

## Community Benefits Agreement Final – January 5, 2022

First Mid Bank and Trust (“First Mid”), the St. Louis Equal Housing and Community Reinvestment Alliance (“SLEHCRA”), and Woodstock Institute (“Woodstock”) are together committed to providing outstanding services and products in all communities First Mid serves, particularly in low- and moderate- income communities (“LMI”) and in communities of color.

This Community Benefits Agreement (“Agreement”) demonstrates the commitment of First Mid to enhance services, products, and resources in communities that have been traditionally underserved by mainstream financial institutions. SLEHCRA, Woodstock, and First Mid have created this Agreement together and will work in partnership to uphold the terms of this Agreement. In general, the terms outlined below will be effective upon the signing of this Agreement by all previously-mentioned parties unless otherwise noted. The assumption in this agreement is that the Federal Reserve will approve the merger of First Mid and Delta Bancshares and First Mid will have a larger presence in the St. Louis area. If this does not occur, the amounts noted for items marked with (\*) will need to be reevaluated for reasonableness. Upon signing this Agreement, SLEHCRA and Woodstock agree to submit additional comment letters within three business days stating that they no longer wish for the Federal Reserve to deny the merger and no longer oppose the merger with Delta Bancshares due to the benefits to the community that First Mid has assured to them that this merger will bring. The Agreement is effective for a period of three (3) years from its effective date defined above.

“Peer” used in this document is defined as institutions that have between 75% to 125% of the loan application volume within the designated assessment areas. In instances where SLEHCRA, Woodstock, and First Mid agree that these percentages do not include enough “peers” for analysis purposes, the thresholds will be expanded to include institutions between 50% and 200% of the loan application volume.

### **1. Branches and Service Locations**

- a. **New Location:** First Mid commits to adding at least one new service location in the St. Louis market area and at least one new service location in the Champaign, IL market by the end of the term of the Agreement. These locations will be in LMI census tracts that have a population over 50% minority. These locations may be a co-location within other trusted community spaces (like libraries, nonprofits, churches, community centers, etc.).
- b. **Maintain Branches:** First Mid will maintain all branches located in an LMI and/or majority minority census tract within the St. Louis MSA for a minimum of five (5) years. In addition, First Mid will maintain all branches located in an LMI and/or majority minority census tract for a minimum of three (3) years.

### **2. Home Lending**

- a. **Target Lending Goals:** First Mid commits to enhancing its outreach to the LMI and minority communities for their lending needs. First Mid commits to meet or exceed

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peer HMDA reportable loan origination activity to LMI and minority borrowers in each of its market areas. These loan targets are for all HMDA reportable loans. The following loan targets will be used to monitor this goal:

- i. Percentage of HMDA reportable applications and originations by minority borrowers to total applications and originations compared to “peer” in each assessment area
- ii. Percentage of HMDA reportable applications and originations from African Americans to total applications and originations compared to “peer” in each assessment area
- iii. Percentage of HMDA reportable applications and originations from LMI census tracts to total applications and originations compared to “peer” in each assessment area
- iv. Percentage of HMDA reportable applications and originations from majority minority census tracts to total applications and originations compared to “peer” in each assessment area
- v. Percentage of HMDA reportable applications and originations from LMI borrowers to total applications and originations compared to “peer” in each assessment area (this is assuming First Mid and SLEHCRA have access to and can analyze the data in a similar manner)

In instances where First Mid is not able to meet the above goals, a formal plan to enhance efforts will be documented and tracked through the Community Development Committee (as discussed below).

- b. **Affordable Mortgage Product or Program:** First Mid will continue to offer specially designed affordable home mortgage products to meet the needs of qualified LMI borrowers, which could include home purchase loans or home improvement/repair loans. Features could include a lower interest rate, subsidized closing costs, consideration of alternative credit, etc.
  - i. This includes offering secondary market mortgage products including FHA / VA / USDA and programs such as the Home Possible and HomeOne (FreddieMac), and FHA Down Payment Plus (FHLB Chicago).
- c. **Mortgage Loan Officers:** First Mid will maintain at least one designated community mortgage loan officer in each of the markets of St. Louis and Champaign. These positions will be filled by individuals that are culturally competent and have experience and/or contacts in LMI communities and communities of color. These community mortgage lenders will have a compensation structure to fairly incentivize them to equally focus on smaller mortgage transactions. If First Mid does not meet Mortgage Target Lending Goals as identified above, First Mid will include hiring additional community mortgage loan officers as part of the formal plan to improve performance when analysis by and discussions with the Community Development Committee and Community Advisory Board deem it necessary to meet our targeted goals.

