

**CASHMERE VALLEY BANK
PO Box G
117 Aplets Way
Cashmere, Washington 98815**

April 15, 2024

To the Shareholders of Cashmere Valley Bank:

We cordially invite you to attend the 2024 Annual Meeting of Shareholders of Cashmere Valley Bank to be held on **Tuesday, May 21, 2024, at 6:00 p.m.** The Annual Meeting of Shareholders to be held in person at our Financial Center at 124 E Penny Road, Wenatchee, via telephone by dialing [1-415-655-0001 or 1-855-749-4750 (toll free)] access code [2632 368 6410] or via webex:

<https://cashmerevalleybank.webex.com/cashmerevalleybank/j.php?MTID=m35cae82352adac3abea65a2fd9e4d83d>

Meeting number: 2632 368 6410

Password: 1874365

At the 2024 Annual Meeting, shareholders will vote to (a) elect seven (7) persons to serve on the board of directors until the 2025 Annual Meeting of Shareholders, and (b) approve the Cashmere Valley Bank Equity Incentive Plan.

Your vote is important

Whether or not you plan to attend the annual meeting, we hope that you will vote as soon as possible. We encourage you to promptly complete your proxy card.

Further information regarding voting rights and the business to be transacted at the annual meeting is included in the accompanying proxy statement. Should you have any questions about the change in meeting date or the completion of your proxy card, please contact Tammy Marz at (509) 782-5492.

Your continued interest in and support of Cashmere Valley Bank is truly appreciated.

Sincerely,



Greg Oakes
President and Chief Executive Officer

**CASHMERE VALLEY BANK
PO Box G
117 Aplets Way
Cashmere, Washington 98815**

Notice of Annual Meeting of Shareholders

TIME 6:00 p.m. on Tuesday, May 21, 2024.

The Annual Meeting of Shareholders to be held in person at our Financial Center at 124 E Penny Road, Wenatchee, via telephone by dialing [1-415-655-0001 or 1-855-749-4750 (toll free)] access code [2632 368 6410] or via webex:

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ITEMS OF BUSINESS To elect seven (7) persons to serve on the board of directors until the 2025 Annual Meeting of Shareholders and to approve the Cashmere Valley Bank Equity Incentive Plan.

RECORD DATE You are entitled to vote if you were a shareholder at the close of business on March 26, 2024.

VOTING BY PROXY Please submit your proxy card as soon as possible so that your shares can be voted at the Annual Meeting in accordance with your instructions.

By Order of the Board of Directors,



Greg Oakes
President and Chief Executive Officer

*This proxy statement and the accompanying proxy card are being distributed on or about
April 15, 2024*

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PROXY STATEMENT

For Annual Meeting of Shareholders to be held on May 21, 2024

INFORMATION ABOUT THE MEETING

Why did I receive these proxy materials?

We are providing the notice of Annual Meeting, this proxy statement and the accompanying proxy card (the “Proxy Materials”) for use in connection with the Annual Meeting of Shareholders of Cashmere Valley Bank (also referred to in this proxy statement as the “Bank,” “we” and “us”), to be held on Tuesday, May 21, 2024. These Proxy Materials are first being mailed to shareholders on or about April 15, 2024.

What proposals will be voted on at the Annual Meeting?

At the Annual Meeting, holders of our common stock will be asked to consider and act upon the following proposals:

- *Election of Directors.* Election of seven (7) persons to serve on the board of directors until the 2023 Annual Meeting of Shareholders.
- *Approval of Incentive Plan.* Approval of the Cashmere Valley Bank Equity Incentive Plan.

How does the board of directors recommend I vote?

The board of directors unanimously recommends that you vote:

- “**FOR**” the election of the director nominees.
- “**FOR**” the approval of the incentive plan.

What vote is required to approve the proposals?

- *Election of Directors.* To elect the director nominees, we must receive the affirmative vote “**FOR**” the director nominees by a majority of the total votes represented and entitled to be cast at the Annual Meeting. Votes that are withheld and broker non-votes will have no effect on the outcome of the election.
- *Approval of Incentive Plan.* To approve the incentive plan, we must receive the affirmative vote “**FOR**” the approval of the incentive plan by a majority of the total votes represented and entitled to be cast at the Annual Meeting. Votes that are withheld and broker non-votes will have no effect on the outcome.

How will my proxy be voted?

Shares represented by properly executed proxies that are received in time and not revoked will be voted in accordance with the instructions indicated on the proxies. If no instructions are indicated, the persons named in the proxy will vote the shares represented by the proxy as recommended by the board of directors.

