

COASTALSOUTH BANCSHARES, INC.

CORPORATE GOVERNANCE GUIDELINES

STATEMENT OF CORPORATE GOVERNANCE PHILOSOPHY

The role of the Board of Directors (the “Board”) of CoastalSouth Bancshares, Inc. (the “Company”) is to effectively govern the affairs of the Company for the benefit of its shareholders and other constituencies, which include the Company’s employees, customers and the communities in which it does business. The Board will strive to ensure the success and continuity of the Company’s business through the election of qualified management and through on-going oversight to assure the Company’s activities are conducted in a legal, responsible and ethical manner.

The Board has adopted the corporate governance guidelines set forth below (the “Guidelines”) as a framework for the governance of the Company. The Nominating and Governance Committee reviews the Guidelines annually and recommends changes to the Board, as appropriate. The Guidelines, as they may be amended from time to time, are available on the Company’s website.

DIRECTOR QUALIFICATIONS AND SELECTION OF NEW DIRECTOR CANDIDATES

The Nominating and Governance Committee has the responsibility of identifying, reviewing the qualifications of and recommending to the Board nominees for membership on the Board and reviewing and recommending with respect to any shareholder nominees. In discharging this responsibility, the Nominating and Governance Committee receives input from other Board members. In its review, the Nominating and Governance Committee considers such criteria and factors as:

- Whether the director/potential director possesses personal and professional integrity, sound judgment, forthrightness and has sufficient time and energy to devote to the affairs of the Company;
- Whether the director/potential director possesses a willingness to challenge and stimulate management and the ability to work as part of a team in an environment of trust;
- The extent of the director’s/potential director’s educational, business non-profit or professional acumen and experience;
- Whether the director/potential director assists in achieving a mix of Board members that represents a diversity of background, perspective and experience, including with respect to age, gender, race, place of residence and specialized experience;
- Whether the director/potential director meets the independence requirements of the New York Stock Exchange (“NYSE”) Listing Standards;
- Whether the director/potential director has the financial acumen or other professional, educational or business experience relevant to an understanding of the Company’s business;
- Whether the director/potential director would be considered a “financial expert” or “financially literate” as defined in the NYSE Listing Standards or applicable law;

- Whether the director/potential director, by virtue of particular technical expertise, experience or specialized skill relevant to the Company's current or future business, will add specific value as a Board member;
- Whether the director/potential director is free from conflicts of interest with the Company; and
- Any factors related to the ability and willingness of a new director to serve, or an existing director to continue his/her service.

BOARD INDEPENDENCE

A majority of the Board will be directors that the Board has affirmatively determined meet the criteria for independence required by the NYSE and these Corporate Governance Guidelines.

A. Categorical Standards for Director Independence

The Nominating and Governance Committee will make recommendations to the Board annually as to the independence of directors as defined by the NYSE. To be considered independent under the NYSE Listing Standards, the Board must determine that a director does not have any direct or indirect material relationship with the Company. The Board has established the following standards to assist it in determining director independence. A director is not independent if:

- The director is, or has been within the last three years, an employee of the Company or an immediate family member is, or has been within the last three years, an executive officer of the Company.
- The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service). (Compensation received by an immediate family member for service as an employee of the Company (other than an executive officer) is not taken into consideration under this independence standard).
- (A) The director is a current partner or employee of a firm that is the Company's internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time.
- The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.
- The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues. (The principal amount of loans made by the Company to any director or immediate family member shall not be taken into consideration under this independence standard; however,

interest payments or other fees paid in association with such loans would be considered payments.)

The following relationships will not be considered to be material relationships that would impair a director's independence:

- The director is a current employee, or an immediate family member of the director is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services (including financial services) in an amount which, in the prior fiscal year, is less than the greater of \$1 million, or 2% of such other company's consolidated gross revenues. (In the event this threshold is exceeded, and where applicable in the standards set forth below, the three year "look back" period referenced above will apply to future independence determinations).
- The director or an immediate family member of the director is a partner of a law firm that provides legal services to the Company and the fees paid to such law firm by the Company in the prior fiscal year were less than the greater of \$1 million, or 2% of the law firm's total revenues.
- The director or an immediate family member of the director is an executive officer of a tax exempt organization and the Company's contributions to the organization in the prior fiscal year were less than the greater of \$1 million, or 2% of the organization's consolidated gross revenues.
- The director received less than \$120,000 in direct compensation from the Company during the prior twelve month period, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
- The director's immediate family member received in his or her capacity as an employee of the Company (other than as an executive officer of the Company), less than \$250,000 in direct compensation from the Company in the prior fiscal year, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
- The director or an immediate family member of the director has, directly, in his or her individual capacities, or, indirectly, in his or her capacity as the owner of an equity interest in a company of which he or she is not an employee, lending relationships, deposit relationships or other banking relationships (such as depository, trusts and estates, private banking, investment banking, investment management, custodial, securities brokerage, insurance, cash management and similar services) with the Company provided that:
 - 1) Such relationships are in the ordinary course of business of the Company and are on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons; and
 - 2) With respect to extensions of credit by the Company's subsidiaries:
 - (a) such extensions of credit have been made in compliance with applicable law, including Regulation O of the Board of Governors of the Federal Reserve, Sections 23A and 23B of the Federal Reserve Act and Section 13(k) of the Securities Exchange Act of 1934; and
 - (b) no event of default has occurred under the extension of credit.

