



**CIB Marine Bancshares, Inc.
1930 West Bluemound Road, Suite D
Waukesha, Wisconsin 53186**

April 19, 2017

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of CIB Marine Bancshares, Inc. to be held at 1:00 p.m., local time, on Thursday, May 25, 2017, at the Champaign Country Club, 1211 South Prospect Avenue, Champaign, Illinois 61820.

All shareholders of record of CIB Marine's common stock at the close of business on April 5, 2017, will be entitled to vote at the Annual Meeting.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement discuss the business to be acted upon at the meeting. We have also enclosed a white Proxy Card, a copy of our audited consolidated financial statements as of and for the fiscal year ended December 31, 2016, and our 2016 Annual Report.

If you are unable to attend the Annual Meeting in person, you may listen to the meeting by teleconference. Please see the next page for more information and instructions on how to participate.

As in the past, attendees will be required to register in advance if you will attend the Annual Meeting in person. Please refer to page four of the accompanying Proxy Statement for further information concerning attendance at the Annual Meeting.

We plan to address questions from shareholders during the presentation by management. Please submit your questions in advance by sending them to ShareholderRelations@cibmarine.com or by mail to CIB Marine Bancshares, Inc.; Attn: Shareholder Relations; 1930 W. Bluemound Road, Suite D; Waukesha, Wisconsin 53186. All questions must be received no later than the close of business May 23, 2017, to be addressed by management at the Annual Meeting. In the interest of time, we will not be taking questions from the floor at the Annual Meeting.

On behalf of the Board of Directors, officers and employees of CIB Marine, we would like to thank you for your continued support and your attention to this important matter.

Sincerely,

CIB Marine Bancshares, Inc.

J. Brian Chaffin
President and Chief Executive Officer

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 25, 2017**

The Proxy Statement, 2016 audited consolidated financial statements, and 2016 Annual Report are available at www.cibmarine.com.

TELECONFERENCE INSTRUCTIONS

In order to access the teleconference of the Annual Meeting, please dial (888) 297-0339 (domestic) and provide Conference ID #7928073 to the greeter. Please note that listening to the teleconference of the Annual Meeting will not constitute attendance at the meeting for purposes of determining a quorum. In addition, you will not be able to vote via teleconference. Accordingly, if you intend to participate in the teleconference, it is important for you to return your completed white Proxy Card to us in advance of the Annual Meeting in order for your attendance and vote to be counted.

CIB MARINE BANCSHARES, INC.
1930 West Bluemound Road, Suite D
Waukesha, WI 53186
(262) 695-6010

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 25, 2017**

Dear Shareholder:

The 2017 Annual Meeting of Shareholders (“Annual Meeting”) of CIB Marine Bancshares, Inc. (the “Company”) will be held at the Champaign Country Club, 1211 South Prospect Avenue, Champaign, Illinois 61820 on Thursday, May 25, 2017, at 1:00 p.m., local time. The meeting is being held for the following purposes:

1. To elect three directors to serve on the Board of Directors of the Company until the 2020 annual meeting of shareholders and until their successors are elected and qualified;
2. To approve an amendment to the Company’s Amended and Restated Articles of Incorporation, as previously amended (the “Articles of Incorporation”), to make certain changes to the rights and preferences of the Company’s 7 Percent Fixed Rate Noncumulative Nonconvertible Perpetual Preferred Stock, Series A (“Series A Preferred”) and its 7 Percent Fixed Rate Noncumulative Convertible Perpetual Preferred Stock, Series B (“Series B Preferred” and, together with the Series A Preferred, the “Preferred Stock”), subject to the approval of the requisite number of shares of Series A Preferred and Series B Preferred;
3. To consider an advisory, non-binding proposal with respect to adoption of a Net Operating Loss Rights Plan (“NOL Rights Plan”), intended to protect the Company’s net operating loss carryforwards (“NOLs”) against changes in share ownership that could limit the Company’s ability to use the NOLs in the future;
4. To ratify the appointment of Crowe Horwath LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2017; and
5. To transact any other business that may properly come before the Annual Meeting and any adjournment or postponement thereof.

The Company’s Board of Directors recommends that you vote **FOR** the election of the director nominees named in Proposal 1; **FOR** the amendment to our Articles of Incorporation as presented in Proposal 2; **FOR** the advisory vote on adoption of the NOL Rights Plan as presented in Proposal 3; and **FOR** the ratification of the appointment of Crowe Horwath LLP as the Company’s independent registered public accounting firm as presented in Proposal 4 of the enclosed Proxy Statement. We urge you to read the entire Proxy Statement carefully.

Only shareholders of record of the Company’s common stock at the close of business on April 5, 2017, are entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof. To gain admission to the Annual Meeting, you will need to register with the Company prior to Friday, May 19, 2017, and demonstrate that you are a shareholder of the Company. All shareholders will be required to present valid, government-issued picture identification. If your shares are registered in your name, your name will be compared to the list of registered shareholders to verify your share ownership. If your shares are registered in the name of your broker or bank, you will need to bring evidence of your share ownership,

such as your most recent brokerage account statement or a legal proxy from your broker. If you do not have valid picture identification and proof that you own shares of the Company's common stock, you will not be admitted to the Annual Meeting. Please arrive in advance of the start of the meeting to allow time for identity verification.

Your vote is important. Whether or not you plan to attend the Annual Meeting, please act promptly to vote your shares. You may vote your shares by completing, signing and dating the enclosed white Proxy Card and returning it in the postage paid envelope provided. You may also vote your shares by telephone or through the internet by following the instructions set forth on the white Proxy Card. Your right to vote in person at the Annual Meeting is not affected by returning the Proxy Card, or voting by telephone or through the internet. **Your prompt action will aid the Company in reducing the expense of proxy solicitation.**

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Daniel J. Rasmussen", written in a cursive style.

Daniel J. Rasmussen
Chief Administrative Officer, General Counsel and Secretary

CIB MARINE BANCSHARES, INC.
1930 West Bluemound Road, Suite D
Waukesha, WI 53186
(262) 695-6010

Proxy Statement for Annual Meeting of Shareholders

The Board of Directors of CIB Marine Bancshares, Inc. is soliciting your proxy to vote at the Annual Meeting of Shareholders to be held on Thursday, May 25, 2017, at 1:00 p.m., local time, and any adjournment or postponement of that meeting. The Annual Meeting will be held at the Champaign Country Club, 1211 South Prospect Avenue, Champaign, Illinois 61820. This Proxy Statement and the accompanying white Proxy Card and Notice of Meeting was first mailed on or about April 19, 2017, to all shareholders of record as of April 5, 2017 (the "Record Date"). The only voting securities of the Company are shares of the Company's common stock, \$1.00 par value per share (the "Common Stock"), of which there were 19,012,207 shares outstanding as of the Record Date (excluding treasury stock, but including 884,315 shares of restricted Common Stock). Each share of Common Stock, restricted or unrestricted, is entitled to one vote. The Company needs a majority of the shares of Common Stock outstanding on the Record Date present, in person or by proxy, to hold the Annual Meeting.

In this Proxy Statement, we refer to CIB Marine Bancshares, Inc. as the "Company," "CIB Marine," "we," "us" or "our" and the Board of Directors as the "Board."

Our audited consolidated financial statements for the year ended December 31, 2016 ("2016 Financial Statements") accompany this Proxy Statement. We have also enclosed a copy of our 2016 Annual Report. These documents are also available on our website at www.cibmarine.com.

THE PROXY PROCESS AND SHAREHOLDER VOTING

Why am I receiving this Proxy Statement and Proxy Card?

You are receiving a Proxy Statement and Proxy Card from us because you own shares of our Common Stock. This Proxy Statement describes issues on which we would like you, as a shareholder, to vote. It also gives you information on these issues so that you can make an informed decision.

When you sign the enclosed Proxy Card, you appoint the proxy holder as your representative at the Annual Meeting. The proxy holder will vote your shares as you have instructed on the Proxy Card, thereby ensuring that your shares will be voted whether or not you attend the Annual Meeting in person. Even if you plan to attend the Annual Meeting in person, we request that you complete, sign and return your Proxy Card in advance of the meeting so that your vote will be counted in the event your plans change.

If you have signed and returned the Proxy Card and an issue comes up for a vote at the Annual Meeting that is not identified on the card, the proxy holder will vote your shares, under your proxy, in accordance with his or her best judgment.

What matters will be voted on at the Annual Meeting?

You are being asked to vote on: (i) the election of three directors, whose terms, if elected, will expire at the 2020 annual meeting of shareholders and once their successors are elected and qualified, (ii) approval of amendments to our Articles of Incorporation to make certain changes to the rights and preferences of the Company's 7 Percent Fixed Rate Noncumulative Nonconvertible Perpetual Preferred Stock, Series A ("Series A Preferred") and its 7 Percent Fixed Rate Noncumulative Convertible Perpetual Preferred Stock,

Series B (“Series B Preferred” and, together with the Series A Preferred, the “Preferred Stock”), subject to the approval of the requisite number of shares of Series A Preferred and Series B Preferred; (iii) an advisory, non-binding proposal with respect to adoption of an NOL Rights Plan, intended to protect our NOLs against changes in share ownership that could limit our ability to use such NOLs in the future; and (iv) ratification of the appointment of Crowe Horwath LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017, each as more fully described in this Proxy Statement.

How do I vote?

