs to sell. Revenue and expenses from operations and changes in the valuation allowance are included in the non-interest expense line Foreclosed assets, net.

Goodwill and intangible assets, net - Goodwill is established and recorded if the consideration given during an acquisition transaction exceeds the fair value of the net assets received. Goodwill has an indefinite useful life and is not amortized, but is evaluated annually for potential impairment, or when events or circumstances indicate that it is more likely than not that the fair value of the reporting unit is less than its carrying amount. A qualitative assessment is performed to determine whether the existence of events or circumstances led to a determination that it was more likely than not the fair value was less than the carrying amount, including goodwill. If, based on the evaluation, it is determined to be more likely than not that the fair value was less than the carrying value, then goodwill is tested further for impairment. If the implied fair value of goodwill is lower than its carrying amount, a goodwill impairment would be indicated and goodwill written down to its implied fair value.

Intangible assets that have finite useful lives, such as core deposit intangibles and servicing assets, are amortized over their estimated useful lives. The Company's core deposit intangible assets represent the value of the anticipated future cost savings that will result from the acquired core deposit relationships versus an alternative source of funding. Judgment may be used in assessing goodwill and intangible assets for impairment. Estimates of fair value are based on projections of revenues, operating costs and cash flows of the reporting unit considering historical and anticipated future results, general economic and market conditions, as well as the impact of planned business or operational strategies. The valuations use a combination of present value techniques to measure fair value considering market factors. Additionally, judgment is used in determining the useful lives of finite-lived intangible assets. Adverse changes in the economic environment, operations of the reporting unit, or changes in judgments and projections could result in a significantly different estimate of the fair value of the reporting unit and could result in an impairment of goodwill and/or intangible assets.

Related Party Transactions - The Company extends credit and receives deposits from related parties. In management's opinion, the loans and deposits were made in the ordinary course of business and made on similar terms as those prevailing at the time with other persons. Related party loans totaled \$10 million and \$12 million at December 31, 2024 and 2023, respectively. Related party deposits totaled \$102 million and \$106 million at December 31, 2024 and 2023, respectively. Related parties also own \$6 million of the Company's Series A Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share ("Series A Preferred Stock") at December 31, 2024.

Stock-Based Compensation - The Company accounts for all stock-based compensation transactions in accordance with Accounting Standard Codification ("ASC") 718, Compensation - Stock Compensation, which requires that stock compensation transactions be recognized as compensation expense in the consolidated statements of operations based on their fair values on the measurement date. The Company recognizes forfeitures as they occur. New shares are issued upon exercise of an award. The Company records permanent tax differences through the income tax provision upon vesting, expiration or exercise of a stock-based award. The various stock-based compensation plans are described more fully in *Note 17: Stock-Based Compensation*.

Transfers of Financial Assets - Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when: (i) the assets have been isolated from the Company and put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership; (ii) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets; and (iii) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or the ability to unilaterally cause the holder to return specific assets. Gains on transfers of certain Small Business Administration loans are included in the non-interest income line Gain on sale of loans in the consolidated statements of operations.

Income Taxes - The Company and its subsidiaries file U.S. federal and certain state income tax returns on a consolidated basis. Additionally, the Company and its subsidiaries file separate state income tax returns with various state jurisdictions. The provision for income taxes includes the income tax balances of the Company and all of its subsidiaries.

The Company accounts for income taxes in accordance with ASC 740, Income Taxes. The income tax accounting guidance results in two components of income tax expense: (i) current; and (ii) deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability or balance sheet method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities and enacted changes in tax rates and laws are recognized in the period in which they occur.

Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term, more likely than not, means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more likely than not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more likely than not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management's judgment. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company recognizes interest and penalties on income taxes as a component of other non-interest expense.

Earnings Per Common Share - Basic earnings per common share represent net income available to common stockholders divided by the weighted average number of common shares outstanding during each period. Diluted earnings per common share reflect additional potential shares that would have been outstanding if dilutive potential common stock had been issued, as well as any adjustment to income that would result from the assumed issuance. Potential common stock that may be issued by the Company is determined using the treasury stock method.

Derivative Financial Instruments - The Company records all derivatives on the statement of financial condition at fair value in accordance with ASC 815, Derivatives and Hedging. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge.

In accordance with the Financial Accounting Standards Board's ("FASB") fair value measurement guidance in ASU 2011-04, the Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio.

Acquisition Activities - The Company accounts for business combinations under the acquisition method of accounting. Assets acquired and liabilities assumed are measured and recorded at fair value at the date of acquisition, including identifiable intangible assets. If the fair value of net assets acquired exceeds the fair value of consideration paid, a bargain purchase gain is recognized at the date of acquisition. Conversely, if the consideration paid exceeds the fair value of the net assets acquired, goodwill is recognized at the acquisition date. Fair values are subject to refinement for up to a maximum of one year after the closing date of an acquisition as information relative to closing date fair values becomes available. Adjustments recorded to the acquired assets and liabilities assumed are applied prospectively in accordance with ASC Topic 805. The determination of the fair value of loans acquired takes into account credit quality deterioration and probability of loss; therefore, the related ACL is not carried forward at the time of acquisition. Identifiable intangible assets are recognized separately if they arise from contractual or other legal rights or if they are separable (i.e., capable of being sold, transferred, licensed, rented, or exchanged separately from the entity). Deposit liabilities and the related depositor relationship intangible assets, known as the core deposit intangible assets, may be exchanged in observable exchange transactions. As a result, the core deposit intangible asset is considered identifiable, because the separability criterion has been met.

Treasury Stock - When the Company acquires treasury stock, the sum of the consideration paid and direct transaction costs after tax is recognized as a deduction from equity. The cost basis for the reissuance of treasury stock is determined using a first-in, first-out basis. To the extent that the reissuance price is more than the cost basis (gain), the excess is recorded as an increase to additional paid-in capital in the consolidated statements of financial condition. If the reissuance price is less than the cost basis (loss), the difference is recorded to additional paid-in capital to the extent there is a cumulative treasury stock paid-in capital balance. Any loss in excess of the cumulative treasury stock paid-in capital balance is charged to retained earnings.

Operating Segments - The Company operates as one commercial bank entity delivering banking products and services to clients. The Company's chief operating decision maker ("CODM"), the Company's executive leadership team, manages operations on a company-wide basis, including allocation of resources and financial performance, which constitutes its only operating segment. Refer to *Note 22: Segment Reporting* for additional information regarding the Company's reporting segment.

Recent Accounting Pronouncements

Accounting pronouncements not yet adopted by the Company

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* which requires updates to rate reconciliation disclosures and information on income taxes paid on an annual basis. This ASU is effective on a prospective basis with retrospective application permitted for annual periods beginning after December 15, 2024. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* which requires disclosure of specified information about certain costs and expenses in the notes to financial statements. This ASU is effective on a prospective basis with retrospective application permitted for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Company is evaluating the impact the adoption of this ASU will have on its consolidated financial statements and related disclosures.

Accounting pronouncements adopted in the current year by the Company

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* which requires enhanced disclosures on both an annual and interim basis about significant segment expenses, including for companies with only one reportable segment. This ASU is effective on a retrospective basis for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company adopted the provisions of this guidance as of December 31, 2024. The adoption of this ASU did not have any impact on the Company's consolidated financial statements. The disclosures required by this ASU are included in *Note 22: Segment Reporting*.

Note 2: Acquisition Activities

On August 1, 2023, the Company completed its acquisition of Canyon Bancorporation, Inc. and Canyon Community Bank, N.A. (collectively, "Canyon") whereby Canyon Bancorporation, Inc. was ultimately merged with and into the Company and Canyon Community Bank, N.A. was merged with and into the Bank (collectively, the "Tucson acquisition"). Pursuant to the merger agreement executed in April 2023, the Company paid approximately \$9.1 million of cash consideration and issued 597,645 shares of Company common stock, and the Company and the Bank assumed all of the assets and liabilities of the Canyon entities with which they merged by operation of law. The acquisition added one full-service branch within Arizona to the Company's footprint thereby deepening its Arizona franchise as well as adding liquidity and talent.

Tucson acquisition-related costs totaled \$3.6 million for the year ended December 31, 2023, including a Day 1 CECL provision expense of \$0.9 million. Acquisition-related costs were included in the Company's consolidated statements of operations. The results of the acquisition are included in the results of the Company subsequent to the acquisition date and reported in this annual report on Form 10-K.

The Company determined that the Tucson acquisition constituted a business combination as defined in ASC Topic 805, Business Combinations. Accordingly, as of the date of the acquisition, the Company recorded the assets acquired and liabilities assumed at fair value. The Company determined fair values in accordance with the guidance provided in ASC Topic 820, Fair Value Measurements and Disclosures. In many cases, the determination of these fair values required management to make estimates about discount rates, future expected cash flows, market conditions and other future events that are highly subjective in nature and subject to change. Actual results could differ materially. The Company made the determination of fair values using the best information available at the time. The impact of the Tucson acquisition is immaterial to the consolidated results of operations of the Company, therefore no pro-forma information is provided.

The table below summarizes net assets acquired (at fair value) and consideration transferred in connection with the Tucson acquisition:

	Tucson	
	August 01, 2023	
	<i>(Dollars in thousands)</i>	
Assets:		
Cash and cash equivalents	\$	28,366
Available-for-sale securities		38,084
Loans, net of unearned fees		105,668
Premises and equipment		1,335
Restricted equity securities		1,810
Interest receivable		695
Core deposit intangible		4,459
Other		1,277
Total assets acquired		181,694
Liabilities:		
Total deposits		165,399
Other borrowings		1,050
Interest payable and other liabilities		500
Total liabilities assumed		166,949
Identifiable net assets acquired	\$	14,745
Consideration:		
Cash		9,087
Stock		6,957
Total consideration		16,044
Goodwill	\$	1,299

In connection with the Tucson acquisition, the Company recorded \$1.3 million of goodwill, which is not deductible for tax purposes. The amount of goodwill recorded reflects the expanded market presence, synergies and operational efficiencies that are expected to result from the acquisition. The following is a description of the methods used to determine the fair values of significant assets and liabilities presented above:

Cash and cash equivalents—The carrying amount of these assets was deemed a reasonable estimate of fair value based on the short-term nature of these assets.

Loans, net—The fair value of loans was based on a discounted cash flow methodology. Inputs and assumptions used in the fair value estimate of the loan portfolio, includes interest rate, servicing, credit and liquidity risk, and required equity return. The fair value of loans was calculated using a discounted cash flow analysis based on the remaining maturity and repricing terms. Cash flows were adjusted by estimating future credit losses and the rate of prepayments. Projected monthly cash flows were then discounted to present value using a risk-adjusted market rate for similar loans.

Core deposit intangibles—The Company identified client relationships, in the form of core deposit intangibles, as an identified intangible asset. Core deposit intangibles derive value from the expected future benefits or earnings capacity attributable to the acquired core deposits. The core deposit intangible was valued by identifying the expected future benefits of the core deposits and discounting those benefits back to present value. The core deposit intangible will be amortized over its estimated useful life of approximately 10 years using the sum of the years digits accelerated method.

Deposits - By definition, the fair value of demand and saving deposits equals the amount payable. For time deposits acquired, the Company utilized an income approach, discounting the contractual cash flows on the instruments over their remaining contractual lives at prevailing market rates.

FHLB Advances - FHLB advances are recorded at their fair value as estimated by discounting the contractual future cash flows using FHLB rates offered on similar maturities as of the acquisition date.

Accounting for acquired loans - Loans acquired are recorded at fair value with no carryover of the related allowance for credit losses. Purchased-credit deteriorated loans ("PCD") are loans that have experienced more than insignificant credit deterioration since origination and are recorded at the purchase price. Management determined that any loans which were past due, adversely risk rated, on non-accrual or considered a troubled debt restructured loan were PCD loans. The allowance for credit losses is determined on a collective basis and is allocated to the individual loans. The sum of the loan's purchase price and the allowance for credit losses becomes its initial amortized cost basis. The difference between the initial amortized cost basis and the par value of the loan is a noncredit discount or premium, which is amortized into interest income over the life of the loan.

Non-PCD loans have not experienced a more than insignificant deterioration in credit quality since origination. The difference between the fair value and outstanding balance of the non-PCD loans is recognized as an adjustment to interest income over the lives of the loan.

A Day 1 CECL allowance for credit losses on the non-PCD loans was recorded through provision for credit loss expense within the consolidated statements of operations. At the date of acquisition, of the \$105.7 million of loans acquired from Canyon, \$26.0 million, or 25% of Canyon's loan portfolio, were accounted for as PCD loans. \$24.1 million of these PCD loans had United States Department of Agriculture guarantees on a portion of their balances.

The following table provides a summary of PCD loans purchased as part of the Tucson acquisition as of the acquisition date:

	Tucson 8/1/2023
	<i>(Dollars in thousands)</i>
Unpaid principal balance	\$ 28,159
PCD allowance for credit loss at acquisition	(329)
(Discount) premium on acquired loans	(1,809)
Purchase price of PCD loans	<u>\$ 26,021</u>

Note 3: Securities

Available-for-Sale Securities

AFS securities are summarized as follows as of the dates indicated:

	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
	<i>(Dollars in thousands)</i>			
Mortgage-backed - GSE residential	\$ 231,340	\$ 385	\$ 23,913	\$ 207,812
Collateralized mortgage obligations - GSE residential	118,481	541	2,291	116,731
State and political subdivisions	370,342	92	49,360	321,074
Small Business Administration loan pools	119,005	101	3,828	115,278
Corporate bonds	9,581	—	628	8,953
Total available-for-sale securities	<u>\$ 848,749</u>	<u>\$ 1,119</u>	<u>\$ 80,020</u>	<u>\$ 769,848</u>

	December 31, 2023			
	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
		<i>(Dollars in thousands)</i>		
Federal agency obligations	\$ 9,988	\$ 84	\$ —	\$ 10,072
U.S. Treasury securities	4,965	3	—	4,968
Mortgage-backed - GSE residential	233,203	629	21,370	212,462
Collateralized mortgage obligations - GSE residential	50,125	493	674	49,944
State and political subdivisions	396,349	497	40,949	355,897
Small Business Administration loan pools	125,017	722	961	124,778
Corporate bonds	9,740	—	1,208	8,532
Total available-for-sale securities	<u>\$ 829,387</u>	<u>\$ 2,428</u>	<u>\$ 65,162</u>	<u>\$ 766,653</u>

The carrying value of securities pledged as collateral was \$40 million at both December 31, 2024 and 2023.

As of December 31, 2024 and 2023, the AFS securities had \$6 million and \$7 million, respectively, of accrued interest, excluded from the amortized cost basis, and presented in “interest receivable” on the consolidated statements of financial condition.