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3. **Small Business Lending**

- a. **Target Lending Goals:** First Mid commits to meet or exceed peers in percentage of CRA reportable small business loan originations to LMI census tracts. The bank agrees to meet or exceed peers in share of loans in the market areas of St. Louis, Champaign, Peoria, Carbondale and Decatur.
- b. **Target Lending Goals:** First Mid agrees to collaborate on opportunities to enhance financing opportunities for minority- and women- owned small businesses. First Mid will investigate enhanced ways to track this information and share overall results with SLEHCRA. If and when this information is publicly available across the industry, First Mid agrees to perform comparisons to peer information.

In instances where First Mid is not able to meet the above goals, a formal plan to enhance efforts will be documented and tracked through the Community Development Committee (as discussed below).

- c. **Small Business Products and Programs:** First Mid will continue to offer programs or products designed to increase access to credit and support for LMI small business owners and minority small business owners. This includes continuing to offer Small Business Administration (SBA) lending products in First Mid's current markets and expanding this into First Mid's acquired markets.
- d. **(\* Small Business Lending Subsidies:** First Mid commits to an initial allotment of \$100,000 to be used over the term of this Agreement. These fund dollars will be used for small business loans located in majority minority and/or LMI census tracts with annual revenues less than one million dollars. The dollars can be used in up to \$5,000 increments and can be used for assistance with closing costs, appraisals, down-payment assistance, interest rate subsidies, etc.

4. **Banking Services and Products**

- a. **Credit Building Products:** First Mid will commit to offering credit builder products. This may be in the form of a referral relationship with a third party.
- b. **Products for Unbanked and Underbanked:** First Mid will continue to offer retail banking products that are specifically designed to meet the needs of unbanked consumers, those who do not have checking or savings accounts, and underbanked consumers, those who also rely on alternative financial services. These products may include totally free checking and savings accounts and second chance checking accounts. These accounts will be offered based on the consumer's specific needs and meeting pre-determined criteria. First Mid will maintain at least one account that meets BankOn certification.
- c. **Language Accommodation for Banking Services:** First Mid will include banking services that are inclusive of immigrant populations, including providing account opening materials in Spanish and will investigate other opportunities to provide these materials in other languages based on market demand. Where available, First Mid will

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continue to make translators accessible to customers. First Mid will investigate opportunities for on-demand translator services for its branch locations. First Mid will continue to work with its regulators on acceptance of alternative forms of identification while remaining in compliance with regulatory guidance.

**5. Community Development**

- a. Community Development Officers:** First Mid will maintain a full-time Senior Vice President level Community Development Officer to oversee community development and CRA initiatives. In addition, First Mid will appoint community development and/or CRA Market Leaders in each market area that are responsible for leading and implementing CRA strategies in their designated market area.
- b. Community Development Committee:** First Mid commits to creating an internal Community Development Committee. This Committee will be comprised of leadership from each market area. The Committee will be tasked with meeting the goals outlined in this Agreement and overall CRA and fair lending requirements. The Committee may request outside consultation and collaboration from community groups on specific goals and action plans as deemed necessary by the Committee.
- c. Community Advisory Boards:** First Mid commits to creating a Community Advisory Board to provide input, direction, and feedback on its community development strategy. Members of the Advisory Board must include a majority of members that represent LMI communities and minority communities. SLEHCRA and Woodstock will be offered membership.
- d. (\*) Target Goals:** First Mid commits to continuing to maintain community development investments and loans commensurate with its size, targeting two percent of the bank's total assets. Specific to the St. Louis market area, First Mid commits to increasing CRA qualified investments from approximately \$3.5 million to \$8 million by December 31, 2022.
  - i. (\*)** Of this, First Mid commits to providing a minimum of \$150,000 annually, in total CRA qualified donations with an annual increase of 5%. This amount will be reassessed and updated based on business changes (i.e. business acquisitions, divestitures, etc.).
- e. Lines of Credit:** First Mid commits to continuing to offer lines of credit for non-profits to support community development and economic development activities.
- f. Types of Business:** First Mid will not provide financing to predatory lenders including payday lenders and/or title lenders.
- g. Collaborative Efforts:** First Mid commits to joining collaborative efforts focused on community development and CRA initiatives, including maintaining a membership to the Metropolitan St. Louis CRA Association.