You may vote your shares by proxy by any of the following methods: by mail, by telephone, or by internet. To vote by mail, complete and sign the enclosed white Proxy Card and mail it in the enclosed pre-addressed envelope. No postage is required if mailed in the United States. If you mark your Proxy Card to indicate how you want your shares voted, your shares will be voted as you instruct. If you sign and return your Proxy Card but do not mark the card to provide voting instructions, the shares represented by your white Proxy Card will be voted “FOR” the three nominees for director named in this Proxy Statement, “FOR” approval of the amendments to our Articles of Incorporation, “FOR” the non-binding advisory vote on the NOL Rights Plan, and “FOR” the ratification of Crowe Horwath LLP as our independent registered public accounting firm. To vote your shares by telephone, please call the toll-free number set forth on the Proxy Card. To vote your shares by internet, use the internet site provided on the Proxy Card. Please have your Proxy Card available for reference if you vote by telephone or by internet.

If you want to vote in person, please register and attend the Annual Meeting. We will distribute written ballots to anyone who wants to vote, or to change their prior vote, at the Annual Meeting. Please note, however, that if your shares are held in the name of your broker (or in what is usually referred to as “street name”), you will need to arrange to obtain a proxy from your broker in order to vote in person at the Annual Meeting.

What does it mean if I receive more than one White Proxy Card?

If you receive more than one white Proxy Card from us, it means that you have multiple holdings reflected in our stock transfer records and/or in accounts with stockbrokers. Please sign and return **all** white Proxy Cards to ensure that all your shares are voted.

If I hold shares in the name of a broker, who votes my shares?

If you received this Proxy Statement from your broker, your broker should have given you instructions to direct it how to vote your shares. It will then be your broker’s responsibility to vote your shares in the manner you direct.

Under the rules of various national and regional securities exchanges, brokers may generally exercise their discretion to vote on routine matters if you do not instruct them how to vote on such matters. However, neither the election of directors nor the amendment to our Articles of Incorporation are considered to be routine matters and, therefore, cannot be voted without your instructions. Therefore, we encourage you to provide directions to your broker as to how you want your shares voted on the matters to be brought before the Annual Meeting. You should do this by carefully following the instructions your broker gives you concerning its procedures. This ensures that your shares will be voted at the Annual Meeting.

What if I change my mind after I return my proxy?

If you hold your shares in your own name, you may revoke your proxy and change your vote at any time before the polls close at the meeting. You may do this by:

- signing another Proxy Card with a later date and returning that proxy to us;
- voting by telephone or through the internet on a later date;

- sending notice to us that you are revoking your proxy; or
- voting in person at the Annual Meeting.

You should send any later-dated Proxy Card or notice of revocation to: CIB Marine Bancshares, Inc., 1930 West Bluemound Road, Suite D, Waukesha, Wisconsin 53186, Attention: Daniel J. Rasmussen, Secretary. All items mailed to us must be received by us no later than the close of business May 23, 2017, to be effective for the Annual Meeting.

If your shares are registered in the name of your broker and you want to revoke your proxy, you will need to contact your broker to do so.

How many votes do we need to hold the Annual Meeting?

A majority of the shares of Common Stock outstanding and entitled to vote as of the Record Date must be present in person or by proxy at the Annual Meeting in order to conduct business at the meeting. Shares are counted as present at the Annual Meeting if the shareholder either is present and votes in person at the meeting, or has properly submitted a signed Proxy Card or telephone or internet proxy. The inspectors of election appointed for the Annual Meeting will determine whether or not a quorum is present. The inspectors of election will treat abstentions and broker non-votes as present and entitled to vote for purposes of determining the presence of a quorum. A broker non-vote occurs when a broker holding shares for a beneficial owner does not have authority to vote the shares and has not received instructions from the beneficial owner as to how the beneficial owner would like the shares to be voted.

How many votes are required to approve the proposal?

The three individuals receiving the highest number of votes cast “FOR” their election will be elected as our directors. The amendment to our Articles of Incorporation and the ratification of the appointment of Crowe Horwath LLP as our independent registered public accounting firm will each be approved if the number of votes cast “FOR” such proposal exceeds the number of votes cast “AGAINST” it; *provided, however*, that the amendment to our Articles of Incorporation is further subject to the approval by the requisite number of shares of our Series A Preferred and Series B Preferred. The advisory vote on the NOL Rights Plan gives shareholders the opportunity to endorse or not endorse the plan. Although non-binding, the Board values constructive dialogue with our shareholders on the proposed plan and encourages all shareholders to vote their shares on this matter. In addition, adoption of the NOL Rights Plan is also subject to approval and adoption of the proposed amendments to our Articles of Incorporation by the common and preferred shareholders, as the plan would require the Board to dividend certain “rights” to our common shareholders, which is currently restricted by our Articles of Incorporation. The Board will review the voting results and take them into consideration in making a decision of whether or not to move forward with implementation of the NOL Rights Plan if the amendment to our Articles of Incorporation is approved and adopted.

Abstentions and broker non-votes will not count as votes on the proposal for the election of directors, approval of the amendment to the Articles of Incorporation, or the ratification of the appointment of Crowe Horwath LLP and will not affect the outcome of those votes.

What options do I have for voting on the proposal?

You may vote “FOR” or “WITHHOLD” for each nominee for director. You may vote “FOR,” “AGAINST” or “ABSTAIN” on the amendment to our Articles of Incorporation, the non-binding advisory vote regarding the NOL Rights Plan, and the ratification of the appointment of Crowe Horwath LLP as our independent registered public accounting firm.

How are votes counted?

Voting results will be tabulated and certified by our transfer agent, Computershare Trust Company N.A.

How do I register to attend the Annual Meeting?

Due to a change of venue for this year's Annual Meeting, shareholders who wish to attend the meeting in person must register with our Investor Relations Department by Friday, May 19, 2017, by contacting Ms. Elizabeth Neighbors at (262) 695-6010 or Elizabeth.Neighbors@cibmarine.com. Please include your name, phone number, and email address in your response. If you register via email, you will receive a confirmation email acknowledging your registration. Shareholders of record who have not registered their attendance in advance of the Annual Meeting will only be allowed to attend the meeting if space is available.

Who should I call if I have any questions?

If you have any questions about the Annual Meeting or general shareholder questions, please contact our Investor Relations Manager, Ms. Elizabeth Neighbors, at (262) 695-6010 or Elizabeth.Neighbors@cibmarine.com.

PROPOSAL 1 – ELECTION OF DIRECTORS

Our Board of Directors currently consists of ten members, and is divided into three classes: two classes with three directors each, and a third class with four directors. Our directors are generally elected to serve for a three-year period, or a shorter period if the director is elected to fill a vacancy, and until their respective successors have been elected and qualified. Three directors will be elected at the Annual Meeting and will serve until the 2020 annual meeting of shareholders and until their successors have been elected and qualified.

The Board has nominated Willard Bunn III, Gary L. Longman, and Steven C. Palmitier, to serve as directors. Each nominee is currently serving as a director and has consented to serve for a new three-year term. There are no family relationships between any of the directors, nominees or executive officers. We do not anticipate that any nominee will be unable or unwilling to stand for election, but if that happens, your proxy will be voted for another person nominated by the Board.

The Board of Directors recommends that you vote “FOR” the election of each of the nominees named above. Proxies solicited by our Board will be voted “FOR” these nominees unless otherwise instructed.

Information Regarding Nominees

Nominees for Election at the Annual Meeting to Serve Until 2020:

Name and Age	Serving Since	Principal Occupation
Willard Bunn III (73)	2010	Managing Director of investment banking firm, Colonnade Advisors, LLC.
Gary L. Longman (68)	2004	Retired President & CEO of child welfare agency, Sunny Ridge Family Center; retired partner of accounting, tax and advisory firm, KPMG LLP.
Steven C. Palmitier (61)	2017	President & Chief Operating Officer of North American Company for Life and Health Insurance and Midland National Life Insurance Company

Information Regarding Continuing Directors

Continuing Directors Whose Terms Will Expire in 2018:

Name and Age	Serving Since	Principal Occupation
Mark A. Elste (62)	2011	Chairman of the Boards of CIB Marine Bancshares, Inc. and CIBM Bank.
Mark D. Henderson (57)	2017	Chief Information Officer of University of Illinois – Urbana/Champaign.
Charles D. Mires (56)	2010	Retired Director of Fixed Income & Alternative Strategies for private investment management firm and trust company
Ronald E. Rhoades (62)	2010	Chairman, President and CEO of plastic manufacturer, Plastic Container Corporation.

Continuing Directors Whose Terms Will Expire in 2019:

Name and Age	Serving Since	Principal Occupation
Charles E. Baker (72)	2008	Retired partner of accounting, tax and advisory services firm, Ernst & Young LLP.
J. Brian Chaffin (59)	2015	President & CEO of CIB Marine Bancshares, Inc. and CIBM Bank.
John P. Hickey, Jr. (69)	2007	Retired President, CEO & Chairman of CIB Marine Bancshares, Inc. and CIBM Bank.

PROPOSAL 2 – AMENDMENT TO ARTICLES OF INCORPORATION

The Company has stated that it is interested in purchasing and retiring its Preferred Stock in a manner that is beneficial to the Company and its shareholders. Preferred shareholders have expressed a desire for improved liquidity and opportunities to sell their stock to the Company. The Company's current Articles of Incorporation are an impediment to non-mandatory Preferred Stock repurchase opportunities. The Board of Directors proposes an amendment to the Company's Articles of Incorporation that could facilitate future repurchases of Preferred Stock by the Company from holders on a non-mandatory, non-pro rata basis, while protecting the value of the Preferred Stock in any mandatory Company redemption. In addition, the proposed amendment to our Articles of Incorporation would permit the Board to adopt the NOL Rights Plan if, based upon the results of the vote on Proposal 3 below and other relevant factors, it determines that it is in the best interest of all of our shareholders to do so.