The following table summarizes the gross realized gains and losses from sales or maturities of AFS securities as of the dates shown:

	For the Year Ended December 31, 2024		
	<u>Gross Realized Gains</u>	<u>Gross Realized Losses</u>	<u>Net Realized Gain</u>
	<i>(Dollars in thousands)</i>		
Available-for-sale securities	\$ 164	\$ (104)	\$ 60

	For the Year Ended December 31, 2023		
	<u>Gross Realized Gains</u>	<u>Gross Realized Losses</u>	<u>Net Realized Loss</u>
	<i>(Dollars in thousands)</i>		
Available-for-sale securities	\$ 462	\$ (1,589)	\$ (1,127)

The following tables summarize AFS securities with gross unrealized losses, as of the dates shown, along with the length of time in an unrealized loss position:

	December 31, 2024								
	<u>Less than 12 Months</u>			<u>12 Months or More</u>			<u>Total</u>		
	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Number of Securities</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Number of Securities</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Number of Securities</u>
	<i>(Dollars in thousands)</i>								
Available-for-Sale Securities									
Mortgage-backed - GSE residential	\$ 38,186	513	14	\$ 121,014	23,400	51	\$ 159,200	\$ 23,913	65
Collateralized mortgage obligations - GSE residential	65,735	1,630	15	14,765	661	18	80,500	2,291	33
State and political subdivisions	17,890	259	13	297,867	49,101	200	315,757	49,360	213
Small Business Administration loan pools	105,606	3,827	14	66	1	4	105,672	3,828	18
Corporate bonds	—	—	—	8,952	628	4	8,952	628	4
Total temporarily impaired AFS securities	<u>\$ 227,417</u>	<u>\$ 6,229</u>	<u>56</u>	<u>\$ 442,664</u>	<u>\$ 73,791</u>	<u>277</u>	<u>\$ 670,081</u>	<u>\$ 80,020</u>	<u>333</u>

	December 31, 2023								
	Less than 12 Months			12 Months or More			Total		
	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities
<i>(Dollars in thousands)</i>									
Available-for-Sale Securities									
Federal agency obligations	\$ —	\$ —	—	\$ —	\$ —	—	\$ —	\$ —	—
U.S. Treasury securities	—	—	—	—	—	—	—	—	—
Mortgage-backed - GSE residential	21,523	56	5	137,626	21,314	52	159,149	21,370	57
Collateralized mortgage obligations - GSE residential	17,707	135	4	8,469	539	17	26,176	674	21
State and political subdivisions	33,577	207	20	287,128	40,742	190	320,705	40,949	210
Small Business Administration loan pools	76,380	959	11	91	2	4	76,471	961	15
Corporate bonds	—	—	—	8,532	1,208	5	8,532	1,208	5
Total temporarily impaired AFS securities	<u>\$ 149,187</u>	<u>\$ 1,357</u>	<u>40</u>	<u>\$ 441,846</u>	<u>\$ 63,805</u>	<u>268</u>	<u>\$ 591,033</u>	<u>\$ 65,162</u>	<u>308</u>

Management evaluated all of the AFS securities in an unrealized loss position at December 31, 2024. The unrealized losses in the Company's investment portfolio were caused by interest rate changes. The Company does not intend to sell the investments, and it is not more likely than not the Company will be required to sell the investments before recovery of their amortized cost basis. The Company did not record any credit losses on AFS securities in 2024, 2023 or 2022.

The amortized cost, fair value, and weighted average yield of AFS securities by contractual maturity, are shown below:

	December 31, 2024				
	Within One Year	After One to Five Years	After Five to Ten Years	After Ten Years	Total
<i>(Dollars in thousands)</i>					
Available-for-sale securities					
Mortgage-backed - GSE residential ⁽¹⁾					
Amortized cost	\$ —	\$ —	\$ 738	\$ 230,602	\$ 231,340
Estimated fair value	\$ —	\$ —	\$ 680	\$ 207,132	\$ 207,812
Weighted average yield ⁽²⁾	—%	—%	2.23%	3.27%	3.27%
Collateralized mortgage obligations - GSE residential ⁽¹⁾					
Amortized cost	\$ —	\$ 1,880	\$ 17,562	\$ 99,039	\$ 118,481
Estimated fair value	\$ —	\$ 1,818	\$ 17,447	\$ 97,466	\$ 116,731
Weighted average yield ⁽²⁾	—%	2.81%	5.34%	5.38%	5.33%
State and political subdivisions ⁽¹⁾					
Amortized cost	\$ 391	\$ 5,664	\$ 64,868	\$ 299,419	\$ 370,342
Estimated fair value	\$ 399	\$ 5,624	\$ 63,504	\$ 251,547	\$ 321,074
Weighted average yield ⁽²⁾	4.43%	3.81%	2.86%	2.45%	2.55%
Small Business Administration loan pools ⁽¹⁾					
Amortized cost	\$ 3	\$ 65	\$ —	\$ 118,937	\$ 119,005
Estimated fair value	\$ 3	\$ 63	\$ —	\$ 115,212	\$ 115,278
Weighted average yield ⁽²⁾	5.01%	4.14%	—%	4.85%	4.85%
Corporate bonds ⁽¹⁾					
Amortized cost	\$ —	\$ 88	\$ 9,493	\$ —	\$ 9,581
Estimated fair value	\$ —	\$ 83	\$ 8,870	\$ —	\$ 8,953
Weighted average yield ⁽²⁾	—%	5.07%	5.71%	—%	5.70%
Total available-for-sale securities					
Amortized cost	\$ 394	\$ 7,697	\$ 92,661	\$ 747,997	\$ 848,749
Estimated fair value	\$ 402	\$ 7,588	\$ 90,501	\$ 671,357	\$ 769,848
Weighted average yield ⁽²⁾	4.44%	3.59%	3.61%	3.47%	3.49%

(1) Actual maturities may differ from contractual maturities because issuers may have the rights to call or prepay obligations with or without prepayment penalties.

(2) Yields are calculated based on amortized cost using a 30/360 day basis. Tax-exempt securities are not tax effected.

	December 31, 2023				
	Within One Year	After One to Five Years	After Five to Ten Years	After Ten Years	Total
	<i>(Dollars in thousands)</i>				
Available-for-sale securities					
Federal agency obligations ⁽¹⁾					
Amortized cost	\$ —	\$ —	\$ —	\$ 9,988	\$ 9,988
Estimated fair value	\$ —	\$ —	\$ —	\$ 10,072	\$ 10,072
Weighted average yield ⁽²⁾	—%	—%	—%	6.41%	6.41%
U.S. Treasury securities					
Amortized cost	\$ 4,965	\$ —	\$ —	\$ —	\$ 4,965
Estimated fair value	\$ 4,968	\$ —	\$ —	\$ —	\$ 4,968
Weighted average yield ⁽²⁾	5.56%	—%	—%	—%	5.56%
Mortgage-backed - GSE residential ⁽¹⁾					
Amortized cost	\$ —	\$ —	\$ 889	\$ 232,314	\$ 233,203
Estimated fair value	\$ —	\$ —	\$ 821	\$ 211,641	\$ 212,462
Weighted average yield ⁽²⁾	—%	—%	2.24%	3.16%	3.15%
Collateralized mortgage obligations - GSE residential ⁽¹⁾					
Amortized cost	\$ —	\$ 2,237	\$ —	\$ 47,888	\$ 50,125
Estimated fair value	\$ —	\$ 2,153	\$ —	\$ 47,791	\$ 49,944
Weighted average yield ⁽²⁾	—%	2.78%	—%	5.23%	5.12%
State and political subdivisions ⁽¹⁾					
Amortized cost	\$ 520	\$ 3,727	\$ 55,956	\$ 336,146	\$ 396,349
Estimated fair value	\$ 529	\$ 3,726	\$ 55,446	\$ 296,196	\$ 355,897
Weighted average yield ⁽²⁾	4.22%	4.31%	2.85%	2.54%	2.61%
Small Business Administration loan pools ⁽¹⁾					
Amortized cost	\$ —	\$ 9	\$ 84	\$ 124,924	\$ 125,017
Estimated fair value	\$ —	\$ 10	\$ 81	\$ 124,687	\$ 124,778
Weighted average yield ⁽²⁾	—%	4.90%	4.10%	4.87%	4.87%
Corporate bonds ⁽¹⁾					
Amortized cost	\$ —	\$ 143	\$ 9,597	\$ —	\$ 9,740
Estimated fair value	\$ —	\$ 140	\$ 8,392	\$ —	\$ 8,532
Weighted average yield ⁽²⁾	—%	4.15%	5.70%	—%	5.68%
Total available-for-sale securities					
Amortized cost	\$ 5,485	\$ 6,116	\$ 66,526	\$ 751,260	\$ 829,387
Estimated fair value	\$ 5,497	\$ 6,029	\$ 64,740	\$ 690,387	\$ 766,653
Weighted average yield ⁽²⁾	5.43%	3.75%	3.25%	3.34%	3.35%

(1) Actual maturities may differ from contractual maturities because issuers may have the rights to call or prepay obligations with or without prepayment penalties.

(2) Yields are calculated based on amortized cost using a 30/360 day basis. Tax-exempt securities are not tax effected.

Equity Securities

Equity securities consist of \$7.5 million of private equity investments. Equity securities are included in other assets on the consolidated statements of financial condition. No impairment was recorded on these investments during the years ended December 31, 2024, 2023 or 2022.

The following is a summary of the recorded fair value and the unrealized and realized gains and losses recognized in net income on equity securities:

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands)</i>		
Net gains (losses) recognized during the reporting period on equity securities	\$ 21	\$ 132	\$ (181)
Less: net gains (losses) recognized during the period on equity securities sold during the period	18	93	(181)
Unrealized gain recognized during the reporting period on equity securities still held at the reporting date	<u>\$ 3</u>	<u>\$ 39</u>	<u>\$ —</u>

Note 4: Loans and Allowance for Credit Losses

The table below shows the loan portfolio composition including carrying value by segment as of the dates shown. The carrying value of loans is net of discounts, fees, costs and fair value marks of \$23 million and \$25 million as of December 31, 2024 and 2023, respectively.

	As of December 31,			
	2024		2023	
	Amount	% of Loans	Amount	% of Loans
	<i>(Dollars in thousands)</i>			
Commercial and industrial	\$ 2,164,478	34%	\$ 2,160,212	35%
Energy	319,207	5	214,218	3
Commercial real estate - owner-occupied	551,518	9	566,253	9
Commercial real estate - non-owner-occupied	2,722,885	44	2,685,534	44
Residential real estate	479,301	8	464,095	8
Consumer	20,874	—	37,378	1
Loans, net of unearned fees	6,258,263	100%	6,127,690	100%
Less: Allowance for credit losses on loans	(78,962)		(73,462)	
Loans, net of the allowance for credit losses on loans	<u>\$ 6,179,301</u>		<u>\$ 6,054,228</u>	

Accrued interest of \$29 million and \$30 million at December 31, 2024 and 2023, respectively, presented in “interest receivable” on the consolidated statements of financial condition is excluded from the amortized cost basis disclosed in the above table.

The Company aggregates the loan portfolio by similar credit risk characteristics. Additionally, the Company uses a series of grades which reflect its assessment of the credit quality of loans based on an analysis of the borrower's financial condition, liquidity and ability to meet contractual debt service requirements. The loan segments and loan risk ratings are described within *Note 1: Nature of Operations and Summary of Significant Accounting Policies*.

The following tables present the credit risk profile of the Company's loan portfolio based on an internal rating category and loan segments:

As of December 31, 2024									
Amortized Cost Basis by Origination Year and Internal Risk Rating							Amortized Cost Basis		
	2024	2023	2022	2021	2020	2019 and Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
(Dollars in thousands)									
Commercial and industrial									
Pass	\$ 394,171	\$ 198,324	\$ 172,058	\$ 112,924	\$ 29,519	\$ 7,080	\$ 1,021,762	\$ 72,899	\$ 2,008,737
Special mention	873	11,099	12,281	14,416	—	11	41,026	1,357	81,063
Substandard - accrual	7,799	11,738	50	4,902	137	1,635	16,310	4,951	47,522
Substandard - non-accrual	—	880	647	262	—	448	9,205	11,594	23,036
Doubtful	—	—	—	—	—	—	2,265	1,855	4,120
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 402,843	\$ 222,041	\$ 185,036	\$ 132,504	\$ 29,656	\$ 9,174	\$ 1,090,568	\$ 92,656	\$ 2,164,478
Energy									
Pass	\$ 7,704	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 310,707	\$ 796	\$ 319,207
Special mention	—	—	—	—	—	—	—	—	—
Substandard - accrual	—	—	—	—	—	—	—	—	—
Substandard - non-accrual	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 7,704	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 310,707	\$ 796	\$ 319,207
Commercial real estate - owner-occupied									
Pass	\$ 65,381	\$ 57,564	\$ 94,467	\$ 98,647	\$ 56,942	\$ 58,984	\$ 47,563	\$ 41,286	\$ 520,834
Special mention	1,437	548	5,178	9,567	1,703	2,593	—	555	21,581
Substandard - accrual	36	3,802	1,432	—	1,610	—	—	2,223	9,103
Substandard - non-accrual	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 66,854	\$ 61,914	\$ 101,077	\$ 108,214	\$ 60,255	\$ 61,577	\$ 47,563	\$ 44,064	\$ 551,518
Commercial real estate - non-owner-occupied									
Pass	\$ 365,512	\$ 261,684	\$ 638,573	\$ 182,674	\$ 100,788	\$ 72,557	\$ 857,811	\$ 170,118	\$ 2,649,717
Special mention	19,310	—	19,453	12,909	—	180	21,025	—	72,877
Substandard - accrual	—	—	—	—	—	291	—	—	291
Substandard - non-accrual	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 384,822	\$ 261,684	\$ 658,026	\$ 195,583	\$ 100,788	\$ 73,028	\$ 878,836	\$ 170,118	\$ 2,722,885
Residential real estate									
Pass	\$ 34,547	\$ 45,603	\$ 91,651	\$ 71,830	\$ 95,274	\$ 87,320	\$ 39,970	\$ —	\$ 466,195
Special mention	—	4,122	472	1,609	—	—	—	—	6,203
Substandard - accrual	—	—	—	1,363	24	1,773	3,485	—	6,645
Substandard - non-accrual	92	—	—	—	—	—	—	166	258
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 34,639	\$ 49,725	\$ 92,123	\$ 74,802	\$ 95,298	\$ 89,093	\$ 43,455	\$ 166	\$ 479,301
Consumer									
Pass	\$ 2,422	\$ 3,283	\$ 3,483	\$ 187	\$ 22	\$ 48	\$ 11,196	\$ —	\$ 20,641
Special mention	—	—	—	—	—	—	150	—	150
Substandard - accrual	—	—	—	19	14	—	50	—	83
Substandard - non-accrual	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 2,422	\$ 3,283	\$ 3,483	\$ 206	\$ 36	\$ 48	\$ 11,396	\$ —	\$ 20,874
Total									
Pass	\$ 869,737	\$ 566,458	\$ 1,000,232	\$ 466,262	\$ 282,545	\$ 225,989	\$ 2,289,009	\$ 285,099	\$ 5,985,331
Special mention	21,620	15,769	37,384	38,501	1,703	2,784	62,201	1,912	181,874
Substandard - accrual	7,835	15,540	1,482	6,284	1,785	3,699	19,845	7,174	63,644
Substandard - non-accrual	92	880	647	262	—	448	9,205	11,760	23,294
Doubtful	—	—	—	—	—	—	2,265	1,855	4,120
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 899,284	\$ 598,647	\$ 1,039,745	\$ 511,309	\$ 286,033	\$ 232,920	\$ 2,382,525	\$ 307,800	\$ 6,258,263