For relationships not described above or otherwise not covered in the above examples, a majority of the Company's independent directors, after considering all of the relevant circumstances, may make a determination whether or not such relationship is material and whether the director may therefore be considered independent under the NYSE Listing Standards. The Company will explain the basis of any such determinations of independence in the next proxy statement.

For purposes of these independence standards an "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home.

For purposes of these independence standards "Company" includes any parent or subsidiary in a consolidated group with the Company.

B. Additional Criteria for Independent Audit Committee and Compensation Committee Members

In addition to being independent as determined under the Categorical Standards for Independence set forth in "A" above,

- members of the Audit Committee shall not (a) accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any of its subsidiaries other than directors' fees or (b) be an "affiliated person" of the Company or any of its subsidiaries, all as set forth in Rule 10A-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
- members of the Compensation Committee (a) shall not have any relationship to the Company that is material to such director's ability to be independent from the Company's management in connection with the duties of a Compensation Committee member, after taking into consideration all factors specifically relevant to the relationship pursuant to NYSE Listing Standard 303A.02(a)(ii) and the criteria set forth in Rule 10C-1(b)(1) promulgated under the Exchange Act and (b) must qualify as "outside directors" as such term is defined under Section 162(m) of the Internal Revenue Code of 1986, as amended, and "non-employee directors" as such term is defined under Rule 16b-3 promulgated under the Exchange Act.

SIZE OF BOARD

In accordance with the Company's Bylaws, the Board shall consist of not less than 5 nor more than 15 members. It is the sense of the Board that this is the appropriate size range for the Board at the present time, allowing the Board to consider increasing or decreasing the size of the Board within this range if appropriate in the future to give the Board the flexibility to appoint interim directors during the periods between the Company's Annual Meetings should outstanding candidates come to its attention.

VOTING FOR DIRECTORS

In accordance with the Company's Bylaws, the Directors shall be elected at each annual meeting of shareholders, or at a special meeting of shareholders called for purposes that include the election of directors, by a plurality of the votes cast by the shares entitled to vote and present at the meeting. However, if any nominee receives more "withhold" or "against" votes than "for" votes, the Board expects such person to promptly tender his or her resignation following certification of the shareholder vote. The Board shall nominate for election or re-election as director only candidates who agree to tender, promptly following such person's failure to receive the required vote for

election or re-election at the next meeting at which such person would face election or re-election, an irrevocable resignation that will be effective upon board acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender promptly following their appointment to the Board, the same form of resignation tendered by other directors in accordance with this corporate governance guideline.

The Nominating and Governance Committee will promptly consider the resignation offer and recommend to the Board whether to accept or reject it. In considering whether to accept the resignation, the Nominating and Governance Committee will consider all factors deemed relevant by members of the Nominating and Governance Committee.

The Board will act on the Nominating and Governance Committee's recommendation no later than 90 days following certification of the shareholder vote. In considering the Nominating and Governance Committee's recommendation, the Board will consider the factors considered by the Nominating and Governance Committee and such additional information and factors the Board believes to be relevant.

The Company will promptly disclose the Board's decision whether to accept the director's resignation offer in a Form 8-K filed with the Securities and Exchange Commission.

To the extent that one or more directors' resignations are accepted by the Board, the Nominating and Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

Any director who tenders his or her resignation pursuant to this provision will not participate in the Nominating and Governance Committee recommendation or Board action regarding whether to accept the resignation offer.

If a majority of the members of the Nominating and Governance Committee did not receive the required vote for election or re-election at the same election, then the independent directors who did receive the required vote will appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept or reject them. This Board committee may, but need not, consist of all of the independent directors who received the required vote for election or re-election or those independent directors who were not standing for election.

This corporate governance guideline will be summarized or included in each proxy statement relating to an election of directors of the Company.

DIRECTORS WHO CHANGE THEIR JOB RESPONSIBILITIES; OTHER BOARD RELATIONSHIPS

Individual directors who change the job responsibility they held when they were elected to the Board shall submit a letter of resignation for consideration by the Board. It is not a requirement that in every instance the directors who retire or change from the position they held when they were elected to the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, via the Nominating and Governance Committee, to review the continued appropriateness of Board membership under these circumstances. Directors should not serve on more than three other boards of publicly traded companies in addition to the Company's Board. Directors should also advise the Chairman of the Board and Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve on the board of another publicly traded company.

