



**NOTICE OF SPECIAL MEETING OF PREFERRED SHAREHOLDERS
OF CIB MARINE BANCSHARES, INC.**

To be held August 5, 2020

The Special Meeting of Preferred Shareholders of CIB Marine Bancshares, Inc. (the “Company”) will be held at CIBM Bank, 19601 W. Bluemound Road, Brookfield, Wisconsin 53045 on Wednesday, August 5, 2020 at 3:00PM, local time, for the following purposes, as more fully described in the accompanying Proxy Statement:

1. To approve a Fifth Amendment (the “Amendment”) to the Company’s Amended and Restated Articles of Incorporation, as 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 7 Percent Fixed Rate Noncumulative Convertible Perpetual Preferred Stock, Series B (“Series B Preferred” and, together with the Series A Preferred, the “Preferred Stock”).

2. To transact such other business as may properly come before the Special Meeting and any adjournment, postponement or continuation thereof.

All holders of Preferred Stock who wish to attend the meeting in person, must register in advance. Please refer to page two of the accompanying Proxy Statement for further information concerning attendance at the Special Meeting.

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

Whether or not you plan to attend the meeting, all preferred shareholders are urged to sign, date and complete the shareholder proxy enclosed and return it promptly in the envelope provided. You should receive a proxy card for each series of preferred stock you hold. **PLEASE COMPLETE AND RETURN ALL PROXY CARDS YOU RECEIVE.** Any preferred shareholder giving a proxy has the right to revoke it at any time before it is voted.

BY ORDER OF THE BOARD OF DIRECTORS,

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

July 1, 2020
Brookfield, Wisconsin

FOR THE HEALTH AND WELL-BEING OF OUR SHAREHOLDERS

Given the COVID-19 coronavirus outbreak at the time of mailing this Proxy Statement, shareholders are encouraged to attend this meeting via teleconference as attendance in person may subject the shareholder to unnecessary risk. Management and the Board of Directors of the Company will attend the meeting via teleconference, with the exception of essential personnel. Shareholders may register to attend the meeting in person and will be admitted, subject to public health directives. However, those in attendance agree to accept the increased health risks as a consequence of their attendance.

TELECONFERENCE INSTRUCTIONS

In order to access the teleconference of the Special Meeting, please dial 800-367-2403 (domestic) and provide Confirmation Code #9983299 to the greeter. Please note that listening to the teleconference of the Special 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 all completed Proxy Cards to us in advance of the Special Meeting in order for your attendance and vote to be counted.

CIB MARINE BANCSHARES, INC.
19601 West Bluemound Road
Brookfield, WI 53045
(262) 695-6010

PROXY STATEMENT FOR SPECIAL MEETING OF PREFERRED SHAREHOLDERS

The enclosed proxy is solicited on behalf of the Board of Directors of CIB Marine Bancshares, Inc. (the “**Company**” or “**CIB**”) for use at the Company’s Special Meeting of Preferred Shareholders (the “**Special Meeting**”) to be held Wednesday, August 5, 2020, at 3:00PM, local time, or at any adjournments or postponements thereof, for the purposes set forth in this Proxy Statement. The Special Meeting will be held at CIBM Bank, 19601 W. Bluemound Road, Brookfield, Wisconsin 53045.

Authority conferred by proxies

A form of proxy is being furnished by the Company to each preferred shareholder who is listed on the records of the Company as of the close of business on June 23, 2020. In each case, such proxy is solicited on behalf of the Board of Directors of the Company for use at the Special Meeting. Unless a contrary choice is specified in the proxy, each proxy duly executed and returned by a preferred shareholder and received by the Company before the Special Meeting will be voted FOR the proposal to approve the Fifth Amendment to Amended and Restated Articles of Incorporation, as amended. Where a contrary specification is indicated as provided in the proxy, the shares represented by the proxy will be voted in accordance with the specification made. Abstentions are considered as shares present and entitled to vote but are not counted as affirmative votes cast on the matter.

