

M&F BANCORP, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 3, 2025

TO OUR STOCKHOLDERS:

You are invited to attend the 2025 annual meeting of stockholders (the “Annual Meeting”) of M&F Bancorp, Inc. (the “Corporation”) to be held in the Ballroom at the **DoubleTree by Hilton Hotel, 4810 Page Creek Lane, Durham, North Carolina 27703, on Tuesday, June 3, 2025, at 10:00 a.m. local time.**

At the Annual Meeting, you will be asked to:

1. Elect six people to serve on the Board of Directors of the Corporation until the 2026 annual meeting of stockholders or until their successors are elected and qualified;
2. Ratify the appointment of Elliott Davis, PLLC as the independent auditor for the Corporation for the fiscal year ending December 31, 2025; and
3. Consider any other business that may properly be brought before the Annual Meeting or any adjournment thereof. The Board of Directors does not know of any other business to be considered at the Annual Meeting.

Stockholders of record at the close of business on April 4, 2025, are entitled to vote at the Annual Meeting or any adjournment thereof. In the event there are not sufficient shares present in person or by proxy to constitute a quorum or to approve or ratify any proposal at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies by the Corporation.

BY ORDER OF THE BOARD OF DIRECTORS



James H. Sills III
President and Chief Executive Officer

Durham, North Carolina
April 21, 2025

You may vote your shares at the Annual Meeting, via the internet, by telephone, by mail, or in person. You are urged, regardless of the number of shares you hold, to register your proxy promptly by following the instructions on the proxy card or the Notice of Internet Availability of Proxy Materials prior to the Annual Meeting.

M&F BANCORP, INC.
2634 Durham Chapel Hill Blvd., Suite 101
Durham, North Carolina 27707
(919) 687-7800

PROXY STATEMENT

This Proxy Statement is being furnished to stockholders of M&F Bancorp, Inc. (the “Corporation”) in connection with the solicitation by the Board of Directors of the Corporation (the “Board of Directors” or the “Board”) of proxies to be used at the 2025 annual meeting of stockholders (the “Annual Meeting”) and at any adjournments of the Annual Meeting.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
ANNUAL MEETING TO BE HELD ON JUNE 3, 2025.**

The Notice, Proxy Statement, Form of Electronic Proxy Card and the Annual Report
for the fiscal year ended December 31, 2024, are also available at:

<https://www.mfbonline.com/investor-relations>

INFORMATION ABOUT THE ANNUAL MEETING

When and Where is the Annual Meeting?

The Annual Meeting will be held at **10:00 a.m. local time on June 3, 2025, in the Ballroom at the DoubleTree by Hilton Hotel, 4810 Page Creek Lane, Durham, North Carolina 27703.** Directions are available on the Corporation’s website at www.mfbonline.com, or by calling the Corporation’s toll-free number, 1-800-433-8283 Ext. 8616.

What Matters will be Voted on at the Annual Meeting?

At the Annual Meeting, you will be asked to:

- Elect six people to serve on the Board of Directors until the annual meeting of stockholders in 2026 or until their successors are elected and qualified;
- Ratify the appointment of Elliott Davis, PLLC (“Elliott Davis”) as the Corporation’s independent auditor for the fiscal year ending December 31, 2025; and
- Consider and vote upon any other business that may properly come before the Annual Meeting or any adjournment thereof.

Who is Entitled to Vote?

Only stockholders of record at the close of business on the record date, April 4, 2025 (the “Record Date”), are entitled to receive notice of and to vote at the Annual Meeting. On the Record Date there were 1,959,587 shares of the Corporation’s common stock outstanding and there were approximately 720 stockholders of record, not including stockholders whose stock is held in nominee or “street” name.

Is there Cumulative Voting?

Each share of the Corporation's common stock is entitled to one vote on each matter considered at the Annual Meeting, except that stockholders can cumulate their votes in the election of directors. Cumulative voting is a system of voting whereby each stockholder receives a number of votes equal to the number of shares of common stock that the stockholder holds as of the record date multiplied by the number of directors to be elected. Thus, for example, if you held 100 shares as of the record date, you would be entitled to cast 600 votes (100, the number of shares held, multiplied by six, the number of directors to be elected) for the election of directors. Cumulative voting can be used only for the election of directors and is not permitted for voting on any other proposal.

What Constitutes a Quorum?

The presence at the Annual Meeting, in person or by proxy, of a majority of the outstanding shares eligible to vote at the Annual Meeting is required for a quorum. Abstentions, broker non-votes and votes withheld from any director nominee count as "shares present" at the Annual Meeting for purposes of determining a quorum.

What Vote is Required to Approve Each Proposal?

Election of Directors. The six nominees for election as directors who receive the greatest number of votes will be elected directors. Votes may be cast in favor of some or all of the nominees or withheld as to some or all of the nominees.

Ratification of Independent Auditor. The Audit and Risk Committee of the Board of Directors has appointed Elliott Davis as the Corporation's independent auditor for the year ending December 31, 2025. Ratification of this proposal will require the affirmative vote of the holders of a majority of the shares of common stock voted on the proposal.

Other Matters. Any other matters presented for consideration at the Annual Meeting or any adjournment thereof will require the affirmative vote of the holders of a majority of the shares of common stock voted on the matter. Management currently knows of no other matters to be presented at the Annual Meeting.

Abstentions and Broker Non-Votes. Abstentions and broker "non-votes" are not counted as votes cast. A broker "non-vote" occurs when a nominee or broker holding shares for a beneficial owner does not vote on a particular proposal because the nominee or broker has not received instructions from the beneficial owner and does not have discretionary voting power for that particular item. Accordingly, abstentions and broker "non-votes" will have no effect on either the proposal to elect directors or the proposal to ratify Elliott Davis as the Corporation's independent auditor.

Please note that whereas previously the uncontested election of directors was deemed a "routine" matter for which a nominee or broker could exercise discretionary voting power, the uncontested election of directors is now deemed "non-routine," and as such, most nominees or brokers may not exercise discretionary voting power. **You should therefore provide your nominee or broker with instructions as to how to vote your shares.**

How Do I Vote?

Stockholders are requested to submit their proxy by following the instructions on the proxy card or the Notice of Internet Availability of Proxy Materials. Stockholders may vote in person, by mail via the proxy card, by telephone, or via the internet. Any stockholder may vote for or withhold his or her vote as to some or all of the nominees in the election of directors; and may vote for, against or abstain with respect to any other matter to come before the Annual Meeting. **If the proxy is properly completed and voted via the internet, by telephone or in writing, and not revoked, it will be voted in accordance with the instructions given. If the proxy is returned with no instructions given, the proxy will be voted FOR all the proposals described in this Proxy Statement. If instructions are given for some but not all proposals, the instructions that are given will be followed and the proxy will be voted FOR the proposals on which no instructions are given.** If any other matters are properly presented at the Annual Meeting for consideration, the persons named in the proxy will have discretion to vote on

those matters according to their best judgment. “Street name” stockholders who wish to vote in person at the Annual Meeting will need to obtain a proxy form from the institution that holds their shares.

