UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 29, 2026**

COASTAL FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Washington	**001-38589**	**56-2392007**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5415 Evergreen Way, Everett, Washington 98203
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(425)** 257-9000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, no par value per share	CCB	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company ☐
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Appointment of Christopher D. Adams as Executive Chair

On July 29, 2026, Coastal Financial Corporation (the "Company") appointed Christopher D. Adams as Executive Chair of the Board of Directors of the Company (the "Board"), effective July 29, 2026.

Mr. Adams, 46, has been a non-employee member of the Board since 2016. In addition to his service as a non-employee member of the Board, Mr. Adams has been a partner at the law firm Adams & Duncan, Inc., P.S. in Everett, Washington, since 2006. Given Mr. Adams extensive knowledge of the business and his decades of experience working on matters for financial institutions, the Company believes that Mr. Adams brings to the Board complementary legal expertise and a robust familiarity with our market area, and is well qualified to serve in his new role as Executive Chair, where he will be both an executive officer of the Company and will continue serving as the chair of the Board.

On July 29, 2026, the Company entered into an employment agreement (the "Adams Employment Agreement") with Mr. Adams. The Adams Employment Agreement governs the terms of Mr. Adams's employment and contains standard non-solicitation, confidentiality and non-disparagement provisions. The initial term of the Adams Employment Agreement is five years, with automatic annual renewal absent prior notice of non-renewal. Pursuant to the terms of the Adams Employment Agreement, Mr. Adams will be entitled to an annual base salary of $750,000, subject to annual review by the Compensation Committee of the Board. The foregoing description of the Adams Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the Adams Employment Agreement, a copy of which is attached hereto as Exhibit 10.1 and the terms of which are incorporated by reference herein.

There is no arrangement or understanding between Mr. Adams and any other person pursuant to which he was selected as Executive Chair of the Board. In addition, there are no familial relationships between Mr. Adams and any director or executive officer of the Company, and Mr. Adams has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Following the appointment of Mr. Adams as Executive Chair, the Board appointed Thomas Lane as Lead Independent Director, effective July 29, 2026. Mr. Lane will receive compensation for his service as Lead Independent Director consistent with the Company's non-employee director compensation program.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On July 29, 2026, the Board of Directors of the Company approved amendments to the Amended and Restated Bylaws to, among other changes, address the authority and duties of the Board's Executive Chairperson, address the authority and duties of the Board's Lead Independent Director, and address other related changes, effective July 29, 2026.

The foregoing description of the amendments to the Amended and Restated Bylaws does not purport to be complete and is qualified in its entirety by reference to the full text of such amendments reflected in the Fourth Amended and Restated Bylaws, a copy of which is filed as Exhibit 3.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

Exhibits

Number	Description
3.1	Fourth Amended and Restated Bylaws, effective July 29, 2026.
10.1	Employment Agreement, dated as of July 29, 2026, between Coastal Financial Corporation and Christopher D. Adams
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COASTAL FINANCIAL CORPORATION

Date: July 30, 2026

By: /s/ Brandon J. Soto

Brandon J. Soto

Executive Vice President and Chief Financial Officer

EXHIBIT 3.1

FOURTH AMENDED AND RESTATED BYLAWS

OF

COASTAL FINANCIAL CORPORATION

(Incorporated Under the Laws of Washington)

Section 1

SHAREHOLDERS' MEETING

1.1 Place. Shareholders' meetings will be held at such place, in or out of the State of Washington, as shall be determined by the Board of Directors and stated in the notice of meeting.

1.2 Annual Meeting. The annual meeting of the shareholders of the corporation for the election of directors to succeed those whose terms then expire and for the transaction of any other business as may properly come before the meeting will be held each year on the date determined by the Board of Directors. Failure to hold an election of directors at the annual meeting of the shareholders, through oversight or otherwise, does not affect the validity of any corporate action, and a meeting of the shareholders may be held at a later date for the election of directors and for the transaction of any other business that may properly come before the meeting. Any election held or other business transacted at a later meeting will be as valid as if done or transacted at the annual meeting of the shareholders. Any later meeting will be called in the same manner as a special meeting of the shareholders, and notice of the time, place, and purpose of the meeting will be given in the same manner as notice of a special meeting of the shareholders.