Currently, our Articles of Incorporation contain certain rights and preferences of the Series A Preferred and Series B Preferred that we are proposing to amend in the Second Amendment to our Amended and Restated Articles of Incorporation attached as Exhibit A to this Proxy Statement, which are summarized below:

1. Our Articles of Incorporation require us to declare and pay (or set aside for the benefit of the holders of Series A Preferred and Series B Preferred) all accrued and unpaid dividends on such shares for the immediately preceding four (4) consecutive quarterly dividend periods prior to any repurchase, redemption or other acquisition for consideration of any shares of our Series A Preferred or Series B Preferred. We are proposing removing this provision from the Articles of Incorporation to give us more flexibility to be able to redeem shares of Series A Preferred or Series B Preferred, or otherwise repurchase such shares, as our Board determines to be in the best interest of our shareholders to do so.

2. Our Articles of Incorporation require that any redemption of less than all of the Series A Preferred or Series B Preferred be effected on a pro rata basis. Furthermore, our Articles of Incorporation require that all shares of Series A Preferred be redeemed before shares of Series B Preferred may be redeemed. For the reasons stated above, we are proposing removing the pro rata redemption requirement from the Articles of Incorporation and further proposing that non-mandatory repurchases of Preferred Stock by the Company not be subject to the requirement to redeem all shares of Series A Preferred prior to redeeming shares of Series B Preferred.

3. Our Articles of Incorporation prohibit us from paying dividends on our common stock or any other stock that is junior to the Series A Preferred and Series B Preferred, other than dividends that are payable solely in shares of common stock, as long as any shares of Series A Preferred or Series B Preferred are outstanding. In order to allow the Board to adopt the NOL Rights Plan, if it determines that it is appropriate to do so, we are proposing adding language to this

provision that would further permit us to dividend “rights” to our common shareholders in conjunction with an NOL Rights Plan if the Board determines to adopt such a plan.

4. Our Articles of Incorporation provide that dividends on the Preferred Stock are non-cumulative and that the Board provide written notice to holders of the Preferred Stock in the event that it determines not to pay any dividend on any dividend payment date. There has been some confusion about whether this notice provision applies only in the event that we declare, but later determine not to pay, a dividend or whether it applies in all instances in which the Board elects not to declare a dividend on a dividend payment date in the first instance. Typically, unless a dividend is declared by the Board of Directors, the holders of Preferred Stock have no right to demand or compel payment of a dividend and a company only provides notice after it has declared a dividend. To remove any confusion as to the meaning of this provision of our Articles of Incorporation and to lessen administrative tasks required when no dividend has been declared, we are proposing to delete this requirement. This modification is consistent with the non-cumulative aspect of Series A Preferred and Series B Preferred dividends.

5. Finally, we are proposing one technical correction to an internal section reference in the Articles of Incorporation.

Attached hereto as Exhibit A is the amendment to our Articles of Incorporation being proposed for approval by our shareholders. Attached hereto as Exhibit B is a composite excerpt of Sections 5.4 and 5.5 of our Articles of Incorporation (the only sections impacted by the proposed amendment) incorporating the proposed amendment, which have been highlighted to assist shareholders in their review. Approval of the amendment to our Articles of Incorporation by common shareholders requires that votes cast in favor of the proposal exceed the votes cast against the proposal. If the amendment to our Articles of Incorporation is approved by our common shareholders, we will submit the proposed amendment to holders of record of our Series A Preferred and Series B Preferred, who must approve the amendment by the affirmative vote of a majority of the issued and outstanding shares of Series A Preferred and Series B Preferred voting together as a single class. The amendment will not become effective unless approved by the requisite vote of our common shareholders and holders of shares of our Series A Preferred and Series B Preferred.

The Board of Directors recommends that you vote “FOR” the amendment to our Articles of Incorporation described above and set forth in Exhibit A hereto. Proxies solicited by our Board will be voted “FOR” the amendment unless otherwise instructed.

PROPOSAL 3 – ADVISORY (NON-BINDING) VOTE ON NOL RIGHTS PLAN

As of December 31, 2016, CIB Marine had a deferred tax asset (“DTA”) totaling \$42 million that largely results from the carryforward of net operating losses (“NOLs”) we incurred in the past. Although fully impaired for accounting purposes as of December 31, 2016, as recorded in our financial statements, the DTA has significant potential economic value to us in that it permits us, in certain circumstances, to offset current and future taxable income, which will reduce our federal and state income tax liability, subject to certain requirements and restrictions.

Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”), and related U.S. Department of Treasury regulations provide that if a corporation experiences an “ownership change” for tax purposes, its ability to use its pre-change NOLs in a post-change period could be substantially limited and delayed, which could significantly impair the value of the NOL asset to us. An “ownership change” generally occurs if the percentage of the corporation’s shares owned by one or more five-percent shareholders increases by more than 50 percentage points over the lowest percentage of stock owned by those shareholders at any time during the prior three-year period or, if more recent, since the date of the last

ownership change. Determining who is a five-percent shareholder and whether an ownership change has occurred for these purposes may be complex, as various special rules may apply.

The Board is considering the adoption of an NOL Rights Plan to protect against such ownership changes. While such a plan would not guarantee protection of our NOL asset, it would serve as a significant deterrent to parties intending to trigger an ownership change. The premise of an NOL Rights Plan's deterrent effect is the intolerable dilution and economic loss that the plan is meant to inflict on a five-percent shareholder who triggers the rights under the plan.

In general, an NOL Rights Plan would grant rights to acquire additional shares of our common stock at a significant discount (or alternatively exchanging those rights on a one-for-one basis for shares of our common stock in a cashless exercise) for all shareholders other than the triggering shareholder, thereby significantly diluting the triggering shareholder's ownership interest. As contemplated by the Board, the "triggering threshold" under the NOL Rights Plan would be set at 4.9%, to prevent an ownership interest of 5% or more, and the plan would provide the Board with broad exemptive discretion to permit purchases of our common stock that would not have the effect of triggering Section 382 limitations of our NOLs. In addition, the NOL Rights Plan would terminate upon the expiration of the NOLs (with earlier termination in the event that the NOLs are fully utilized).

In order to adopt the NOL Rights Plan, the Board would need to undertake the following steps:

1. File an amendment to our Articles of Incorporation to designate a new series of preferred stock. Because we currently have "blank check" preferred stock, the Board can accomplish this on its own authority without a further vote of its shareholders.
2. Enter into a Section 382 Rights Agreement with Computershare Trust Company N.A., our transfer agent, setting forth the terms and conditions of the rights to be issued under the NOL Rights Plan.
3. Declare a dividend of a "right" to acquire 1/1000th (or some other small fraction) of a share of the new series of preferred stock for each share of common stock owned by shareholders (or alternatively, to receive one new share of our common stock for each right owned).

There are both advantages and disadvantages to adopting an NOL Rights Plan. While such a plan will certainly deter acquisitions that could significantly impair the value of our NOLs, it will not necessarily prevent such an acquisition from occurring. In addition, NOL Rights Plans may be viewed by some shareholders as unnecessarily restricting favorable takeover transactions. However, it is the intention of the Board to draft the plan carefully to limit its utility as much as possible to restricting only those transactions that could, by themselves or in combinations with others over time, trigger a Section 382 ownership change. As such, given the significant value of the NOLs to us, the Board believes that it is in the best interest of the Company and its shareholders to adopt such an NOL Rights Plan.

Adoption of the NOL Rights Plan does not require the approval of our shareholders, however, because of the issues discussed above, the Board believes that it is appropriate to seek the advisory guidance of its shareholders with respect to adoption of the plan. Because this vote is non-binding, however, regardless of the outcome of this advisory vote, the Board may elect to proceed with adoption, or to forego adoption, of the NOL Rights Plan in its sole discretion. Adoption of the NOL Rights Plan is further subject to approval of the proposed amendments to our Articles of Incorporation by both our common shareholders, as well as holders of the requisite number of shares of our Series A Preferred and Series B Preferred.

The Board of Directors recommends that you vote "FOR" adoption of an NOL Rights Plan in order to help to preserve the significant value of our NOLs. Proxies solicited by our Board will be voted "FOR" adoption of the NOL Rights Plan unless otherwise instructed.

PROPOSAL 4 – RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our independent registered public accounting firm for the fiscal year ended December 31, 2016, was Crowe Horwath LLP. Our Audit Committee has selected Crowe Horwath LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017. Although our shareholders are not required to vote on the appointment of our independent registered public accounting firm, we are presenting this selection to you for ratification.

Representatives of Crowe Horwath LLP are expected to attend the 2017 Annual Meeting. They will be given the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from shareholders present at the Annual Meeting.

The Board of Directors recommends that you vote “FOR” ratification of Crowe Horwath LLP as our independent registered accounting firm for the fiscal year ended December 31, 2017. Proxies solicited by our Board will, unless otherwise directed, be voted to ratify the Board’s appointment of Crowe Horwath LLP as our independent registered public accounting firm for the fiscal year ended December 31, 2017.

OTHER PROPOSED ACTION

We currently do not intend to bring any other business before the Annual Meeting and there are no matters which qualify under the requirements of our By-Laws to be brought before the Annual Meeting except as specified in the Notice of Annual Meeting. However, as to any other business that may properly come before the Annual Meeting, it is intended that proxies, in the form enclosed, will be voted in respect thereof in accordance with the judgment of the persons voting such proxies.