Can I Change My Vote After I Submit My Proxy?

Yes. Even after you have submitted your proxy, your proxy can be withdrawn at any time before it is voted by:

- delivering written notice to the Corporate Secretary, M&F Bancorp, Inc., 2634 Durham Chapel Hill Boulevard, Suite 101, Durham, North Carolina 27707, before the vote at the Annual Meeting, or
- completing and returning a later dated proxy card, or
- re-voting via telephone before the cut-off time indicated on the proxy card or the Notice of Internet Availability of Proxy Materials, or
- re-voting via the internet before the cut-off time indicated on the proxy card or the Notice of Internet Availability of Proxy Materials, or
- attending the Annual Meeting and voting in person.

Who Pays the Cost of Soliciting Proxies?

The Corporation will pay the cost of preparing, printing and mailing materials in connection with this solicitation of proxies. In addition to solicitation by mail, our officers, directors (including those nominees for election as a director) and employees, as well as those of Mechanics and Farmers Bank (the “Bank”), may make solicitations personally, by telephone or otherwise without additional compensation for doing so. While the Corporation has no current plans to engage a proxy solicitation firm, it reserves the right to do so, if necessary, to assist in the solicitation of proxies for the Annual Meeting. The Corporation will upon request, reimburse brokerage firms, banks and others for their reasonable out-of-pocket expenses in forwarding proxy materials to beneficial owners of stock or otherwise in connection with this solicitation of proxies.

STOCK OWNERSHIP

Who are the Owners of the Greatest Percentage of the Corporation's Common Stock?

The following table shows all “persons” or “groups,” as defined in the Securities Exchange Act of 1934, as amended, who are known to the Corporation to beneficially own more than 5% of the Corporation's common stock as of the Record Date. According to rules promulgated by the Securities and Exchange Commission (the “SEC”), a person is the “beneficial owner” of securities if the person has or shares the power to vote them or to direct their investment, or has the right to acquire ownership of such securities within 60 days through the exercise of an option, warrant, right of conversion of a security, or otherwise.

<u>Name and Address of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership¹</u>	<u>Percent of Outstanding Common Stock²</u>
Ms. Julia W. Taylor, Trustee Julia W. Taylor Trust 300 Clynelish Close Pittsboro, NC 27312-3806	159,614	8.1%
Exploration Capital Fund, LLP 250 East 200 South, Floor 16 Salt Lake City, UT 84111	198,000	10.1%
Mr. James I. Anthony, Jr. 1201 Edwards Mill Road, Suite 300 Raleigh, NC 27607	134,009	6.8%

¹ Unless otherwise noted, all shares are owned directly of record by the named persons, their spouses and minor children, or by other entities controlled by the named persons.

² Based upon a total of 1,959,587 shares of common stock outstanding as of the Record Date.

How Much Stock Do Directors, Nominees and Executive Officers of the Corporation and the Bank Own?

Set forth below is certain information, as of the Record Date, regarding shares of common stock owned beneficially by certain executive officers of the Corporation and the Bank (the “named executive officers”), current and former members of the Board and the Board of Directors of the Bank (the “Bank Board”), and the current and former directors and named executive officers as a group.

<u>Name and Address of Beneficial Owner</u>	<u>Number of Shares</u>	<u>Number of Stock Options</u>	<u>Total Beneficial Ownership¹</u>	<u>Percent of Outstanding Common Stock²</u>
Emma S. Allen Director of the Bank 630 Calvert Street Charlotte, NC 28208	690	625	1,315	*
Allen M. Chan Director of the Corporation and the Bank 206 Faison Road Chapel Hill, NC 27517	210	625	835	*

<u>Name and Address of Beneficial Owner</u>	<u>Number of Shares</u>	<u>Number of Stock Options</u>	<u>Total Beneficial Ownership¹</u>	<u>Percent of Outstanding Common Stock²</u>
Willie T. Closs, Jr. Director of the Corporation and the Bank 1014 Woodhall Lane Durham, NC 27712	5,070	2,500	7,570	*
Randall C. Hall Executive Vice President and Chief Financial Officer of the Corporation and the Bank 2634 Durham Chapel Hill Boulevard, Suite 101 Durham, NC 27707	---	4,000	4,000	*
Michael L. Lawrence Director of the Corporation and the Bank 128 W. Harden Street Graham, NC 27253	3,261	625	3,886	*
Cedric L. Russell Director of the Bank 1616 Eagle Crest Drive Pfafftown, NC 27040	704	2,500	3,204	*
James H. Sills III President, Chief Executive Officer and Director of the Corporation and the Bank 2634 Durham Chapel Hill Boulevard, Suite 101 Durham, NC 27707	12,500	5,000	17,500	*
James A. Stewart Director of the Corporation and the Bank 3604 Shannon Road, Suite 103 Durham NC 27707	46,527	3,000	49,527	2.5%
Connie J. White ³ Director of the Corporation and the Bank P.O. Box 555 Durham, NC 27702	11,604	2,500	14,104	*
Directors, Nominees and Executive Officers as a group (9 people)	80,566	21,375	101,941	5.2%

* Represents less than 1% of the Corporation's outstanding common stock.

- ¹ Unless otherwise noted, all shares of common stock are owned directly of record by the named individuals, their spouses and minor children, or by other entities controlled by the named individuals. None of the named individuals has pledged any shares of common stock as security.
- ² Based upon a total of 1,959,587 shares of common stock of the Corporation outstanding as of the Record Date. Shares of common stock that a person has the right to acquire within 60 days of the Record Date are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors, nominees and executive officers as a group.
- ³ Includes 24 shares of common stock held jointly with her brother.

PROPOSAL 1: ELECTION OF DIRECTORS

General

The Corporation's Articles of Incorporation authorize the Board to fix the number of directors from time to time within a range of no fewer than three or more than nine people. The Board has fixed the number of directors for the coming year at six.

Directors are nominated and elected for one-year terms. The individuals elected as directors at this Annual Meeting will hold office until the 2026 annual meeting of stockholders or until their successors are elected and qualified.

Each nominee for director has indicated that he or she is able and willing to serve on the Board. If any nominee becomes unable to serve, the common stock represented by all properly completed proxies will be voted for the election of a substitute nominee recommended by the Board. At this time, the Board knows of no reason why any nominee might be unavailable to serve or why a substitute nominee would be required.