1.3 Special Meetings. Special meetings of the shareholders for any purpose or purposes may be called at any time by the Chief Executive Officer, President, any member of the Board of Directors, or by holders of not less than one-third (1/3) of all shares of stock of the corporation entitled to vote on any issue proposed to be considered at the meeting. Business transacted at any special meeting of the shareholders shall be confined to the purpose(s) stated in the notice of such meeting.

1.4 Notices of Meetings. Written notice stating the date, time, and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, will be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, unless a purpose of the meeting is to act on an amendment to the Articles of Incorporation of the corporation (the "Articles of Incorporation"), a plan of merger or share exchange, a proposed sale of all or substantially all of the assets of the corporation, or the dissolution of the corporation, in which case notice will be delivered not less than twenty (20) nor more than sixty (60) days before the date of the meeting. Notice of any shareholders' meeting will be delivered electronically, personally or by mail, by or at the direction of the Chief Executive Officer, President, the Secretary, or the person or persons calling the meeting, to each shareholder of record entitled to vote at the meeting and to others as required by law. If mailed, the notice will be deemed to be delivered when deposited in the United States mail with postage prepaid, addressed to the shareholder at his or her address as it appears in the current records of the corporation.

1.5 Waiver of Notice. Notice of any shareholders' meeting may be waived by a shareholder, before or after the date and time of the meeting that is the subject of such notice, or in the case of a notice relating to a proposed corporate action without a meeting of the shareholders, before or after the corporate action to be approved by executed consent becomes effective. Except as provided by this Section 1.5, the waiver must be delivered by the shareholder entitled to notice to the corporation for inclusion in the minutes or filing with the corporate records, which waiver shall be set forth either (a) in an executed and dated record or (b) if the corporation has designated an address, location, or system to which the waiver may be electronically transmitted and the waiver is electronically transmitted to the designated address, location, or system, in an executed and dated electronically transmitted record. A shareholder's attendance at a meeting waives objection to lack of notice or defective notice of the meeting unless the shareholder objects at the beginning of the meeting to holding the meeting or transacting business at the meeting. A shareholder waives objection to consideration of a particular matter at a meeting that is not within the purpose or purposes described in the meeting notice unless the shareholder objects to considering the matter when it is presented.

1.6 Adjourned Meetings. An adjournment or adjournments of any shareholders' meeting may be taken until the time and place determined by those present, without new notice being given, whether by reason of the failure of a quorum to attend or otherwise. However, any meeting at which directors are to be elected will be adjourned only from day to day until the directors are elected.

1.7 Quorum of Shareholders. A majority of the votes in a voting group entitled to vote on a matter represented at a shareholders' meeting in person or by proxy other than solely to object to the meeting or the business to be transacted, having once been in attendance at the meeting, will constitute a quorum for that voting group for action taken during the meeting on that matter. If a quorum is present, action is approved if the votes cast within the voting group favoring the action exceed the votes cast within the voting group opposing the action, unless the vote of a greater number is required by law, the Articles of Incorporation, or these Bylaws of the corporation (the "Bylaws"). Shareholders may participate in a meeting of the shareholders by means of a conference telephone, video conference or similar communications equipment by which all persons participating in the meeting can hear each other during the meeting. Participation by such means will constitute presence in person at a meeting.

1.8 Voting of Shares. A shareholder may vote either in person or by proxy executed in writing by the shareholder or his or her duly authorized attorney-in-fact. No proxy will be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

1.9 Action Without Meeting. Any action required or permitted to be taken at a meeting of the shareholders of the corporation may be taken without a meeting if a written consent resolution, setting forth the action taken, is signed by shareholders of record or shareholders otherwise entitled to vote in the aggregate not less than the minimum number of votes that would be necessary to approve such corporate action at a meeting at which all shares entitled to vote on the corporate action were present and voted. Once delivered, the consent resolution will have the same force and effect as a unanimous vote of the shareholders.

1.10 Conduct of Business.

(a) The chairperson of any meeting of the shareholders shall determine the order of business and the procedures at the meeting, including such regulation of the manner of voting and the conduct of discussion. The date and time of the opening and closing of the polls for each matter upon which the shareholders will vote at the meeting shall be announced at the meeting.