TERM LIMITS

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold a disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations, and therefore, provide an increasing contribution to the Board as a whole.

SELECTION OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board does not have a policy, one way or the other, on whether or not the role of the Chairman and Chief Executive Officer should be separate and, if it is to be separate, whether the Chairman should be selected from the non-employee directors or be an employee.

EXECUTIVE SESSIONS OF DIRECTORS

The Board will meet in executive session after regularly scheduled Board meeting and at such other times as may be requested by the Chairman of the Board or any director, from which all employees of the Company, other than employees who also serve as directors, will be excluded. The session will be presided over by the Chairman of the Board.

EXECUTIVE SESSIONS OF NON-MANAGEMENT DIRECTORS

Non-management directors of the Board will meet in executive session after regularly scheduled Board meetings and at such other times as may be requested by any nonmanagement director. Matters relating to CEO compensation, management development and succession planning and other more sensitive areas are discussed at these sessions. The session will be presided over by the longest-serving non-management director, or in the event the Chairman of the Board is independent, by the Chairman of the Board.

EXECUTIVE SESSIONS OF INDEPENDENT DIRECTORS

Independent directors of the Board will meet in executive session at least once a year. The session will be presided over by the longest-serving independent director, or in the event the Chairman of the Board is independent, by the Chairman of the Board.

NUMBER AND INDEPENDENCE OF COMMITTEES; AVAILABILITY OF COMMITTEE CHARTERS

The Board has determined that the current committee structure of the Company is appropriate. There will, from time to time, be occasions on which the Board may want to form a new committee or disband a current committee depending upon the circumstances. The current principal four committees are Audit, Compensation, Credit and Risk, and Nominating and Governance Committees. Committee membership will consist of only independent directors. The Audit, Compensation, and Nominating and Governance Committee charters are available on the Company's website.

ASSIGNMENT AND REMOVAL OF COMMITTEE MEMBERS; OPERATION OF COMMITTEES

The Board is responsible, after taking into consideration the recommendation of the Nominating and Governance Committee and with consideration of the desires of individual Board members, for the assignment of Board members to various committees and removing Board members from committees.

Generally, the Audit, Compensation, Credit and Risk, Nominating and Governance Committees meet periodically in conjunction with the regular meetings of the full Board. Additional meetings of the Audit Committee are held in conjunction with the filing of the Company's periodic reports with the Securities and Exchange Commission. Additional meetings of all committees are held if circumstances create the need for a special meeting. The Chairs of each Committee report the highlights of their meetings to the full Board following each meeting of the respective committees.

MANAGEMENT AND DIRECTOR RESPONSIBILITIES

The Company's business is conducted by its employees and officers, under the direction of the Chief Executive Officer and the oversight of the Board, to enhance the long-term value of the Company for its shareholders. The Board is elected by the shareholders to oversee management and to assure that the long-term interests of the shareholders are being served. In addition to its general oversight of management, the Board also performs a number of specific functions, including, but not limited to:

- Providing counsel and oversight on the selection, evaluation, development and compensation of the Chief Executive Officer and executive management and overseeing Chief Executive Officer succession planning;
- Reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- Providing oversight of the Company's risk management processes, including receipt of reports from Coastal States Bank's legal department and the assessment of major risks facing the Company and reviewing options for their mitigation; and
- Providing oversight to ensure that processes are in place for maintaining the integrity of the Company, including the integrity of the financial statements, the integrity of compliance with law and ethics and the integrity of relationships with customers and shareholders.

BOARD MEETINGS

The Board shall hold at least four scheduled Board meetings a year and at least one scheduled Board meeting in each quarter. Additional meetings may be held if circumstances create the need for a special meeting. Directors are expected to attend all scheduled Board and Committee meetings. The Chairman of the Board will establish the agenda for each Board meeting after consultation with the Chief Executive Officer. Each Board member is free to suggest the inclusion of item(s) on the agenda.

BOARD MATERIALS DISTRIBUTION AND REVIEW

The Board is provided with materials in advance of each meeting that Board members are expected to review and study. Members of management, depending upon items to be considered at the

meeting, compile most material. Additional information from other sources can be requested at the discretion of management or the Board. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

BOARD ACCESS TO MANAGEMENT

Directors shall have access to members of the Company's management. Selected members of management of the Company may attend all or a portion of each Board meeting at the invitation of the Board.