Nominees for Election at the Annual Meeting

Each of the nominees for director bring special skills and attributes to the Board through a variety of levels of education, business experience, director experience, banking experience, philanthropic interests, and community involvement. Information about the nominees for election at the Annual Meeting is presented below, along with a brief discussion of the specific experience, qualifications, attributes or skills that led the Corporate Governance and Nominating Committee to recommend and our Board to nominate these individuals for election at the Annual Meeting. The age of each director is given as of April 1, 2025.

Allen M. Chan, age 61, has served as a director of the Corporation since 2023, and of the Bank since 2022. He serves on the Bank's Asset Liability Committee and the Information Technology Committee. Mr. Chan is a consultant, working in an advisory capacity for chief executive officers and boards of directors at Christoph Zeiss Partners. Previously, Mr. Chan was a Managing Director at Diversified Search, where he identified and recruited board members and chief executive officers for for-profit and not-for-profit organizations. Prior to his role at Diversified Search, Mr. Chan served as Executive Director at the Robertson Scholars Leadership Program from 2012 to 2020 – a prominent leadership development program for undergraduates at UNC-Chapel Hill and Duke University. Mr. Chan also serves on the following boards: National Advisory Board Member for the Salvation Army USA, Kenan Institute of Private Enterprise, and Morehouse College. He has attended the North Carolina Bankers Association Bank Directors' Assembly ("Directors' Assembly"). He earned a Bachelor of Science degree in Petroleum Engineering from Texas A&M University and a Master's degree in Business Administration from Stanford Graduate School of Business. Mr. Chan has over seven years of banking experience.

Willie T. Closs, Jr., age 69, has served as a director of the Corporation since 2002, and of the Bank since 2005. He is Vice Chair of the Board and the Bank Board. He has served on a variety of committees of both the Corporation and the Bank, and presently serves as Chairman of the Audit and Risk Committee and the Compensation Committee. Mr. Closs is a certified public accountant, with over 36 years' experience in corporate accounting. Mr. Closs is a financial consultant and, until May 2016, was Chief Financial Officer of St. Augustine's University. Previously, Mr. Closs was Executive Vice President and Controller of North Carolina Mutual Life Insurance Company ("NC Mutual"), and prior to that, was an auditor with both Deloitte & Touche and Arthur Andersen,

where he served as the first independent external auditor of the Bank. He is a graduate of the North Carolina Bank Directors' College ("Directors' College") and has attended courses at the Commissioner of Banks' Advanced Directors' College ("Advanced Directors' College") and the Barret School of Banking. Mr. Closs has attended the Directors' Assembly. He earned a Bachelor of Arts degree in Accounting and Business from Morehouse College and a Master's degree in Business Administration from Duke University. Mr. Closs has over 26 years of banking experience.

Michael L. Lawrence, age 54, has served as a director of the Corporation since 2006, and of the Bank since 2005. He has served on a variety of committees of both the Corporation and the Bank, and presently serves as Vice-Chairman of the Audit and Risk Committee, Chairman of the Information Technology Committee and Chair of the Compliance Committee. Mr. Lawrence is a certified public accountant, with over 30 years' experience in accounting. He is the Chief Financial Officer and Treasurer at Alamance Farmers' Insurance Company. Mr. Lawrence served as the President and Chief Executive Officer of NC Mutual from 2016 to 2019, and as Chief Financial Officer of NC Mutual between 2012 and 2015. Between 2003 and 2011, Mr. Lawrence served as the Chief Financial Officer and Chief Operating Officer of NCM Capital Management Group, Inc. ("NCM Capital"). Between 1993 and 2003, Mr. Lawrence was an assurance and advisory Senior Manager with Deloitte & Touche serving the financial services industry. He is a graduate of the Directors' College, and has attended courses at the Advanced Directors' College. He earned a Bachelor of Arts degree in Accounting from North Carolina State University. Mr. Lawrence has over 30 years of banking and financial services experience.

James H. Sills III, age 66, has served as a director of the Corporation and the Bank since 2014. His background includes a unique combination of executive experience within large-scale banking operations, community banks, and government organizations. In August of 2014, Mr. Sills was named President and Chief Executive Officer of the Corporation and the Bank. Prior to this position, Mr. Sills was appointed by Delaware Governor Jack Markell as the Cabinet Secretary and Chief Information Officer (CIO) for the State of Delaware, Department of Technology and Information in January 2009. Mr. Sills currently serves on the following boards: Federal Reserve Bank of Richmond, where he is the chair of the Audit and Risk Committee; Independent Community Bankers of America (ICBA); National Bankers Association (NBA) and on the board of visitors of North Carolina Central University. Mr. Sills received a Bachelor of Arts degree from Morehouse College and a Master's degree in Public Administration from the University of Pittsburgh. He is also a graduate of the University of Wisconsin School of Banking. In the past, Mr. Sills has served as chairman of the North Carolina Bankers Association, representing the nation's 10th largest banking market; Secretary and Executive Committee member of the ICBA; member of the NC Chamber of Commerce; and member of the FDIC Minority Banking Advisory Committee. Mr. Sills has over 35 years of banking and technology management experience.

James A. Stewart, age 76, has served as a director of the Corporation since 2008, and of the Bank since 2002. He is Chairman of the Board and the Bank Board. He has served on a variety of committees of both the Corporation and the Bank, and presently serves as Chairman of the Strategic Issues and Planning Committee and the Executive Committee. Mr. Stewart is a commercial real estate broker/consultant, and is associated with the following firms: Stewart Investment Properties, Inc. (Principal); Majaja, Inc. and Clearview Housing Corporation (President); Clearview Commercial Properties, LLC and Camellia Associates, LLC (Member/Manager); and the real estate firm of Stewart, Martin & McCoy, LLC. He previously was a real estate broker with Anthony & Company. Prior to entering the brokerage business, Mr. Stewart served in various positions in engineering and marketing with the IBM Corporation from which he retired in June 2000. He is a graduate of the Directors' College, and has attended courses at the Advanced Directors' College and the Barret School of Banking. He earned a Bachelor of Science degree in Mechanical Engineering and a Master's degree in Business Administration, both from North Carolina State University. Mr. Stewart has served on a number of local boards, and continues to serve on the boards of Clearview Housing Corporation and Majaja Inc. Mr. Stewart has over 20 years of banking experience.