This Proxy Statement, our 2016 Financial Statements, and our 2016 Annual Report are also available without charge on our website at www.cibmarine.com.

This Proxy Statement is provided to you at the direction of our Board of Directors.

Daniel J. Rasmussen
Chief Administrative Officer,
General Counsel and Secretary

EXHIBIT A

SECOND AMENDMENT TO

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

CIB MARINE BANCSHARES, INC.

BE IT RESOLVED, that the Amended and Restated Articles of Incorporation of CIB Marine Bancshares, Inc. (the “Corporation”) be, and they hereby are, amended by deleting Section 5.4(e)(iv) in its entirety and replacing such subsection with the following:

(iv) So long as any share of Series A Convertible Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than: (1) dividends payable solely in shares of Common Stock, or (2) dividends of “rights” issued solely in conjunction with any Section 382 shareholder rights plan as may be adopted by the Corporation from time to time), and no Common Stock or Junior Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries. The foregoing limitation shall not apply, however, to (I) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice; (II) the acquisition by the Corporation or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Corporation or any of its subsidiaries), including as trustees or custodians; or (III) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Original Issue Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock.

BE IT FURTHER RESOLVED, that the Amended and Restated Articles of Incorporation of the Corporation be, and they hereby are, amended by deleting Section 5.5(e)(iv) in its entirety and replacing such subsection with the following:

(iv) So long as any share of Series B Convertible Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than: (1) dividends payable solely in shares of Common Stock, or (2) dividends of “rights” issued solely in conjunction with any Section 382 shareholder rights plan as may be adopted by the Corporation from time to time), and no Common Stock or Junior Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration

by the Corporation or any of its subsidiaries. The foregoing limitation shall not apply, however, to (I) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice; (II) the acquisition by the Corporation or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Corporation or any of its subsidiaries), including as trustees or custodians; or (III) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Original Issue Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock.

BE IT FURTHER RESOLVED, that the Amended and Restated Articles of Incorporation of the Corporation be, and there hereby are, further amended by deleting the last sentence of Sections 5.4(e)(v) and 5.5(e)(v).

BE IT FURTHER RESOLVED, that the Amended and Restated Articles of Incorporation of the Corporation be, and they hereby are, further amended by adding the following sentence to the end of Section 5.5(g)(i): “Nothing in this Section 5(g)(i), however, shall prevent the Corporation from entering into non-mandatory repurchases of shares of either Series A Preferred or Series B Preferred at any time, regardless of whether any other shares of Series A Preferred or Series B Preferred remain outstanding at the time of any such repurchase.”

BE IT FURTHER RESOLVED, that the Amended and Restated Articles of Incorporation of the Corporation be, and they hereby are, further amended by deleting the first sentence of Sections 5.4(g)(iv) and 5.5(g)(iv).

BE IT FURTHER RESOLVED, that the Amended and Restated Articles of Incorporation of the Corporation be, and they hereby are, further amended by removing the term “*pro rata*” from the first sentence of Sections 5.4(g)(v) and 5.5(g)(v).

BE IT FURTHER RESOLVED, that the Amended and Restated Articles of Incorporation of the Corporation be, and they hereby are, further amended by replacing the reference to “Section 5.5” in Section 5.4(k)(iii) with reference to “Section 5.4.”

EXHIBIT B
EXCERPT OF SECTIONS 5.4 AND 5.5 OF THE
AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
CIB MARINE BANCSHARES, INC.

5.4 SERIES A PREFERRED STOCK.

(a) Designation. There is hereby created out of the authorized and unissued shares of preferred stock of the Corporation a series of preferred stock designated “7 Percent Fixed Rate Noncumulative Nonconvertible Perpetual Preferred Stock, Series A” (“Series A Preferred Stock”).

(b) Number of Shares. The authorized number of shares of Series A Preferred Stock shall be Fifty-Five Thousand Six Hundred and Twenty-Four (55,624).

(c) Ranking. Each share of Series A Preferred Stock shall be identical in all respects to every other share of Series A Preferred Stock. Subject to the provisions of this Section 5.4, and in the manner and to the extent provided herein, the Series A Preferred Stock shall rank equally with Parity Stock (as defined in Subsection (d)(xiii) below) and shall rank senior to Junior Stock (as defined in Subsection (d)(ix) below) with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Corporation.

(d) Definitions. The following terms used in this Section 5.4 shall have the meanings set forth in this Subsection (d):

(i) “Applicable Dividend Rate” means Seven and 00/100ths Percent (7.00%) per annum.

(ii) “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 USC §1813(q)), or any successor provision.

(iii) “Business Day” means any day except Saturday, Sunday and any day on which banking institutions in the State of Wisconsin generally are authorized or required by law or other governmental actions to close.

(iv) “Bylaws” means the bylaws of the Corporation, as they may be amended from time to time.

(v) “Common Stock” means the common stock, \$1.00 par value per share, of the Corporation.

(vi) “Dividend Payment Date” means January 15, April 15, July 15 and October 15 of each year or, if any such date is not a Business Day, then the next subsequent Business Day.

(vii) “Dividend Period” has the meaning set forth in Subsection (e)(i) of this Section 5.4.

(viii) “Dividend Record Date” has the meaning set forth in Subsection (e)(iii) of this Section 5.4.

(ix) “Junior Stock” means the Common Stock, and any other class or series of stock of the Corporation the terms of which expressly provide that it ranks junior to Series A Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Corporation.

(x) “Liquidation Amount” means \$1,000 per share of Series A Preferred Stock.

(xi) “Liquidation Preference” has the meaning set forth in Subsection (f)(i) of this Section 5.4.

(xii) “Original Issue Date” means the date on which shares of Series A Preferred Stock are first issued.

(xiii) “Parity Stock” means Series B Convertible Preferred Stock and any other class or series of stock of the Corporation (other than Series A Preferred Stock) the terms of which do not expressly provide that such class or series will rank senior or junior to Series A Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Corporation (in each case without regard to whether dividends accrue cumulatively or non-cumulatively).

(xiv) “Preferred Stock” means any and all series of preferred stock of the Corporation, including the Series A Preferred Stock and the Series B Convertible Preferred Stock.

(xv) “Series B Convertible Preferred Stock” means the Corporation’s 7 Percent Fixed Rate Noncumulative Convertible Perpetual Preferred Stock, Series B authorized by Section 5.5 of these Articles of Incorporation.

(e) Dividends and Priority of Dividends. Holders of Series A Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) if, as and when declared and payable on Series A Preferred Stock as specified in this Subsection (e), but subject to the other provisions of this Section 5.4. DIVIDENDS ON SERIES A PREFERRED STOCK ARE NON-CUMULATIVE AND, IF A DIVIDEND THEREON WITH RESPECT TO ANY DIVIDEND PERIOD IS NOT DECLARED BY THE BOARD OF DIRECTORS, NO HOLDER SHALL HAVE ANY FURTHER RIGHT WHATSOEVER TO DEMAND OR COMPEL PAYMENT THEREOF.

(i) Holders of Series A Preferred Stock shall be entitled to receive, with respect to each share of Series A Preferred Stock if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, but only out of

assets legally available therefor, cash dividends with respect to each Dividend Period (as defined below) at a rate per annum equal to the Applicable Dividend Rate multiplied by the Liquidation Amount per share of Series A Preferred Stock. Such dividends shall begin to accrue on the Original Issue Date and shall be payable quarterly in arrears on each Dividend Payment Date, commencing with the first such Dividend Payment Date to occur at least 45 calendar days after the Original Issue Date. The period from and including the first day of the calendar quarter next preceding any Dividend Payment Date to and including the last day of such calendar quarter is a “*Dividend Period*”, provided that the initial Dividend Period shall be the period from and including the Original Issue Date to and including the last day of the calendar quarter during which the Original Issue Date occurs.

(ii) Dividends on Series A Preferred Stock shall be computed on the basis of a 360-day year consisting of twelve 30-day months; *provided*, that the amount of dividends payable on any date prior to the end of a Dividend Period, and for the initial Dividend Period, shall be computed on an actual days elapsed basis.

(iii) Dividends that are payable on Series A Preferred Stock on any Dividend Payment Date will be payable to holders of record of Series A Preferred Stock as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day immediately preceding such Dividend Payment Date or such other record date fixed by the Board of Directors or any duly authorized committee of the Board of Directors that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a “*Dividend Record Date*”). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

(iv) So long as any share of Series A Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than: ~~(1) dividends payable solely in shares of Common Stock or Parity Stock (subject in the case of Parity Stock to Subsection (e)(v), below);~~ or (2) dividends of “rights” issued solely in conjunction with any Section 382 shareholder rights plan as may be adopted by the Corporation from time to time), and no Common Stock, ~~or Junior Stock or Parity Stock~~ shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries ~~unless all accrued and unpaid dividends for the four (4) next preceding consecutive Dividend Periods, inclusive of the most recent completed Dividend Period, on all outstanding shares of Series A Preferred Stock have been or are contemporaneously declared and paid in full (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Series A Preferred Stock on the applicable record date)~~. The foregoing limitation shall not apply, however, to ~~(i)~~ (i) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice; ~~(ii)~~ (ii) the acquisition by the Corporation or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Corporation or any of its subsidiaries), including as trustees or custodians; or ~~(iii)~~ (iii) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Original Issue Date or any

subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock.