(b) At any annual meeting of the shareholders, only such business shall be conducted as shall have been brought before the meeting (i) by or at the direction of the Board of Directors or (ii) by any shareholder of record of the corporation who gives notice of such proposal as provided for in this Section 1.10(b), who is entitled to vote with respect thereto and who complies with the notice procedures set forth in this Section 1.10(b). For business to be properly brought before an annual meeting of the shareholders by a shareholder, the business must relate to a proper subject matter for shareholder action and the shareholder must have given timely notice thereof in writing to the Secretary. To be timely, a shareholder's notice must be delivered or mailed to and received at the principal executive office of the corporation not earlier than one hundred twenty (120) days and not later than ninety (90) days prior to the date of the first anniversary of the preceding year's annual meeting of the shareholders; provided, however, if the date of the annual meeting of the shareholders is more than thirty (30) days earlier or later than the anniversary date of the most recent preceding annual meeting of the shareholders, then not later than the close of business on the earlier of (a) the tenth (10^{th}) day after public disclosure of the date of the annual meeting of the shareholders or (b) the sixtieth (60^{th}) day prior to the date the corporation commences mailing of its proxy materials in connection with the annual meeting of the shareholders. In no event shall the adjournment or postponement of an annual meeting (or the public announcement of the adjournment or postponement thereof) commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above. A shareholder's notice to the Secretary shall set forth as to each matter such shareholder proposes to bring before the annual meeting of the shareholders (i) (A) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting of the shareholders and (B) the text of any proposal or business (including the text of any resolutions proposed for consideration, and in the event that such business includes a proposal to amend the Articles of

Incorporation or these Bylaws, the language of the proposed amendment), (ii) the name and address, as they appear on the corporation's books, of the shareholder and any Shareholder Associated Person proposing such business, (iii) the class and number of shares of the corporation's capital stock that are beneficially owned by such shareholder and any Shareholder Associated Person, (iv) any other information relating to such shareholder and any Shareholder Associated Person that would be required to be (A) filed on Schedule 13D (including the exhibits thereto) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") by such shareholder or Shareholder Associated Person, regardless of whether such person has publicly filed or is required to publicly file a Schedule 13D containing such information or (B) disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the proposal by such shareholder or Shareholder Associated Person pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (v) any agreements, arrangements or understandings entered into by the shareholder or Shareholder Associated Person, as appropriate, with respect to equity securities of the corporation, including any put or call arrangements, derivative securities, short positions, borrowed shares or swap or similar arrangements, specifying in each case the effect of such agreements, arrangements or understandings on any voting or economic rights of equity securities of the corporation, in each case as of the date of the notice and in each case describing any changes in voting or economic rights which may arise pursuant to the terms of such agreements, arrangements or understandings, and, to the extent not covered in the immediately preceding clause, any disclosures that would be required pursuant to Item 5 or Item 6 of Schedule 13D (regardless of whether the requirement to file a Schedule 13D is applicable to the shareholder or beneficial owner), and copies of all agreements and other documents relating to each such derivative securities and other derivatives or similar arrangements, (vi) a statement disclosing (A) whether such shareholder or any Shareholder Associated Person is acting with or on behalf of any other person and (B) if applicable, the identity of such person, (vii) any material interest of such shareholder or Shareholder Associated Person in such business, including any anticipated benefits therefrom to such shareholder or Shareholder Associated Person, (viii) a description of any agreement, arrangement, or understanding with respect to such business between or among the shareholder or any Shareholder Associated Person, if any, on whose behalf the business is being made and any of their affiliates or associates, and any others (including their names) acting in concert with any of the foregoing, and a representation that the shareholder will notify the corporation in writing of any such agreement, arrangement, or understanding in effect as of the record date for the meeting within five (5) business days after the record date for such meeting, (ix) a description of any direct or indirect interest of such shareholder or any Shareholder Associated Person in any contract with the corporation, any affiliate of the corporation or any principal competitor of the corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), and (x) a description of any pending or threatened litigation in which such shareholder or any Shareholder Associated Person is a party or material participant involving the corporation or any of its officers or directors, or any affiliate of the corporation. Notices made pursuant to this section shall set forth a representation that (X) the shareholder and each Shareholder Associated Person, if any, will notify the corporation in writing of the class, series and number of such shares of the corporation's capital stock owned of record and beneficially as of the record date for the meeting, promptly following the later of the record date or the date that the notice of the record date is first publicly disclosed and (Y) the shareholder delivering the notice pursuant to this section is a shareholder of record of the corporation entitled to vote at the meeting, will continue to be a shareholder of record of the corporation entitled to vote at such meeting through the date of such meeting and intends to appear in person or by proxy at the meeting to propose such business. Notwithstanding anything in these Bylaws to the contrary, no business shall be brought before or conducted at an annual meeting of the shareholders except in accordance with the provisions of this Section 1.10(b). The Chairperson or other person presiding over the annual meeting of the shareholders shall, if the facts so warrant, determine and declare to the annual meeting of the shareholders that business was not properly brought before the annual meeting of the shareholders in accordance with the provisions of this Section 1.10(b) and, if he or she should so determine, he or she shall so declare to the annual meeting of the shareholders and any such business so determined to be not properly brought before the meeting shall not be transacted at such annual meeting of the shareholders.

