

## Ambanc Financial Services, Inc. Shareholder Transaction Policy and Procedure

### ***Purpose***

The Board of Directors and management of Ambanc Financial Services, Inc. (the “Company”) intend to establish this policy to provide an administrative framework to allow private buyers and sellers of the Company’s common stock to negotiate stock sales between themselves.

### ***Generally***

This Policy was adopted by the Board of Directors of the Company at its meeting on February 13, 2020, and may be amended or discontinued from time to time by the Board of Directors in its sole discretion.

### ***Compliance with Law***

It is the intention of the Board of Directors that this Policy and its implementation not conflict or be inconsistent with any provisions of applicable federal or state securities law, and any such conflict or inconsistency shall be interpreted and resolved in favor of compliance with such law.

### ***Maintenance of Interested Buyer and Seller Lists***

The Company intends to maintain a list of persons who have indicated to the Company a desire to sell or purchase Company shares. Prospective sellers and buyers of Company shares may negotiate between themselves and are not required to list their interest in either selling or buying Company shares with the Company.

Shareholders interested in selling shares of the Company’s common stock may submit sales offer information, using the Sales Offer Form, to either John Oathout or Patricia Frankenstein, the Company’s Authorized Stock Transaction Officers (the “AST Officers”), by mail c/o Ambanc Financial Services, Inc., P.O. Box 130, Beaver Dam, WI 53916, facsimile to (920) 885-2709, or email to [joathout@americanbankbd.com](mailto:joathout@americanbankbd.com) or [pfrankenstein@americanbankbd.com](mailto:pfrankenstein@americanbankbd.com). Offer information should include the following information with respect to the proposed sale: (i) the aggregate number of shares to be sold, (ii) the price at which the selling shareholder is willing to sell his or her shares, (iii) whether the selling shareholder is willing to sell his or her shares in multiple lots (in which case the minimum increments must be specified), or only in one all-or-none transaction, and (iv) any expiration date of the offer, which must be no later than one year from the date of offer. Any amendments to an offer to sell shares should also be submitted to the AST Officer in writing via an amended Sales Offer Form. Information included in an amended Sales Offer Form will supersede and replace any previously submitted Sales Offer Form.

Shareholders and other interested buyers may contact the Company to ask to be included on the list of prospective buyers of the Company’s common stock. Such interested

buyers may submit information using the Request to Be Included on List of Interested Purchasers Form found on the Company's website, [www.ambancbd.com](http://www.ambancbd.com) or obtained by request to Patricia Frankenstein via email to [pfrankenstein@americanbankbd.com](mailto:pfrankenstein@americanbankbd.com) or phone to 920-356-6982. Information provided should include the individual's or entity's name, contact information and number of shares desired to be purchased. The Company reserves the right to refuse to include any non-shareholder on the purchasers list for any reason not prohibited by applicable law.

To be included on the lists, interested purchasers and sellers will be required to provide written consent to have their name and contact information included on the list, and to agree that the list of current sellers will be provided to buyers upon request and vice versa.

Until the Board of Directors determines, in its sole discretion, that the Company will stop maintaining the list of interested buyers and sellers, the lists will be available upon request to all shareholders and any non-shareholder who is also included on the list.

### ***Potential Purchasers of Company Common Stock***

Individuals who indicate an interest in purchasing shares of the Company's common stock will be referred to an AST Officer. The AST Officer will inform such individual of shares that are being offered for sale by current shareholders of the Company, as well as the terms of such offers.

Buyers should be told to contact selling shareholders directly to negotiate the terms of any sale. Buyers may, but are not required to, use the Offer Acceptance Form in the form attached to this Policy to indicate the terms of the sale. To inform the Company that a deal to purchase Company shares has been reached, the buyer should mail (by email or otherwise) the terms of the accepted offer to one of the AST Officers as follows: c/o Ambanc Financial Services, Inc., P.O. Box 130, Beaver Dam, WI 53916, facsimile to (920) 885-2709, or email to [joathout@americanbankbd.com](mailto:joathout@americanbankbd.com) or [pfrankenstein@americanbankbd.com](mailto:pfrankenstein@americanbankbd.com). The acceptance form should indicate the number of shares that the shareholder and buyer have agreed to sell and buy, the price per share and aggregate purchase price for the shares. Delivery of the acceptance form will initiate the Company's right of first refusal. No separate notification of the proposed sale shall be required to trigger the Company's first refusal right.