(v) When dividends upon Series A Preferred Stock and any shares of Parity Stock are not paid (or declared and a sum sufficient for payment thereof set aside for the benefit of the holders thereof on the applicable record date) in full on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period related to such Dividend Payment Date), all dividends declared on Series A Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends declared shall bear the same ratio to each other as (i) the amount of all accrued and unpaid dividends per share on the shares of Series A Preferred Stock for the applicable Dividend Period calculated applying the Applicable Dividend Rate, and (ii) the amount of all accrued and unpaid dividends per share on all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) (subject to their having been declared by the Board of Directors or a duly authorized committee of the Board of Directors out of legally available funds and including, in the case of Parity Stock that bears cumulative dividends, all accrued but unpaid dividends) bear to each other. ~~If the Board of Directors or a duly authorized committee of the Board of Directors determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide written notice to the holders of Series A Preferred Stock prior to such Dividend Payment Date.~~

(vi) Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or any duly authorized committee of the Board of Directors may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and holders of Series A Preferred Stock shall not be entitled to participate in any such dividends.

(f) Liquidation Rights. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary:

(i) Holders of Series A Preferred Stock shall be entitled to receive for each share of Series A Preferred Stock, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to shareholders of the Corporation, subject to the rights of any creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to Series A Preferred Stock as to such distribution, payment in full in an amount equal to the sum of (i) the Liquidation Amount per share; and (ii) the amount of any dividend in respect thereof that has theretofore been declared but remains unpaid (collectively, the "Liquidation Preference").

(ii) If, in any distribution described in Subsection (f)(i) above, the assets of the Corporation or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Series A Preferred Stock and the corresponding

amounts payable with respect of any other stock of the Corporation ranking equally with Series A Preferred Stock as to such distribution, holders of Series A Preferred Stock and the holders of such other stock shall share *pro rata* in any such distribution in proportion to the full respective distributions to which they are entitled.

(iii) If the Liquidation Preference has been paid in full to all holders of Series A Preferred Stock and the corresponding amounts payable with respect of any other stock of the Corporation ranking equally with Series A Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(iv) For purposes of this Subsection (f), the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series A Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

(g) Redemption. The Series A Preferred Stock may be redeemed at the times and in the manner prescribed in this Subsection (g). THE SERIES A PREFERRED STOCK IS PERPETUAL, AND HOLDERS OF SERIES A PREFERRED STOCK SHALL HAVE NO RIGHT OR POWER TO COMPEL THE REDEMPTION OF ALL OR ANY PORTION THEREOF AT ANY TIME. Further, any redemption of Series A Preferred Stock shall be subject to the consent or approval of the Appropriate Federal Banking Agency. The Series A Preferred Stock shall not be subject to any mandatory redemption, sinking fund or other similar provisions.

(i) The Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, out of funds legally available therefor, all or any portion of the then-outstanding shares of Series A Preferred Stock at the time outstanding, upon notice given as provided in Subsection (g)(iii) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share; and (ii) the amount of any dividend in respect thereof that has theretofore been declared but remains unpaid as of the date fixed for redemption.

(ii) The redemption price for any shares of Series A Preferred Stock shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend 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 Dividend Record Date relating to such Dividend Payment Date.

(iii) Notice of every redemption of shares of Series A Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 10 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such

notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series A Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series A Preferred Stock. Notwithstanding the foregoing, if shares of Series A Preferred Stock are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series A Preferred Stock at such time and in any manner permitted by such facility. Each notice of redemption given to a holder shall state: (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) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(iv) ~~In case of any redemption of part of the shares of Series A Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either pro rata or in such other manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable.~~ Subject to the provisions hereof, the Board of Directors or a duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Series A Preferred Stock shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(v) If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been deposited by the Corporation, in trust for the ~~pro rata~~ benefit of the holders of the shares called for redemption, with a bank or trust company chartered under the laws of the United States or any state thereof, and having a capital and surplus of at least \$500 million and selected by the Board of Directors, so as to be and continue to be available solely therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

(vi) Shares of Series A Preferred Stock that are redeemed, repurchased or otherwise acquired by the Corporation shall revert to authorized but unissued shares of Preferred Stock (*provided* that any such cancelled shares of Series A Preferred Stock may be reissued only as shares of any series of Preferred Stock other than Series A Preferred Stock or Series B Convertible Preferred Stock).

(h) Voting Rights. HOLDERS OF SERIES A PREFERRED STOCK SHALL NOT HAVE ANY VOTING RIGHTS EXCEPT AS SET FORTH IN THIS SUBSECTION (h) OR AS OTHERWISE FROM TIME TO TIME REQUIRED BY LAW.

(i) Holders of shares of Series A Preferred Stock will be entitled to one (1) vote for each such share on any matter on which holders of Series A Preferred Stock (voting as a separate voting group or with any other class of Parity Stock, as provided herein) are entitled to vote, including any action by written consent.

(ii) Upon the occurrence at any time of a “Voting Trigger Event,” as defined in Subsection (iii), below, the authorized number of directors of the Corporation shall automatically be increased by one and the holders of the Series A Preferred Stock (together with holders of any one or more other classes or series of Parity Stock outstanding at the time, voting together as a single voting group) shall have the right to elect one director (hereinafter the “Preferred Director”) to fill such newly-created directorship at the Corporation’s next annual meeting of shareholders (or, if such annual meeting of shareholders is not expected to be held within ninety (90) days of the occurrence of such Voting Trigger Event, at a special meeting called for that purpose prior to such next annual meeting) and at each subsequent annual meeting of shareholders until the event, condition or circumstance giving rise to the triggering event has been cured and upon such cure, to serve the remainder of the then-current term of the Preferred Director (*provided*, that if such event, condition or circumstance giving rise to the triggering event is cured prior to initial election of the Preferred Director at such annual or special shareholders’ meeting, then such election shall not be held). Such voting right shall be reinstated upon the occurrence of each subsequent Voting Trigger Event unless, at the time of such occurrence, there is already a Preferred Director serving on the Board of Directors. Notwithstanding the foregoing, it shall be a condition to the election of a Preferred Director that the election of such Preferred Director shall not cause the Corporation to violate any corporate governance requirements of any securities exchange or other trading facility on which securities of the Issuer may then be listed or traded that listed or traded companies must have a majority of independent directors. If the office of the Preferred Director becomes vacant for any reason, the holders of the Series A Preferred Stock (together with holders of any one or more other classes or series of Parity Stock outstanding at the time, voting together as a single voting group) shall have the right to elect a successor Preferred Director at the Corporation’s next annual meeting of shareholders (or, if such annual meeting of shareholders is not expected to be held within ninety (90) days of the occurrence of such vacancy, at a special meeting called for that purpose prior to such next annual meeting).

(iii) “*Voting Trigger Event*” shall mean any of the following:

(A) the Corporation, after declaring a dividend on the Series A Preferred Stock, fails to pay such dividend (unless, subsequent to such declaration and prior to payment thereof, the Corporation is subsequently prohibited from paying such dividend by applicable state or federal banking regulatory authorities having jurisdiction over the Corporation and the authority to prevent such payment (“*Banking Regulators*”));

(B) the Corporation, after giving notice of redemption with respect to all or any portion of the Series A Preferred Stock, fails to effect such redemption (unless after giving notice of redemption but prior to effecting such redemption it is prohibited by the Banking Regulators from effecting such redemption);

(C) the Corporation takes any action with respect to which the holders of the Series A Preferred Stock (whether voting as a separate voting

group or together with any other class of Parity Stock) have voting rights under Subsection (h)(iv) or any other provision of these Articles of Incorporation or applicable corporate law that would materially adversely affect the relative dividend or liquidation preferences of the holders of the Series A Preferred Stock without first obtaining the vote or consent of the holders of the Series A Preferred Stock and, if applicable, any other class of Parity Stock, required under Subsection (h)(iv) or any other such provision of these Articles of Incorporation or applicable corporation law; or

(D) the Corporation takes any action in violation of these Articles of Incorporation or applicable corporate law that materially and adversely affects the rights of the Holders of the Series A Preferred Stock including, without limitation, the declaration or payment of a dividend or distribution in any amount in respect of the Common Stock or any other shares of Junior Stock, or the purchase, redemption or acquisition of any Common Stock, Junior Stock or Parity Stock in violation of Section 5.4(e)(iv) of these Articles of Incorporation.

(iv) So long as any shares of Series A Preferred Stock are outstanding, in addition to any other vote or consent of shareholders required by law or by these Articles of Incorporation, the vote or consent of the holders of at least a majority of the shares of Series A Preferred Stock at the time outstanding, voting as a separate class except as provided in Subsection (k)(ii), below, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(A) Any amendment or alteration of these Articles of Incorporation to authorize or create or increase the authorized amount of, or any issuance of, any shares of, or any securities convertible into or exchangeable or exercisable for shares of, any class or series of capital stock of the Corporation ranking senior to or pari passu with Series A Preferred Stock with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(B) Any amendment, alteration or repeal of any provision of these Articles of Incorporation (including, unless no vote on such merger or consolidation is required by Subsection (h)(iv)(C), below, any amendment, alteration or repeal by means of a merger, consolidation or otherwise) that would adversely affect the rights, preferences, privileges or voting powers of the Series A Preferred Stock; or

(C) Any consummation of a binding share exchange or reclassification involving the Series A Preferred Stock, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (i) the shares of Series A Preferred Stock remain outstanding or are converted into or exchanged for preference securities of the Corporation, and (ii) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of Series A Preferred Stock immediately prior to such consummation, taken as a whole; *provided, however,*

that for all purposes of this Subsection (h), any increase in the amount of the authorized Preferred Stock, including any increase in the authorized amount of Series A Preferred Stock necessary to satisfy preemptive or similar rights granted by the Corporation to other persons prior to the Original Issue Date, or the creation and issuance, or an increase in the authorized or issued amount, whether pursuant to preemptive or similar rights or otherwise, of any other series of Preferred Stock, or any securities convertible into or exchangeable or exercisable for any other series of Preferred Stock, ranking junior to Series A Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers, and shall not require the affirmative vote or consent of, the holders of outstanding shares of the Series A Preferred Stock.