Connie J. White, age 72, has served as a director of the Corporation since 2010, and of the Bank since 2002. She previously served as Vice Chair of the Board and Bank Board, and has served on a variety of committees of the Bank, and presently serves as Chair of the Asset Liability Committee and Chair of the Director's Loan Committee. Until her retirement in 2017, Ms. White worked as an independent management consultant. She also has over 26 years' experience working for Price Waterhouse, Burroughs Corporation and US WEST and its subsidiaries. She has held positions in Pension Investment and Cash Management, Strategic Planning and Marketing. She was Vice President of Marketing Operations for Genrobot Corp., before becoming Product Director for Small Business

Telephony at AT&T Broadband in 2000. Her career experiences have included positions at the Corporate, Division and Operating Unit levels. She is a graduate of the Directors' College and has attended courses at the Advanced Directors' College. She has received a Certificate of Education from the National Association of Corporate Directors. She earned a Bachelor of Science degree from Hampton University and a Master's degree in Business Administration from the University of Wisconsin-Madison. Ms. White has served on the board of the Durham County ABC, and on the North Carolina Legislative Black Caucus Foundation where she held the position of Treasurer. Ms. White has over 20 years of banking experience.

Independence

The Board has determined that each of the above-named nominee directors, except for Mr. Sills, are "independent," as determined pursuant to the NASDAQ listing standards.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THESE SIX NOMINEES AS DIRECTORS OF THE CORPORATION FOR THE COMING YEAR.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

How Often Did the Board of Directors Meet During 2024?

During the year ended December 31, 2024, the Board of Directors held ten meetings. All of the continuing directors of the Corporation attended at least 75% of the aggregate number of meetings of the Board of Directors and committees of the Board on which they served during the year.

How Often Did the Bank Board Meet During 2024?

During the year ended December 31, 2024 the Bank Board held ten meetings. All of the continuing directors of the Bank attended at least 75% of the aggregate number of meetings of the Bank Board and Bank Board committees on which they served during the year.

What is the Corporation's Policy for Director Attendance at Annual Meetings?

Although it is customary for all members of the Board to attend, the Corporation has no formal policy in place with regard to Board members' attendance at its annual meetings of stockholders. All Board members attended the Corporation's 2024 annual meeting of stockholders, which was held on June 4, 2024.

How Can a Stockholder Communicate with the Board or its Members?

The Corporation does not have a formal procedure for stockholder communication with the Board. In general, the Board members and executive officers are easily accessible by telephone, postal mail or electronic mail. Any matter intended for the Board, or for any individual member or members of the Board, can be directed to James H. Sills III, the Corporation's President and Chief Executive Officer, or Valerie M. Quiett, the Corporation's Secretary at the following address with a request to forward the same to the intended recipient: M&F Bancorp, Inc., 2634 Durham Chapel Hill Boulevard, Suite 101, Durham, North Carolina 27707. Alternatively, stockholders may direct correspondence to the Board, or any of its members, care of the Corporation at the above address. In addition, stockholders may contact the Board via the Corporation's website at www.mfbonline.com or by telephone, using the Corporation's toll-free number, 1-800-433-8283. The Board has delegated to the Secretary, or her designee, responsibility for determining in her discretion whether the communication is appropriate for director, committee or Board consideration. According to the policy adopted by the Board, the Secretary is required to direct all communications regarding personal grievances, administrative matters, the conduct of the Bank's ordinary business operations, billing issues, product or service related inquiries, order requests, and similar issues to the appropriate individual within the Corporation or the Bank. All other communications are to be submitted to the Board as a group, to the particular director or committee to whom it is directed or, if appropriate, to the director or committee the Corporate Secretary believes to be the most appropriate recipient, as the case may be.

What Board Committees Have Been Established?

The Board has four standing committees, the Audit and Risk Committee, Strategic Issues and Planning Committee, Corporate Governance and Nominating Committee, and the Compensation Committee. The Compensation Committee is a joint committee of the Board and the Bank Board.

Audit and Risk Committee. The Audit and Risk Committee reviews the engagement of the Corporation's independent auditor, reviews quarterly and annual consolidated financial statements, considers matters relating to accounting policy and internal controls, discusses significant accounting estimates with management and with the independent auditor, reviews whether non-audit services provided by the independent auditor affect the auditor's independence and reviews the scope of the annual audits in accordance with its written charter.

The Audit and Risk Committee consists of directors Willie T. Closs, Jr., Chairman, Michael L. Lawrence and Connie J. White. There were five meetings of the Audit and Risk Committee during the year ended December 31, 2024.

The Board has determined that: (i) each Committee member satisfies the NASDAQ's independence standards and the independence standards established by the SEC; (ii) each Committee member is financially literate and has accounting or related financial management expertise, in each case as required by the NASDAQ's corporate governance standards applicable to audit committee composition; and (iii) three of the Committee members have the requisite attributes of an "audit committee financial expert" as defined by regulations promulgated by the SEC and that such attributes were acquired through relevant education and/or experience.

The Audit and Risk Committee has adopted a written charter which is reviewed annually, and was reviewed and restated on December 9, 2024 and approved by the Board on January 28, 2025. A copy of the charter is available on the "Investor Relations – Governance Documents" page of the Corporation's website at www.mfbonline.com.

Report of Audit and Risk Committee. The Audit and Risk Committee has reviewed and discussed with management the Corporation's audited financial statements for the fiscal year ended December 31, 2024. The Committee has discussed with the Corporation's independent auditor the matters required to be discussed by the Statement on Auditing Standards No. 114, The Auditor's Communication with those Charged with Governance, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380). The Committee has received the written disclosures and the letter from the independent auditor required by applicable requirements of the AICPA regarding the independent auditor's communications with the Committee concerning independence, and has discussed with the independent auditor the independent auditor's independence. Based upon the Committee's review and discussions with management and the independent auditor referenced above, the Committee recommended to the Board that the Corporation's audited financial statements be included in the Corporation's Annual Report. The Committee also reappointed Elliott Davis as the Corporation's independent auditor for the fiscal year ending December 31, 2025, and the Board concurred in the appointment.

Members of the Audit and Risk Committee

Willie T. Closs, Jr., Chairman
Michael L. Lawrence, Vice Chairman
Connie J. White

Strategic Issues and Planning Committee. The Strategic Issues and Planning Committee assists in influencing the future direction of the Corporation. The Committee recommends planning issues and policies to the Board, monitors the planning activities of the Corporation's officers, and makes recommendations as appropriate, to the officers and directors of the Corporation.

The Strategic Issues and Planning Committee consists of the entire Board, and is chaired by James A. Stewart. The Board regularly met during 2024 to consider strategic issues and the future direction of the Corporation.

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee establishes corporate governance principles, evaluates qualifications and candidates for positions on the Board,

nominates new and replacement members for the Board and recommends Board committee composition. In addition, the Committee facilitates an annual evaluation by Board members of the Board and individual director performance.

