



**CIB Marine Bancshares, Inc.
19601 W. Bluemound Road
Brookfield, Wisconsin 53045**

March 16, 2021

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, April 29, 2021, at our offices located at 19601 W. Bluemound Road, Brookfield, Wisconsin.

All shareholders of record of CIB Marine's common stock at the close of business on March 10, 2021, 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 and a copy of our audited consolidated financial statements as of and for the fiscal year ended December 31, 2020.

In light of the continuing coronavirus (COVID-19) pandemic, we are strongly encouraging our shareholders to refrain from attending the Annual Meeting in person, but instead to listen to the meeting via teleconference using the instruction set forth on the next page. Please be aware, however, that listening to the teleconference of the meeting will not count as attendance for purposes of determining whether a quorum for the Annual Meeting has been convened and shareholders will not be permitted to vote during the meeting via the teleconference. As such, it is important that you return your completed **WHITE** Proxy Card to us prior to the meeting to ensure that we are able to achieve a quorum and that your vote is counted.

Your vote will be especially important at this year's Annual Meeting. As you may be aware, Hildene Opportunities Master Fund, Ltd., a Cayman Islands exempted limited liability company, through its investment manager, Hildene Capital Management, LLC, a Delaware limited liability company, has proposed alternative director nominees for election at the Annual Meeting (the "Hildene Nominees"). **After careful consideration, our Board of Directors DOES NOT endorse the election of Hildene Nominees.**

We strongly encourage you to:

1. vote **FOR** the nominees proposed by the Board of Directors; and
2. vote **FOR** ratification of the appointment of Crowe LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2021.

You should vote using the **WHITE** Proxy Card and disregard any proxy card sent to you by the Hildene Entities. However, if you mistakenly vote using a proxy card sent to you by the Hildene Entities, you can subsequently revoke it by following the instructions on the **WHITE** Proxy Card to vote by telephone, by internet or by signing, dating and returning the **WHITE** Proxy Card in the postage-paid envelope provided. Only your last-dated proxy will count – any proxy may be revoked at any time prior to its exercise at the Annual Meeting as described in the accompanying proxy statement.

As in the past, attendees will be required to register in advance if they intend to attend the Annual Meeting in person. Please refer to page 4 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. Questions must be submitted in advance by sending them to ShareholderRelations@cibmarine.com or by mail to CIB Marine Bancshares, Inc.; Attn: Shareholder Relations; 19601 W. Bluemound Road, Brookfield, Wisconsin 53045. All questions must be received no later than the close of business April 26, 2021, to be addressed by management 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 APRIL 29, 2021**

The Proxy Statement and 2020 audited consolidated financial statements are also available at www.cibmarine.com.

TELECONFERENCE INSTRUCTIONS

In order to access the teleconference of the Annual Meeting, please dial (800) 367-2403 (domestic) and provide Confirmation Code #1202618 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.
19601 W. Bluemound Road
Brookfield, WI 53045
(262) 695-6010

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 29, 2021**

Dear Shareholder:

The 2021 Annual Meeting of Shareholders (“Annual Meeting”) of CIB Marine Bancshares, Inc. (“we,” “us,” “our” or the “Company”) will be held at the offices of the Company at 19601 W. Bluemound Road, Brookfield, Wisconsin, on Thursday, April 29, 2021, at 1:00 p.m., local time. In light of the continuing coronavirus (COVID-19) pandemic, however, we are strongly encouraging our shareholders to refrain from attending the Annual Meeting in person, but instead to listen to the meeting via teleconference using the instructions set forth on the accompanying letter to shareholders. Please be aware, however, that listening to the teleconference of the meeting will not count as attendance for purposes of determining whether a quorum for the Annual Meeting has been convened and shareholders will not be permitted to vote during the meeting via the teleconference. As such, it is important that you return your completed **WHITE** Proxy Card to us prior to the meeting to ensure that we are able to achieve a quorum and that your vote is counted. The meeting is being held for the following purposes:

1. To elect four directors to serve on the Board of Directors of the Company until the 2024 annual meeting of shareholders and until their successors are elected and qualified;
2. To ratify the appointment of Crowe LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2021; and
3. To transact any other business that may properly come before the Annual Meeting and any adjournment or postponement thereof.