(v) No vote or consent of the holders of Series A Preferred Stock shall be required pursuant to Subsection (h)(i) or (h)(iii), above, if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of the Series A Preferred Stock shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been deposited in trust for such redemption, in each case pursuant to Subsection (g) of this Section 5.4.

(vi) 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 a meeting or such consents shall be governed by any rules of the Board of Directors or any duly authorized committee of the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of these Articles of Incorporation, the Bylaws, and applicable law and the rules of any national securities exchange or other trading facility on which Series A Preferred Stock is listed or traded at the time.

(vii) Except to the extent prohibited by law, a Holder of Series A Preferred Stock shall not be required to cast all of the votes (or to give or withhold consent) with respect to all of the shares of Series A Preferred Stock held by such Holder in an identical manner.

(i) **No Conversion Rights.** HOLDERS OF SERIES A PREFERRED STOCK SHALL NOT HAVE ANY RIGHT WHATSOEVER TO CONVERT THEIR SHARES OF SERIES A PREFERRED STOCK INTO SHARES OF COMMON STOCK OR INTO ANY OTHER SERIES OF PREFERRED STOCK OR ANY OTHER CLASS OR SERIES OF STOCK OF THE CORPORATION.

(j) **No Other Rights.** The shares of Series A Preferred Stock and the Holders thereof 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 in these Articles of Incorporation or as provided by applicable law.

(k) Amendment. The provisions of this Section 5.4 may be amended in any manner permitted by applicable law, subject to the following:

(i) If a proposal to amend any provision of this Section 5.4 includes a proposal to make a substantively identical amendment to the parallel provision of Section 5.5, such amendment shall be made only upon the approval of such proposed amendments both to this Section 5.4 and to Section 5.5 by the holders of a majority of the outstanding shares of Series A Preferred Stock and Series B Convertible Preferred Stock, voting as a single voting group.

(ii) A proposal to amend any provision of this Section 5.4 that is not described in Subparagraph (i), or any proposal to amend any provision of Subsection (i) of Section 5.4, shall be made only upon the approval of such proposed amendment by holders of a majority of the outstanding shares of Series A Preferred Stock and a majority of the outstanding shares of Series B Convertible Preferred Stock, voting as separate voting groups.

(iii) No vote of the Common Shareholders shall be required to amend any provision of this Section ~~5.5.4~~.

(l) Interpretation. It is intended that the relative rights, privileges and preferences of the Series A Preferred Stock and the Series B Convertible Preferred Stock provided for under Section 5.5 of these Articles of Incorporation be identical except insofar as the conversion rights of Series B Convertible Preferred Stock provided in Section 5.5(i), and the provisions of this Section 5.4 and the parallel provisions of Section 5.5 shall, consistent with such intent, be construed, interpreted and implemented in an identical manner.

5.5 SERIES B CONVERTIBLE PREFERRED STOCK.

(a) Designation. There is hereby created out of the authorized and unissued shares of preferred stock of the Corporation a series of preferred stock designated “7 Percent Fixed Rate Noncumulative Convertible Perpetual Preferred Stock, Series B” (“*Series B Convertible Preferred Stock*”).

(b) Number of Shares. The authorized number of shares of Series B Convertible Preferred Stock shall be Four Thousand Three Hundred and Seventy-Six (4,376).

(c) Ranking. Each share of Series B Convertible Preferred Stock shall be identical in all respects to every other share of Series B Convertible Preferred Stock. Subject to the provisions of this Section 5.5, and in the manner and to the extent provided herein, the Series B Convertible Preferred Stock shall rank equally with Parity Stock (as defined in Subsection (d)(xiii) below) and shall rank senior to Junior Stock (as defined in Subsection (d)(ix) below) with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Corporation.

(d) Definitions. The following terms used in this Section 5.5 shall have the meanings set forth in this Subsection (d):

(i) “Applicable Dividend Rate” has the same definition as set forth in Section 5.4(d)(i) of these Articles of Incorporation.

(ii) “Appropriate Federal Banking Agency” has the same definition as set forth in Section 5.4(d)(ii) of these Articles of Incorporation.

(iii) “Business Day” has the same definition as set forth in Section 5.4(d)(iii) of these Articles of Incorporation.

(iv) “Bylaws” has the same definition as set forth in Section 5.4(d)(iv) of these Articles of Incorporation.

(v) “Common Stock” has the same definition as set forth in Section 5.4(d)(v) of these Articles of Incorporation.

(vi) “Dividend Payment Date” has the same definition as set forth in Section 5.4(d)(vi) of these Articles of Incorporation.

(vii) “Dividend Period” has the meaning set forth in Subsection (e)(i) of this Section 5.5.

(viii) “Dividend Record Date” has the meaning set forth in Subsection (e)(iii) of this Section 5.5.

(ix) “Junior Stock” has the same definition as set forth in Section 5.4(d)(ix) of these Articles of Incorporation.

(x) “Liquidation Amount” means \$1,000 per share of Series B Convertible Preferred Stock.

(xi) “Liquidation Preference” has the meaning set forth in Subsection (f)(i) of this Section 5.5.

(xii) “Original Issue Date” means the date on which shares of Series B Convertible Preferred Stock are first issued.

(xiii) “Parity Stock” means Series A Preferred Stock and any other class or series of stock of the Corporation (other than Series B Convertible Preferred Stock) the terms of which do not expressly provide that such class or series will rank senior or junior to Series B Convertible Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Corporation (in each case without regard to whether dividends accrue cumulatively or non-cumulatively).

(xiv) “Preferred Stock” has the same definition as set forth in Section 5.4(d)(xiv) of these Articles of Incorporation.

(xv) “Series A Preferred Stock” means the Corporation’s 7 Percent Fixed Rate Noncumulative Nonconvertible Perpetual Preferred Stock, Series A authorized by Section 5.4 of these Articles of Incorporation.

(e) Dividends and Priority of Dividends. Holders of Series B Convertible Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) if, as and when declared and payable on Series B Convertible Preferred Stock as specified in this Subsection (e), but subject to the other provisions of this

Section 5.5. DIVIDENDS ON SERIES A PREFERRED STOCK ARE NON-CUMULATIVE AND, IF A DIVIDEND THEREON WITH RESPECT TO ANY DIVIDEND PERIOD IS NOT DECLARED BY THE BOARD OF DIRECTORS, NO HOLDER SHALL HAVE ANY FURTHER RIGHT WHATSOEVER TO DEMAND OR COMPEL PAYMENT THEREOF.

(i) Holders of Series B Convertible Preferred Stock shall be entitled to receive, with respect to each share of Series B Convertible Preferred Stock if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, but only out of assets legally available therefor, cash dividends with respect to each Dividend Period (as defined below) at a rate per annum equal to the Applicable Dividend Rate multiplied by the Liquidation Amount per share of Series B Convertible Preferred Stock. Such dividends shall begin to accrue on the Original Issue Date and shall be payable quarterly in arrears on each Dividend Payment Date, commencing with the first such Dividend Payment Date to occur at least 45 calendar days after the Original Issue Date. The period from and including the first day of the calendar quarter next preceding any Dividend Payment Date to and including the last day of such calendar quarter is a “*Dividend Period*”, provided that the initial Dividend Period shall be the period from and including the Original Issue Date to and including the last day of the calendar quarter during which the Original Issue Date occurs.

(ii) Dividends on Series B Convertible Preferred Stock shall be computed on the basis of a 360-day year consisting of twelve 30-day months; *provided*, that the amount of dividends payable on any date prior to the end of a Dividend Period, and for the initial Dividend Period, shall be computed on an actual days elapsed basis.

(iii) Dividends that are payable on Series B Convertible Preferred Stock on any Dividend Payment Date will be payable to holders of record of Series B Convertible Preferred Stock as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day immediately preceding such Dividend Payment Date or such other record date fixed by the Board of Directors or any duly authorized committee of the Board of Directors that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a “*Dividend Record Date*”). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

(iv) So long as any share of Series B Convertible Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than: (1) dividends payable solely in shares of Common Stock ~~or Parity Stock (subject in the case of Parity Stock to Subsection (e)(v), below), or (2) dividends of “rights” issued solely in conjunction with any Section 382 shareholder rights plan as may be adopted by the Corporation from time to time~~), and no Common Stock; or Junior ~~Stock or Parity~~ Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries ~~unless all accrued and unpaid dividends for the four (4) next preceding consecutive Dividend Periods, inclusive of the most recent completed Dividend Period, on all outstanding shares of Series B Convertible Preferred Stock have been or are contemporaneously declared and paid in full (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Series B Convertible Preferred Stock on the applicable record date)~~. The foregoing limitation shall not apply, however, to (i) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of

any employee benefit plan in the ordinary course of business and consistent with past practice; (ii) the acquisition by the Corporation or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Corporation or any of its subsidiaries), including as trustees or custodians; or (iii) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Original Issue Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock.