At any special meeting of the shareholders, only such business shall be conducted as shall have been brought before the meeting in accordance with Section 1.3 of these Bylaws.

(c) Only persons who are nominated in accordance with the procedures set forth in this Section 1.10 shall be eligible for election as directors. Nominations of persons for election to the Board of Directors may be made at a meeting of the shareholders at which directors are to be elected only (i) by or at the direction of the Board of Directors or (ii) by any shareholder of record of the corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 1.10(c) (each a "Shareholder Nominee"). Nominations of a Shareholder Nominee shall be made by timely notice in writing to the Secretary. To be timely, a shareholder's notice shall be delivered or mailed to and received at the principal executive office of the corporation not earlier than one hundred twenty (120) days and not later than ninety (90) days prior to the date of the first anniversary of the preceding year's annual meeting of the shareholders; provided, however, if the date of the annual meeting of the shareholders is more than thirty (30) days earlier or later than the anniversary date of the most recent preceding annual meeting of the shareholders, then notice by the shareholder will be timely if so received not later than the close of business on the earlier of (a) the tenth (10^{th}) day after public disclosure of the date of the annual meeting of the shareholders, or (b) the sixtieth (60^{th}) day prior to the date the corporation commences mailing of its proxy materials in connection with the annual meeting of the shareholders. In no event shall the adjournment or postponement of an annual meeting of the shareholders (or the public announcement of the adjournment or postponement thereof) commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above. For the avoidance of doubt, a shareholder shall not be entitled to make additional or substitute nominations following expiration of the time periods set forth in Section 1.10. Such shareholder's notice shall be signed by the noticing shareholder and Shareholder Nominee and shall set forth (i) as to each Shareholder Nominee, (A) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a Shareholder Nominee and to serving as a director if elected), (B) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and any Shareholder Associated Person, on the one hand, and each Shareholder Nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including without limitation all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K if the shareholder making the nomination and any Shareholder Associated Person were the "registrant" for purposes of such rule and the Shareholder Nominee were a director or executive officer of such registrant; and (ii) as to the shareholder giving the notice and each Shareholder Associated Person (A) the name and address, as they appear on the corporation's books, of such shareholder and the name and address of each Shareholder Associated Person, (B) the class and number of shares of the corporation's capital stock that are beneficially owned by such shareholder and each Shareholder Associated Person, (C) any other information relating to such shareholder and each Shareholder Associated Person that would be required to be (1) filed on Schedule 13D (including the exhibits thereto) under the Exchange Act by such shareholder or any Shareholder Associated Person, regardless of whether such person has publicly filed or is required to publicly file a Schedule 13D containing such information or (2) disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (D) any agreements, arrangements or understandings entered into by the shareholder or Shareholder Associated Person, as appropriate, with respect to equity securities of the corporation, including any put or call arrangements, derivative securities, short positions, borrowed shares or swap or similar arrangements, specifying in each case the effect of such agreements, arrangements or understandings on any voting or economic rights of equity securities of the corporation, in each case as of the date of the notice and in each case describing any changes in voting or economic rights which may arise pursuant to the terms of such agreements, arrangements or understandings, and, to the extent not covered in immediately preceding clause, any disclosures that would be required pursuant to Item 5 or Item 6 of Schedule 13D (regardless of whether the requirement to file a Schedule 13D is applicable to the shareholder or beneficial owner), and copies of all agreements and other documents relating to each such derivative securities and other derivatives or similar arrangements, (E) a statement disclosing (1) whether such shareholder or any Shareholder Nominee thereof is acting with or on behalf of any other person and (2) if applicable, the identity of such person, (F) a description of any agreement, arrangement, or understanding with respect to such nomination between or among the shareholder or any Shareholder Associated Person, if any, on whose behalf the nomination is being made and any of their affiliates or associates, and any others (including their names) acting in concert with any of the foregoing, and a representation that the shareholder will notify the corporation in writing of any such agreement, arrangement, or understanding in effect as of the record date for the meeting within five (5) business days after the record date for such meeting, (G) a description of any direct or indirect interest of such shareholder or any Shareholder Associated Person in any contract with the corporation, any affiliate of the corporation or any principal competitor of the corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), and (H) a description of any pending or threatened litigation in which such shareholder or any Shareholder Associated Person is a party or material participant involving the corporation or any of its officers or directors, or any affiliate of the corporation. Notices made pursuant to this section in connection with the nomination of Shareholder Nominees shall set forth a representation that (X) the shareholder and each Shareholder Associated Person, if any, intend or are part of a group that intends to solicit proxies or votes in support of each person whom the shareholder proposes to nominate for election or reelection to the Board of Directors in accordance with Rule 14a-19 under the Exchange Act, (Y) the shareholder and each Shareholder Associated Person, if any, will notify the corporation in writing of the class, series and number of such shares of the corporation's capital stock owned of record and beneficially as of the record date for the meeting, promptly following the later of the record date or the date notice of the record date is first publicly disclosed and (Z) the shareholder delivering the notice pursuant to this section is a shareholder of record of the corporation entitled to vote at the meeting, will continue to be a shareholder of record of the corporation entitled to vote at such meeting through the date of such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination. Such shareholder and each Shareholder Associated Person must, in the case of nomination or nominations, have delivered prior to the meeting a proxy statement and form of proxy to holders of at least sixty-seven percent (67%) of the shares entitled to vote at the meeting for which the director nomination is being made, soliciting proxies in support of such Shareholder Nominee in accordance with Rule 14a-19 under the Exchange Act, and must have included such material in the shareholder's notice. "Shareholder Associated Person" of any shareholder means (1) any affiliate or associate (as such terms are defined for purposes of the Exchange Act) of the shareholder and any other person acting in concert with them, (2) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such shareholders, and (3) any person controlling, controlled by, or under common control with such person. The corporation may require any proposed Shareholder Nominee to furnish such other information as may reasonably be required by the corporation to determine the eligibility of such proposed Shareholder Nominee to serve as an Independent Director of the corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such Shareholder Nominee.