As of December 31, 2023

	Amortized Cost Basis by Origination Year and Internal Risk Rating						Amortized Cost Basis		
	2023	2022	2021	2020	2019	2018 and Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
<i>(Dollars in thousands)</i>									
Commercial and industrial									
Pass	\$ 379,360	\$ 258,182	\$ 193,302	\$ 54,901	\$ 38,762	\$ 18,801	\$ 1,061,365	\$ 53,015	\$ 2,057,688
Special mention	2,442	925	6,000	2,674	1,460	26	9,748	3,175	26,450
Substandard - accrual	12,655	1,877	5,101	238	598	815	28,652	16,831	66,767
Substandard - non-accrual	—	—	266	24	—	—	6,848	178	7,316
Doubtful	—	—	—	—	—	—	1,991	—	1,991
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 394,457	\$ 260,984	\$ 204,669	\$ 57,837	\$ 40,820	\$ 19,642	\$ 1,108,604	\$ 73,199	\$ 2,160,212
Energy									
Pass	\$ 4,581	\$ 6,868	\$ —	\$ 156	\$ —	\$ —	\$ 202,218	\$ 107	\$ 213,930
Special mention	—	—	—	—	—	—	—	—	—
Substandard - accrual	—	—	—	—	—	—	—	—	—
Substandard - non-accrual	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	288	—	288
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 4,581	\$ 6,868	\$ —	\$ 156	\$ —	\$ —	\$ 202,506	\$ 107	\$ 214,218
Commercial real estate - owner-occupied									
Pass	\$ 56,236	\$ 92,148	\$ 119,684	\$ 62,072	\$ 49,992	\$ 32,936	\$ 76,782	\$ 36,263	\$ 526,113
Special mention	10,095	6,798	8,522	1,747	793	2,448	—	576	30,979
Substandard - accrual	2,977	—	—	1,635	770	2,047	—	1,528	8,957
Substandard - non-accrual	—	—	204	—	—	—	—	—	204
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 69,308	\$ 98,946	\$ 128,410	\$ 65,454	\$ 51,555	\$ 37,431	\$ 76,782	\$ 38,367	\$ 566,253
Commercial real estate - non-owner-occupied									
Pass	\$ 477,238	\$ 842,755	\$ 242,405	\$ 161,845	\$ 65,540	\$ 50,062	\$ 626,998	\$ 145,621	\$ 2,612,464
Special mention	—	18,939	7,331	—	17,208	4,052	—	—	47,530
Substandard - accrual	10,341	—	2,396	3,626	—	298	—	439	17,100
Substandard - non-accrual	—	713	6,029	1,698	—	—	—	—	8,440
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 487,579	\$ 862,407	\$ 258,161	\$ 167,169	\$ 82,748	\$ 54,412	\$ 626,998	\$ 146,060	\$ 2,685,534
Residential real estate									
Pass	\$ 37,676	\$ 86,919	\$ 82,390	\$ 110,853	\$ 36,589	\$ 62,288	\$ 37,619	\$ —	\$ 454,334
Special mention	—	813	3,519	176	—	—	—	—	4,508
Substandard - accrual	253	—	1,317	3,125	203	—	176	—	5,074
Substandard - non-accrual	—	—	—	—	—	—	—	179	179
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 37,929	\$ 87,732	\$ 87,226	\$ 114,154	\$ 36,792	\$ 62,288	\$ 37,795	\$ 179	\$ 464,095
Consumer									
Pass	\$ 11,591	\$ 6,004	\$ 462	\$ 54	\$ 221	\$ 25	\$ 18,960	\$ —	\$ 37,317
Special mention	—	—	—	—	—	5	—	—	5
Substandard - accrual	—	—	—	23	—	—	—	—	23
Substandard - non-accrual	—	33	—	—	—	—	—	—	33
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 11,591	\$ 6,037	\$ 462	\$ 77	\$ 221	\$ 30	\$ 18,960	\$ —	\$ 37,378
Total									
Pass	\$ 966,682	\$ 1,292,876	\$ 638,243	\$ 389,881	\$ 191,104	\$ 164,112	\$ 2,023,942	\$ 235,006	\$ 5,901,846
Special mention	12,537	27,475	25,372	4,597	19,461	6,531	9,748	3,751	109,472
Substandard - accrual	26,226	1,877	8,814	8,647	1,571	3,160	28,828	18,798	97,921
Substandard - non-accrual	—	746	6,499	1,722	—	—	6,848	357	16,172
Doubtful	—	—	—	—	—	—	2,279	—	2,279
Loss	—	—	—	—	—	—	—	—	—
Total	\$ 1,005,445	\$ 1,322,974	\$ 678,928	\$ 404,847	\$ 212,136	\$ 173,803	\$ 2,071,645	\$ 257,912	\$ 6,127,690

The following tables present the Company's loan portfolio aging analysis as of December 31, 2024 and 2023:

	As of December 31, 2024						Amortized Cost Basis		
	Amortized Cost Basis by Origination Year and Past Due Status						Amortized Cost Basis		
	2024	2023	2022	2021	2020	2019 and Prior	Revolving loans	Revolving loans converted to term loans	Total
	(Dollars in thousands)								
Commercial and industrial									
30-59 days	\$ 173	\$ 73	\$ 138	\$ 43	\$ -	\$ -	\$ 3,350	\$ 359	\$ 4,136
60-89 days	-	-	42	55	-	-	5,260	-	5,357
Greater than 90 days	-	861	400	262	-	448	6,938	1,855	10,764
Total past due	173	934	580	360	-	448	15,548	2,214	20,257
Current	402,670	221,107	184,456	132,144	29,656	8,726	1,075,020	90,442	2,144,221
Total	\$ 402,843	\$ 222,041	\$ 185,036	\$ 132,504	\$ 29,656	\$ 9,174	\$ 1,090,568	\$ 92,656	\$ 2,164,478
Greater than 90 days and accruing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150	\$ -	\$ 150
Energy									
30-59 days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	-	-	-	-	-	-	-	-	-
Total past due	-	-	-	-	-	-	-	-	-
Current	7,704	-	-	-	-	-	310,707	796	319,207
Total	\$ 7,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,707	\$ 796	\$ 319,207
Greater than 90 days and accruing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial real estate - owner-occupied									
30-59 days	\$ -	\$ -	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34
60-89 days	-	2,977	-	-	-	-	-	1,528	4,505
Greater than 90 days	-	-	-	-	-	-	-	-	-
Total past due	-	2,977	34	-	-	-	-	1,528	4,539
Current	66,854	58,937	101,043	108,214	60,255	61,577	47,563	42,536	546,979
Total	\$ 66,854	\$ 61,914	\$ 101,077	\$ 108,214	\$ 60,255	\$ 61,577	\$ 47,563	\$ 44,064	\$ 551,518
Greater than 90 days and accruing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial real estate - non-owner-occupied									
30-59 days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60-89 days	-	-	-	-	-	-	-	-	-
Greater than 90 days	77	-	-	-	-	-	-	-	77
Total past due	77	-	-	-	-	-	-	-	77
Current	384,745	261,684	658,026	195,583	100,788	73,028	878,836	170,118	2,722,808
Total	\$ 384,822	\$ 261,684	\$ 658,026	\$ 195,583	\$ 100,788	\$ 73,028	\$ 878,836	\$ 170,118	\$ 2,722,885
Greater than 90 days and accruing	\$ 77	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77
Residential real estate									
30-59 days	\$ 139	\$ -	\$ 32	\$ -	\$ -	\$ -	\$ 176	\$ -	\$ 347
60-89 days	-	-	43	-	-	15	-	-	58
Greater than 90 days	92	-	-	1,363	24	1,773	3,380	-	6,632
Total past due	231	-	75	1,363	24	1,788	3,556	-	7,037
Current	34,408	49,725	92,048	73,439	95,274	87,305	39,899	166	472,264
Total	\$ 34,639	\$ 49,725	\$ 92,123	\$ 74,802	\$ 95,298	\$ 89,093	\$ 43,455	\$ 166	\$ 479,301
Greater than 90 days and accruing	\$ -	\$ -	\$ -	\$ 1,363	\$ 24	\$ 1,773	\$ 3,380	\$ -	\$ 6,540
Consumer									
30-59 days	\$ -	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ 54	\$ -	\$ 62
60-89 days	-	-	2,216	19	-	-	-	-	2,235
Greater than 90 days	-	-	-	-	-	-	50	-	50
Total past due	-	-	2,224	19	-	-	104	-	2,347
Current	2,422	3,283	1,259	187	36	48	11,292	-	18,527
Total	\$ 2,422	\$ 3,283	\$ 3,483	\$ 206	\$ 36	\$ 48	\$ 11,396	\$ -	\$ 20,874
Greater than 90 days and accruing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ 50
Total									
30-59 days	\$ 312	\$ 73	\$ 212	\$ 43	\$ -	\$ -	\$ 3,580	\$ 359	\$ 4,579
60-89 days	-	2,977	2,301	74	-	15	5,260	1,528	12,155
Greater than 90 days	169	861	400	1,625	24	2,221	10,368	1,855	17,523
Total past due	481	3,911	2,913	1,742	24	2,236	19,208	3,742	34,257
Current	898,803	594,736	1,036,832	509,567	286,009	230,684	2,363,317	304,058	6,224,006
Total	\$ 899,284	\$ 598,647	\$ 1,039,745	\$ 511,309	\$ 286,033	\$ 232,920	\$ 2,382,525	\$ 307,800	\$ 6,258,263
Greater than 90 days and accruing	\$ 77	\$ -	\$ -	\$ 1,363	\$ 24	\$ 1,773	\$ 3,580	\$ -	\$ 6,817

As of December 31, 2023

	Amortized Cost Basis by Origination Year and Past Due Status						Amortized Cost Basis		
	2023	2022	2021	2020	2019	2018 and Prior	Revolving loans	Revolving loans converted to term loans	Total
	(Dollars in thousands)								
Commercial and industrial									
30-59 days	\$ 250	\$ 178	\$ —	\$ 81	\$ —	\$ 136	\$ 158	\$ 151	\$ 954
60-89 days	—	—	—	—	—	—	—	—	—
Greater than 90 days	30	28	347	24	199	—	10,800	2,376	13,804
Total past due	280	206	347	105	199	136	10,958	2,527	14,758
Current	394,177	260,778	204,322	57,732	40,621	19,506	1,097,646	70,672	2,145,454
Total	\$ 394,457	\$ 260,984	\$ 204,669	\$ 57,837	\$ 40,820	\$ 19,642	\$ 1,108,604	\$ 73,199	\$ 2,160,212
Greater than 90 days and accruing	\$ 30	\$ 28	\$ 81	\$ —	\$ 199	\$ —	\$ 2,000	\$ 2,199	\$ 4,537
Energy									
30-59 days	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 30	\$ —	\$ 30
60-89 days	—	—	—	—	—	—	—	—	—
Greater than 90 days	—	—	—	—	—	—	288	—	288
Total past due	—	—	—	—	—	—	318	—	318
Current	4,581	6,868	—	156	—	—	202,188	107	213,900
Total	\$ 4,581	\$ 6,868	\$ —	\$ 156	\$ —	\$ —	\$ 202,506	\$ 107	\$ 214,218
Greater than 90 days and accruing	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial real estate - owner-occupied									
30-59 days	\$ —	\$ —	\$ —	\$ 371	\$ —	\$ 71	\$ —	\$ —	\$ 442
60-89 days	—	—	—	—	—	—	—	—	—
Greater than 90 days	—	—	204	—	—	—	—	—	204
Total past due	—	—	204	371	—	71	—	—	646
Current	69,308	98,946	128,206	65,083	51,555	37,360	76,782	38,367	565,607
Total	\$ 69,308	\$ 98,946	\$ 128,410	\$ 65,454	\$ 51,555	\$ 37,431	\$ 76,782	\$ 38,367	\$ 566,253
Greater than 90 days and accruing	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial real estate - non-owner-occupied									
30-59 days	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
60-89 days	—	—	—	—	—	—	—	—	—
Greater than 90 days	—	713	6,029	1,698	—	307	—	—	8,747
Total past due	—	713	6,029	1,698	—	307	—	—	8,747
Current	487,579	861,694	252,132	165,471	82,748	54,105	626,998	146,060	2,676,787
Total	\$ 487,579	\$ 862,407	\$ 258,161	\$ 167,169	\$ 82,748	\$ 54,412	\$ 626,998	\$ 146,060	\$ 2,685,534
Greater than 90 days and accruing	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 307	\$ —	\$ —	\$ 307
Residential real estate									
30-59 days	\$ —	\$ 6	\$ —	\$ 137	\$ —	\$ —	\$ —	\$ —	\$ 143
60-89 days	—	—	—	—	—	—	—	—	—
Greater than 90 days	—	—	1,317	—	—	—	176	—	1,493
Total past due	—	6	1,317	137	—	—	176	—	1,636
Current	37,929	87,726	85,909	114,017	36,792	62,288	37,619	179	462,459
Total	\$ 37,929	\$ 87,732	\$ 87,226	\$ 114,154	\$ 36,792	\$ 62,288	\$ 37,795	\$ 179	\$ 464,095
Greater than 90 days and accruing	\$ —	\$ —	\$ 1,317	\$ —	\$ —	\$ —	\$ 176	\$ —	\$ 1,493
Consumer									
30-59 days	\$ —	\$ 219	\$ 40	\$ —	\$ —	\$ —	\$ 200	\$ —	\$ 459
60-89 days	—	—	—	—	—	—	—	—	—
Greater than 90 days	—	35	—	—	—	—	—	—	35
Total past due	—	254	40	—	—	—	200	—	494
Current	11,591	5,783	422	77	221	30	18,760	—	36,884
Total	\$ 11,591	\$ 6,037	\$ 462	\$ 77	\$ 221	\$ 30	\$ 18,960	\$ —	\$ 37,378
Greater than 90 days and accruing	\$ —	\$ 2	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2
Total									
30-59 days	\$ 250	\$ 403	\$ 40	\$ 589	\$ —	\$ 207	\$ 388	\$ 151	\$ 2,028
60-89 days	—	—	—	—	—	—	—	—	—
Greater than 90 days	30	776	7,897	1,722	199	307	11,264	2,376	24,571
Total past due	280	1,179	7,937	2,311	199	514	11,652	2,527	26,599
Current	1,005,165	1,321,795	670,991	402,536	211,937	173,289	2,059,993	255,385	6,101,091
Total	\$ 1,005,445	\$ 1,322,974	\$ 678,928	\$ 404,847	\$ 212,136	\$ 173,803	\$ 2,071,645	\$ 257,912	\$ 6,127,690
Greater than 90 days and accruing	\$ 30	\$ 30	\$ 1,398	\$ —	\$ 199	\$ 307	\$ 2,176	\$ 2,199	\$ 6,339

Non-accrual loans are loans for which the Company does not record interest income. The accrual of interest on loans is discontinued at the time the loan is 90 days past due unless the credit is well secured and in process of collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on non-accrual or charged off at an earlier date, if collection of principal or interest is considered doubtful. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured. The following tables present the Company's non-accrual loans by loan segments at December 31, 2024 and 2023:

As of December 31, 2024										
	Amortized Cost Basis by Origination Year					2019 and Prior	Amortized Cost Basis			Non-accrual Loans with no related Allowance
	2024	2023	2022	2021	2020		Revolving loans	Revolving loans converted to term loans	Total Non-accrual Loans	
	(Dollars in thousands)									
Commercial and industrial	\$ —	\$ 880	\$ 647	\$ 262	\$ —	\$ 448	\$ 11,470	\$ 13,449	\$ 27,156	\$ 4,373
Energy	—	—	—	—	—	—	—	—	—	—
Commercial real estate - owner-occupied	—	—	—	—	—	—	—	—	—	—
Commercial real estate - non-owner-occupied	—	—	—	—	—	—	—	—	—	—
Residential real estate	92	—	—	—	—	—	—	166	258	—
Consumer	—	—	—	—	—	—	—	—	—	—
Total	\$ 92	\$ 880	\$ 647	\$ 262	\$ —	\$ 448	\$ 11,470	\$ 13,615	\$ 27,414	\$ 4,373

As of December 31, 2023										
	Amortized Cost Basis by Origination Year					2018 and Prior	Amortized Cost Basis			Non-accrual Loans with no related Allowance
	2023	2022	2021	2020	2019		Revolving loans	Revolving loans converted to term loans	Total Non-accrual Loans	
	(Dollars in thousands)									
Commercial and industrial	\$ —	\$ —	\$ 266	\$ 24	\$ —	\$ —	\$ 8,839	\$ 178	\$ 9,307	\$ 6,198
Energy	—	—	—	—	—	—	288	—	288	288
Commercial real estate - owner-occupied	—	—	204	—	—	—	—	—	204	204
Commercial real estate - non-owner-occupied	—	713	6,029	1,698	—	—	—	—	8,440	1,698
Residential real estate	—	—	—	—	—	—	—	179	179	179
Consumer	—	33	—	—	—	—	—	—	33	33
Total	\$ —	\$ 746	\$ 6,499	\$ 1,722	\$ —	\$ —	\$ 9,127	\$ 357	\$ 18,451	\$ 8,600

Interest income recognized on non-accrual loans was zero for both the years ended December 31, 2024 and 2023.

Allowance for Credit Losses

The Company's CECL committee meets at least quarterly to oversee the ACL methodology. The committee estimates the ACL using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The ACL represents the Company's current estimate of lifetime credit losses inherent in the loan portfolio at the statement of financial condition date. The ACL is adjusted for expected prepayments when appropriate and excludes expected extensions, renewals, and modifications.

The ACL is the sum of three components: (i) asset specific / individual loan reserves; (ii) quantitative (formulaic or pooled) reserves; and (iii) qualitative (judgmental) reserves. The components are described within *Note 1: Nature of Operations and Summary of Significant Accounting Policies*.