(v) When dividends upon Series B Convertible Preferred Stock and any shares of Parity Stock are not paid (or declared and a sum sufficient for payment thereof set aside for the benefit of the holders thereof on the applicable record date) in full on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period related to such Dividend Payment Date), all dividends declared on Series B Convertible Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends declared shall bear the same ratio to each other as (i) the amount of all accrued and unpaid dividends per share on the shares of Series B Convertible Preferred Stock for the applicable Dividend Period calculated applying the Applicable Dividend Rate, and (ii) the amount of all accrued and unpaid dividends per share on all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) (subject to their having been declared by the Board of Directors or a duly authorized committee of the Board of Directors out of legally available funds and including, in the case of Parity Stock that bears cumulative dividends, all accrued but unpaid dividends) bear to each other. ~~If the Board of Directors or a duly authorized committee of the Board of Directors determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide written notice to the holders of Series B Convertible Preferred Stock prior to such Dividend Payment Date.~~

(vi) Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or any duly authorized committee of the Board of Directors may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and holders of Series B Convertible Preferred Stock shall not be entitled to participate in any such dividends.

(f) Liquidation Rights. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary:

(i) Holders of Series B Convertible Preferred Stock shall be entitled to receive for each share of Series B Convertible Preferred Stock, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to shareholders of the Corporation, subject to the rights of any creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders

of Common Stock and any other stock of the Corporation ranking junior to Series B Convertible Preferred Stock as to such distribution, payment in full in an amount equal to the sum of (i) the Liquidation Amount per share; and (ii) the amount of any dividend in respect thereof that has theretofore been declared but remains unpaid (collectively, the “*Liquidation Preference*”).

(ii) If, in any distribution described in Subsection (f)(i) above, the assets of the Corporation or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Series B Convertible Preferred Stock and the corresponding amounts payable with respect of any other stock of the Corporation ranking equally with Series B Convertible Preferred Stock as to such distribution, holders of Series B Convertible Preferred Stock and the holders of such other stock shall share *pro rata* in any such distribution in proportion to the full respective distributions to which they are entitled.

(iii) If the Liquidation Preference has been paid in full to all holders of Series B Convertible Preferred Stock and the corresponding amounts payable with respect of any other stock of the Corporation ranking equally with Series B Convertible Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(iv) For purposes of this Subsection (f), the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series B Convertible Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

(g) Redemption. The Series B Convertible Preferred Stock may be redeemed at the times and in the manner prescribed in this Subsection (g). THE SERIES B CONVERTIBLE PREFERRED STOCK IS PERPETUAL, AND HOLDERS OF SERIES B CONVERTIBLE PREFERRED STOCK SHALL HAVE NO RIGHT OR POWER TO COMPEL THE REDEMPTION OF ALL OR ANY PORTION THEREOF AT ANY TIME. Further, any redemption of Series B Convertible Preferred Stock shall be subject to the consent or approval of the Appropriate Federal Banking Agency. The Series B Convertible Preferred Stock shall not be subject to any mandatory redemption, sinking fund or other similar provisions.

(i) Subject to the last sentence of this Subsection (g)(i), the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, out of funds legally available therefor, all or any portion of the then-outstanding shares of Series B Convertible Preferred Stock at the time outstanding, upon notice given as provided in Subsection (g)(iii) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share; and (ii) the amount of any dividend in respect thereof that has theretofore been declared but remains unpaid as of the date fixed for redemption. Notwithstanding the foregoing, the Corporation shall not be entitled to redeem any shares of Series B Convertible Preferred Stock unless, simultaneously with or prior to such redemption, all of the issued and outstanding shares of Series A Preferred Stock will be or have been redeemed. Nothing in this Section 5.5(g)(i), however, shall prevent the Corporation from entering into non-mandatory repurchases of shares of either Series A

Preferred or Series B Preferred at any time, regardless of whether any other shares of Series A Preferred or Series B Preferred remain outstanding at the time of any such repurchase.

(ii) The redemption price for any shares of Series B Convertible Preferred Stock shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend 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 Dividend Record Date relating to such Dividend Payment Date.

(iii) Notice of every redemption of shares of Series B Convertible Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 10 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series B Convertible Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series B Convertible Preferred Stock. Notwithstanding the foregoing, if shares of Series B Convertible Preferred Stock are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series B Convertible Preferred Stock at such time and in any manner permitted by such facility. Each notice of redemption given to a holder shall state: (i) the redemption date; (ii) the number of shares of Series B Convertible 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) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(iv) ~~In case of any redemption of part of the shares of Series B Convertible Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either pro rata or in such other manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable.~~ Subject to the provisions hereof, the Board of Directors or a duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Series B Convertible Preferred Stock shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(v) If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been deposited by the Corporation, in trust for the ~~pro rata~~ benefit of the holders of the shares called for redemption, with a bank or trust company chartered under the laws of the United States or any state thereof, and having a capital and surplus of at least \$500 million and selected by the Board of Directors, so as to be and continue to be available solely therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date

dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

(vi) Shares of Series B Convertible Preferred Stock that are redeemed, repurchased or otherwise acquired by the Corporation shall revert to authorized but unissued shares of Preferred Stock (*provided* that any such cancelled shares of Series B Convertible Preferred Stock may be reissued only as shares of any series of Preferred Stock other than Series A Preferred Stock or Series B Convertible Preferred Stock).

(h) Voting Rights. HOLDERS OF SERIES B CONVERTIBLE PREFERRED STOCK SHALL NOT HAVE ANY VOTING RIGHTS EXCEPT AS SET FORTH IN THIS SUBSECTION (h) OR AS OTHERWISE FROM TIME TO TIME REQUIRED BY LAW.

(i) Holders of shares of Series B Convertible Preferred Stock will be entitled to one (1) vote for each such share on any matter on which holders of Series B Convertible Preferred Stock (voting as a separate voting group or with any other class of Parity Stock, as provided herein) are entitled to vote, including any action by written consent.

(ii) Upon the occurrence at any time of a “Voting Trigger Event,” as defined in Subsection (iii), below, the authorized number of directors of the Corporation shall automatically be increased by one and the holders of the Series B Convertible Preferred Stock (together with holders of any one or more other classes or series of Parity Stock outstanding at the time, voting together as a single voting group) shall have the right to elect one director (hereinafter the “Preferred Director”) to fill such newly-created directorship at the Corporation’s next annual meeting of shareholders (or, if such annual meeting of shareholders is not expected to be held within ninety (90) days of the occurrence of such Voting Trigger Event, at a special meeting called for that purpose prior to such next annual meeting) and at each subsequent annual meeting of shareholders until the event, condition or circumstance giving rise to the triggering event has been cured and upon such cure, to serve the remainder of the then-current term of the Preferred Director (*provided*, that if such event, condition or circumstance giving rise to the triggering event is cured prior to initial election of the Preferred Director at such annual or special shareholders’ meeting, then such election shall not be held). Such voting right shall be reinstated upon the occurrence of each subsequent Voting Trigger Event unless, at the time of such occurrence, there is already a Preferred Director serving on the Board of Directors. Notwithstanding the foregoing, it shall be a condition to the election of a Preferred Director that the election of such Preferred Director shall not cause the Corporation to violate any corporate governance requirements of any securities exchange or other trading facility on which securities of the Issuer may then be listed or traded that listed or traded companies must have a majority of independent directors. If the office of the Preferred Director becomes vacant for any reason, the holders of the Series B Convertible Preferred Stock (together with holders of any one or more other classes or series of Parity Stock outstanding at the time, voting together as a single voting group) shall have the right to elect a successor Preferred Director at the Corporation’s next

annual meeting of shareholders (or, if such annual meeting of shareholders is not expected to be held within ninety (90) days of the occurrence of such vacancy, at a special meeting called for that purpose prior to such next annual meeting).

(iii) “Voting Trigger Event” shall mean any of the following:

(A) the Corporation, after declaring a dividend on the Series B Convertible Preferred Stock, fails to pay such dividend (unless, subsequent to such declaration and prior to payment thereof, the Corporation is subsequently prohibited from paying such dividend by applicable state or federal banking regulatory authorities having jurisdiction over the Corporation and the authority to prevent such payment (“Banking Regulators”));

(B) the Corporation, after giving notice of redemption with respect to all or any portion of the Series B Convertible Preferred Stock, fails to effect such redemption (unless after giving notice of redemption but prior to effecting such redemption it is prohibited by the Banking Regulators from effecting such redemption);

(C) the Corporation takes any action with respect to which the holders of the Series B Convertible Preferred Stock (whether voting as a separate voting group or together with any other class of Parity Stock) have voting rights under Subsection (h)(iv) or any other provision of these Articles of Incorporation or applicable corporate law that would materially adversely affect the relative dividend or liquidation preferences of the holders of the Series B Convertible Preferred Stock without first obtaining the vote or consent of the holders of the Series B Convertible Preferred Stock and, if applicable, any other class of Parity Stock, required under Subsection (h)(iv) or any other such provision of these Articles of Incorporation or applicable corporation law; or

(D) the Corporation takes any action in violation of these Articles of Incorporation or applicable corporate law that materially and adversely affects the rights of the Holders of the Series B Convertible Preferred Stock including, without limitation, the declaration or payment of a dividend or distribution in any amount in respect of the Common Stock or any other shares of Junior Stock, or the purchase, redemption or acquisition of any Common Stock, Junior Stock or Parity Stock in violation of Section 5.5(e)(iv) of these Articles of Incorporation.