The Corporate Governance and Nominating Committee consists of directors James A. Stewart, Chairman, Willie T. Closs, Jr., Allen M. Chan, Michael L. Lawrence and Connie J. White. The Committee met two times during the year ended December 31, 2024.

The Corporate Governance and Nominating Committee has adopted a written charter which is reviewed annually, and was reviewed on January 28, 2025. Additionally, the Corporation has established Corporate Governance Policies which are reviewed annually, and were reviewed on January 28, 2025 and again on February 25, 2025. Copies of this charter and the Corporate Governance Policies are available on the “Investor Relations – Governance Documents” page of the Corporation’s website at www.mfbonline.com.

Process for Nominating Directors. The Corporate Governance and Nominating Committee reviews the qualifications of, and approves and recommends to the Board, those individuals to be nominated for positions on the Board and submitted to stockholders for election at each annual meeting of stockholders. The Committee identifies director nominees from various sources such as officers, directors, and stockholders.

The Corporate Governance and Nominating Committee currently has no written policy with regard to the consideration of director candidates recommended by stockholders, however, as a matter of practice the Committee will consider and evaluate a director candidate recommended by a stockholder in the same manner as a Committee-recommended nominee. Any stockholder who wishes to recommend a candidate for consideration by the Committee should submit his or her recommendation in writing to the Corporation’s Secretary and provide the Secretary with such information as the Committee may reasonably require to properly consider the candidate’s suitability. The Committee assesses all director nominees taking into account several factors including, but not limited to, issues such as the current needs of the Board and the nominee’s: (i) integrity, honesty and accountability; (ii) successful leadership experience and strong business acumen; (iii) forward-looking, strategic focus; (iv) collegiality; (v) independence and absence of conflicts of interests; (vi) ability to devote necessary time to meet director responsibilities; and (vii) ability to commit to Corporation stock ownership. Where appropriate, the Committee will ultimately recommend nominees whom it believes will enhance the Board’s ability to oversee and direct, in an effective manner, the affairs and business of the Corporation. Additional factors the Committee may consider in evaluating candidates include: (i) relevant business experience; (ii) judgment, skill and reputation; (iii) number of other boards on which the candidate serves; (iv) other business and professional commitments; (v) lack of potential conflicts of interest with other pursuits; (vi) whether the candidate is a party to any action or arbitration adverse to the Corporation; (vii) financial and accounting background to enable the Committee to determine whether the candidate would be suitable for Audit and Risk Committee membership or qualify as an “audit committee financial expert;” (viii) executive compensation background, to enable the Committee to determine whether a candidate would be suitable for Compensation Committee membership; and (ix) the size and composition of the existing Board. In evaluating candidates, the Committee also seeks to achieve a balance of knowledge, experience and capability on the Board.

The Corporate Governance and Nominating Committee is committed to diversified membership, and the corporate governance policies expressly provide that the Committee may not discriminate on the basis of race, color, national origin, gender, religion or disability in selecting nominees. The Committee believes that diversity with respect to viewpoint, skills and experience is an important factor in the composition of the Board. The Committee ensures that diversity considerations are discussed in connection with each potential nominee, as well as on a periodic basis in connection with the composition of the Board as a whole. At least annually, the Committee is required to evaluate its own performance, and submit a written report to the Board, which report is to include analysis of whether the Committee met its goals, including its commitment to diversity.

Before nominating a current director for re-election at an annual meeting, the Committee considers the director’s performance on the Board and whether the director’s re-election will be consistent with the corporate governance policies of the Corporation. In 2024, the Committee did not retain the services of any third-party consultants to assist in identifying and evaluating potential nominees.

Compensation Committee. The Compensation Committee determines the compensation of the Bank’s President and Chief Executive Officer, and oversees personnel and compensation policies and procedures generally. The salary of the President and Chief Executive Officer is determined based upon his or her contributions to the overall profitability of the Corporation and the Bank, maintenance of regulatory compliance standards, professional leadership, and management effectiveness in meeting the needs of day-to-day operations. The Compensation Committee also compares his or her compensation with compensation paid to executives of comparable financial institutions in North Carolina and executives of other businesses in the Bank’s market areas. The President and the Chief Executive Officer sets the compensation to be paid to other executive officers in accordance with the Bank’s personnel and compensation policies and procedures. Any aggregate increase in compensation to the executive officers must be approved in advance by the Compensation Committee. This process is designed to ensure consistency throughout the executive compensation program.

The Compensation Committee is also responsible for determining the compensation of members of the Board and the Bank Board. The Compensation Committee seeks to reward directors based on their respective contributions to the Corporation and the Bank, based upon their participation in meetings of the Board, Bank Board and committees. From time to time, the Compensation Committee compares the compensation of members of the Board and the Bank Board with compensation paid to directors of comparable financial institutions in North Carolina and directors of other businesses in the Bank’s market areas.

The Compensation Committee also administers the M&F Bancorp, Inc. Long-Term Stock Incentive Plan (the “Long-Term Stock Incentive Plan”), which was adopted by our stockholders at the Corporation’s 2021 annual meeting of stockholders.

The Compensation Committee’s charter allows the Compensation Committee to delegate such of its duties and responsibilities as it deems appropriate and advisable to a subcommittee of not less than two members. The Compensation Committee consists of directors Willie T. Closs, Jr., Chairman, James A. Stewart and Michael Lawrence. A copy of the Compensation Committee’s charter is available on the “Investor Relations – Governance Documents” page of the Corporation’s website at www.mfbonline.com. The Compensation Committee met five times during the year ended December 31, 2024.

What Bank Board Committees Have Been Established?

The Bank Board has several standing committees, including the Executive Committee and the Compensation Committee, a joint committee of the Board and the Bank Board.

Executive Committee. The Executive Committee of the Bank may act, between meetings of the Bank Board, with all the authority of the full Bank Board. The members of the Executive Committee are James A. Stewart, Chairman, Willie T. Closs, Jr., Allen M. Chan, Michael L. Lawrence, James H. Sills III and Connie J. White. The Executive Committee met two times during the year ended December 31, 2024.

Board Leadership Structure and Risk Oversight

The Board is led by James A. Stewart, who has served as Chairman of the Corporation since 2008 and Chairman of the Bank since 2006. In the absence of Mr. Stewart, the Board is led by the Vice-Chairman, Willie T. Closs, Jr.

The ultimate authority to oversee the business of the Corporation rests with the Board, which appoints the Chairman. The role of the Board is to effectively govern the affairs of the Corporation for the benefit of its stockholders and, to the extent appropriate under North Carolina corporate law, other constituencies including employees, customers, suppliers and the communities in which it does business. The Board appoints the Corporation’s officers, who have responsibility for management of the Corporation’s operations. The Bank’s officers are appointed by the Bank Board, upon the recommendation of the President/Chief Executive Officer of the Bank. It is the Chairman’s responsibility to lead the Board. The President/Chief Executive Officer is responsible for leading the Corporation’s management team and the Corporation’s employees, and operating the Corporation.