The following tables present the activity in the allowance for credit losses and allowance for credit losses on off-balance sheet credit exposures by loan segment for the years ended December 31, 2024 and 2023:

For the Year Ended December 31, 2024							
	Commercial and Industrial	Energy	Commercial Real Estate Owner- Occupied	Commercial Real Estate Non-owner- Occupied	Residential Real Estate	Consumer	Total
	<i>(Dollars in thousands)</i>						
Allowance for Credit Losses:							
Beginning balance	\$ 32,244	\$ 3,143	\$ 6,445	\$ 28,130	\$ 3,456	\$ 44	\$ 73,462
Charge-offs	(5,524)	—	—	(1,420)	—	(13)	(6,957)
Recoveries	694	288	—	4	259	—	1,245
Provision (release)	8,103	1,040	(783)	3,292	(608)	168	11,212
Ending balance	<u>\$ 35,517</u>	<u>\$ 4,471</u>	<u>\$ 5,662</u>	<u>\$ 30,006</u>	<u>\$ 3,107</u>	<u>\$ 199</u>	<u>\$ 78,962</u>
Allowance for Credit Losses on Off-Balance Sheet Credit Exposures:							
Beginning balance	\$ 954	\$ 149	\$ 125	\$ 5,096	\$ 89	\$ —	\$ 6,413
Provision (release)	1,244	(149)	9	(1,225)	(15)	36	(100)
Loss on standby letter of credit	(632)	—	—	—	—	—	(632)
Ending balance	<u>\$ 1,566</u>	<u>\$ —</u>	<u>\$ 134</u>	<u>\$ 3,871</u>	<u>\$ 74</u>	<u>\$ 36</u>	<u>\$ 5,681</u>
For the Year Ended December 31, 2023							
	Commercial and Industrial	Energy	Commercial Real Estate Owner- Occupied	Commercial Real Estate Non-owner- Occupied	Residential Real Estate	Consumer	Total
	<i>(Dollars in thousands)</i>						
Allowance for Credit Losses:							
Beginning balance	\$ 26,803	\$ 4,396	\$ 5,214	\$ 21,880	\$ 3,333	\$ 149	\$ 61,775
PCD allowance for credit loss at acquisition	51	—	61	217	—	—	329
Charge-offs	(5,703)	—	—	—	—	(6)	(5,709)
Recoveries	164	139	—	—	—	—	303
Provision (release)	10,871	(1,392)	976	5,390	118	(99)	15,864
Day 1 CECL provision expense	58	—	194	643	5	—	900
Ending balance	<u>\$ 32,244</u>	<u>\$ 3,143</u>	<u>\$ 6,445</u>	<u>\$ 28,130</u>	<u>\$ 3,456</u>	<u>\$ 44</u>	<u>\$ 73,462</u>
Allowance for Credit Losses on Off-Balance Sheet Credit Exposures:							
Beginning balance	\$ 319	\$ 787	\$ 221	\$ 7,323	\$ 35	\$ 3	\$ 8,688
Provision (release)	635	(638)	(96)	(2,227)	54	(3)	(2,275)
Ending balance	<u>\$ 954</u>	<u>\$ 149</u>	<u>\$ 125</u>	<u>\$ 5,096</u>	<u>\$ 89</u>	<u>\$ —</u>	<u>\$ 6,413</u>

The ACL balance increased \$5.5 million during the year ended December 31, 2024 and included provision of \$11.2 million due to loan growth, changes in credit quality, economic factors and an increase in specific reserves. Net charge-offs were \$5.7 million, primarily related to six commercial and industrial loans, one commercial real estate – non-owner-occupied loan and one credit card account. The reserve on unfunded commitments decreased \$0.7 million due to a decrease in unfunded commitments and a loss on a standby letter of credit that was previously reserved.

The following tables present the Company's gross charge-offs by year of origination for the years ended December 31, 2024 and 2023:

For the Year Ended December 31, 2024									
	Gross Charge-offs by Origination Year						Gross Charge-offs		
	2024	2023	2022	2021	2020	2019 and Prior	Revolving loans	Revolving loans converted to term loans	Gross Charge- offs
	<i>(Dollars in thousands)</i>								
Commercial and industrial	\$ —	\$ 1,256	\$ 44	\$ —	\$ 24	\$ —	\$ 4,022	\$ 178	\$ 5,524
Energy	—	—	—	—	—	—	—	—	—
Commercial real estate - owner-occupied	—	—	—	—	—	—	—	—	—
Commercial real estate - non-owner-occupied	—	—	209	—	—	—	—	1,211	1,420
Residential real estate	—	—	—	—	—	—	—	—	—
Consumer	—	—	13	—	—	—	—	—	13
Total	\$ —	\$ 1,256	\$ 266	\$ —	\$ 24	\$ —	\$ 4,022	\$ 1,389	\$ 6,957

For the Year Ended December 31, 2023									
	Gross Charge-offs by Origination Year						Gross Charge-offs		
	2023	2022	2021	2020	2019	2018 and Prior	Revolving loans	Revolving loans converted to term loans	Gross Charge- offs
	<i>(Dollars in thousands)</i>								
Commercial and industrial	\$ 581	\$ 7	\$ 72	\$ —	\$ —	\$ 1,358	\$ 3,165	\$ 520	\$ 5,703
Energy	—	—	—	—	—	—	—	—	—
Commercial real estate - owner-occupied	—	—	—	—	—	—	—	—	—
Commercial real estate - non-owner-occupied	—	—	—	—	—	—	—	—	—
Residential real estate	—	—	—	—	—	—	—	—	—
Consumer	—	1	—	—	—	5	—	—	6
Total	\$ 581	\$ 8	\$ 72	\$ —	\$ —	\$ 1,363	\$ 3,165	\$ 520	\$ 5,709

Collateral Dependent Loans

Collateral dependent loans are loans for which the repayment is expected to be provided substantially through the operation or sale of the collateral and the borrower is experiencing financial difficulty. The following tables present the amortized cost balance of loans considered collateral dependent by loan segment and collateral type as of December 31, 2024 and 2023:

As of December 31, 2024

Loan Segment and Collateral Description	Amortized Cost of Collateral Dependent Loans	Related Allowance for Credit Losses	Amortized Cost of Collateral Dependent Loans with no related Allowance
	<i>(Dollars in thousands)</i>		
Commercial and industrial			
All business assets	\$ 4,920	\$ 153	\$ 4,373
Energy			
Oil and natural gas properties	—	—	—
Commercial real estate - owner-occupied			
Commercial real estate properties	—	—	—
Commercial real estate - non-owner-occupied			
Commercial real estate properties	—	—	—
Residential real estate			
Residential real estate properties	—	—	—
Consumer			
Vehicles & other personal assets	—	—	—
	<u>\$ 4,920</u>	<u>\$ 153</u>	<u>\$ 4,373</u>

As of December 31, 2023

Loan Segment and Collateral Description	Amortized Cost of Collateral Dependent Loans	Related Allowance for Credit Losses	Amortized Cost of Collateral Dependent Loans with no related Allowance
	<i>(Dollars in thousands)</i>		
Commercial and industrial			
All business assets	\$ 9,308	\$ 1,392	\$ 6,198
Energy			
Oil and natural gas properties	288	—	288
Commercial real estate - owner-occupied			
Commercial real estate properties	204	—	204
Commercial real estate - non-owner-occupied			
Commercial real estate properties	8,440	571	1,698
Residential real estate			
Residential real estate properties	179	—	179
Consumer			
Vehicles & other personal assets	—	—	—
	<u>\$ 18,419</u>	<u>\$ 1,963</u>	<u>\$ 8,567</u>

Loan Modifications

The Company considers loans to borrowers experiencing financial difficulties to be troubled loans. Modifications of these loans requires an entity to evaluate whether the loan modifications represent a new loan or a continuation of an existing loan. Such troubled debt modifications (“TDM”) may include principal forgiveness, interest rate reductions, other-than-insignificant-payment delays, term extensions or any combination thereof.

During the years ended December 31, 2024 and 2023, the Company modified 14 and eight loans, respectively, to facilitate repayment that are considered TDMs. The modified loans have an amortized cost basis of \$15.0 million and \$10.2 million at December 31, 2024 and 2023, respectively. The following tables present, by loan segment, the amortized cost basis as of the date shown for modified loans to borrowers experiencing financial difficulty:

	December 31, 2024							
	Term Extension		Payment Delay		Combination - Term Extension and Payment Delay		Combination - Term Extension, Payment Delay and Interest Rate Reduction	
	Amortized Cost Basis	% of Loan Class	Amortized Cost Basis	% of Loan Class	Amortized Cost Basis	% of Loan Class	Amortized Cost Basis	% of Loan Class
	<i>(Dollars in thousands)</i>							
Commercial and industrial	\$ 2,454	0.11%	\$ 4,891	0.23%	\$ 848	0.04%	\$ 1,813	0.08%
Commercial real estate - owner-occupied	—	—	4,924	0.89	—	—	—	—
Residential real estate	92	0.02	—	—	—	—	—	—
Total Loans	<u>\$ 2,546</u>		<u>\$ 9,815</u>		<u>\$ 848</u>		<u>\$ 1,813</u>	

	December 31, 2023	
	Term Extension	
	Amortized Cost Basis	% of Loan Class
	<i>(Dollars in thousands)</i>	
Commercial and industrial	\$ 5,384	0.25%
Commercial real estate - owner-occupied	4,568	0.81
Residential real estate	253	0.05
Total Loans	<u>\$ 10,205</u>	

The following schedules present the payment status, by loan segment, as of December 31, 2024 and 2023, of the amortized cost basis of loans that have been modified in the prior 12 months:

	Balance at December 31, 2024				
	Current	30-59 Days Past Due	60-89 Days Past Due	Greater than 90 Days Past Due	Total Past Due
	<i>(Dollars in thousands)</i>				
Commercial and industrial	\$ 7,553	\$ 598	\$ —	\$ 1,855	\$ 2,453
Commercial real estate - owner-occupied	419	—	4,505	—	4,505
Residential real estate	—	—	—	92	92
Total Loans	<u>\$ 7,972</u>	<u>\$ 598</u>	<u>\$ 4,505</u>	<u>\$ 1,947</u>	<u>\$ 7,050</u>

	Balance at December 31, 2023				
	Current	30-59 Days Past Due	60-89 Days Past Due	Greater than 90 Days Past Due	Total Past Due
	<i>(Dollars in thousands)</i>				
Commercial and industrial	\$ 5,384	\$ —	\$ —	\$ —	\$ —
Commercial real estate - owner-occupied	4,568	—	—	—	—
Residential real estate	253	—	—	—	—
Total Loans	<u>\$ 10,205</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The Company had two and no TDMs that were modified and had defaulted on their modified terms at December 31, 2024 and 2023, respectively. For purposes of this disclosure, the Company considers “default” to mean 90 days or more past due on principal or interest. The allowance for credit losses related to TDMs on non-accrual status is determined by individual evaluation, including collateral adequacy, using the same process as loans on non-accrual status which are not classified as TDMs.

The following schedules present the financial effect of the modifications made to borrowers experiencing financial difficulty as of the dates shown:

December 31, 2024				
Financial Effect				
	Term Extension	Payment Delay	Combination - Term Extension and Payment Delay	Combination - Term Extension, Payment Delay and Interest Rate Reduction
Commercial and industrial	Added a weighted average of 0.7 years to the life of loan, which reduced monthly payment amounts	Delayed payments for a weighted average of 0.6 years	Added a weighted average of 2.3 years to the life of loan, which reduced monthly payment amounts and delayed payments for a weighted average of 0.4 years	Added a weighted average of 9.0 years to the life of loan, which reduced monthly payment amounts, delayed payments for a weighted average of 9.0 years and reduced weighted average interest rate by 1.5%
Commercial real estate - owner-occupied		Delayed payments for a weighted average of 0.5 years		
Residential real estate	Added a weighted average of 0.2 years to the life of loan, which reduced monthly payment amounts			

December 31, 2023	
Financial Effect	
Term Extension	
Commercial and industrial	Added a weighted average of 1.2 years to the life of loan, which reduced monthly payment amounts
Commercial real estate - owner-occupied	Added a weighted average of 0.5 years to the life of loan, which reduced monthly payment amounts
Residential real estate	Added a weighted average of 0.3 years to the life of loan, which reduced monthly payment amounts

Allowance for Credit Losses on Off-Balance Sheet Credit Exposures

The Company estimates expected credit losses for off-balance sheet credit exposures unless the obligation is unconditionally cancellable by the Company. The ACL on off-balance sheet credit exposures is adjusted as a provision (release) for credit loss expense. The estimate is calculated for each loan segment and includes consideration of the likelihood that funding will occur and an estimate of the expected credit losses on commitments expected to be funded over its estimated life. For each pool of contractual obligations expected to be funded, the Company uses the reserve rate established for the related loan pools. The \$5.7 million and \$6.4 million allowance for credit losses on off-balance sheet credit exposures at December 31, 2024 and 2023, respectively, are included in “interest payable and other liabilities” on the statements of financial condition.

The following categories of off-balance sheet credit exposures have been identified:

- **Loan commitments** – include revolving lines of credit, non-revolving lines of credit, and loans approved that are not yet funded. Risks inherent to revolving lines of credit often are related to the susceptibility of an individual or business experiencing unpredictable cash flow or financial troubles, thus leading to payment default. The primary risk associated with non-revolving lines of credit is the diversion of funds for other expenditures.
- **Standby letters of credit** – are primarily established to provide assurance to the beneficiary that the applicant will perform certain obligations arising out of a separate transaction between the beneficiary and applicant. If the obligation is not met, it gives the beneficiary the right to draw on the letter of credit.

Note 5: Premises and Equipment

Major classifications of premises and equipment, stated at cost, are as follows:

	As of December 31,	
	2024	2023
	<i>(Dollars in thousands)</i>	
Land	\$ 8,644	\$ 8,689
Building and improvements	70,905	69,320
Furniture and fixtures	16,023	15,797
Equipment	14,329	13,278
Construction in progress	990	1,252
Premises and equipment	110,891	108,336
Less: accumulated depreciation	42,343	37,467
Premises and equipment, net	<u>\$ 68,548</u>	<u>\$ 70,869</u>

The Company recorded \$5.1 million, \$4.9 million and \$4.7 million of depreciation expense during 2024, 2023 and 2022, respectively, as a component of other non-interest expense in the consolidated statements of operations.

Note 6: Leases

The Company’s leases primarily include bank branches located in Kansas City, Missouri; Oklahoma City, Oklahoma; Tulsa, Oklahoma; Dallas, Texas; Frisco, Texas; Fort Worth, Texas; Phoenix, Arizona; Denver, Colorado and Colorado Springs, Colorado. The remaining terms on these branch leases range from less than one year to 17 years with certain options to renew. Renewal terms can extend the lease terms between five years and 20 years. The exercise of lease renewal options is at the Company’s sole discretion. When it is reasonably certain that the Company will exercise its option to renew or extend the lease term, that option is included in the estimated value of the right of use (“ROU”) asset and lease liability. The Company’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. As of December 31, 2024, the Company recognized one finance lease, and the remaining Company leases were classified as operating leases.

The ROU asset is included in “Other assets” on the consolidated statements of financial condition, and was \$28 million and \$30 million at December 31, 2024 and 2023, respectively. Certain adjustments to the ROU asset may be required for items such as initial direct costs paid or incentives received. The lease liability is located in “Interest payable and other liabilities” on the consolidated statements of financial condition and was \$32 million and \$34 million at December 31, 2024 and 2023, respectively.

As of December 31, 2024, the weighted-average remaining lease term was 10 years and the weighted-average discount rate was 2.89% utilizing the Company’s incremental FHLB borrowing rate for borrowings of a similar term at the date of lease commencement.