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the Annual Meeting in person, 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 **WHITE** Proxy Card, or voting by telephone or through the internet.

Please note that Hildene Opportunities Master Fund, Ltd. (“Hildene Master Fund I”), a Cayman Islands exempted limited liability company managed by Hildene Investment Management, LLC (“Hildene” and, together with Hildene Master Fund I, the “Hildene Entities”) has proposed alternative director nominees for election at the Annual Meeting (the “Hildene Nominees”). **The Company’s Board of Directors DOES NOT endorse the Hildene Nominees.** You may receive proxy solicitation materials from the Hildene Entities, including their proxy statements and proxy cards. *We are not responsible for the accuracy of any information provided by or relating to the Hildene Entities or the Hildene Nominees contained in any proxy solicitation materials filed or disseminated by, or on behalf of, the Hildene Entities or any other statements that the Hildene Entities may otherwise make.*

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE:

1. **FOR** the election of each of the four director nominees named in Proposal 1; and
2. **FOR** the ratification of the appointment of Crowe LLP as the Company’s independent registered public accounting firm as presented in Proposal 2.

Please cast your vote using the enclosed **WHITE** Proxy Card and disregard any proxy card sent to you by the Hildene Entities. The Board DOES NOT endorse the proposals set forth on any proxy card you may receive from the Hildene Entities.

If you have previously signed a proxy card sent by the Hildene Entities, you have the right to change your vote by telephone or by internet by following the instructions on the **WHITE** Proxy Card, or by signing, dating and returning the enclosed **WHITE** Proxy Card in the postage-paid envelope provided. Only the latest dated proxy card you vote will be counted. If you are a beneficial owner or you hold your shares in "street name," please follow the voting instructions provided your bank, broker, or other nominee to change your vote.

Only shareholders of record of our common stock at the close of business on March 10, 2021 are entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof. While the Board of Directors strongly encourages shareholders not to attend the Annual Meeting in person, to gain admission to the Annual Meeting if you choose to attend in person, you will need to register with us prior to the close of business on Thursday, April 22, 2021, and demonstrate that you are a shareholder of the Company. All shareholders attending the Annual Meeting in person will be required to present valid, government-issued picture identification at the meeting. 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 our 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.

BY ORDER OF THE BOARD OF DIRECTORS



Daniel J. Rasmussen

Chief Administrative Officer, General Counsel and Secretary

CIB MARINE BANCSHARES, INC.

19601 W. Bluemound Road
Brookfield, WI 53045
(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, April 29, 2021, at 1:00 p.m., local time, and any adjournment or postponement of that meeting. The Annual Meeting will be held at the CIB Marine Bancshares, Inc. offices located at 19601 W. Bluemound Road, Brookfield, Wisconsin, 53045. This Proxy Statement and the accompanying **WHITE** Proxy Card and Notice of Meeting was first mailed on or about March 16, 2021 to all shareholders of record as of March 10, 2021 (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 1,327,436 shares outstanding as of the Record Date (excluding treasury stock, but including 59,842 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, 2020 (“2020 Financial Statements”) accompany this Proxy Statement. This document is also available on our website at www.cibmarine.com.

THE PROXY PROCESS AND SHAREHOLDER VOTING

Why am I receiving this Proxy Statement and the WHITE Proxy Card?

You are receiving this Proxy Statement and the **WHITE** 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.

We refer to the our **WHITE** Proxy Card because, as you may be aware, Hildene Opportunities Master Fund, Ltd. (“Hildene Master Fund I”), a Cayman Islands exempted limited liability company managed by Hildene Investment Management, LLC (“Hildene” and, together with Hildene Master Fund I, the “Hildene Entities”) has proposed alternative director nominees for election at the Annual Meeting (the “Hildene Nominees”), for which they will be soliciting your proxy on an alternate proxy card. **We urge you to only vote the Company’s WHITE Proxy Card and disregard any proxy cards you may receive from the Hildene Entities.**

When you sign the enclosed **WHITE** 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 **WHITE** 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 **WHITE** 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 **WHITE** 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. If you have previously signed a proxy card sent by the Hildene Entities, you have the right to change your vote by telephone or by internet by following the instructions

on the **WHITE** Proxy Card, or by signing, dating and returning the enclosed **WHITE** Proxy Card in the postage-paid envelope provided.