Revocability of proxies

A proxy submitted pursuant to this solicitation may be revoked by a preferred shareholder at any time before it is voted by (a) delivering a written notice to the Secretary of the Company or the acting secretary of the Special Meeting; or (b) giving oral notice to the presiding officer during the Special Meeting; or (c) duly executing a proxy bearing a later date; or (d) attending the Special Meeting and voting in person. The mere presence at the Special Meeting of a preferred shareholder who has returned a proxy will not constitute a revocation.

Voting and solicitation

Every preferred shareholder is entitled, for each share held of Series A Preferred and Series B Preferred, to one vote on each proposal that comes before the Special Meeting.

Pursuant to Sections 5.4(k)(ii) and 5.5(k)(ii) of the Amended and Restated Articles of Incorporation, as amended, the affirmative vote of the holders of a majority of the outstanding shares of the Series A Preferred and Series B Preferred, voting as separate voting groups (as opposed to cumulatively), is required to approve the proposal set forth in this proxy statement. The proposal has already been submitted to and approved by the Company’s common shareholders and, thus, will be acted upon if approved by the requisite holders of each class of Preferred Stock, voting as separate voting groups.

Special Meeting registration

Holders of Preferred Stock who wish to attend the meeting in person must register with our Investor Relations Department by Wednesday, July 29, 2020, 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. However, due to circumstances surrounding COVID-19, and for your own well-being, we encourage you attend via teleconference.

Further information

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

PROPOSAL

TO APPROVE THE FIFTH AMENDMENT TO AMENDED AND RESTATED ARTICLES OF INCORPORATION OF THE COMPANY, SUBSTANTIALLY IN THE FORM ATTACHED HERETO AS EXHIBIT A

General

At the Company's annual meeting of shareholders held on April 26, 2018, the Company's common shareholders approved a Second Amendment (the "**Second Amendment**") to its Amended and Restated Articles of Incorporation, as amended (the "**Articles of Incorporation**") to permit the Company to engage in certain voluntary repurchases of shares of its 7 Percent Fixed Rate Noncumulative Nonconvertible Perpetual Preferred Stock, Series A ("**Series A Preferred**") and 7 Percent Noncumulative Convertible Perpetual Preferred Stock, Series B ("**Series B Preferred**") and, together with the Series A Preferred the "**Preferred Stock**"), including in certain modified Dutch auctions, and thereby provide liquidity opportunities for holders of the Preferred Stock. The Second Amendment was previously approved by holders of Preferred Stock at a Special Meeting of Preferred Shareholders held on March 14, 2018 and the Second Amendment was filed with the Wisconsin Department of Financial Institutions in April 2018. Pursuant to the Second Amendment, certain provisions contained therein were to "spring back" after June 30, 2020, such that they would revert back to their pre-amendment status after such date.

Reasons for the Fifth Amendment to Amended and Restated Articles of Incorporation

The Company is proposing a Fifth Amendment (the "**Fifth Amendment**") to its Articles of Incorporation, a copy of which is set forth in **Exhibit A** to this proxy statement, to make permanent certain of the changes to the rights and preferences of the Company's Preferred Stock that permit the Company to engage in certain voluntary repurchases of shares of Preferred Stock in order to provide continued liquidity opportunities for such shareholders, as well as to provide continued opportunities for the Company to simplify its capital structure.

Summary of the Amendments

The proposed Fifth Amendment is attached as **Exhibit A** to this proxy statement. The proposed changes to the Articles of Incorporation contained in the Fifth Amendment are summarized below:

1. Effective June 30, 2020, the provisions of the Second Amendment that removed the requirement for the Company to declare and pay (or to 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 the Series A Preferred or Series B Preferred will expire in accordance with the terms of the Second Amendment. The Company is proposing to permanently remove this provision from the Articles of Incorporation to give it more flexibility to be able to

repurchase shares of Series A Preferred and Series B Preferred as the Board determines to be in the best interest of the Company's shareholders.

2. Effective June 30, 2020, the provisions of the Second Amendment that removed the requirement that any redemption of less than all of the Series A Preferred or Series B Preferred must be effected on a pro rata basis, as well as that all shares of Series A Preferred must be redeemed or repurchased before any shares of Series B Preferred may be redeemed or repurchased, will expire in accordance with the terms of the Second Amendment. The Company is proposing to permanently remove this provision from the Articles of Incorporation to give it more flexibility to be able to repurchase shares of Series A Preferred and Series B Preferred as the Board determines to be in the best interest of the Company's shareholders.