The Offer Acceptance Form is for convenience only, and does not constitute legal advice by the Company. Shareholders are free to consult with an attorney, and all buyers and sellers may negotiate and undertake a purchase and sale of the Company's common stock without initiating the process through the mechanism outlined in this Policy (subject to the Company's right of first refusal, and applicable law).

### ***Sales Subject to Company's Right of First Refusal***

Any sale or transfer of stock to a "Restricted Transferee" as defined in Section 4.7 of the Company's Articles of Incorporation is subject to a transfer restriction under the Company's

Articles of Incorporation known as a “right of first refusal.” A copy of Section 4.7 of the Articles of Incorporation is summarized below. However, the Company and AST Officers should review Section 4.7 of the Articles of Incorporation for a complete list of permitted transferees and Restricted Transferees to determine whether the Company has a right of first refusal with respect to the Company shares that are being transferred.

#### **Summary of Company Right of First Refusal in Section 4.7 of the Articles of Incorporation**

A shareholder (or, as applicable, the representative of shareholder’s estate or any trust that owned the shares for the benefit of the shareholder at the time of the shareholder’s death) is permitted to transfer stock to any of the following without the prior approval of the Company (each, a “Permitted Transfer”):

- The shareholder’s spouse.
- The shareholder’s children, including stepchildren
- A trust or similar entity whose sole beneficiaries are such persons described above, or any lineal descendant thereof.
- The Company.
- The AMBANC ESOP.
- Any other transferee who is not a Restricted Transferee as set forth in the Company’s Articles of Incorporation.

If a shareholder wants to sell or transfer some or all of such shareholder’s shares other than in a Permitted Transfer, pursuant to Section 4.7 of the Articles of Incorporation, he or she must provide written notice of the proposed sale to the Company setting forth the terms of the proposed sale including, without limitation:

- Name and address of the prospective purchaser;
- Purchase price and other terms and conditions of payment;
- Date on or about which the sale is to be made; and
- Number of shares subject to the offer.

The shareholder must also provide a copy of the prospective purchaser’s written offer to purchase, which could but does not necessarily have to be in the form of the Offer Acceptance Form the Company provides.

#### **Offer Acceptance Form Constitutes Proper Notice**

As indicated in the “Potential Purchasers of Common Stock” section above, the confirmation by the selling shareholder of an Offer Acceptance Form from a potential purchaser shall constitute proper notice to the Company by the selling shareholder pursuant to the right of first refusal provision in the Company’s Articles of Incorporation. Otherwise, any acceptance form must contain at least the information set forth above regarding the nature of the sale transaction and must be provided to the Company to initiate the Company’s right of first refusal process.

The Company will have the right to purchase from the selling shareholder some or all the shares proposed to be sold. Within 30 days after the written notice of an agreed upon sale by the shareholder and the buyer, the Company will determine whether to exercise its purchase rights and will notify both the selling shareholder and the purchaser of:

- Its election to purchase the shares and the percentage and number of shares to be purchased; or
- Its election not to purchase the shares.

If the Company does not elect to purchase the shares identified in the Offer Acceptance Form or other indication of an accepted sale transaction, the shares may be sold to the proposed purchaser at the offered price. The purchaser will acquire the shares subject to the restrictions on transfer in the Company's Articles of Incorporation. If the shares are not sold within 30 days of the Company's notice of election not to purchase the shares, the provisions of Section 4.7 of the Company's Articles (the right of first refusal) re-attach to the shares if the shareholder had never notified the Company of the shareholder's intent to sell Company shares.