What matters will be voted on at the Annual Meeting?

You are being asked to vote on: (i) the election of four directors, whose terms, if elected, will expire at the 2024 Annual Meeting of Shareholders and once their successors are elected and qualified; and (ii) ratification of the appointment of Crowe LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2021, 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 **WHITE** Proxy Card to indicate how you want your shares voted, your shares will be voted as you instruct. If you sign and return your **WHITE** 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 four nominees for director named in this Proxy Statement; and “FOR” the ratification of Crowe LLP as our independent registered public accounting firm. To vote your shares by telephone, please call the toll-free number set forth on the **WHITE** Proxy Card. To vote your shares by internet, use the internet site provided on the **WHITE** Proxy Card. Please have your **WHITE** Proxy Card available for reference if you vote by telephone or internet.

Although, for public health purposes, the Board of Directors strongly encourages you not to attend the Annual Meeting in person, if you want to vote your shares at the Annual Meeting on the day of the meeting, you will need to register and attend the Annual Meeting in person. 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. As previously mentioned, you may also receive one or more proxy cards from the Hildene Entities. **We urge you to only vote the Company’s WHITE Proxy Card and disregard any proxy cards you may receive from the Hildene Entities.**

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 only on routine matters if you do not instruct them how to vote on such matters. However, the election of directors is not considered to be a routine matter and, therefore, cannot be voted upon 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 will ensure that your shares will be voted at the Annual Meeting.

What if I change my mind after I return my proxy or I inadvertently returned the wrong 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 Annual Meeting. You may do this by:

- signing another **WHITE** 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.

If you have previously signed a proxy card sent to you by the Hildene Entities, you may change your vote by marking, signing, dating and returning the enclosed **WHITE** Proxy Card in the accompanying postage-paid envelope or by voting by telephone or via the internet by following the instructions on your **WHITE** Proxy Card. Submitting a proxy card you received from the Hildene Entities will revoke votes you have previously made via the Company's **WHITE** Proxy Card.

You should send any later-dated **WHITE** Proxy Card or notice of revocation to our proxy solicitor, Okapi Partners LLC, at the contact information set forth in the "Costs of Soliciting These Proxies" section of this Proxy Statement below. All items must be received not later than the close of business on April 28, 2021 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 proposals?

- **Proposal 1: Election of four directors.**

As a result of the Hildene Entities' intention to nominate two alternative director nominees, there will be more than four nominees. This means that the four candidates receiving the highest number of "FOR" votes will be elected. This number is called a plurality. A properly executed proxy card marked "WITHHOLD" with respect to a director nominee will be counted for purposes of determining whether there is a quorum at the Annual Meeting but will not be considered to have been voted for the director nominee. Broker non-votes will also not be considered to have been voted for any director nominee.

THE ONLY WAY TO SUPPORT ALL FOUR OF THE BOARD'S NOMINEES IS TO VOTE "FOR" THE BOARD'S NOMINEES ON THE WHITE PROXY CARD. PLEASE DO NOT SIGN OR RETURN ANY PROXY CARD YOU RECEIVE FROM THE HILDENE ENTITIES, EVEN IF YOU WITHHOLD ON THE HILDENE NOMINEES. DOING SO WILL CANCEL ANY PREVIOUS VOTE YOU CAST ON THE COMPANY'S WHITE PROXY CARD.

- **Proposal 2: Ratification of the appointment of Crowe LLP as our independent registered public accounting firm for the fiscal year ending on December 31, 2021.**

Shareholder ratification of the appointment of our independent registered public accounting firm will be approved if the votes cast “FOR” the proposal exceed the votes cast “AGAINST” the proposal. If you submit a properly executed **WHITE** Proxy Card or use the internet or telephone to indicate “ABSTAIN” on this proposal, your vote will not be counted as cast on this proposal. Because the Hildene Entities have initiated a proxy contest, broker non-votes likewise will not be treated as cast on this proposal. Accordingly, neither abstentions nor broker non-votes will have any legal effect on whether this matter is approved.