The following table presents components of operating lease expense in the accompanying consolidated statements of operations for the years ended December 31, 2024, 2023 and 2022:

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands)</i>		
Finance lease amortization of right-of-use asset	\$ 293	\$ 284	\$ 231
Finance lease interest on lease liability	263	271	185
Operating lease expense	3,485	2,933	2,577
Variable lease expense	1,347	1,816	1,222
Short-term lease expense	39	15	20
Total lease expense	<u>\$ 5,427</u>	<u>\$ 5,319</u>	<u>\$ 4,235</u>

Future minimum lease payments under operating and finance leases were as follows:

	Operating Leases	Finance Leases
	<i>(Dollars in thousands)</i>	
2025	\$ 3,414	\$ 490
2026	4,118	490
2027	4,118	528
2028	3,704	540
2029	2,669	540
Thereafter	9,943	7,164
Total lease payments	<u>27,966</u>	<u>9,752</u>
Less: imputed interest	2,912	2,580
Total	<u>\$ 25,054</u>	<u>\$ 7,172</u>

Supplemental cash flow information

Operating cash flows paid for operating leases included in the measurement of lease liabilities were \$3.7 million, \$3.4 million and \$3.0 million, respectively, for the years ended December 31, 2024, 2023 and 2022. Operating cash flows paid for finance lease amounts included in the measurement of lease liabilities were \$0.5 million for both years ended December 31, 2024 and 2023 and \$0.4 million for the year ended December 31, 2022. During the years ended December 31, 2024, 2023 and 2022, the Company recorded ROU assets in the amount of \$1.7 million, \$2.2 million and \$23.6 million, respectively, that were exchanged for operating lease liabilities.

Note 7: Goodwill and Core Deposit Intangible

In connection with prior acquisitions, the Company recorded goodwill of \$14.1 million. No goodwill impairment was recorded during the years ended December 31, 2024 or December 31, 2023.

The Company is amortizing core deposit intangible ("CDI") from prior acquisitions over the estimated useful lives of approximately 10 years from the date of each respective acquisition using the sum of the years' digits accelerated method.

The gross carrying amount of goodwill and the gross carrying amount and accumulated amortization of the core deposit intangible at December 31, 2024 and 2023 were:

	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
	<i>(Dollars in thousands)</i>		
December 31, 2024			
Goodwill	\$ 14,135	\$ —	\$ 14,135
Core deposit intangible	21,938	8,307	13,631
Total goodwill and intangible assets	<u>\$ 36,073</u>	<u>\$ 8,307</u>	<u>\$ 27,766</u>
December 31, 2023			
Goodwill	\$ 14,135	\$ —	\$ 14,135
Core deposit intangible	21,938	4,738	17,200
Total goodwill and intangible assets	<u>\$ 36,073</u>	<u>\$ 4,738</u>	<u>\$ 31,335</u>

The estimated aggregate future amortization expense over the next five years for the core deposit intangible is as follows at December 31, 2024:

(Dollars in thousands)

2025	\$ 3,155
2026	2,739
2027	2,325
2028	1,909
2029	1,494

Note 8: Derivatives and Hedging Activities

The Company is exposed to certain risks arising from both its business operations and economic conditions, including interest rate, liquidity, and credit risk. The Company uses derivative financial instruments as part of its risk management activities to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's existing credit derivatives result from participations of loan participation arrangements, and therefore, are not used to manage interest rate risk in the Company's assets or liabilities.

Cash Flow Hedges of Interest Rate Risk

The Company uses interest rate derivatives to add stability to interest income and expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company may utilize interest rate swaps, including forwards, interest rate caps, floors, collars, corridors and swaptions as part of its interest rate risk management strategy. During 2024, the Company utilized interest rate swaps and a collar to hedge the variable cash flows associated with existing variable-rate debt and loan assets. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Interest rate collars designated as cash flow hedges involve payments of variable-rate amounts if interest rates rise above the cap strike rate on the contract and the receipt of variable-rate amounts if interest rates fall below the floor strike rate on the contract. Five swaps that were entered into in 2021 were terminated during the third quarter of 2022, and the amortization of the gains on these instruments began in 2023 based on the original effective dates of these swaps. During 2024, two cash flow hedges matured and two cash flow hedges were terminated. Derivatives that qualify as cash flow hedges and are designated as such include one instrument with a total notional value of \$250 million at December 31, 2024, and five instruments with a notional value of \$340 million at December 31, 2023.

For derivatives that qualify as cash flow hedges of interest rate risk and are designed as such, the gain or loss on the derivative is recorded in Accumulated Other Comprehensive Income (Loss) ("AOCI") and subsequently reclassified into interest income or expense in the same period(s) during which the hedged transaction affects earnings. Amounts reported in AOCI related to derivatives will be reclassified to interest income and expense as interest payments are received and made on the Company's variable-rate assets and debt. The Company currently estimates that \$1.3 million will be reclassified as a decrease to net interest income during the next twelve months. These reclassifications are for active hedges, as well as amounts related to five hedged swaps that were terminated in 2022 and the two hedged swaps terminated in the first quarter of 2024, that continue to be recognized based on the original effective dates of the hedged transactions.

The Company is hedging its exposure to the variability in future cash flows for forecasted transactions over a maximum period of 2.0 years.

Non-designated Hedges

Derivatives not designated as hedges are not speculative and result from a service provided to clients. The Company executes interest rate swaps with clients to facilitate their respective risk management strategies. Those interest rate swaps are simultaneously hedged by offsetting derivatives that the Company executes with a third-party, such that the Company minimizes its net risk exposure resulting from such transactions. Interest rate derivatives associated with this program do not meet the strict hedge accounting requirements and changes in the fair value of both the client derivatives and the offsetting derivatives are recognized directly in earnings.

Swap fees earned upon origination and credit valuation adjustments that represent the risk of a counterparty's default are reported on the consolidated statements of operations as swap fees and credit valuations adjustments, net. The effect of the Company's derivative financial instruments gain (loss) is reported on the consolidated statements of cash flows within "other assets" and "other liabilities".

The Company had 50 and 46 swaps outstanding with an aggregate notional amount of \$354 million and \$307 million at December 31, 2024 and 2023, respectively.

The Company's existing credit derivatives result from participations in or out of interest rate swaps provided by or to external lenders as part of loan participation arrangements, and therefore, are not used to manage interest rate risk in the Company's assets or liabilities. Derivatives not designated as hedges are not speculative and result from a service the Company provides to certain lenders which participate in loans.

The Company had 16 credit risk participation agreements outstanding with an aggregate notional amount of \$112 million at December 31, 2024.

The table below presents the fair value of the Company's derivative financial instruments and their classification on the consolidated statements of financial condition as of December 31, 2024 and 2023:

	Asset Derivatives		Liability Derivatives			
	Statement of Financial Condition Location	December 31, 2024	December 31, 2023	Statement of Financial Condition Location	December 31, 2024	December 31, 2023
<i>(Dollars in thousands)</i>						
Derivatives designated as hedging instruments:						
Interest rate products	Other assets and Interest receivable	\$ —	\$ 101	Interest payable and other liabilities	\$ 4,745	\$ 5,992
Total derivatives designated as hedging instruments		\$ —	\$ 101		\$ 4,745	\$ 5,992
Derivatives not designated as hedging instruments:						
Interest rate products	Other assets and Interest receivable	\$ 8,177	\$ 7,830	Interest payable and other liabilities	\$ 8,207	\$ 7,837
Credit risk participation agreements	Other assets	15	—	Other liabilities	43	—
Total derivatives not designated as hedging instruments		\$ 8,192	\$ 7,830		\$ 8,250	\$ 7,837
Total		\$ 8,192	\$ 7,931		\$ 12,995	\$ 13,829

The table below presents the effect of cash flow hedge accounting on AOCI for the years ended December 31, 2024 and 2023.

	Location of Gain or (Loss) Recognized from AOCI into Earnings	Gain or (Loss) Recognized in OCI on Derivative	Gain or (Loss) Recognized in OCI Included Component	Gain or (Loss) Recognized in OCI Excluded Component	Gain or (Loss) Reclassified from Accumulated OCI into Earnings	Gain or (Loss) Reclassified from Accumulated OCI into Earnings Included Component	Gain or (Loss) Reclassified from Accumulated OCI into Earnings Excluded Component
<i>(Dollars in thousands)</i>							
Year Ended December 31, 2024							
Derivatives in Cash Flow Hedging Relationships							
Interest Rate Products	Interest Income	\$ (3,315)	\$ (3,315)	\$ —	\$ (4,707)	\$ (4,707)	\$ —
Interest Rate Products	Interest Expense	10	10	—	871	871	—
Total		<u>\$ (3,305)</u>	<u>\$ (3,305)</u>	<u>\$ —</u>	<u>\$ (3,836)</u>	<u>\$ (3,836)</u>	<u>\$ —</u>
Year Ended December 31, 2023							
Derivatives in Cash Flow Hedging Relationships							
Interest Rate Products	Interest Income	\$ (589)	\$ (589)	\$ —	\$ —	\$ —	\$ —
Interest Rate Products	Interest Expense	209	209	—	275	275	—
Total		<u>\$ (380)</u>	<u>\$ (380)</u>	<u>\$ —</u>	<u>\$ 275</u>	<u>\$ 275</u>	<u>\$ —</u>

As of December 31, 2024 and 2023, the Company had minimum collateral thresholds with certain of its derivative counterparties and has paid pledged collateral of \$1.0 million and \$1.0, respectively, and received collateral of \$1.7 million and \$1.5 million, respectively.

Note 9: Foreclosed Assets

Foreclosed asset activity was as follows:

	As of or for the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands)</i>		
Beginning balance	\$ —	\$ 1,130	\$ 1,148
Transfers from loan portfolio, at fair value	5,174	—	—
Advances for cost to complete	966	—	—
Foreclosed asset acquired	—	—	157
Impairments	(144)	(80)	—
Sales or other proceeds from foreclosed assets	(20)	(1,050)	(175)
Ending balance	<u>\$ 5,976</u>	<u>\$ —</u>	<u>\$ 1,130</u>

For the year ended December 31, 2024, the Company foreclosed on 10 residential construction lots (related to one former loan), one commercial use facility and one vehicle. The vehicle was sold during 2024. The Company is advancing funds to complete the buildout of six of the foreclosed residential construction properties. The remaining four residential construction properties are in the process of being sold and have been written down to the estimated net proceeds from sale.

For the year ended December 31, 2023, the Company sold two commercial use facilities foreclosed upon in prior years.

For the year ended December 31, 2022, the Company acquired a foreclosed property as part of the Colorado/New Mexico acquisition and received proceeds from expired earnest funds on a pre-existing property.

Impairments of foreclosed assets are reported on the consolidated statements of operations under foreclosed assets, net within non-interest expense.

Note 10: Interest-bearing Time Deposits

Interest-bearing time deposits in denominations of \$250 thousand or more were \$548 million and \$487 million as of December 31, 2024 and 2023, respectively.

The Company acquires brokered deposits in the normal course of business. At December 31, 2024 and 2023, brokered deposits of approximately \$845 million and \$876 million, respectively, were included in the Company's time deposit balance. Reciprocal deposits, which include The Certificate of Deposit Account Registry Services ("CDARS") discussed below, are treated as core deposits instead of brokered deposits and are not included in the above amounts.

The Company is a member of CDARS that allows depositors to receive FDIC insurance on amounts greater than the FDIC insurance limit, which is currently \$250,000. CDARS allows institutions to break large deposits into smaller amounts and place them in a network of other CDARS institutions to ensure full FDIC insurance is gained on the entire deposit. CDARS totaled approximately \$43 million and \$42 million as of December 31, 2024 and 2023, respectively.

The scheduled maturities for time deposits are provided in *Note 11: Borrowing Arrangements* below.

Note 11: Borrowing Arrangements

The following table summarizes borrowings at December 31, 2024 and 2023:

	As of and For the Year Ended December 31,					
	2024			2023		
	<i>(Dollars in thousands)</i>					
	Maximum Balance at Any		Maximum Balance at Any			
	Balance	Rate ⁽⁷⁾	End of Month	Balance	Rate ⁽⁷⁾	End of Month
Repurchase agreements ⁽¹⁾	\$ —	—%	\$ —	\$ —	—%	\$ 1,557
Federal funds purchased ⁽²⁾	—	—	—	—	—	20,000
FHLB advances ⁽³⁾	76,184	2.06	77,873	77,889	2.06	137,127
FHLB line of credit ⁽³⁾	—	—	151,601	—	—	316,222
Line of credit ⁽⁴⁾	—	—	—	—	—	7,500
SBA secured borrowing ⁽⁵⁾	7,080	NA	7,832	7,832	NA	9,396
Trust preferred security ⁽⁶⁾	1,181	6.36%	\$ 1,181	1,118	7.39%	\$ 1,118
Total borrowings	<u>\$ 84,445</u>			<u>\$ 86,839</u>		

- (1) Repurchase agreements consist of Bank obligations to other parties payable on demand and generally have one day maturities. The obligations are collateralized by securities of U.S. government sponsored enterprises and mortgage-backed securities and such collateral is held by a third-party custodian. The year-to-date average daily balance was zero and \$0.3 million for the years ended December 31, 2024 and 2023, respectively. The securities, mortgage-backed government sponsored residential securities, pledged for client repurchase agreements were zero at both December 31, 2024 and 2023.
- (2) Federal funds purchased include short-term funds that are borrowed from another bank. The Bank is part of a third-party service that allows us to borrow amounts from another bank if the bank has approved us for credit. Federal funds purchased generally have one day maturities.
- (3) FHLB advances and line of credit are collateralized by a blanket floating lien on certain loans as well as unrestricted securities. FHLB advances are at a fixed rate, ranging from 0.95% to 2.84%, and are subject to restrictions or penalties in the event of prepayment.
- (4) The line of credit was a general bank line of credit maintained by the Company for short-term liquidity. The Company terminated the line of credit during 2024.
- (5) As part of an acquisition, the Company acquired certain SBA loans that failed the derecognition criteria of ASC 860 and therefore are accounted for as secured borrowings. The secured borrowing was recorded at estimated fair value at the date of acquisition and reduces over time in connection with the related loan balance.
- (6) On June 30, 2010, the Company assumed a liability with a fair value of \$1 million related to the assumption of trust preferred securities issued by Leewood Bancshares Statutory Trust I for \$4 million on September 30, 2005. In 2012, the Company settled litigation related to the trust preferred securities which decreased the principal balance by \$1.5 million and the recorded balance by approximately \$400 thousand. The difference between the recorded amount and the contract value of \$2.6 million is being accreted to the maturity date in 2035. Distributions will be paid on each security at a variable annual rate of interest equal to SOFR, plus 1.74%.
- (7) Represents the year-end weighted average interest rate.

The following table summarizes the Company's other borrowing capacities at December 31, 2024 and 2023:

	As of December 31,	
	2024	2023
	<i>(Dollars in thousands)</i>	
FHLB borrowing capacity relating to loans	\$ 525,650	\$ 560,999
FHLB borrowing capacity relating to securities	—	—
Total FHLB borrowing capacity	\$ 525,650	\$ 560,999
Unused Federal Reserve borrowing capacity	\$ 820,695	\$ 780,588

The scheduled maturities, excluding interest, of the Company's borrowings at December 31, 2024 were as follows:

	As of December 31, 2024						Total
	Within One Year	One to Two Years	Two to Three Years	Three to Four Years	Four to Five Years	After Five Years	
	<i>(Dollars in thousands)</i>						
Time deposits	\$ 1,900,684	\$ 27,851	\$ 2,205	\$ 910	\$ 180	\$ 6	\$ 1,931,836
FHLB borrowings	5,100	—	39,000	26,000	—	6,084	76,184
SBA secured borrowing	—	—	—	—	—	7,080	7,080
Trust preferred securities ⁽¹⁾	—	—	—	—	—	1,181	1,181
Total	\$ 1,905,784	\$ 27,851	\$ 41,205	\$ 26,910	\$ 180	\$ 14,351	\$ 2,016,281

(1) The contract value of the trust preferred securities is \$2.6 million and is currently being accreted to the maturity date of 2035.