Can I revoke my proxy?

Any proxy given by a shareholder may be revoked before its exercise by (1) giving notice to us in writing, (2) delivering to us a subsequently dated proxy, or (3) notifying us at the Annual Meeting before the shareholder vote is taken.

Who is soliciting proxies?

Our board of directors is soliciting proxies from the holders of our common stock, and we will pay the associated costs. Such costs are expected to be limited to mail and telephone expenses.

Who is entitled to vote?

Shareholders who owned our common stock as of the close of business on March 26, 2024 (the “Record Date”) are entitled to vote at the Annual Meeting. There were approximately 3,884,186 shares of our common stock issued and outstanding on the Record Date, and each share of common stock is entitled to one vote on each proposal.

Brokers holding shares of record for customers generally are not entitled to vote on certain matters unless they receive voting instructions from their customers. As used herein, “broker non-votes” means the votes that could have been cast on the matter in question by brokers if the brokers had received their customers’ instructions. A broker non-vote occurs when a broker holding shares of common stock for a beneficial owner votes on at least one proposal but not on another because the broker does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

What is the quorum requirement for the Annual Meeting?

The quorum requirement for holding the Annual Meeting and transacting business is a majority of the total votes entitled to be cast at the Annual Meeting, represented in person or by proxy. The shares may be present in person or represented by proxy at the Annual Meeting. Both abstentions and broker non-votes are counted as present for the purposes of determining the presence of a quorum.

PROPOSAL NO. 1: ELECTION OF DIRECTORS

The Bank’s Articles of Incorporation provide that the number of directors to be elected by the shareholders will be at least five (5) and not more than seven (7), the exact number to be determined by resolution of the board of directors. The board of directors has fixed the number of directors to be elected at the Annual Meeting at seven (7) and has nominated the persons listed in the following chart for election as directors to serve until the 2025 Annual Meeting of Shareholders or until their successors are elected and qualified.

Name	Principal Occupation
John Doyle, Chairman	Chief Administrative Officer, Wenatchee Valley Medical Group
Kris Loomis	Managing Principal, CPA Cordell, Neher & Company P.L.L.C.
Keith Wiggins	Owner, Boswell’s Furniture

Greg Oakes	President, Chief Executive Officer, Cashmere Valley Bank
Mike Neff	President, Neff Co. Nut and Dried fruit Company
Krista Beck	President/CEO, Jerry's Auto Supply
Dale Hall	Owner and General Manager, Valley Tractor

If any nominee should refuse or be unable to serve, the proxy will be voted for such person as shall be designated by the board of directors to replace such nominee. The board of directors presently has no knowledge that any of the nominees will refuse or be unable to serve. Other nominations, if any, may be made only in accordance with the prior notice provisions contained in the Bank's Bylaws, which may be requested from InvestorRelations@CashmereValleyBank.com.

Votes Required and Board Recommendation

The affirmative vote of the holders of a majority of the total votes represented and entitled to be cast at the Annual Meeting is required to elect the director nominees. The board of directors unanimously recommends that the shareholders vote **"FOR"** the election of the director nominees.

PROPOSAL NO. 2: APPROVAL OF EQUITY INCENTIVE PLAN

Cashmere Valley Bank Equity Incentive Plan

The Bank proposes the approval of the Cashmere Valley Bank Equity Incentive Plan, adopted by the board of directors on April 2, 2024 (the "Plan"). A copy of the Plan is attached as Exhibit A, and the following description of the Plan is qualified in its entirety by reference to the Plan.

Current Incentive Plan and Purpose of the Plan

The Bank currently has in effect the 2014 Stock Option and Equity Compensation Plan (the "Prior Plan"), which provides for the issuance of certain types of equity awards, *e.g.*, options and restricted stock units, to certain employees, officers and directors of the Bank. The ability to grant incentive stock options under the Prior Plan expired on February 17, 2024 and only 144,274 shares of our common stock remain available for issuance under the Prior Plan. The Board has elected to terminate that plan.

The board of directors has determined that it is advisable and in the best interests of the Bank and its shareholders to continue to provide for the issuance of a range of equity incentive awards, and to make available for such awards shares of the Bank's common stock in order to attract and retain qualified personnel and to further align Bank management's interests with those of the Bank's shareholders.