While the Corporation's Bylaws permit the Board to appoint the Corporation's President/Chief Executive Officer as Chairman, we believe it is beneficial to have an independent Chairman whose sole responsibility is Board leadership. By having an independent director serve as Chairman of the Board, our President/Chief Executive Officer is able to focus all of his energy on managing the operations of the Corporation. By clearly delineating the role of the office of the Chairman, we believe we have ensured no duplication of effort between the President/Chief Executive Officer and the Chairman. We believe this governance structure results in strong, independent leadership of our Board, while positioning our President/Chief Executive Officer as the leader of the Corporation in the eyes of our customers, employees and stockholders.

The Board currently consists of five independent members and one non-independent member, our President/Chief Executive Officer, Mr. Sills. A number of our independent directors are currently serving or have served as members of senior management of other companies and have served as directors of other companies. We have three Board committees comprised solely of independent directors, each with an independent director serving as chair of the committee. We believe that the number of independent, experienced directors that make up our Board, along with the independent leadership of the Board by the non-executive Chairman, benefits our Corporation and our stockholders.

The Board oversees the Corporation's general risk management strategy and ensures that risks undertaken are consistent with the Board's established risk tolerance. Management is responsible for the day-to-day risk management processes. Risk assessment reports are provided to the Board by management on a regular and timely basis.

Board committees share risk monitoring responsibilities and capabilities. The Committees include: Audit and Risk, Corporate Governance and Nominating, and Compensation. The Audit and Risk Committee, charged by the Board with the primary oversight responsibility for risk management, also oversees the integrity of financial reporting, compliance with laws and regulations, and the structure of internal control. The Compensation Committee provides oversight for executive compensation as well as other compensation programs for associates and Bank officers. The Corporate Governance and Nominating Committee establishes corporate governance principles, and provides leadership over corporate governance matters. In addition, the Executive Committee may exercise, during intervals between meetings of the Board, all the powers and authority of the Board in directing the management of the business and affairs of the Corporation, except as otherwise provided in the Bylaws of the Corporation or as limited by North Carolina law. Also, the Bank Board has established the Asset Liability Committee. The Asset Liability Committee, made up of members of management and the Bank Board, monitors loan, investment, and liability portfolios to ensure comprehensive management of liquidity, interest rate risk and capital adequacy, and reports under guidelines established by management, the Bank Board and regulators. Additionally, the Information Technology Committee monitors risks associated with the Bank's information systems, and the Directors Loan Committee is responsible for ensuring compliance with banking regulations concerning loans to insiders.

The Corporation's Director Code of Business Conduct and Ethics, Code of Ethics for Principal Executive and Senior Financial Professionals, and Corporate Governance Policies (together the "Governance Policies") outline appropriate behavior for all directors and senior employees. In addition, in 2009 the Corporation adopted an Excessive and Luxury Expenditures Policy (the "Luxury Policy") setting forth the Corporation's policy that directors and employees of the Corporation and the Bank utilize corporate assets in a prudent manner and do not engage in excessive or luxury expenditures. Copies of the Governance Policies and the Luxury Policy are available on the "Investor Relations – Governance Documents" page of the Corporation's website at www.mfbonline.com.

In the day-to-day management of risk, management has established and implemented appropriate policies, procedures and risk assessment tools, and a defined organization and reporting structure. With respect to the organization and reporting structure, a hierarchy has been created which divides responsibilities efficiently and effectively into specific processes. The structure is further enhanced by providing the Internal Audit and Loan Review functions independent functional reporting responsibilities to their respective Board committees. Risk assessments have been created to properly identify and monitor risk for the Corporation either at an entity level or within specific lines of business as appropriate.

The Board believes that the foundation for risk management is well-established and understood throughout the Corporation from the Board level down throughout the organization.

EXECUTIVE AND DIRECTOR COMPENSATION

Named Executive Officers

The following table provides information about our named executive officers.

<u>Name</u>	<u>Age¹</u>	<u>Positions Held During Past Five Years</u>	<u>Has Served the Corporation or the Bank Since</u>
James H. Sills III	66	President/Chief Executive Officer of the Corporation and the Bank since 2014. Previously, Cabinet Secretary and Chief Information Officer for the State of Delaware, Department of Technology and Information.	2014
Randall C. Hall	59	Executive Vice President and Chief Financial Officer of the Corporation and the Bank since 2013. Between 1997 and 2011, he served Bank of Asheville in various capacities, including Executive Vice President, Chief Financial Officer, and later President and Chief Executive Officer. During 2011, Mr. Hall was Senior Vice President and Chief Financial Officer of Clayton Bank and Trust, and later served as a consultant to troubled banks and bank holding companies.	2012

¹ Ages are given as of April 1, 2025.

Summary Compensation Table. The following table shows, for the years indicated, the cash compensation earned by, as well as certain other compensation paid or accrued, for our named executive officers. Cash compensation is paid by the Bank, not the Corporation.

Name and Principal Position	Year	Salary	Bonus	Option Awards¹	All Other Compensation²	Total
James H. Sills III President/Chief Executive Officer of the Corporation and the Bank	2024	\$300,000	\$30,000	\$18,665	\$38,448	\$387,113
	2023	\$300,000	\$70,000	\$11,639	\$28,035	\$409,674
Randall C. Hall Executive Vice President/Chief Financial Officer of the Corporation and the Bank	2024	\$225,285	\$13,898	\$14,932	\$27,325	\$281,440
	2023	\$216,390	\$27,500	\$9,312	\$24,995	\$278,197

¹ The amounts in this column represent the expense recognized by the Corporation for financial statement reporting purposes for stock option grants, under the Long-Term Stock Incentive Plan. Note that the amounts reported in this column reflect the accounting cost for these awards and do not correspond to the actual economic value that our named executive officers may receive upon any future exercise of the stock options.

² In 2024, for Mr. Sills this represents 401(k) employer matching contributions of \$20,345 and group, life, disability, and medical insurance premiums of \$18,103; and for Mr. Hall this represents 401(k) employer matching contributions of \$14,348 and group, life, disability and medical insurance premiums of \$12,977. In 2023, for Mr. Sills this represents 401(k) employer matching contributions of \$19,800 and group life and disability insurance premiums of \$8,235; and for Mr. Hall this represents 401(k) employer matching contributions of \$14,022 and group life, disability, and medical insurance premiums of \$10,973.