Note 12: Income Taxes

The provision for income taxes includes these components:

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands)</i>		
Current tax expense	\$ 22,365	\$ 19,526	\$ 17,943
Deferred income tax benefit	(1,270)	(2,086)	(1,970)
Income tax expense	\$ 21,095	\$ 17,440	\$ 15,973

An income tax reconciliation at the statutory rate to the Company's actual income tax expense is shown below:

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands)</i>		
Computed at the statutory rate (21%)	\$ 20,925	\$ 17,663	\$ 16,290
Increase (decrease) resulting from			
Tax-exempt income	(2,485)	(3,255)	(3,546)
Non-deductible expenses	736	421	689
State income taxes, net of federal benefits	2,425	2,473	2,785
Stock-based compensation	(48)	84	(190)
Other adjustments	(458)	54	(55)
Income tax expense	\$ 21,095	\$ 17,440	\$ 15,973

The tax effects of temporary differences related to deferred taxes shown on the consolidated statements of financial condition within other assets are presented below:

	As of December 31,	
	2024	2023
<i>(Dollars in thousands)</i>		
Deferred tax assets		
Net unrealized loss on securities available-for-sale	\$ 18,491	\$ 15,456
Allowance for credit losses	19,275	18,470
Lease liability	7,415	7,930
Loan fees	3,775	3,701
Accrued expenses	3,979	3,397
Deferred compensation	2,279	2,334
Other	2,621	2,818
Total deferred tax asset	57,835	54,106
Deferred tax liability		
FHLB stock basis	(100)	(107)
Premises and equipment	(2,898)	(2,565)
Right-of-use asset	(6,550)	(7,023)
Other	(521)	(950)
Total deferred tax liability	(10,069)	(10,645)
Net deferred tax asset	\$ 47,766	\$ 43,461

The Company has approximately \$4.5 million of federal net operating loss carry-forwards, which begin to expire if not used by 2028 and the annual deduction of these loss carryforwards is subject to various IRC section 382 limitations. The Company fully expects to utilize the net operating loss carryforwards before they expire.

The Company files a consolidated federal income tax return and also files income tax returns in various states. All federal and state tax returns after 2020 remain open to examination by applicable tax authorities.

Note 13: Changes in Accumulated Other Comprehensive (Loss) Income

Amounts reclassified from AOCI and the affected line items in the consolidated statements of operations were as follows:

	For the Year Ended December 31,			Affected Line Item in the Statements of Operations
	2024	2023	2022	
<i>(Dollars in thousands)</i>				
Realized gain (loss) on available-for-sale securities	\$ 60	\$ (1,127)	\$ 96	Other non-interest income
Less: tax expense (benefit) effect	14	(266)	24	Income tax expense
Realized gain (loss) on available-for-sale securities, net of income tax	46	(861)	72	
(Loss) gain on cash flow hedges	(4,707)	275	—	Interest income - Loans
Gain on cash flow hedges	871	—	—	Interest expense - Deposits
Less: tax (benefit) expense effect	(886)	65	—	Income tax expense
Net (loss) gain on cash flow hedges, net of tax	(2,950)	210	—	
Total reclassified amount	\$ (2,904)	\$ (651)	\$ 72	

Note 14: Regulatory Matters

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. The Basel III Capital Rules (“Basel III”) were jointly published by three federal banking regulatory agencies. Basel III defines the components of capital, risk weighting and other issues affecting the numerator and denominator in regulatory capital ratios.

Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. The actions may include dividend payment restrictions, require the adoption of remedial measures to increase capital, terminate FDIC deposit insurance, and mandate the appointment of a conservator or receiver in severe cases. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities and certain off-balance sheet items as calculated under GAAP, regulatory reporting requirements and regulatory capital standards. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Furthermore, the Company's regulators could require adjustments to regulatory capital not reflected in these consolidated financial statements.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and tier 1 capital (as defined) to risk-weighted assets (as defined), common equity tier 1 capital (as defined) to risk-weighted assets (as defined), and of tier 1 capital (as defined) to average assets (as defined). Management believes, as of December 31, 2024, the Company and the Bank met all applicable capital adequacy requirements.

As of December 31, 2024, the most recent notification from the applicable regulatory agencies categorized the Bank as *well capitalized* under the regulatory framework for prompt corrective action. To be categorized as *well capitalized*, the Bank must maintain minimum total risk-based, tier 1 risk-based, common equity tier 1 risk-based and tier 1 leverage ratios as set forth in the table below. There are no conditions or events since that notification that management believes have changed the Bank's category. The Company's and the Bank's actual capital amounts and ratios as of December 31, 2024 and 2023 are presented in the following table:

	Actual		Required to be Considered Well Capitalized		Required to be Considered Adequately Capitalized ⁽¹⁾	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<i>(Dollars in thousands)</i>						
December 31, 2024						
Total Capital to Risk-Weighted Assets						
Consolidated	\$ 893,752	12.3%	N/A	N/A	\$ 762,907	10.5%
Bank	881,809	12.1	\$ 726,075	10.0%	762,379	10.5
Tier 1 Capital to Risk-Weighted Assets						
Consolidated	809,239	11.1	N/A	N/A	617,591	8.5
Bank	797,296	11.0	580,860	8.0	617,164	8.5
Common Equity Tier 1 to Risk-Weighted Assets						
Consolidated	800,308	11.0	N/A	N/A	508,605	7.0
Bank	797,296	11.0	471,949	6.5	508,253	7.0
Tier 1 Capital to Average Assets						
Consolidated	809,239	10.6	N/A	N/A	305,698	4.0
Bank	\$ 797,296	10.4%	\$ 382,199	5.0%	\$ 305,759	4.0%
December 31, 2023						
Total Capital to Risk-Weighted Assets						
Consolidated	\$ 807,018	11.2%	N/A	N/A	\$ 756,285	10.5%
Bank	800,522	11.1	\$ 719,705	10.0%	755,691	10.5
Tier 1 Capital to Risk-Weighted Assets						
Consolidated	727,723	10.1	N/A	N/A	612,231	8.5
Bank	721,227	10.0	575,764	8.0	611,750	8.5
Common Equity Tier 1 to Risk-Weighted Assets						
Consolidated	718,855	10.0	N/A	N/A	504,190	7.0
Bank	721,227	10.0	467,809	6.5	503,794	7.0
Tier 1 Capital to Average Assets						
Consolidated	727,723	10.0	N/A	N/A	292,517	4.0
Bank	\$ 721,227	9.9%	\$ 365,675	5.0%	\$ 292,540	4.0%

(1) Includes capital conservation buffer of 2.5%.

Note 15: Employee Benefit Plan

The Company has a retirement savings 401(k) plan covering substantially all employees. Employees may contribute a portion of their compensation to the plan. Company contributions to the plan were 100% on the first 5% of employees' salary deferral amounts. Additional contributions are discretionary and are determined annually by the Board of Directors. Company contributions to the plan were \$3 million, \$2 million and \$2 million for 2024, 2023 and 2022, respectively.

Note 16: Revenue from Contracts with Clients

Except for gains or losses from the sale of foreclosed assets, the Company's revenue from contracts with clients within the scope of ASC 606 is recognized in non-interest income. The revenue categories are selected based on the nature, amount, timing, and uncertainty of revenue and cash flows. The following presents descriptions of revenue categories within the scope of ASC 606:

Service charges and fees on client accounts - This category consists of monthly fees for the services rendered on client deposit accounts, including maintenance charges, overdraft fees, and processing fees. The monthly fee structures are typically based on type of account, volume, and activity. The client is typically billed monthly and pays the bill from their deposit account. The Company satisfies the performance obligation related to providing depository accounts monthly as transactions are processed and deposit service charge revenue is recorded.

ATM and credit card interchange income - This category consists of fees charged for use of the Company's ATMs, as well as an interchange fee with credit card and debit card service providers. ATM fees and interchange fees are based on the number of transactions as well as the underlying agreements. Clients are typically billed monthly. The Company satisfies the performance obligation related to ATM and interchange fees monthly as transactions are processed and revenue is recorded.

International fees - This category consists of fees earned from foreign exchange transactions and preparation of international documentation. International fees are based on underlying agreements that describe the Company's performance obligation and the related fee. Clients are typically billed, and cash is received once the service or transaction is complete. The Company satisfies the performance obligation related to international fees monthly as transactions are processed and revenue is recorded.

Other fees - This category consists of numerous, smaller fees such as wire transfer fees, check cashing fees, and check printing fees. Other fees are typically billed to clients on a monthly basis. Performance obligations for other fees are satisfied at the time that the service is rendered.

Gain or loss on foreclosed assets - Foreclosed assets are often sold in transactions that may not be considered a contract with a client because the sale of the asset may not be an output of the Company's ordinary activities. However, sales of nonfinancial assets, including in-substance nonfinancial assets, should be accounted for in accordance with ASC 610-20, "Other Income-Gains and Losses from the Derecognition of Nonfinancial Assets," which requires the Company to apply certain measurement and recognition concepts of ASC 606. Accordingly, the Company recognizes the sale of a foreclosed asset, along with any associated gain or loss, when control of the asset transfers to the buyer. For sales of existing assets, this generally will occur at the point of sale. When the Company finances the sale of the foreclosed asset to the buyer, the Company must assess whether the buyer is committed to perform their obligations under the contract and whether collectability of the transaction price is probable. Once these criteria are met, the repossessed asset is derecognized and the gain or loss on sale is recorded upon the transfer of control of the asset to the buyer.

The following table disaggregates the non-interest income subject to ASC 606 by category:

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands)</i>		
Non-interest income subject to ASC 606			
Service charges and fees on client accounts	\$ 9,101	\$ 8,186	\$ 6,228
ATM and credit card interchange income	6,029	5,469	6,523
International fees	2,138	1,504	1,408
Other fees	235	323	94
Total non-interest income from contracts with clients	<u>17,503</u>	<u>15,482</u>	<u>14,253</u>
Non-interest income not subject to ASC 606			
Other non-interest income	5,640	5,182	3,028
Total non-interest income	<u>\$ 23,143</u>	<u>\$ 20,664</u>	<u>\$ 17,281</u>

Note 17: Stock-Based Compensation

The Company issues stock-based compensation in the form of non-vested restricted stock, restricted stock units and stock appreciation rights under the CrossFirst Bankshares, Inc. 2018 Omnibus Equity Incentive Plan (as amended, restated or supplemented, the "Omnibus Plan"). The Omnibus Plan will expire on October 25, 2028, unless extended. The aggregate number of shares available for future issuance under the Omnibus Plan was 1,480,911 shares as of December 31, 2024. The Company will issue new common shares upon exercise or vesting of stock-based awards.

During 2018, awards issued under the Stock Settled Appreciation Right Plan, Equity Incentive Plan, Employee Equity Incentive Plan and New Market Founder Plan were assumed under the Omnibus Plan as agreed upon with participants, impacting all participants who agreed to the assumption, and herein referred to as “Legacy Awards”. Material terms and conditions of Legacy Awards remain unchanged; therefore, no modification to their fair market value was required. Going forward, all awards are issued under the Omnibus Plan.

The table below summarizes stock-based compensation expense for the years ended December 31, 2024, 2023, and 2022:

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands)</i>		
Stock appreciation rights	\$ 162	\$ 216	\$ 325
Performance-based stock awards	1,228	1,074	774
Restricted stock units and awards	4,073	3,824	3,200
Employee stock purchase plan	170	167	118
Total stock-based compensation	\$ 5,633	\$ 5,281	\$ 4,417

Stock-Settled Appreciation Rights

The Company issues stock-settled appreciation rights (“SSARs”) with exercise prices equal to the closing price of the Company’s common shares on the date of grant. SSARs typically vest ratably over seven years of continuous service and have fifteen-year contractual terms for Legacy Awards and ten-year contractual terms for all other SSARs. The fair value of each SSAR was estimated at the grant date using a Black-Scholes option pricing model.

A summary of SSAR activity during 2024 is presented below:

	Stock-Settled Appreciation Rights		
	Units	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Outstanding, January 1, 2024	823,594	\$ 10.59	5.67
Granted	—	—	—
Exercised	(99,965)	8.16	
Forfeited	(8,571)	13.73	
Expired	(64,429)	14.23	
Outstanding, December 31, 2024	<u>650,629</u>	<u>\$ 10.57</u>	<u>5.60</u>
Exercisable, December 31, 2024	<u>576,633</u>	<u>\$ 10.12</u>	<u>5.60</u>

The following table provides the range of assumptions used in the Black-Scholes option pricing model, the weighted average grant date fair value, and information related to SSARs exercised for the following years, as well as, the remaining compensation cost to be recognized and the period over which the amount will be recognized as of the dates indicated:

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands, except per share data)</i>		
Assumptions:			
Expected volatility ⁽¹⁾	—	42.76%	44.10% - 45.41%
Expected dividends ⁽²⁾	—	0.00%	0.00%
Expected term (in years) ⁽³⁾	—	7.00	7.00 - 7.01
Risk-free rate ⁽⁴⁾	—	4.71%	2.80% - 3.62%
Weighted average grant date fair value per share	\$ —	\$ 5.58	\$ 6.86
Aggregate intrinsic value of SSARs exercised	\$ 964	\$ 1,007	\$ 1,578
Total fair value of SSARs vested during the year	\$ 182	\$ 279	\$ 484
Unrecognized compensation information:			
Unrecognized compensation cost	\$ 400	\$ 622	\$ 795
Period remaining (in years)	3.6	4.4	4.7

- (1) Expected volatility was calculated using a historical volatility of the Company's stock price since the Company's initial public offering in August 2019, coupled with those of a peer group of comparable publicly traded companies prior to the Company's initial public offering, for a period commensurate with the expected term of the SSARs.
- (2) The dividend yield was calculated in accordance with the Company's dividend policy at the time of grant.
- (3) The expected term was estimated to be the midpoint between the contractual vesting term and time to expiration, in accordance with the simplified method described in SAB Topic 14.D.2. due to the Company's limited history of SSAR exercise activity.
- (4) The risk-free rate for the expected term of the SSARs was based on the U.S. Treasury yield curve at the date of grant and based on the expected term.

Performance-Based Awards

The Company awards performance-based awards — generally performance-based restricted stock units (“PSUs”) — to key officers of the Company. The stock-settled awards are typically granted annually as determined by the Compensation Committee. The PSUs typically cliff-vest at the end of three years based on attainment of certain performance metrics developed by the Compensation Committee. The ultimate number of shares issuable under each PSU award is the product of the award target and the award payout percentage given the level of achievement, ranging from 0% - 150% of the initial target awards. Awards are tied to two performance metrics, a performance-based cumulative earnings per share (“EPS”) target and a market-based cumulative total shareholder return (“TSR”) target. The fair value of the EPS target portion of the PSU award was determined based on the closing price of the Company's common stock on the grant date, while the fair value of the TSR target portion of the PSU award was determined using a Monte Carlo simulation as of the grant date.

A summary of PSU activity during 2024 is presented below:

	Performance-Based Awards	
	Number of Shares	Weighted Average Grant Date Fair Value
Unvested, January 1, 2024	232,987	\$ 14.38
Granted	140,928	12.74
Vested	(64,985)	12.88
Forfeited	(11,504)	13.81
Adjustment due to performance	19,246	12.88
Unvested, December 31, 2024	316,672	\$ 13.89

Total fair value of PSUs vested during the years ended December 31, 2024, 2023 and 2022 was \$825 thousand, \$298 thousand and \$26 thousand, respectively. Unrecognized stock-based compensation expense related to the performance grants issued through December 31, 2024 was \$1.8 million and is expected to be recognized over 1.8 years.

Service-Based Restricted Stock Units and Service-Based Restricted Stock Awards

The Company issues service-based restricted stock units (“RSUs”) and service-based restricted stock awards (“RSAs”) to provide additional incentives to key officers, employees, and non-employee directors. Awards are typically granted annually as determined by the Compensation Committee. The RSUs granted to key officers and employees typically vest ratably over three years of continuous service. The service-based RSAs granted to non-employee directors typically cliff-vest after one year of service. The fair value of all RSU and RSA awards was determined based on the closing price of the Company’s common stock on the grant date.