In addition to providing a variety of equity awards with which the board of directors can incentivize employees and directors, the Plan also provides an opportunity to make available for issuance shares of Bank common stock to accomplish these ends. The board of directors believes that a reservation of 300,000 shares of Bank common stock for issuance under the Plan should be adequate to accomplish the Plan's purposes.

Awards previously granted pursuant to the Prior Plan would not be affected by the approval of the Plan. Shares of our common stock remaining available for issuance pursuant to the Prior Plan will be reduced to zero.

Similar to that of the Prior Plan, the purpose of the Plan is to offer certain employees, non-employee directors, consultants and prospective employees the opportunity to acquire a proprietary interest in the Bank. Through the Plan, the Bank and its affiliates will continue to seek to attract, motivate, and retain highly competent persons. The success of the Bank and its affiliates is dependent upon the efforts of these persons. The Plan

provides for the grant of options, restricted stock awards, restricted stock unit awards, performance stock awards, stock appreciation rights (“SARs”), other equity-based awards and performance bonuses.

The Bank believes that it has so far been able to attract highly qualified personnel, but that it is desirable to have the flexibility to attract and retain additional personnel and to reward exceptional performance by employees through equity incentives. Accordingly, the board of directors approved the Plan as a source of equity and cash incentives.

Shares Available for Issuance

The board of directors believes that a reserve of 300,000 shares of Bank common stock will enable the Bank to provide the necessary incentives to its employees and directors. As discussed above, the remaining shares available for issuance pursuant to the Prior Plan are no longer available for issuance pursuant to that plan, nor would they roll over to, or be available for issuance pursuant to, the Plan.

Administration

The board of directors or one of its committees will administer the Plan (in such capacity, the “Administrator”). Subject to the provisions of the Plan, the Administrator has the authority to: (i) exercise all of the powers granted to it under the under the Plan; (ii) determine the fair market value of Bank common stock pursuant to the terms of the Plan; (iii) select the service providers to whom awards may be granted under the Plan; (iv) determine whether and to what extent awards are granted under the Plan; (v) determine the number of shares of Bank common stock that pertain to each award; (vi) approve the terms of option agreements, stock award agreements and SAR agreements; (vii) determine the terms and conditions, not inconsistent with the terms of the Plan, of any award, including the exercise price and the status of an option (non-statutory stock option or incentive stock option), the time or times when awards may be exercised, and any restriction or limitation regarding any award or the shares of Bank common stock relating thereto, based in each case on such factors as the Administrator may determine; (viii) determine the method of payment of the exercise price; (ix) delegate to others responsibilities to assist in administering the Plan; (x) construe and interpret the terms of the Plan, option agreements, stock award agreements, SAR agreements and any other documents related to awards granted under the Plan; (xi) interpret and administer the terms of the Plan to comply with tax law or any other applicable law and to cause any award that is intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) to continue to be so exempt; and (xii) adopt, alter and repeal such administrative rules, guidelines and practices governing the operation of the Plan as it shall from time to time deem advisable.

Eligibility

The Administrator, in its sole discretion, will determine who receives awards under the Plan. Except for incentive stock options, awards under the Plan may be granted to employees of the Bank and its affiliates, non-employee directors of the Bank and consultants who provide bona fide services for the Bank or an affiliate as a consultant or advisor and who are not employees or non-employee directors. Incentive stock options may be granted only to employees of the Bank or its affiliates. As of March 26, 2024, the Bank and its affiliates had 284 employees and the Bank had six non-employee directors, each of whom would be eligible to receive awards under the Plan by being an employee or director of the Bank or one of its affiliates, as applicable.

Types of Awards

The Plan provides for the granting of options, restricted stock awards, restricted stock unit awards, performance stock awards, stock appreciation rights, other equity-based awards and performance bonuses. A summary of each type of award is set forth below.

Options. A stock option confers upon the recipient (an “Optionee”) the right to purchase a certain number of

shares of Bank common stock at an established exercise price. The Administrator may authorize the grant of options that are either incentive stock options (“ISOs”) within the meaning of Code Section 422, or options that do not constitute incentive stock options (“non-statutory stock options”). No participant may be granted in any calendar year options to purchase more than 100,000 shares of Bank common stock.

The exercise price of each ISO and non-statutory stock option granted under the Plan will be determined by the Administrator, except that the exercise price may not be less than the fair market value of a share of Bank common stock on the date the option is granted, subject to adjustment pursuant to the Plan. Nevertheless, an option may be granted with a lower exercise price if the option is granted pursuant to an assumption or substitution for another option in accordance with Treasury Regulation § 1.409A-1(b)(5)(v)(D). Each option is exercisable for a period not to exceed 10 years. For each option, the Administrator will establish, without limitation: (i) the term of the option; (ii) the time or period of time in which the option will vest.