What options do I have for voting on the proposals?

You may vote “FOR” or “WITHHOLD” with respect to each nominee for director. You may vote “FOR,” “AGAINST” or “ABSTAIN” with respect to the appointment of Crowe LLP as our independent registered public accounting firm.

How are votes counted?

Voting results will be tabulated and certified by our independent inspector of election: First Coast Results, Inc.

How do I register to attend the Annual Meeting?

While for public health purposes the Board of Directors strongly discourages shareholders from attending the Annual Meeting in person, shareholders who wish to attend the meeting in person must register with our Investor Relations Department by Thursday, April 22, 2021, 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 proxy solicitor, Okapi Partners LLC, at the contact information set forth in the “Costs of Soliciting These Proxies” section of this Proxy Statement below.

PROPOSAL 1 -- ELECTION OF DIRECTORS

Our Board of Directors currently consists of eleven members and is divided into three classes: two classes with four directors each, and a third class with three directors. Effective as of the Annual Meeting, Charles Baker will be retiring from the Board of Directors. The Board of Directors thanks Mr. Baker for his many years of dedicated service to the Company. In conjunction with Mr. Baker's retirement, the Board of Directors resolved to reduce the total number of directors to ten effective as of the date of the Annual Meeting. 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. Four directors will be elected at the Annual Meeting and will serve until the 2024 Annual Meeting of Shareholders and until their successors have been elected and qualified.

The Board has nominated Mark A. Elste, Mark D. Henderson, Charles D. Mires, and Ronald E. Rhoades 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 on the Company's WHITE Proxy Card. 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 the 2024 Annual Meeting of Shareholders:

Name and Age	Serving Since	Principal Occupation
Mark A. Elste (66)	2011	Chairman of the Boards of CIB Marine Bancshares, Inc. and CIBM Bank.
Mark D. Henderson (60)	2017	Chief Information Officer and Vice Chancellor of University of Pittsburgh.
Charles D. Mires (60)	2010	Retired Director of Fixed Income & Alternative Strategies for private investment management firm and trust company.
Ronald E. Rhoades (66)	2010	Midwest Regional Manager of CKS Packaging, Inc.; former Chairman, President and CEO of plastic manufacturer, Plastic Container Corporation.

Information Regarding Continuing Directors

Continuing Directors Whose Terms Will Expire at the 2022 Annual Meeting of Shareholders:

Name and Age	Serving Since	Principal Occupation
JoAnn Cotter (59)	2019	Retired partner of accounting, tax and advisory firm, Wipfli LLP.
J. Brian Chaffin (63)	2015	President & CEO of CIB Marine Bancshares, Inc. and CIBM Bank.
John P. Hickey, Jr. (73)	2007	Retired President, CEO & Chairman of CIB Marine Bancshares, Inc. and CIBM Bank.

Continuing Directors Whose Terms Will Expire at the 2023 Annual Meeting of Shareholders:

Name and Age	Serving Since	Principal Occupation
Gina M. Cocking (50)	2019	Chief Executive Officer and Managing Director of investment banking firm, Colonnade Advisors, LLC.
Gary L. Longman (72)	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 (65)	2017	President & Chief Operating Officer of North American Company for Life and Health Insurance and Midland National Life Insurance Company.