Subject to regulatory approvals and delays caused by the regulatory approval process, if the Company decides to exercise its right of first refusal with respect to the shares, the Company will buy the shares at the price established by the proposed purchaser in the Offer Acceptance Form or if the consideration to be paid is not in the form of cash or a promissory note, then at the price set forth in Section 4.7 of the Articles of Incorporation. The consideration shall be paid no later than 30 days following the Company's receipt of such form, subject to regulatory approval, if necessary.

### ***Completion of the Transaction***

Upon notice by the Company of its election not to purchase the shares, the purchaser and selling shareholder must take the following steps in order to complete the transaction:

1. If the selling shareholder has paper stock certificates, the shareholder must complete the appropriate transfer information on the back of the stock certificate and sign the stock certificate in space indicated. To accomplish this, the selling shareholder may complete the back of the stock certificate and bring or send it to the attention of an AST Officer, who will hold it as transfer agent for the shares. If the shareholder's ownership of Company stock is in book-entry form, the selling shareholder must complete and sign an assignment of stock certificate form provided by the Company.
2. The purchaser and selling shareholder must complete the transaction and the selling shareholder or the purchaser shall notify the AST Officer of the completion of the transaction.

3. No later than five (5) business days following the AST Officer's confirmation from either the selling shareholder or purchaser of the receipt of the purchase price, the AST Officer will record the transfer of stock in the Company's book-entry system and will deliver to the purchaser a receipt for the purchased shares.

### ***Company's Role in Transactions is Limited***

Transactions are privately negotiated transactions between the purchaser and the selling shareholder. The Company will not be involved in any transaction between purchasers and selling shareholders, except that it will do the following:

1. Maintain a list of individuals interested in buying and selling shares of the Company's common stock and administratively facilitate transactions between such individuals (which, as discussed in this Policy, does not include helping buyers and sellers negotiate the price or terms of the transaction, or taking possession of the purchase price or stock certificates, other than receiving certificates submitted for cancellation and re-issuance to buyers (in book-entry form));
2. Post the book value of the Company's common stock as of the most recent semiannual FR Y-9SP report for the Parent Company Only Financial Statement For Small Bank Holdings Companies on the Company's website. It should be noted that book value of the Company's common stock may not be representative of the fair market value of such shares.
3. Provide information with respect to recent trades in the Company's common stock known to the Company, including the number of shares, date of transfer and price, each to the extent known to the Company. The information does not necessarily include all prices paid by all purchasers, and the Company will not independently confirm the prices disclosed to it.
4. Serve as transfer agent to transfer shares of common stock on the books of the Company.

In connection with stock sales and purchases between third parties, the Company will not become involved in negotiations between buyers and sellers, escrow funds or take possession of the stock certificates (except in its capacity as transfer agent), or provide information to any party other than as set forth above or information that is otherwise publicly available, such as the Company's FR Y-9SP information filed twice a year with the Board of Governors of the Federal Reserve. In addition, none of the Company, the Bank, nor any officer, director or employee of the Company or the Bank may charge or receive any compensation relating to the submission of offer information or any resulting transaction facilitated through an AST Officer.

Neither the Company nor the Bank is registered as a national securities exchange, securities information processor, broker, dealer or investment advisor. Absent an available exemption, the registration requirements of the federal securities laws apply to all offers and sales using the mechanism set forth in this Policy. All applicable federal and state securities laws (including the anti-fraud and anti-manipulation provisions) apply to any offer made or transaction consummated using the mechanism set forth in this Policy.

The information communicated by any AST Officer does not consist of firm quotes, but rather is information with respect to shares that current shareholders may be willing to sell, along with the price at which current shareholders have indicated they may be willing to sell. Neither the Company nor the Bank can assure that any particular transaction will occur as to any particular number of shares or at any particular price. All transactions are between the participants independent of the Company, the Bank or any of their employees, officers or directors.

Shareholders are not required to use the mechanism set forth in this Policy to sell shares. Parties may always undertake the purchase and sale of shares independent of this process, subject to applicable law and the Company's Articles and Bylaws (including the right of first refusal). Parties seeking to buy and sell the Company's common stock are and should be encouraged to consult with their own legal and financial advisors.