To the extent that the aggregate fair market value (determined in the manner prescribed by the Plan on the date of grant) of the Bank common stock with respect to which ISOs become exercisable for the first time by any holder during any calendar year under all plans of the Bank and its affiliates exceeds \$100,000, the ISOs shall be treated as non-statutory stock options. Any ISO granted to a holder of 10% or more of the total combined voting power of all classes of the Bank’s stock must: (i) have an exercise price of at least 110% of the fair market value of the Bank common stock subject to the option on the date of grant; and (ii) must not be exercisable after five years from the date of the grant.

Restricted Stock Awards. A restricted stock award is an award of stock (“restricted stock”) or hypothetical shares of stock (“restricted stock units”) having a value equal to the fair market value of an identical number of shares of Bank common stock. Subject to the terms of the Plan, the Administrator has the discretion to determine the number, conditions (including performance-based vesting criteria) and vesting or issuance of the restricted stock awards.

A grant of shares of restricted stock is subject to the terms and restrictions of its stock award agreement, and possibly to an escrow agreement if the Administrator determines that such restricted stock should be held by the Bank or in escrow pending the release of the applicable restrictions. Subject to certain restrictions, awardees of restricted stock will generally have the rights, including voting rights, as holders of Bank common stock, including the right to receive dividends.

Restricted stock awarded to an awardee will be subject to the following restrictions until their expiration, satisfaction of applicable performance goals during such period, and the stock award agreement’s other terms and conditions: (i) the shares will be subject to the restrictions on transferability set forth in the Plan; (ii) the shares will be subject to forfeiture to the extent provided in the stock award agreement; and (iii) to the extent such shares are forfeited, all rights of the awardee to the restricted stock will terminate without further obligation on the part of the Bank.

An award of a restricted stock unit is subject to the terms and restrictions of its stock award agreement. No shares of stock are issued at the time of the grant, and the Bank is not required to set aside a fund for the payment of the award. Restricted stock units will be subject to: (i) the stock award agreement’s terms and conditions; and (ii) forfeiture until the expiration of the restrictions applicable to the award and satisfaction of any applicable performance goals during such period, to the extent provided in the stock award agreement. Rights of the awardee will terminate to the extent restricted stock units are forfeited, without further obligation on the part of the Bank. Upon the expiration of the restrictions with respect to any outstanding restricted stock units, the Bank will deliver to the awardee one share of stock for each such outstanding restricted stock unit.

At the time of the grant of a restricted stock award, the Administrator may prescribe additional terms, conditions or restrictions including, but not limited to, rules related to the termination of employment of the

awardee prior to the lapse of the restrictions on the restricted stock or restricted stock unit.

Performance Stock Awards. The Administrator may designate, at the time of grant, any restricted stock or restricted stock unit granted under the Plan as a performance stock award.

A performance stock award may be granted to an awardee contingent upon future performance of the awardee, the Bank or any business unit or subsidiary thereof. The Administrator will establish, with respect to each performance stock award, a performance cycle over which the applicable performance conditions will be measured, and one or more written performance objectives or goals and an award opportunity for each performance stock award granted for such performance cycle. The restrictions to which performance stock awards are subject will be established by the Administrator as it deems advisable and may include, without limitation, restrictions based upon the achievement of specific performance objectives (company-wide, business unit, subsidiary or individual), time-based restrictions (but only if coupled with specific performance objectives) and restrictions under applicable federal or state securities laws.

The Administrator will determine which employees will be granted a performance stock award under the Plan for any performance cycle. Designation of an awardee as eligible to receive a performance stock award does not entitle the awardee to receive payment in respect of the award. The terms of the Plan determine entitlement to payment of performance stock awards. With respect to a particular performance cycle, the Administrator has full discretion to select the length of the cycle, the types of awards to be issued, the applicable criteria, the performance goals for each awardee and the formula to be applied against the performance goals to determine the extent to which a performance stock award has been earned for the performance cycle. The Administrator may specify a minimum acceptable level of achievement with respect to each performance goal, as well as one or more additional levels of achievement, and a formula to determine the percentage of the award deemed to have been earned by the awardee upon attainment of each such level of achievement, which may exceed 100%.