DIRECTOR COMPENSATION

The Compensation Committee will be responsible for recommending to the Board compensation and benefit programs for directors and for periodically reviewing the appropriateness of such programs. In making this recommendation, the Compensation Committee will take into consideration compensation paid to directors at corporations that are comparable to the Company. A portion of the director's compensation may be in the form of cash retainers and a portion may be in the form of equity. Directors will be permitted to defer the receipt of their cash compensation. The structure of the compensation of directors should be transparent and easy for shareholders to understand.

ASSESSING BOARD PERFORMANCE

The Nominating and Governance Committee is responsible for overseeing the process of conducting an annual self-evaluation of the performance of the Board, including an evaluation of the Audit Committee, Compensation Committee, Credit and Risk Committee, and Nominating and Governance Committee. Each Committee will conduct its own self-evaluation and each Committee Chair will report the performance evaluation results to the Board. The Chair of the Nominating and Governance Committee will report the performance evaluation results of the Board to the Board.

CEO PERFORMANCE REVIEW

The Compensation Committee shall establish performance measures and objectives to be used to evaluate Chief Executive Officer performance. The Compensation Committee shall perform the annual evaluation of Chief Executive Officer performance and report such evaluation to an executive session of non-management directors. The Compensation Committee uses its evaluation results in the course of its deliberations when considering the compensation of the Chief Executive Officer.

SUCCESSION PLANNING AND MANAGEMENT DEVELOPMENT

The Chief Executive Officer will discuss with the non-management directors in executive session, no less frequently than on an annual basis, the Company's management development and executive succession activities. The succession planning process includes consideration of both ordinary course succession, in the event of planned promotions and retirements, and planning for situations where the CEO unexpectedly becomes unable to perform the duties of that position. There should be available to the Chairman of the Board the Chief Executive Officer's recommendation as a successor in the event of an emergency or his or her disability.

ACCESS TO OUTSIDE ADVISORS

The Board and its Committees shall have the right to retain independent outside financial, legal or other advisors at the expense of the Company.

HEDGING AND PLEDGING OF COMPANY STOCK

Hedging and monetization of Company stock by directors and executive officers is prohibited under these Corporate Governance Guidelines. Pledging of Company stock by directors and executive officers is prohibited under these Corporate Governance Guidelines. Any director or executive officer who has shares of Company stock pledged as of March 31, 2025 shall have two years to unwind any pledging transactions secured by Company stock.

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

All new directors will be provided with an orientation process to enable them to become familiar with the Company's vision, strategic direction, core values, financial matters, corporate governance practices and other key policies and practices through a review of background material, meetings with senior management and visits to the Company's facilities. The Board also recognizes the importance of continuing education for its directors and is committed to providing such education through continuing educational programs including reviewing the Company's strategic plans, its key policies and practices, its financial statements and other materials on subjects that would assist directors in discharging their duties. The Company will reimburse each director for up to \$5,000 per annual term of service for tuition and reasonable travel expenses incurred in connection with attendance at a director education seminar provided by a third-party vendor, subject to pre-approval by the Chief Executive Officer.

ETHICS AND CONFLICTS OF INTEREST

Each director will seek to avoid taking actions or having interests that might result in a conflict of interest, that is, a situation where a director's private interest interferes in any way with the interests of the Company as a whole. The Board expects the Company's directors as well as officers and employees to act ethically at all times and to adhere to the Company's Code of Business Conduct and Ethics. If an actual or potential conflict of interest arises for a director, the director shall promptly notify the Nominating and Governance Committee which shall determine whether an actual or potential conflict of interest exists and recommend appropriate action. If a significant conflict exists and cannot be resolved the director should resign. For purposes of these Guidelines and the Company's Code of Business Conduct and Ethics, if a loan made to, or guaranteed by, any Company director or his/her affiliates (as defined in Regulation O of the Board of Governors of the Federal Reserve) is assigned a rating of "criticized", "special mention", "substandard" or "doubtful" (as such terms are defined in the Company's loan policy), and such loan is not restored to a "pass" rating within twelve months after the date of such adverse classification, the director shall be deemed to have a conflict of interest that requires such director to resign from the Board. All directors shall recuse themselves from discussion or decisions affecting their business or personal interests.

REPORTING OF CONCERNS TO NON-MANAGEMENT DIRECTORS OR THE AUDIT COMMITTEE

Anyone who has a concern about the Company's conduct, or about the Company's accounting, internal accounting controls or auditing matters, may communicate that concern to the non-

management directors, or in the event the Chairman of the Board is independent, through the Chairman of the Board, or to the Audit Committee through the Chair of the Audit Committee. Such communications may be confidential or anonymous, and may be submitted in writing to the Vice President of Internal Audit. Concerns relating to accounting, internal accounting controls or auditing matters will be forwarded to the Chair of the Audit Committee. Other concerns will be forwarded to the Chairman of the Board. The Company's Code of Business Conduct and Ethics prohibits the Company and any of its employees from retaliating against employees and officers for raising a concern.