Risk Framework

The Corporation has established a low risk tolerance in connection with the operation of its business, including its compensation policies and practices. Adherence to a low risk tolerance is ensured by the Corporation's system of internal control processes and validated by independent groups, including Corporate Audit Services, Asset Liability Management, Credit Administration and to some extent, the Corporation's independent auditor.

Employment Agreements - Named Executive Officers

General. In 2014, the Corporation and the Bank (together, "M&F") entered into an employment agreement with Mr. Sills in connection with his appointment as President and Chief Executive Officer of M&F. In 2023, M&F entered into an employment agreement with Mr. Hall, Executive Vice President and Chief Financial Officer of M&F. At the same time M&F entered into a new employment agreement with Mr. Sills. Each agreement provides for an initial term of employment: two years for Mr. Sills; and one year for Mr. Hall. On each anniversary of the commencement date, the term of each agreement is automatically extended for an additional year, unless prior written notice of non-renewal is given by either party.

Mr. Sills' and Mr. Hall's employment agreements each provide for an annual base salary, which is reviewed by the Bank Board not less often than annually. Effective April 1, 2024, Mr. Sills' base salary has been set at \$300,000, and Mr. Hall's base salary has been set at \$225,285.

Each of the employment agreements provide for a number of benefits, including participation in various compensation plans, including, but not limited to, incentive plans, long-term incentive plans, savings, pension and retirement plans, and welfare benefit plans applicable to the Bank's employees generally. While employed by M&F, and for a minimum of one year following termination of employment, the employment agreements prohibit the officers from competing with the Bank, and from soliciting its customers or employees.

Potential Payments Upon a Change of Control. The employment agreements provide for certain payments to the named executive officers if their employment is terminated following a "change of control." "Change of control" is defined to mean any of the following events:

- during any period of 12 consecutive months, any person or group acquires beneficial ownership representing 30% or more of the total voting power of the Corporation's stock, or a majority of the Board is replaced by individuals whose election was not endorsed in advance by a majority of the members of the Board prior to such election; or
- during any period of 12 consecutive months, any person or group acquires 40% or more of the assets of the Corporation; or
- any person or group acquires Corporation stock that, together with stock previously held, constitutes more than 50% of the total fair market value or total voting power of the Corporation's stock.

Upon a termination of employment following a change of control, M&F has agreed to pay Mr. Sills a lump sum equal to 2.99 times his base salary, and to pay Mr. Hall a lump sum equal to 1.5 times his base salary, subject in each case to a potential reduction in order to avoid the imposition of excise taxes on the officer or the disallowance of a deduction to M&F.

Potential Payments Upon Termination. Under the terms of the employment agreements, in the event an officer's employment is terminated without cause, M&F is obligated to pay the officer a lump sum equal to his base salary for the remaining term of his employment agreement, but no less than one year.

Long-Term Stock Incentive Plan

The Long-Term Stock Incentive Plan was adopted by stockholders at the Corporation's 2021 annual meeting of stockholders. The purpose of the Plan is to further and promote the interests of the Corporation and its stockholders by enabling the Corporation, its subsidiaries and related entities, including the Bank, to attract, retain and motivate key employees and directors, and to align their interests with those of the Corporation's stockholders. Additionally, the Plan's objectives are to provide a competitive reward for achieving longer-term goals, provide balance to short-term incentive awards, and reinforce a unified perspective among participants serving the Corporation in differing capacities and areas of focus. To do so, the Plan offers a variety of equity-based incentive awards and opportunities to provide key employees and certain non-employees with relationships with the Corporation or a subsidiary (such as non-employee directors), with a proprietary interest in maximizing the growth, profitability and overall success of the Corporation.

The Long-Term Stock Incentive Plan provides for the issuance of up to an aggregate of 162,500 shares of common stock in the form of stock options, restricted stock awards, restricted stock units, and performance unit awards. As of the Record Date, an aggregate of 106,000 stock options have been awarded to key employees and directors, less forfeitures of 7,875, leaving 64,375 shares available for future awards under the Plan.

Bank-Owned Life Insurance (“BOLI”)

The Bank owns single premium, variable-rate life insurance policies, covering the lives of certain current and former employees, and certain members of the Bank Board. The purpose of this type of investment is to increase after-tax earnings on the invested funds as a means to offset costs associated with employee benefit plans or provide additional benefits for employees and to compensate members of the Bank Board for their services. Certain of these policies have an associated split dollar death benefit. Upon the insured's death, the net split dollar death benefit is divided between the insured's named beneficiary and the Bank. The aggregate death benefit for former and current officers of the Bank as of December 31, 2024, is approximately \$18.1 million, and the split dollar benefit payable to those individuals' beneficiaries is approximately \$864,000.

401(k) Plan

The Bank has established a contributory savings plan (the “401(k) Plan”) for its employees, which meets the requirements of Section 401(k) of the Internal Revenue Code of 1986, as amended (the “Code”). All employees who have completed 30 days of service and who are at least 21 years of age may elect to contribute up to 100% of their compensation to the 401(k) Plan each year, subject to certain maximums imposed by federal law. The Bank is obligated under the terms of the 401(k) Plan to match 100% of each eligible employee's pre-tax contributions (excluding the employee's pre-tax contributions in excess of 6% of compensation). Participants are immediately fully vested in amounts that they contribute to the 401(k) Plan.

Benefits under the 401(k) Plan are payable in the event of the participant's retirement, death, disability or termination of employment. Normal retirement age under the 401(k) Plan is 65 years of age. The named executive officers are entitled to participate in the 401(k) Plan on the same basis as all other eligible employees of the Bank. The named executive officers both participated in the 401(k) Plan during 2024.

Director Compensation

How are Directors Compensated?

Directors who are officers or employees of the Corporation or the Bank receive no additional compensation for service on the Board, the Bank Board or their committees. In addition to the annual retainers and meeting fees, discussed below, directors are also reimbursed for reasonable travel expenses incurred to attend meetings.

Board. During 2024, the Corporation's non-employee directors each received an annual retainer of \$2,000; meeting fees of \$600 for each Board meeting attended in person, and \$300 for each Board meeting attended via conference call; \$500 for each Audit and Risk Committee meeting attended; and \$450 for each other committee meeting attended in person, and \$200 for each other committee meeting attended via conference call. Directors did not receive any payment for attending a meeting of the Board if a Bank Board meeting was held on the same day as the Board meeting. In addition, non-employee committee chairmen received a \$1,500 annual retainer for each committee chaired, and the Chairman of the Board received a \$5,000 annual retainer.