Stock Appreciation Rights. A SAR gives the awardee a right to receive, upon exercise, the excess of: (i) the fair market value of one share of Bank common stock on the date of exercise; over (ii) the exercise price of the SAR as determined by the Administrator as of the date of grant of the SAR, which must not be less than the fair market value of one share of Bank common stock on the date of grant. Subject to the terms of the Plan, the Administrator will determine the time or times at which a SAR may be exercised (provided that no SAR may have a term in excess of 10 years from the date of grant) and any other terms and conditions of a SAR. The settlement of SARs is payable in cash or in shares of Bank common stock. Each SAR agreement will specify the expiration of the term of the SAR and such other terms and conditions as the Administrator may determine. No participant may be granted in any calendar year SARs that pertain to more than 100,000 shares of Bank common stock.

Other Equity-Based Awards. The Plan provides the Administrator with the ability to grant equity-based awards not expressly provided for in the Plan. These awards are subject to such terms and conditions as the Administrator may determine, subject to the terms of the Plan, and may entail transfers of Bank common stock or payment in cash or otherwise of amount based on the value of shares of Bank common stock. Each such award shall be evidenced by an agreement with all provisions necessary to ensure that: (i) the award is exempt from Code Section 409A; or (ii) if the award is not exempt from Code Section 409A, that the award complies with all requirements of Code Section 409A and the regulations promulgated thereunder.

Performance Bonuses. The Plan also provides the Administrator with the ability to grant performance bonuses of up to \$500,000 to participants, subject to the terms of the Plan and such other terms and conditions as the Administrator may determine. These bonuses shall be subject to the satisfaction of performance-based goals over a performance cycle of up to 10 years, each established by the Administrator. Performance bonuses may be paid in cash or in shares of Bank common stock.

Amendment and Termination

The board of directors may amend, suspend, terminate or discontinue the Plan at any time, provided that no amendment, alteration, suspension or discontinuation will be made which would impair the rights of any participant under any grant previously made under the Plan without that participant's consent. In addition, to the extent necessary and desirable to comply with Code Section 422 (or other applicable law or regulation), the Bank will obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required. The Administrator may generally amend, alter, suspend, discontinue or terminate any award and any award agreement; provided that, without the consent of an affected participant, no such action by the Administrator may impair the rights of any participant with respect to the award.

Recapitalization or Change in Control

The Plan provides that in the event of certain corporate events or changes affecting the Bank's common stock, the number of shares of common stock that pertain to each outstanding award, and the exercise price of each option and SAR and the maximum number of shares subject to all awards under the Plan will be adjusted to reflect the event.

In the event: (i) a participant's service with the Bank is terminated by the Bank without cause or is terminated by the participant for good reason, in each case within 24 months following a change of control; or (ii) of a participant's death or disability (each, a "Vesting Event"), a participant's unvested awards under the Plan will automatically vest, become exercisable or be deemed fully earned, as applicable.

Tax Consequences

Options. The federal income tax consequences both to the Optionee and the Bank of options granted under the Plan differ depending on whether an option is an ISO or a non-statutory stock option.

Non-statutory Stock Options. No federal income tax is imposed on the Optionee upon the grant of a non-statutory stock option. Generally, upon the exercise of a non-statutory stock option, the Optionee will be treated as receiving compensation taxable as ordinary income in the year of exercise in an amount equal to the excess of the fair market value of the shares at the time of exercise over the exercise price paid for such shares. Upon a subsequent disposition of the shares received upon exercise of a non-statutory stock option, any difference between the amount realized on the disposition and the basis of the shares (exercise price plus any ordinary income recognized upon exercise of the option) would be treated as long-term or short-term capital gain or loss, depending on the holding period of the shares. Upon an Optionee's exercise of a non-statutory stock option, the Bank may claim a deduction for compensation paid at the same time and in the same amount as compensation income is recognized by the Optionee.

Incentive Stock Options. No federal income tax is imposed on the Optionee upon the grant or exercise of an ISO. The difference between the exercise price and the fair market value of the shares on the exercise date will, however, be included in the calculation of the Optionee's alternative minimum tax liability, if any. If the Optionee does not dispose of shares acquired pursuant to the exercise of an ISO within two years from the date the option was granted or within one year after the shares were transferred to him or her, the difference between the amount realized upon a subsequent disposition of the shares and the exercise price of the shares would be treated as long-term capital gain or loss. In such event, the Bank would not be entitled to any deduction in connection with the grant or exercise of the option or the disposition of the shares so acquired. If an Optionee disposes of shares acquired pursuant to his or her exercise of an ISO prior to the end of the two-year or one-year holding periods noted above, the disposition would be treated as a disqualifying disposition and the Optionee would be treated as having received, at the time of disposition, compensation taxable as ordinary income equal to the excess of the fair market value of the shares at the time of exercise (or the amount realized on such sale, if less) over the exercise price. Any amount realized in excess of the fair

market value of the shares at the time of exercise would be treated as long-term or short-term capital gain, depending on the holding period of the shares. In such event, the Bank may claim a deduction for compensation paid at the same time and in the same amount as compensation income recognized by the Optionee.