A summary of RSU and RSA activity during 2024 is presented below:

	Restricted Stock Units and Awards	
	Number of Shares	Weighted Average Grant Date Fair Value
Unvested, January 1, 2024	457,014	\$ 13.62
Granted	381,433	12.91
Vested	(246,227)	13.06
Forfeited	(54,211)	13.30
Unvested, December 31, 2024	538,009	\$ 13.41

Total fair value of RSUs and RSAs vested during the years ended December 31, 2024, 2023 and 2022 was \$3.3 million, \$3.0 million and \$3.3 million, respectively. Unrecognized stock-based compensation expense related to restricted stock grants issued through December 31, 2024 was \$3.6 million and is expected to be recognized over 1.6 years.

Employee Stock Purchase Plan

The Company has an Employee Stock Purchase Plan (“ESPP”) whereby employees are eligible to purchase common stock at a discounted price after having met a minimum period of credited service and minimum hours worked. The price an employee pays for shares is 85.0% of the lesser of the closing price of the Company’s common stock on the offering date or the closing price of the Company’s common stock on the last trading date of the offering period. The offering periods are the six-month periods commencing on January 1 and July 1 of each year and ending on June 30 and December 31 of each year. There are no vesting or other restrictions on the stock purchased by employees under the ESPP. In anticipation of the Merger, the Company suspended all offering periods commencing after December 31, 2024.

The calculated value of each unit award is estimated at the start of the offering period using a Black-Scholes option pricing model that used the assumptions noted in the following table:

Assumptions:	For the Year Ended December 31,		
	2024	2023	2022
Expected volatility	28.56% - 34.05%	26.10% - 41.72%	24.1% - 28.00%
Expected dividends	0.00%	0.00%	0.00%
Expected term (in years)	0.19 - 0.50	0.50	0.50
Risk-free rate	4.73% - 5.37%	4.75% - 5.53%	0.19% - 2.52%

Note 18: Stock Warrants

During the year ended December 31, 2023, 80,000 fully vested warrants to purchase common stock at a strike price of \$5.00 per share were exercised and cash settled resulting in a reduction to additional paid in capital of \$0.4 million. There were no outstanding warrants as of December 31, 2024 and 2023.

Note 19: Stockholders' Equity

The following table presents the computation of basic and diluted earnings per share:

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands, except per share data)</i>		
Earnings per Common Share			
Net Income	\$ 78,546	\$ 66,669	\$ 61,599
Less: preferred stock dividends	620	413	—
Net income available to common stockholders	77,926	66,256	61,599
Weighted average common shares	49,437,154	49,010,078	49,489,860
Earnings per common share	\$ 1.58	\$ 1.35	\$ 1.24
Diluted Earnings per Common Share			
Net Income	\$ 78,546	\$ 66,669	\$ 61,599
Less: preferred stock dividends	620	413	—
Net income available to common stockholders	77,926	66,256	61,599
Weighted average common shares	49,437,154	49,010,078	49,489,860
Effect of dilutive shares	538,691	329,988	512,194
Weighted average dilutive common shares	49,975,845	49,340,066	50,002,054
Diluted earnings per common share	\$ 1.56	\$ 1.34	\$ 1.23
Stock-based awards not included because to do so would be antidilutive	154,523	799,238	523,768

Preferred stock and dividends

During March 2023, the Company offered and sold 7,750 shares of its Series A Preferred Stock, for an aggregate purchase price of \$7.8 million.

Aggregate dividends of \$620 thousand and \$413 thousand related to the Series A Preferred Stock were declared and paid during the years ended December 31, 2024 and 2023, respectively. In February 2025, the Board of Directors declared a quarterly dividend on the Series A Preferred Stock in the amount of \$20.00 per share to be payable on March 17, 2025 to shareholders of record as of February 28, 2025.

Share repurchases

On May 10, 2022, the Company announced that its Board of Directors approved a share repurchase program under which the Company may repurchase up to \$30 million of its common stock. As of December 31, 2024, \$11 million remains available for repurchase under this share repurchase program.

During 2024, the Company repurchased \$4.5 million, representing 349,280 common shares, under the repurchase program. The Company did not purchase any common stock during 2023.

Note 20: Disclosure about Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities.

Recurring Measurements

The following list presents the assets and liabilities recognized in the accompanying consolidated statements of financial condition measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2024 and 2023:

	Fair Value Description	Valuation Hierarchy Level	Where Fair Value Balance Can Be Found
Available-for-sale securities and equity securities	Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows.	Level 2	Note 3: Securities
Derivatives	Fair value of the interest rate swaps is obtained from independent pricing services based on quoted market prices for similar derivative contracts.	Level 2	Note 8: Derivatives

Nonrecurring Measurements

The following tables present the fair value measurement on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2024 and 2023:

	December 31, 2024			
	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
	<i>(Dollars in thousands)</i>			
Collateral-dependent impaired loans	\$ 4,575	\$ —	\$ —	\$ 4,575
Foreclosed assets held-for-sale	6,101	—	—	6,101

	December 31, 2023			
	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
	<i>(Dollars in thousands)</i>			
Collateral-dependent impaired loans	\$ 10,570	\$ —	\$ —	\$ 10,570

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying consolidated statements of financial condition, as well as the general classification of such assets pursuant to the valuation hierarchy. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Collateral-Dependent Impaired Loans, Net of ACL - The estimated fair value of collateral-dependent loans is based on the appraised fair value of the collateral, less estimated cost to sell. If the fair value of the collateral is below the loan's amortized cost, the ACL is netted against the loan balance. Collateral-dependent loans are classified within Level 3 of the fair value hierarchy. The Company considers the appraisal or evaluation as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value. Appraisals of the collateral underlying collateral dependent loans are obtained when the loan is determined to be collateral dependent and subsequently as deemed necessary by the Office of the Chief Credit Officer. Appraisals are reviewed for accuracy and consistency by management. Appraisers are selected from the list of approved appraisers maintained by management. The appraised values are reduced by discounts to consider lack of marketability and estimated costs to sell if repayment or satisfaction of the loan is dependent on the sale of the collateral. These discounts and estimates are developed by the Office of the Chief Credit Officer by comparison to historical results.

Foreclosed Assets Held-for-Sale - The fair value of foreclosed assets held-for-sale is based on the appraised fair value of the collateral, less estimated cost to sell.

Unobservable (Level 3) Inputs

The following tables present quantitative information about unobservable inputs used in nonrecurring Level 3 fair value measurements at December 31, 2024 and 2023:

	December 31, 2024			
	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Average)
	<i>(Dollars in thousands)</i>			
Collateral-dependent impaired loans	\$ 4,575	Appraisal of collateral	Appraisal adjustments ⁽¹⁾	0% - 91% (44%)
Foreclosed assets held-for-sale	\$ 6,101	Appraisal of held property	Appraisal adjustments ⁽¹⁾	6% - 10% (6%)

(1) Appraisals may be adjusted by management for qualitative factors such as economic conditions and estimated liquidation expenses.

	December 31, 2023			
	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Average)
	<i>(Dollars in thousands)</i>			
Collateral-dependent impaired loans	\$ 10,570	Appraisal of collateral	Appraisal adjustments ⁽¹⁾	0% - 56% (22%)

(1) Appraisals may be adjusted by management for qualitative factors such as economic conditions and estimated liquidation expenses.

The following tables present the estimated fair values of the Company's financial instruments at December 31, 2024 and 2023:

	December 31, 2024			
	Carrying Amount	Fair Value Measurements		
		Level 1	Level 2	Level 3
		<i>(Dollars in thousands)</i>		
Financial Assets				
Cash and cash equivalents	\$ 409,209	\$ 409,209	\$ —	\$ —
Available-for-sale securities	769,848	—	769,848	—
Loans, net of allowance for credit losses	6,179,301	—	—	6,181,071
Restricted equity securities	3,682	—	—	3,682
Interest receivable	35,831	—	35,831	—
Equity securities	7,507	—	—	7,507
Derivative assets	8,027	—	8,027	—
Financial Liabilities				
Deposits	\$ 6,714,957	\$ 976,762	\$ —	\$ 5,662,329
Federal Home Loan Bank advances	76,184	—	72,227	—
Other borrowings	8,261	—	9,286	—
Interest payable	22,710	—	22,710	—
Derivative liabilities	12,684	—	12,684	—

	December 31, 2023			
	Carrying Amount	Fair Value Measurements		
		Level 1	Level 2	Level 3
		<i>(Dollars in thousands)</i>		
Financial Assets				
Cash and cash equivalents	\$ 255,229	\$ 255,229	\$ —	\$ —
Available-for-sale securities	766,653	—	766,653	—
Loans, net of allowance for credit losses	6,054,228	—	—	6,036,887
Restricted equity securities	3,950	—	—	3,950
Interest receivable	37,294	—	37,294	—
Equity securities	5,794	—	—	5,794
Derivative assets	7,581	—	7,581	—
Financial Liabilities				
Deposits	\$ 6,491,276	\$ 990,458	\$ —	\$ 5,547,203
Federal Home Loan Bank advances	77,889	—	72,123	—
Other borrowings	8,950	—	9,891	—
Interest payable	18,529	—	18,529	—
Derivative liabilities	13,594	—	13,594	—

Note 21: Commitments and Credit Risk

The Company had the following commitments at December 31, 2024 and 2023:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<i>(Dollars in thousands)</i>	
Commitments to originate loans	\$ 71,204	\$ 59,728
Standby letters of credit	80,725	74,139
Lines of credit	1,918,296	2,008,356
Commitment related to investment fund	2,401	4,206
Total	<u>\$ 2,072,626</u>	<u>\$ 2,146,429</u>

Commitments to Originate Loans - Commitments to originate loans are agreements to lend to a client as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each client's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies, but may include accounts receivable, inventory, property, plant and equipment, commercial real estate and residential and multifamily real estate.

Standby Letters of Credit - Standby letters of credit are irrevocable conditional commitments issued by the Company to guarantee the performance of a client to a third-party. Financial standby letters of credit are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing and similar transactions. Performance standby letters of credit are issued to guarantee performance of certain clients under nonfinancial contractual obligations. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loans to clients. Fees for letters of credit are initially recorded by the Company as deferred revenue and are included in earnings at the termination of the respective agreements. Should the Company be obligated to perform under the standby letters of credit, the Company may seek recourse from the client for reimbursement of amounts paid.

Lines of Credit - Lines of credit are agreements to lend to a client as long as there is no violation of any condition established in the contract. Lines of credit generally have fixed expiration dates. Since a portion of the line may expire without being drawn upon, the total unused lines do not necessarily represent future cash requirements. Each client's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, commercial real estate and residential real estate. Management uses the same credit policies in granting lines of credit as it does for on-balance sheet instruments.

Commitments related to Investment Fund - The Company entered into various subscription agreements with five separate third parties to invest up to \$10.0 million in the aggregate in investment funds designed to create pathways to homeownership for low- and moderate-income individuals and families and to help accelerate technology adoption at community banks.

Note 22: Segment Reporting

The Company has determined that its current operating model is structured whereby banking locations serve a similar base of primarily commercial clients utilizing a company-wide offering of similar products and services managed through similar processes and technology platforms that are collectively reviewed by the CODM. The Company's CODM manages operations on a company-wide basis, including allocation of resources and financial performance. Accordingly, all of the Company's operations are considered by management to be aggregated in one reportable operating segment, the banking segment.

The banking segment derives revenues from clients by providing a broad offering of deposit and lending products to commercial and consumer clients. Deposit offerings include personal and business checking and savings accounts, money market accounts, certificates of deposit, negotiable order of withdrawal accounts, international banking services, treasury management services, automated teller machine access and mobile banking. Lending offerings include commercial and industrial loans, agriculture loans, commercial real estate loans, construction and development loans, including home builder lending, residential real estate loans, multifamily real estate loans, energy loans, SBA loans, credit cards and consumer loans. All revenue is from external clients as the Company does not have intra-entity sales or transfers.

The accounting policies of the banking segment are the same as those described in *Note 1: Nature of Operations and Summary of Significant Accounting Policies*. The CODM assesses performance for the banking segment and decides how to allocate resources based on net income as reported on the consolidated statements of operations as consolidated net income. All categories of interest expense and non-interest expense as disclosed on the Company's consolidated statements of operations are considered significant to the banking segment. Additionally, depreciation expense is detailed within *Note 5: Premises and Equipment*. For the years ended December 31, 2024, 2023 and 2022, there are no adjustments or reconciling items between segment net income and consolidated net income as presented in the consolidated statements of operations.

The measure of segment assets is reported on the consolidated statements of financial condition as total assets. For the years ended December 31, 2024 and 2023, there are no adjustments or reconciling items between segment total assets and total assets as presented in the consolidated statements of financial position.

Note 23: Parent Company Condensed Financial Statements

The following are the condensed financial statements of CrossFirst Bankshares, Inc. (Parent only) for the periods indicated:

Condensed Statements of Financial Condition

	Year Ended December 31,	
	2024	2023
	<i>(Dollars in thousands)</i>	
Assets		
Cash	\$ 8,226	\$ 2,445
Equity investments	4,524	3,998
Investment in subsidiaries	763,081	703,532
Other assets	7,798	9,172
Total assets	\$ 783,629	\$ 719,147
Liabilities and stockholders' equity		
Trust preferred securities, net	1,181	1,118
Other liabilities	8,611	9,886
Total liabilities	9,792	11,004
Stockholders' equity	773,837	708,143
Total liabilities and stockholders' equity	\$ 783,629	\$ 719,147

Condensed Statements of Operations

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands)</i>		
Income			
Equity in undistributed earnings of subsidiaries	\$ 67,358	\$ 50,761	\$ 30,267
Distributions from subsidiaries	15,084	17,063	32,847
Management fees charged to subsidiaries	300	8,520	8,520
Other	17	49	153
Total income	82,759	76,393	71,787
Expense			
Salaries and employee benefits	—	4,280	4,272
Occupancy, net	396	400	409
Other	4,568	5,155	5,893
Total expense	4,964	9,835	10,574
Income tax benefit	(751)	(111)	(386)
Net income	\$ 78,546	\$ 66,669	\$ 61,599

As of the beginning of 2024, employees of the parent company became employees of the Bank. This resulted in decreases in management fees and salaries and employee benefits.

Condensed Statements of Cash Flows

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(Dollars in thousands)</i>		
Operating Activities			
Net income	\$ 78,546	\$ 66,669	\$ 61,599
Adjustments to reconcile net income to net cash provided by operating activities:			
Earnings of consolidated subsidiaries	(67,358)	(50,761)	(30,267)
Stock-based compensation	842	1,735	1,511
Other adjustments	218	293	(256)
Net cash provided by operating activities	<u>12,248</u>	<u>17,936</u>	<u>32,587</u>
Investing Activities			
Investment in subsidiaries, net	—	(10,250)	(18,000)
Net cash activity from acquisition	—	(8,960)	—
Increase in equity investments	(526)	(1,401)	(2,164)
Purchase of equipment	—	(519)	—
Net cash used in investing activities	<u>(526)</u>	<u>(21,130)</u>	<u>(20,164)</u>
Financing Activities			
Net (repayment) proceeds from lines of credit	—	(5,000)	5,000
Proceeds from issuance of preferred shares, net of issuance cost	—	7,750	—
Issuance of common stock, net	4	3	4
Open market common share repurchases	(4,500)	—	(35,780)
Acquisition of common stock for tax withholding obligations	(1,358)	(1,142)	(929)
Proceeds from employee stock purchase plan	533	402	364
Dividends paid on preferred stock	(620)	(413)	—
Settlement of warrants	—	(418)	—
Net decrease in employee receivables	—	—	7
Net cash (used in) provided by financing activities	<u>(5,941)</u>	<u>1,182</u>	<u>(31,334)</u>
Increase (decrease) in cash	5,781	(2,012)	(18,911)
Cash at beginning of year	2,445	4,457	23,368
Cash at end of year	<u>\$ 8,226</u>	<u>\$ 2,445</u>	<u>\$ 4,457</u>

Note 24: Subsequent Events

During January 2025, all required regulatory approvals for Busey to acquire the Company by merger were obtained. The transaction remains subject to the completion of the remaining customary closing conditions. Subject to satisfying these conditions, the parties currently expect to close the holding company merger on March 1, 2025.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma combined financial information combines the historical consolidated financial position and results of operations of Busey and CrossFirst as an acquisition of CrossFirst by Busey. The merger agreement was entered into on August 26, 2024, and provides that each share of CrossFirst common stock issued and outstanding immediately prior to the effective time will be converted into the right to receive 0.6675 of a share of Busey common stock. Also in the merger, each share of CrossFirst preferred stock issued and outstanding will be converted into the right to receive one (1) share of new Busey preferred stock. The new Busey preferred stock will have terms that are not materially less favorable than the terms applicable to the CrossFirst preferred stock.