Certain of the provisions of the Second Amendment that are scheduled to expire on June 30, 2020 will not be affected by the Fifth Amendment and, as such, will "spring back" on June 30, 2020 regardless of whether the Fifth Amendment is approved by the preferred shareholders of the Company. The provisions of the Second Amendment that will expire on June 30, 2020 regardless of whether the Fifth Amendment is approved are as follows:

1. The provision that obligated the Company, under certain conditions, to engage in a series of modified Dutch auction tender offers; and
2. The provision that would terminate the conversion rights of the Series B Preferred in the event that the Company repurchased all shares tendered by holders of Preferred Stock in conjunction with one of the modified Dutch auctions that constitute Qualified Offers, as such term is defined in the Second Amendment.

Vote Required

Every Preferred Stock shareholder is entitled, for each share held of Series A Preferred and Series B Preferred, to one vote on each proposal that comes before the Special Meeting.

Pursuant to Sections 5.4(k)(ii) and 5.5(k)(ii) of the Articles of Incorporation, the affirmative vote of the holders of a majority of the outstanding shares of the Series A Preferred and Series B Preferred, voting as separate voting groups, is required to approve the Fifth Amendment.

Recommendation of Board of Directors

In order to provide continued liquidity opportunities to holders of the Company's otherwise illiquid Preferred Stock, as well as to provide continued opportunities for the Company to simplify its capital structure, the Board of Directors recommends a vote "FOR" approval of the Fifth Amendment substantially in the form attached as **Exhibit A** to this proxy statement.

OTHER MATTERS

As of the date of this proxy statement, management knows of no matters, other than those set forth herein that will be presented for consideration at the Special Meeting.

Separate proxy cards are enclosed for Series A Preferred and Series B Preferred shares. **Please complete and return all enclosed proxy cards.**

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

FIFTH 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**”), as amended (the “**Articles of Incorporation**”), be, and they hereby are, amended by deleting Section 5.4(e)(iv) in its entirety and replacing it with the following:

“(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 (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) or Parity Stock (subject in the case of Parity Stock to Subsection (e)(v) below), and no Common Stock, 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. 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; (III) the exchange or conversion of Junior Stock 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; or (IV) repurchases of shares of Series A Preferred Stock or Series B Convertible Preferred Stock permitted by Section 5.4(g)(i) below.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by adding the following sentence to the end of Section 5.4(g)(i):

“Nothing in this Section 5.4(g)(i), however, nor in Section 5.4(e)(iv), shall prevent the Corporation from entering into non-mandatory repurchases of shares of either Series A Preferred Stock or Series B Convertible Preferred Stock at any time, regardless of whether any other shares of Series A Preferred Stock or Series B Convertible Preferred Stock remain outstanding at the time of any such repurchase.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by striking the first sentence of Section 5.4(g)(iv) in its entirety, reading:

“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.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by striking the words “*pro rata*” from the first sentence of Section 5.4(g)(v).

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by deleting Section 5.5(e)(iv) in its entirety and replacing it 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) or Parity Stock (subject in the case of Parity Stock to Subsection (e)(v), below), and no Common Stock, 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. 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; (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; or (IV) repurchases of shares of Series A Preferred Stock or Series B Convertible Preferred Stock permitted by Section 5.5(g)(i) below.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by adding the following sentence to the end of Section 5.5(g)(i):

“Nothing in this Section 5.5(g)(i), however, nor in Section 5.5(e)(iv), shall prevent the Corporation from entering into non-mandatory repurchases of shares of either Series A Preferred Stock or Series B Convertible Preferred Stock at any time, regardless of whether any other shares of Series A Preferred Stock or Series B Convertible Preferred Stock remain outstanding at the time of any such repurchase.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by striking the first sentence of Section 5.5(g)(iv) in its entirety, reading:

“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.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by striking the words “*pro rata*” from the first sentence of Section 5.5(g)(v).