Restricted Stock. No federal income tax is imposed on an awardee at the time shares of restricted stock are granted, nor will the Bank be entitled to a tax deduction at that time. Instead, when either the transfer restriction or the forfeiture risk lapses, such as on the vesting date, the awardee will recognize ordinary income in an amount equal to the excess of the fair market value of the shares of restricted stock over the amount, if any, paid for such shares. Notwithstanding the foregoing, unless restricted by the agreement relating to a grant, an awardee receiving restricted stock can elect to include the excess of the fair market value of the restricted stock over the amount (if any) paid for such stock, in income at the time of grant by making an appropriate election under Code Section 83(b) within 30 days after the restricted stock is issued to the awardee. Subsequent appreciation in the fair market value of the stock will be taxed as capital gains when the awardee disposes of the stock. However, if an awardee files such an election and the restricted stock is subsequently forfeited, the awardee is not allowed a tax deduction for the amount previously reported as ordinary income due to the election. At the time the awardee recognizes ordinary income with respect to shares issued pursuant to a restricted stock award, the Bank will be entitled to a corresponding deduction.

Restricted Stock Units. No federal income tax is imposed upon the grant of a restricted stock unit. Instead, upon the delivery of shares pursuant to a restricted stock unit award, the awardee will have taxable compensation equal to the fair market value of the number of shares the awardee actually receives with respect to the award. At the time the awardee recognizes ordinary income with respect to a restricted stock award, the Bank will be entitled to a corresponding deduction.

Performance Stock Awards. Generally, an awardee of a performance stock award will not recognize income when the award is granted, unless the performance stock award vests immediately and has no substantial restrictions or limitations. If the performance stock award vests only upon the satisfaction of certain performance criteria, an awardee will recognize ordinary income only when the awards vest and any restrictions regarding forfeiture are removed. The Bank will generally be allowed to deduct from its taxable income the amount of ordinary income an awardee must recognize.

Stock Appreciation Rights. No federal income tax is imposed on the awardee upon the grant of a SAR. When the awardee exercises the SAR or otherwise receives the payout, the awardee recognizes ordinary income for federal income tax purposes in an amount equal to the cash or the fair market value of common stock payable upon exercise. The Bank may claim a deduction for compensation paid at the same time and in the same amount as compensation income recognized by the awardee.

Other Equity-Based Awards and Performance Bonuses. The tax consequences to both an awardee and to the Bank will depend upon the nature of the award granted.

Specific Benefits under the Plan

Because awards under the Plan will be granted at the discretion of the Administrator, it is not possible for the Bank to determine and disclose the amount of future awards that may be granted to directors and executive officers if shareholders approve the Plan. The Bank has not approved any awards under the Plan that are conditioned upon shareholder approval of the Plan.

Other Provisions of the Plan

The Plan also contains additional provisions including, but not limited to, compliance with Code Section 409A and indemnification of members of the board of directors or its committee, in each case that serves as the

Administrator, for acts or omissions to act related to the Plan.

Votes Required and Board Recommendation

The affirmative vote of the holders of a majority of the total votes represented and entitled to be cast at the Annual Meeting is required to approve the Plan. The board of directors unanimously recommends that the shareholders vote “**FOR**” the approval of the Cashmere Valley Bank Equity Incentive Plan.

OTHER MATTERS

The board of directors knows of no other matters to be brought before the Annual Meeting.

ANNUAL REPORT

A copy of the 2023 Annual Report to Shareholders serves as the Bank’s Annual Disclosure Statement and will be first mailed to registered shareholders on April 15, 2024. Additional copies of the Bank’s Annual Report, including Annual Financial Statements, or other information may be obtained at www.cashmerevalleybank.com/investor-relations or requested from the Bank (InvestorRelations@CashmereValleyBank.com or 509-782-2624). **You will receive your official proxy in a separate mailing either from Broadridge or your broker where your shares are held.**

Exhibit A
Equity Incentive Plan

[To be attached.]