The unaudited pro forma combined financial information has been prepared to give effect to the following:

- the acquisition of CrossFirst by Busey under the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, ASC 805, "Business Combinations" where the assets and liabilities of CrossFirst will be recorded by Busey at their respective fair values as of the date the merger is completed;
- the distribution of shares of Busey common stock to CrossFirst stockholders in exchange for shares of Busey common stock (based upon a 0.6675 exchange ratio) and the exchange of CrossFirst preferred stock for new Busey preferred stock;
- certain reclassifications to conform historical financial statement presentations of CrossFirst to Busey; and
- transaction costs in connection with the merger.

The following unaudited pro forma combined financial information and accompanying notes are based on and should be read in conjunction with (i) the historical audited consolidated financial statements of Busey and accompanying notes included in Busey's Annual Report on Form 10-K for the year ended December 31, 2024, and (ii) the audited consolidated financial statements of CrossFirst and accompanying notes for the year ended December 31, 2024 included in Exhibit 99.2 of this Form 8-K.

The unaudited pro forma combined income statements for year ended December 31, 2024 combine the historical consolidated income statements of Busey and CrossFirst, giving effect to the merger as if it had been completed on January 1, 2024. The accompanying unaudited pro forma combined balance sheet as of December 31, 2024 combines the historical consolidated balance sheets of Busey and CrossFirst, giving effect to the merger as if it had been completed on December 31, 2024.

The unaudited pro forma combined financial information is provided for illustrative information purposes only. The unaudited pro forma combined financial information is not necessarily, and should not be assumed to be, an indication of the actual results that would have been achieved had the merger been completed as of the dates indicated or that may be achieved in the future. The unaudited pro forma combined financial information has been prepared by Busey in accordance with Regulation S-X Article 11, Pro Forma Financial Information.

The unaudited pro forma combined financial information also does not consider any potential effects of changes in market conditions on revenue enhancements, expense efficiencies, asset dispositions and share repurchases, among other factors. In addition, as explained in more detail in the accompanying notes, the preliminary allocation of the pro forma purchase price reflected in the unaudited pro forma combined financial information is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded upon completion of the merger.

As of the date of this Form 8-K, Busey has not completed the valuation analysis and calculations in sufficient detail necessary to arrive at the required estimates of the fair value of CrossFirst's assets to be acquired or liabilities to be assumed, other than a preliminary estimate for intangible assets and certain financial assets and financial liabilities. Accordingly, apart from the aforementioned, certain CrossFirst assets and liabilities are presented at their respective carrying amounts and should be treated as preliminary values. A final determination of the fair value of CrossFirst's assets and liabilities will be based on CrossFirst's actual assets and liabilities as of the closing date and therefore cannot be made prior to the completion of the merger. In addition, the value of the merger consideration to be paid by Busey in shares of Busey common stock upon the completion of the merger will be determined based on the closing price of Busey common stock on the closing date and the number of issued and outstanding shares of CrossFirst common stock immediately prior to the closing. Actual adjustments may differ from the amounts reflected in the unaudited pro forma combined financial information, and the differences may be material.

Further, Busey has not identified all adjustments necessary to conform CrossFirst's accounting policies to Busey's accounting policies. Upon completion of the merger, or as more information becomes available, Busey will perform a more detailed review of CrossFirst's accounting policies. As a result of that review, differences could be identified between the accounting policies of the two companies that, when conformed, could have a material impact on Busey's financial information following the completion of the merger.

As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analysis is performed. The preliminary pro forma adjustments have been made solely for the purpose of providing the unaudited pro forma combined financial information.

Busey estimated the fair value of certain CrossFirst assets and liabilities based on a preliminary valuation analysis, due diligence information, information presented in CrossFirst's SEC filings and other publicly available information. Until the merger is completed, both companies are limited in their ability to share certain information.

Upon completion of the merger, a final determination of the fair value of CrossFirst's assets acquired and liabilities assumed will be performed. Any changes in the fair values of the net assets or total purchase consideration as compared with the information shown in the unaudited pro forma combined financial information may change the amount of the total purchase consideration allocated to goodwill and other assets and liabilities and may impact Busey's statement of income. The final purchase consideration allocation may be materially different than the preliminary purchase consideration allocation presented in the unaudited pro forma combined financial information.

Unaudited Pro Forma Combined Consolidated Balance Sheet
As of December 31, 2024
(dollars in thousands)

	Busey	CrossFirst	Pro Forma Adjustments		Pro Forma Combined
Assets					
Cash and cash equivalents	\$ 697,659	\$ 409,209	\$ -		\$ 1,106,868
Debt securities available for sale	1,810,221	769,848	-		2,580,069
Debt securities held to maturity	826,630	-	-		826,630
Equity securities	15,862	-	-		15,862
Loans held for sale	3,657	-	-		3,657
Portfolio loans	7,697,087	6,258,263	(118,162)	(1)	13,837,188
Allowance for credit losses	(83,404)	(78,962)	(40,398)	(2)	(202,764)
Restricted bank stock	49,930	3,682	-		53,612
Premises and equipment, net	118,820	68,548	(5,669)	(3)	181,699
Right of use assets	10,608	28,467	-		39,075
Goodwill	333,695	14,135	83,034	(4)	430,864
Core deposit and other intangible assets, net	32,280	13,631	36,944	(5)	82,855
Cash surrender value of bank owned life insurance	185,087	72,813	-		257,900
Other assets	348,590	110,066	35,430	(6)	494,086
Total assets	\$ 12,046,722	\$ 7,669,700	\$ (8,821)		\$ 19,707,601
Liabilities					
Deposits	\$ 9,982,490	\$ 6,714,957	\$ (228)	(7)	\$ 16,697,219
Securities sold under agreements to repurchase	155,610	-	-		155,610
Short-term borrowings	-	5,100	-		5,100
Long-term debt	-	78,164	-	(8)	78,164
Subordinated notes, net of unamortized issuance costs	227,723	-	-		227,723
Junior subordinated debt owed to unconsolidated trusts	74,815	1,181	-	(8)	75,996
Lease liabilities	11,040	32,225	-		42,265
Other liabilities	211,775	64,236	6,280	(9)	282,291
Total liabilities	10,663,453	6,895,863	\$ 6,052		17,565,368
Stockholders' Equity					
Common stock	60	537	(504)	(10)	93
Preferred stock	-	-	-	(11)	-
Additional paid-in capital	1,360,530	548,364	242,207	(12)	2,151,101
Retained earnings	294,054	350,277	(381,917)	(13)	262,414
Accumulated other comprehensive loss	(207,039)	(62,646)	62,646	(14)	(207,039)
Treasury stock at cost	(64,336)	(62,695)	62,695	(15)	(64,336)
Total stockholders' equity	1,383,269	773,837	(14,873)		2,142,233
Total liabilities and stockholders' equity	\$ 12,046,722	\$ 7,669,700	\$ (8,821)		\$ 19,707,601

**Footnotes to
Unaudited Pro Forma Combined Consolidated Balance Sheet
As of December 31, 2024
(dollars in thousands)**

- (1) Adjustments to reflect acquired loans at their preliminary estimate of fair value, which includes interest and credit marks, on purchased credit-deteriorated (“PCD”) loans and non – PCD loans.

Non – PCD interest rate marks	\$ (73,299)
Non – PCD credit marks	(29,792)
PCD interest rate marks	(15,071)
Net adjustments	<u>\$ (118,162)</u>

- (2) Adjustments to the allowance for credit losses include the following:

Reversal of CrossFirst allowance for credit losses	\$ 78,962
Allowance on PCD loans	(89,569)
Provision for allowance on non – PCD loans	(29,791)
Net adjustments	<u>\$ (40,398)</u>

- (3) Adjustment to reflect \$5,669 of the preliminary estimated fair value adjustment on fixed assets.

- (4) Adjustment to reflect \$97,169 of preliminary estimated goodwill resulting from this business combination, net of the elimination of \$14,135 for CrossFirst’s historical goodwill.

- (5) Adjustment to reflect \$50,575 of preliminary estimated core deposit intangibles net of the elimination of \$13,631 for CrossFirst’s historical core deposit intangibles. The core deposit intangible asset will be amortized over an estimated ten (10) year useful life using an accelerated method of amortization.

- (6) Adjustment to other assets include the following:

Deferred tax asset related to purchase accounting adjustments	\$ 26,420
Fair value adjustment to other real estate owned	(1,100)
Deferred tax asset related to non – PCD provision	8,491
Deferred tax asset related to unfunded reserve provision	1,619
Net adjustments	<u>\$ 35,430</u>

- (7) Adjustment of \$(228) to reflect the preliminary estimate of fair value on interest-bearing deposits.

- (8) Preliminary fair value marks were not obtained as they were deemed immaterial. Final valuations will be completed at the time of closing.

- (9) Adjustment to other liabilities include the following:

Merger related transaction costs of Busey, net	\$ 6,280
Reversal of off balance sheet unfunded reserve	(5,681)
Recording of off balance sheet unfunded reserve	5,681
Net adjustments	<u>\$ 6,280</u>

- (10) Elimination of CrossFirst’s common stock of \$537 and issuance of 32,921,738 shares of Busey common stock, \$0.001 par value, as consideration.

- (11) Elimination of CrossFirst’s preferred stock and issuance of 7,750 shares of new Busey preferred stock, as consideration. Par value rounds to under one thousand dollars.

(12) Elimination of CrossFirst's additional paid-in capital of \$548,364 and \$790,571 purchase consideration, less common stock par value of \$33. Purchase consideration includes common stock, preferred stock and the value of replacement awards related to past service.

(13) Adjustments to retained earnings include the following:

Reversal of CrossFirst retained earnings	\$ (350,277)
Merger related transaction costs of Busey, net	(6,280)
Record the allowance for credit losses for non – PCD loans, net	(21,299)
Record the off balance sheet unfunded reserve, net	(4,061)
Net adjustments	<u>\$ (381,917)</u>

(14) Elimination of CrossFirst's accumulated other comprehensive loss.

(15) Elimination of CrossFirst's treasury stock.

Pro Forma Income Statement – For the Year Ended December 31, 2024 Consolidated
(dollars in thousands, except per share)

	Busey	CrossFirst	Pro Forma Adjustments	Pro Forma Combined
Interest income				
Interest and fees on loans	\$ 426,422	\$ 455,110	\$ 25,779 (1)	\$ 907,311
Interest and dividends investment securities	73,970	29,721	4,605 (2)	108,296
Other interest income	23,289	9,359	-	32,648
Total interest income	<u>523,681</u>	<u>494,190</u>	<u>30,384</u>	<u>1,048,255</u>
Interest expense				
Deposits	178,463	252,247	150 (3)	430,860
Federal funds purchased and securities sold under agreements to repurchase	4,308	-	-	4,308
Short-term borrowings and long-term debt	1,001	3,058	-	4,059
Subordinated notes	12,650	-	-	12,650
Junior subordinated debt owed to unconsolidated trusts	4,648	252	-	4,900
Total interest expense	<u>201,070</u>	<u>255,557</u>	<u>150</u>	<u>456,777</u>
Net interest income	322,611	238,633	30,234	591,478
Provision for credit losses	8,590	11,112	29,791 (4)	49,493
Net interest income after provision for credit losses	<u>314,021</u>	<u>227,521</u>	<u>443</u>	<u>541,985</u>
Noninterest income				
Wealth management fees	63,630	-	-	63,630
Fees for customer services	30,933	15,130	-	46,063
Payment technology solutions	21,983	-	-	21,983
Mortgage revenue	2,075	46	-	2,121
Income on bank owned life insurance	5,130	2,003	-	7,133
Net securities gains (losses)	(6,102)	-	-	(6,102)
Other noninterest income	22,033	5,964	-	27,997
Total noninterest income	<u>139,682</u>	<u>23,143</u>	<u>-</u>	<u>162,825</u>
Noninterest expense				
Salaries, wages and employee benefits	175,619	93,114	-	268,733
Data processing	27,124	4,164	-	31,288
Net occupancy and equipment expenses	25,542	12,825	-	38,367
Professional fees	12,804	5,989	-	18,793
Amortization of intangible assets	10,057	3,569	2,368 (5)	15,994
Interchange expense	6,001	-	-	6,001
Other noninterest expense	43,252	31,362	5,681 (6)	80,295
Total noninterest expense	<u>300,399</u>	<u>151,023</u>	<u>8,049</u>	<u>459,471</u>
Income before income taxes	153,304	99,641	(7,606)	245,339
Income taxes	39,613	21,095	(1,825) (7)	58,883
Net income	<u>113,691</u>	<u>78,546</u>	<u>(5,781)</u>	<u>186,456</u>
Preferred stock dividends	-	620	-	620
Net income available to common shareholders	<u>\$ 113,691</u>	<u>\$ 77,926</u>	<u>\$ (5,781)</u>	<u>\$ 185,836</u>
Basic earnings per common share	\$ 2.01	\$ 1.58	-	\$ 2.08
Diluted earnings per common share	\$ 1.98	\$ 1.56	-	\$ 2.05
Average shares for basic earnings per share	56,610,032	49,437,154	(16,515,416) (8)	89,531,770
Average shares for diluted earnings per share	57,543,001	49,975,845	(16,694,531) (8)	90,824,315

Footnotes to
Pro Forma Income Statement – For the Year Ended December 31, 2024 Consolidated
(dollars in thousands)

- (1) Estimated loan fair value adjustment amortization using a level yield over the contractual term of the loan.
- (2) Estimated investment securities fair value adjustment amortization using a level yield over the contractual term of the securities.
- (3) Estimated interest-bearing deposit fair value adjustment amortization using a level yield over the contractual term of the interest-bearing deposits.
- (4) Adjustment to record provision for credit losses on non – PCD acquired loans.
- (5) CDI intangible amortization as follows:

Reversal of CrossFirst amortization recorded	\$ (3,569)
Adjustment to CDI amortization	5,937
Net adjustments	<u>\$ 2,368</u>

- (6) Adjustment to record provision for off balance sheet unfunded reserve.
 - (7) Tax effect on the pro forma adjustments at an assumed 24.00% effective combined federal and state tax rate.
 - (8) Adjustments to weighted-average shares of Busey common stock outstanding to eliminate weighted-average shares of CrossFirst's common stock outstanding and record shares of Busey common stock outstanding using an exchange ratio of 0.6675 per share.
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Note—Basis of Presentation

The unaudited pro forma combined financial information and explanatory notes have been prepared to illustrate the effects of the merger under the acquisition method of accounting with Busey as the acquirer. The unaudited pro forma combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial condition or results of operations of Busey had the merger been completed at the beginning of each period presented, nor does it necessarily indicate the results of operations in future periods or the future financial position of Busey following the merger. Under the acquisition method of accounting, the assets and liabilities of CrossFirst, as of the effective time, will be recorded by Busey at their respective fair values and the excess of the merger consideration over the fair value of CrossFirst's net assets will be allocated to goodwill.

The pro forma allocation of the purchase price reflected in the unaudited pro forma combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Adjustments may include, but not be limited to, changes in (i) CrossFirst's balance sheet through the effective time; (ii) the aggregate value of merger consideration paid if the price of shares of Busey common stock varies from the assumed \$23.57 per share, which represents the closing share price of Busey common stock on December 31, 2024; (iii) total merger-related expenses if consummation and/or implementation costs vary from currently estimated amounts; (iv) the underlying values of assets and liabilities if market and credit conditions differ from current assumptions; and (v) other consideration transferred in connection with the acquisition.