Bank Board. During 2024, the Bank paid its non-employee chairman an annual retainer of \$27,000, its other non-employee directors an annual retainer of \$13,000, and all non-employee directors \$1,000 for each Bank Board meeting attended in person and \$300 for each Bank Board meeting attended via conference call. Non-employee directors received \$1,000 for each Executive Committee meeting attended in person, \$450 for each other committee meeting attended in person, and \$300 for each committee meeting attended via conference call. In addition, non-employee committee chairmen received an annual retainer of \$1,500.

Long-Term Stock Incentive Plan. Additionally, directors have been granted stock options under the Long-Term Stock Incentive Plan in order to further align the interests of our directors with those of our stockholders.

Director Compensation Table. The following table shows, for the fiscal year ended December 31, 2024, the cash compensation paid by the Corporation and the Bank, as well as certain other compensation paid or accrued for that year, to the members of the Board of Directors.

Name	Fees Earned or Paid in Cash ¹	Stock Awards	Option Awards ²	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Allen M. Chan	\$30,350	---	\$7,026	---	---	---	\$37,376
Willie T. Closs, Jr.	\$49,250	---	\$9,333	---	---	---	\$58,583
Michael L. Lawrence	\$45,650	---	\$9,333	---	---	---	\$54,983
James H. Sills III ³	---	---	---	---	---	---	---
James A. Stewart	\$60,800	---	\$11,199	---	---	---	\$71,999
Connie J. White	\$49,100	---	\$9,333	---	---	---	\$58,433

¹ Unless otherwise indicated, this category sets forth the directors' fees related to the directors' service on the Board, the Bank Board and their committees.

² The amounts in this column represent the expense recognized by the Corporation in 2024 for financial statement reporting purposes for stock option grants, under the Long-Term Stock Incentive Plan. Note that the amounts reported in this column reflect the accounting cost for these awards and do not correspond to the actual economic value that our directors may receive upon any future exercise of the stock options.

³ Mr. Sills did not receive any additional compensation for serving as director and attending Board, Bank Board and committee meetings. For details of compensation earned or paid to Mr. Sills in 2024 and 2023 including stock option grants, see the Summary Compensation Table, above.

Indebtedness of and Transactions with Related Persons

The Bank provides loans and other credit facilities in the ordinary course of its business to certain persons who beneficially own more than 5% of the Corporation's common stock, Corporation and Bank directors, director-nominees and employees, including executive officers, and businesses in which the foregoing have direct or indirect interests, as well as the immediate family of the foregoing (together, "Related Persons"). In accordance with Federal Reserve Regulation O, the Bank has adopted a policy which sets forth the requirements applicable to such loans and other credit facilities. These loans and other credit facilities are made using the same credit and underwriting standards as are applicable to the general public, and such loans and other credit facilities do not involve more than the normal risk of collectability or present other unfavorable features. Pursuant to this policy, loans and other credit facilities to Related Persons are made on the same terms, including interest rates and collateral, as those prevailing for comparable transactions with nonaffiliated persons.

The Audit and Risk Committee is charged with reviewing and approving all transactions of the Corporation or the Bank with Related Persons other than transactions subject to Regulation O, discussed above. All material facts of each transaction and the Related Person's interest are discussed by all disinterested directors and a decision made about whether the transaction is fair to the Corporation and the Bank. A majority vote of all disinterested directors is required to approve such a transaction.

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITOR

Ratification of Appointment of Independent Auditor

A proposal to ratify the appointment of Elliott Davis is being submitted to the stockholders. Representatives of Elliott Davis are expected to attend the Annual Meeting and will be available to respond to appropriate questions and will have the opportunity to make a statement.

Pre-Approval of Audit and Permissible Non-Audit Services

The Audit and Risk Committee's charter provides for pre-approval of all audit and non-audit services to be provided by the Corporation's independent auditor. The Charter authorizes the Committee to delegate to one or more of its members pre-approval authority with respect to permitted services, provided that any approvals using this procedure are presented to the Committee at its next scheduled meeting.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE
APPOINTMENT OF ELLIOTT DAVIS AS INDEPENDENT AUDITOR FOR THE CORPORATION FOR
THE FISCAL YEAR ENDING DECEMBER 31, 2025.**

STOCKHOLDER NOMINATIONS

According to the Corporation's Bylaws, any stockholder nomination of candidates for election to the Board at an annual meeting of stockholders must be made in writing to the Corporation's Secretary not fewer than 30 days nor more than 50 days prior to the date of the meeting at which such nominations will be made; provided, however, if less than 21 days' notice of the meeting is given to stockholders, such nominations must be delivered to the Secretary not later than the close of business on the seventh day following the day on which the notice of meeting was mailed.

Stockholder nominations must contain the following information, if known to the nominating stockholder:

- The name and address of each proposed nominee;
- The principal occupation of each proposed nominee;
- The total number of shares of common stock of the Corporation that will be voted for each proposed nominee;
- The name and address of the nominating stockholder; and

- The number of shares of common stock owned by the nominating stockholder.

The Board may disregard any nominations that do not comply with these requirements. Upon the instruction of the Board, the inspector of voting for the annual meeting of stockholders may disregard all votes cast for a nominee if the nomination does not comply with these requirements.

OTHER MATTERS

Proxyholders named on the proxy card and the Notice of Internet Availability of Proxy Materials will vote the shares represented thereby on any matters properly coming before the Annual Meeting, according to their best judgment, pursuant to the discretionary authority granted therein. As of the date of this mailing, management knows of no other matters to be presented for consideration at the Annual Meeting or any adjournments thereof.

MISCELLANEOUS

We are delivering proxy materials primarily through the internet. In addition to reducing the amount of paper used in producing these materials, this method lowers the costs associated with mailing the proxy materials to stockholders. Stockholders who own shares directly in the Corporation and not through a bank, broker or other intermediary, will have proxy materials or the Notice of Internet Availability of Proxy Materials delivered directly to their mailing address or electronically if they have previously consented to that delivery method. Stockholders whose shares are held for them by banks, brokerages or other intermediaries, will have the proxy materials or the Notice forwarded to them by the intermediary that holds their shares.

If you received only a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you request a copy by following the instructions on the Notice. The Notice also contains instructions for accessing and reviewing the proxy materials over the internet and provides directions for submitting your vote over the internet.

Any stockholder may obtain a copy of the Corporation's Annual Report for the fiscal year ended December 31, 2024 (including the financial statements and financial statement schedules), without charge by calling 1-800-433-8283 Ext. 8616 or writing to the Corporation. Please make your written request to the Secretary, M&F Bancorp, Inc., 2634 Durham Chapel Hill Blvd., Suite 101, Durham, North Carolina 27707.

BY ORDER OF THE BOARD OF DIRECTORS



James H. Sills III
President and Chief Executive Officer

Durham, North Carolina
April 21, 2025