Background to the Board’s Recommendation in Favor of the Company Nominees and Opposition to the Hildene Nominees

Over the past few years, the Board of Directors has pursued an ongoing succession planning process with a particular focus on equity, diversity, and inclusion that has resulted in a number of changes to the Board of Directors, including the recent addition of Mark Henderson, JoAnn Cotter and Gina Cocking to the Board. The Board believes that this pattern of strategic board additions has resulted in an ideal mix of both industry experience as well as the valuable injection of new perspectives. In addition, we have long had a representative of the holders of our preferred stock, Charles Mires, on the Board. The Board believes that the candidates proposed by the Hildene Entities are uniquely positioned to serve the interest of the Hildene Entities to the exclusion of other Company shareholders. To wit, the Hildene Entities stated in recent communications to shareholders that the Hildene Nominees, if elected, would support and work to implement a proposed recapitalization of the Company described in their communication and discussed in more detail below that would significantly benefit our preferred shareholders to the direct detriment of our continuing common shareholders, and would have a significant adverse effect on our ongoing operations. The Board is confident that its current mix of directors is the right mix for the Company, and that the interests of the preferred shareholders are competently represented by Mr. Mires’ service on the Board.

Board Recommendation

For this reason, the Board unanimously recommends that you vote “FOR” each of the Board’s four nominees on the enclosed WHITE Proxy Card and that you disregard any proxy cards you receive from the Hildene Entities. Proxies solicited by our Board will, unless otherwise directed, be voted “FOR” each of the Board’s four nominees for director.

PROPOSAL 2 – RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our independent registered public accounting firm for the fiscal year ended December 31, 2020 was Crowe LLP. Our Audit Committee has selected Crowe LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2021. 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 LLP are expected to attend the telephone conference of the 2021 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 properly presented prior to the Annual Meeting.

Board Recommendation

The Board of Directors recommends that you vote “FOR” ratification of Crowe LLP as our independent registered accounting firm for the fiscal year ended December 31, 2021. Proxies solicited by our Board will, unless otherwise directed, be voted to ratify the Board’s appointment of Crowe LLP as our independent registered public accounting firm for the fiscal year ended December 31, 2021.

OTHER MATTERS DISCUSSED IN COMMUNICATIONS FROM THE HILDENE ENTITIES

NOTE: The following discussion involves a proposal that the Hildene Entities intended to put forth for consideration by our shareholders at the 2021 Annual Meeting. However, after careful review and consideration, the Board determined that the proposal was not a proper matter for shareholder action at the 2021 Annual Meeting and, accordingly, it is not being brought forth for consideration by shareholders at the 2021 Annual Meeting.

Hildene Master Fund I is a holder of record and beneficial owner of Common Stock and a beneficial owner of our 7 Percent Fixed Rate Noncumulative Nonconvertible Perpetual Preferred Stock, Series A (“Series A Preferred Stock”) and 7 Percent Fixed Rate Noncumulative Perpetual Convertible Preferred Stock, Series B (“Series B Preferred Stock” and together with the Series A Preferred Stock, the “Preferred Stock”). In recent communications to the Company and to our shareholders, the Hildene Entities proposed a recapitalization of the Company consisting of: (1) a new issuance by us of an aggregate amount of at least \$20 million of subordinated notes (“Subordinated Debt Issuance”); (2) a partial mandatory redemption of our existing Series A Preferred Stock applied on a pro rata basis using the proceeds of the Subordinated Debt Issuance, at a redemption price equal to \$850.00 per share (*i.e.*, at a 15% discount to the liquidation amount) (the “Mandatory Series A Preferred Stock Redemption”); and (3) rights for us to optionally redeem the remaining Series A Preferred Stock and Series B Preferred Stock, at a redemption price equal to \$850.00 per share (*i.e.*, at a 15% discount to the liquidation amount) (the “Optional Preferred Stock Redemption”). The Hildene Entities proposed that this recapitalization plan be implemented through adoption of a Fifth Amendment to our Articles of Incorporation (the “Fifth Amendment”) that they also proposed to put forth to our shareholders for approval at the 2021 Annual Meeting. Under the Wisconsin Business Corporation Law, only the Board may propose an amendment to the Articles for submission to the shareholders. As described below, the Board does not support the Fifth Amendment and, as such, is not submitting it to the shareholders for approval.