(iv) So long as any shares of Series B Convertible Preferred Stock are outstanding, in addition to any other vote or consent of shareholders required by law or by these Articles of Incorporation, the vote or consent of the holders of at least a majority of the shares of Series B Convertible Preferred Stock at the time outstanding, voting as a separate class except as provided in Subsection (k)(ii), below, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(A) Any amendment or alteration of these Articles of Incorporation to authorize or create or increase the authorized amount of, or any issuance of, any shares of, or any securities convertible into or exchangeable or exercisable for shares of, any class or series of capital stock of the Corporation ranking senior to or *pari passu* with Series B Convertible Preferred Stock with respect to

either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(B) Any amendment, alteration or repeal of any provision of these Articles of Incorporation (including, unless no vote on such merger or consolidation is required by Subsection (h)(iv)(C), below, any amendment, alteration or repeal by means of a merger, consolidation or otherwise) that would adversely affect the rights, preferences, privileges or voting powers of the Series B Convertible Preferred Stock; or

(C) Any consummation of a binding share exchange or reclassification involving the Series B Convertible Preferred Stock, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (i) the shares of Series B Convertible Preferred Stock remain outstanding or are converted into or exchanged for preference securities of the Corporation, and (ii) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of Series B Convertible Preferred Stock immediately prior to such consummation, taken as a whole; *provided, however*, that for all purposes of this Subsection (h), any increase in the amount of the authorized Preferred Stock, including any increase in the authorized amount of Series B Convertible Preferred Stock necessary to satisfy preemptive or similar rights granted by the Corporation to other persons prior to the Original Issue Date, or the creation and issuance, or an increase in the authorized or issued amount, whether pursuant to preemptive or similar rights or otherwise, of any other series of Preferred Stock, or any securities convertible into or exchangeable or exercisable for any other series of Preferred Stock, ranking junior to Series B Convertible Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers, and shall not require the affirmative vote or consent of, the holders of outstanding shares of the Series B Convertible Preferred Stock.

(v) No vote or consent of the holders of Series B Convertible Preferred Stock shall be required pursuant to Subsection (h)(i) or (h)(iii), above, if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of the Series B Convertible Preferred Stock shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been deposited in trust for such redemption, in each case pursuant to Subsection (g) of this Section 5.5.

(vi) The rules and procedures for calling and conducting any meeting of the holders of Series B Convertible 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 a meeting or such consents shall be governed by any rules of the Board of Directors or any duly authorized committee of the Board of Directors, in its discretion, may adopt

from time to time, which rules and procedures shall conform to the requirements of these Articles of Incorporation, the Bylaws, and applicable law and the rules of any national securities exchange or other trading facility on which Series B Convertible Preferred Stock is listed or traded at the time.

(vii) Except to the extent prohibited by law, a Holder of Series B Convertible Preferred Stock shall not be required to cast all of the votes (or to give or withhold consent) with respect to all of the shares of Series B Convertible Preferred Stock held by such Holder in an identical manner.

(i) Conversion Rights. HOLDERS OF SERIES B CONVERTIBLE PREFERRED STOCK SHALL HAVE NO RIGHT WHATSOEVER TO CONVERT THEIR SHARES OF SERIES B CONVERTIBLE PREFERRED STOCK INTO SHARES OF COMMON STOCK OR INTO ANY OTHER SERIES OF PREFERRED STOCK OR ANY OTHER CLASS OR SERIES OF STOCK OF THE CORPORATION EXCEPT AS SET FORTH IN THIS SUBSECTION (i).

(i) Each Holder of Series B Convertible Preferred Stock shall have the right, upon the occurrence of a “Conversion Event” (as defined below) to require the Corporation to issue at the “Conversion Effective Time” (as defined below) Four Thousand (4,000) shares of Common Stock in exchange for every one (1) whole share (and ratably in respect of any fractional share, rounded to the nearest 1/1000th of a share) of Series B Convertible Preferred Stock surrendered by such Holder, subject to adjustment in the event of any stock dividend, stock split or reverse split or similar corporate transaction having the effect of changing the number of shares of Common Stock or Series B Convertible Preferred Stock into a greater or lesser number of shares.

(ii) “Conversion Event” means the consummation of a merger, share exchange or other business combination transaction (however structured, a “Business Combination”) in connection with which all of the following are true:

(A) the Corporation is not the surviving entity in such Business Combination; and

(B) in the Business Combination a person, other than an affiliate of the Company (an “Acquiror”), acquires a majority in number or voting power of the then-issued and outstanding Common Stock (for purposes of computing such majority, excluding any shares of Common Stock issuable upon conversion of shares of Series B Convertible Preferred Stock in connection with such Business Combination); and

(C) in the Business Combination holders of common stock of the Corporation (“Common Shareholders”) who surrender, exchange or transfer their shares of Common Stock to the Acquiror are entitled to receive, in exchange therefor, cash, property or securities issued by the Acquiror or an affiliate of the Acquiror; and

(D) pursuant to the provisions of these Articles of Incorporation or applicable corporation law, consummation of the Business Combination is subject to the approval of the Common Shareholders.

(iii) In connection with any proposed Business Combination that, if consummated, would result in a Conversion Event, the Corporation shall solicit from each holder of Series B Convertible Preferred Stock an election by such holder whether to convert at the Conversion Effective Time all, a portion, or none of the shares of Series B Convertible Preferred Stock held by such holder into Common Stock (a “Conversion Election”).

(A) Such solicitation shall be conducted in substantially the same manner and at substantially the same time as the Corporation solicits votes, consents or proxies from the Common Shareholders in connection with the Business Combination, and shall be accompanied by substantially the same information (including, without limitation, a proxy statement, prospectus or combined proxy-statement/prospectus, as the case may be) issued or provided to Common Shareholders in connection with the solicitation of votes, consents or proxies.

(B) A Conversion Election shall be returnable to the Corporation or its proxy solicitor or agent at the same time and on the same conditions as votes, consents or proxies are returnable by the Common Shareholders and shall be irrevocable except to the extent that a Common Shareholder may revoke a vote, consent or proxy after submitting same.

(C) A holder of Series B Convertible Preferred Stock who does not make a timely and proper Conversion Election shall be deemed to have elected not to convert any shares of Series B Convertible Preferred Stock into Common Stock.

(D) The Board of Directors may prescribe such other and further rules, regulations, forms and procedures not inconsistent herewith in respect of the solicitation, receipt, revocation, tabulation and processing of Conversion Elections as it shall deem necessary and appropriate which rules, regulations and procedures shall be final, conclusive and binding upon the Corporation and the holders of Series B Convertible Preferred Stock.

(iv) A conversion of Series B Convertible Preferred Stock into Common Stock shall occur at the “Conversion Effective Time” (as defined below) if and only if the Business Combination giving rise to conversion rights hereunder is actually consummated and the holder of Series B Convertible Preferred Stock has made a proper and timely Conversion Election in respect thereof. In the event a proposed Business Combination that would, if consummated, give rise to conversion rights hereunder is not consummated for any reason, all Conversion Elections shall be void and of no effect, no shares of Common Stock shall be issued in connection therewith and the shares of Series B Convertible Preferred Stock theretofore outstanding shall remain outstanding and entitled to the rights and privileges of Series B Convertible Preferred Stock hereunder, including, without limitation, the right to elect to convert such shares into shares of Common Stock in connection with any Business Combination that is consummated thereafter. “Conversion Effective Time” means a time that is one (1) minute prior to the “effective time” of a Business Combination as specified in the merger, share exchange or other agreement pursuant to which such Business Combination is effected or, if such agreement does not specify an “effective time,” then at 11:59 p.m.

Central Time on the day immediately preceding the “effective date” of the Business Combination as so specified or as provided under applicable law.

(v) Notwithstanding that holders of Series B Convertible Preferred Stock who make proper and timely Conversion Elections will not become Common Shareholders until the Conversion Election Time, such holders shall nevertheless be provided the opportunity, to the extent practicable, to make any election in respect of the Business Combination (such as, by way of example and not limitation, an election whether to accept cash or securities of an Acquiror as consideration for their Common Stock) as they would be entitled to make if they were Common Shareholders at the time such election is made; *provided, however*, that the foregoing shall not be deemed or construed as giving to any right of holders of Series B Convertible Preferred Stock who make proper and timely Conversion Elections to vote in respect of such Business Combination as members of the voting group comprising Common Shareholders.

(j) No Other Rights. The shares of Series B Convertible Preferred Stock and the Holders thereof 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 in these Articles of Incorporation or as provided by applicable law.

(k) Amendment. The provisions of this Section 5.5 may be amended in any manner permitted by applicable law, subject to the following:

(i) If a proposal to amend any provision of this Section 5.5 includes a proposal to make a substantively identical amendment to the parallel provision of Section 5.4, such amendment shall be made only upon the approval of such proposed amendments both to this Section 5.5 and to Section 5.4 by the holders of a majority of the outstanding shares of Series A Preferred Stock and Series B Convertible Preferred Stock, voting as a single voting group.

(ii) A proposal to amend any provision of this Section 5.5 that is not described in Subparagraph (i), or any proposal to amend any provision of Subsection (i) of this Section 5.5, shall be made only upon the approval of such proposed amendment by holders of a majority of the outstanding shares of Series A Preferred Stock and a majority of the outstanding shares of Series B Convertible Preferred Stock, voting as separate voting groups.

(iii) No vote of the Common Shareholders shall be required to amend any provision of this Section 5.5.

(l) Interpretation. It is intended that the relative rights, privileges and preferences of the Series B Convertible Preferred Stock and the Series A Preferred Stock provided for under Section 5.4 of these Articles of Incorporation be identical except insofar as the conversion rights of Series B Convertible Preferred Stock provided in Section 5.5(i), and the provisions of this Section 5.5 and the parallel provisions of Section 5.4 shall, consistent with such intent, be construed, interpreted and implemented in an identical manner.