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**6. Financial Education**

- a. **Workshops and Classes:** First Mid will conduct or sponsor at least twelve (12) workshops or class series per year for low- and moderate-income communities and/or for other traditionally underserved populations. This will be done in partnership with a community organization. As applicable, these courses will be made available electronically.
- b. **(\*) Financial Support:** First Mid commits to providing a minimum of \$50,000 annually specifically for financial education programs for LMI communities and/or LMI individuals. This may include partnering with community organizations to assist with these efforts / events.
- c. **Collaborative Effort:** First Mid commits to joining collaborative efforts focused on increasing financial education, including the St. Louis Regional Financial Empowerment Coalition.

**7. Affirmative Marketing and Outreach**

- a. **(\*) Targeted Resources:** First Mid will conduct targeted marketing and advertising in minority and LMI communities. This may include print, radio, or television media outlets, as well as non-traditional media outlets, such as sponsorship of community events. First Mid commits to at least \$50,000 per year on this targeted marketing and sponsorship.
- b. **Diverse Languages:** First Mid will make account opening materials available in Spanish and will investigate other opportunities for other languages as determined by market area and availability.

**8. Diversity in Employees and Leadership**

- a. **Target Goals:** With First Mid's growth in recent years, it has increased its minority hiring percentages for its staff and leaders. First Mid will develop sub-goals for diversity and inclusion for each market area that is representative of the demographics of those communities. Consistent with Equal Opportunity best practices and federal contractor requirements, First Mid commits to continuing its community outreach to minorities and its efforts to increase the diversity of its staff and leaders. First Mid commits to continuing to develop partnerships with HBCUs and other community stakeholders, as available in its individual markets, to develop outreach strategies for diverse employees.
- b. **Board Appointments:** First Mid will continue its efforts in identifying and adding at least one member of the board of directors that is a member of an underrepresented minority group, as defined by Nasdaq's Diversity Rules, by the end of the term of this Agreement.

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**9. (\*) Civil Rights Legacy**

- a. In commemoration of the historical legacy of Jefferson Bank and Trust and the civil rights movement in St. Louis, First Mid will make a one-time \$10,000 philanthropic donation to the Griot Museum of Black History.

**10. Fair Lending**

- a. **Training:** First Mid will continue to require all its lending employees, Board of Directors, and agents involved in lending to complete annual fair lending training. This training shall include, but not limited to, the Fair Housing Act, the Community Reinvestment Act, the Equal Credit Opportunity Act, and the Home Mortgage Disclosure Act.
- b. **Review of Loan Denials:** First Mid will continue its policy that all residential mortgage loan denials receive an independent second review by a qualified loan underwriter. Specific attention will continue to be given in the review to determine if the application could be eligible for other loan programs offered by First Mid.


**11. Community Reinvestment Collaboration**

- a. **Collaboration with SLEHCRA:** First Mid realizes that the pandemic has created significant challenges for the LMI community and as such, will collaborate with SLEHCRA by providing an initial grant of \$60,000 for year one of this Agreement. As First Mid understands and appreciates the mission of the organization, First Mid will provide an additional \$15,000 per year thereafter for the remaining two (2) years of this Agreement. These funds will be used to support the on-going collaboration with First Mid to meet the goals stated in this Agreement. SLEHCRA may also use these funds to increase education about community reinvestment and fair lending among non-profits, community organizations, and the general population within the St. Louis market area.

**Updates:** First Mid will meet at least annually with SLEHCRA and Woodstock to report on updates and progress regarding this Agreement as well as other relevant activities of First Mid regarding community reinvestment or fair lending. Annually, First Mid will provide a written update on the Agreement's progress. First Mid will collaborate with SLEHCRA and Woodstock on information that can be made public and what must remain confidential. The public portion will be made available upon request. In addition, First Mid commits to completing SLEHCRA's annual survey of banking practices.

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Signatures:

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 \_\_\_\_\_ Date  
 Joseph R. Dively  
 Chairman and Chief Executive Officer  
 First Mid Bancshares, Inc.

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7010E0698E97464... January 5, 2022 | 12:39 PM PST  
 \_\_\_\_\_ Date  
 Elisabeth Risch, Co-Chair, SLEHCRA  
 Metropolitan St. Louis Equal Housing and Opportunity Council (EHOC)

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 Jackie Hutchinson, Co-Chair, SLEHCRA  
 Consumers Council of Missouri

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34F1103BCC06455... January 6, 2022 | 8:27 AM PST  
 \_\_\_\_\_ Date  
 Horacio F Mendez  
 President & Chief Executive Officer  
 Woodstock Institute