Our dedication to a disciplined plan of Preferred Stock repurchase activity created substantial value for our shareholders. The repurchases were funded internally with no new debt incurred or stock issued. Each repurchase transaction was accretive to our book value. From June 2018 through June 2020, we repurchased 26% of our outstanding Preferred Stock (14,934 shares of Series A Preferred Stock and 1,175 shares of Series B Preferred Stock) at a weighted average price of \$717 per share. The aggregate purchase price for those repurchases totaled \$11.5 million, which represented a 29% discount, or \$4.6 million, to the stated liquidation value and a 13% discount, or \$2.1 million, to the carrying value of the shares. The shares of Series B Preferred Stock that we repurchased were convertible (in very limited circumstances) into 313,228 shares of common stock on a fully converted basis.

Given the success of those repurchases, and in the best interest of our continuing shareholders, in our 2020 annual shareholder meeting we proposed an amendment to our Articles of Incorporation that would have extended certain of the previous Article amendments that permitted us to engage in negotiated, voluntary, non-pro rata repurchases of our Preferred Stock. Our common shareholders approved that amendment, but the amendment was subsequently rejected by the holders of our Preferred Stock. As such, the previous amendments expired in accordance with their terms.

The recapitalization proposed by the Hildene Entities would benefit the holders of our Preferred Stock at the expense of our common shareholders by diluting our book value and detrimentally impacting our continuing operations. The recapitalization would require us to issue at least \$20 million of subordinated debt, which would incur interest expense. The proceeds would be used to repurchase shares of Series A Preferred Stock. Whereas we previously repurchased shares of Preferred Stock at a 29% discount to their stated liquidation value, the recapitalization would require a price of \$850 per share, which only represents a 15% discount to the stated liquidation value of the shares. Additionally, the recapitalization would mandate us to declare and pay 7% dividends on all outstanding shares of Series A Preferred Stock and Series B Preferred Stock (which would otherwise be noncumulative and on which we have never declared or paid a dividend) as a condition of any future repurchases.

The Board has significant concerns about the recapitalization proposed by the Hildene Entities:

1. Among the largest beneficiaries of the Recapitalization Proposal are Hildene, Hildene Master Fund I and Hildene Master Fund II (collectively, the “Hildene Funds”).
2. On what is currently noncumulative perpetual preferred stock that, to date, has never paid a dividend, the Hildene Funds would receive mandatory 7% dividends.
3. The Hildene Funds would receive \$850 per share for each share of Preferred Stock we repurchase from them, which is \$133 per share more than the average price we have paid in all prior Preferred Stock repurchases.
4. We would be required to incur significant debt and related interest expense. The impact on earnings from carrying the additional debt and paying the dividends would have a material adverse effect on our ongoing operations.
5. The recapitalization would effectively eliminate the two central beneficial features of our Preferred Stock: the noncumulative dividends and the perpetuity of the shares. In essence, the recapitalization would serve to create additional value for the holders of our Preferred Stock at the expense of our common shareholders by diluting our book value and detrimentally impacting our continuing operations.

For the above reasons, the Board of Directors does not consider the recapitalization to be in the best interest of the Company and our shareholders and, as such, is not submitting the recapitalization or the Fifth Amendment to our shareholders for consideration and vote at the 2021 Annual Meeting.

COSTS OF SOLICITING THESE PROXIES

The Company will pay all of the costs of soliciting these proxies. Our directors, officers and employees may solicit proxies in person or by e-mail or other electronic means or by telephone. We will not pay these directors, offices and employees any additional compensation for these services. We will ask banks, brokers and other nominees to forward these proxy materials to their principals and to obtain authority execute proxies. We will then reimburse them for their reasonable, out-of-pocket expenses.

In addition, we have retained Okapi Partners LLC to aid in the solicitation of proxies. If you have questions about the Annual Meeting or need assistance with voting your **WHITE** Proxy Cards, please contact our proxy solicitor:

Okapi Partners LLC
1212 Avenue of the Americas, 24th Floor
New York, NY 10036
Banks and Brokerage Firms, please call (212) 297-0720
Shareholders, please call (855) 305-0855
Via email at info@okapipartners.com

OTHER PROPOSED ACTION

We currently do not intend to bring any other business before the Annual Meeting and there are no other matters that 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 and our 2020 Financial Statements 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