(d) A Shareholder Nominee nominated pursuant to Section 1.10(c) shall only be eligible for consideration to be nominated for election or reelection as a director of the corporation, if the notice required pursuant to Section 1.10(c) is accompanied by (i) a completed written questionnaire with respect to the background and qualification of such Shareholder Nominee and the background of any other person or entity on whose behalf the nomination is being made (which form of questionnaire shall be provided by the Secretary to the nominating shareholder upon written request) signed by the Shareholder Nominee and (ii) the written consent of each Shareholder Nominee to: (A) provide, within such time period specified by the corporation, such information concerning the Shareholder Nominee as may reasonably be required by the Board of Directors or an applicable committee of the Board of Directors to determine the eligibility of such Shareholder Nominee to serve as an Independent Director of the corporation, that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such Shareholder Nominee, and (B) a background check to confirm the qualifications and character of the Shareholder Nominee and to make such other determinations as the Board of Directors or an applicable committee of the Board of Directors may deem appropriate or necessary, and (iii) the written representation and agreement (in the form provided by the Secretary to the nominating shareholder upon written request) of the Shareholder Nominee that he or she (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the corporation, with such person's fiduciary duties under applicable law, (B) is not a party to any agreement, arrangement or understanding that the Shareholder Nominee has with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein and that he or she will promptly disclose to the Secretary any such agreement, arrangement, or understanding that arises at any time during the Shareholder Nominee's service on the Board of Directors, (C) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the corporation, and (D) if the Board of Directors determines that such Shareholder Nominee failed to comply with the provisions of this Section 1.10(d) in any material respect, provides such Shareholder Nominee notice of any such determination and, if such non-compliance may be cured, such Shareholder

Nominee fails to cure such non-compliance within ten (10) business days after delivery of such notice to such Shareholder Nominee, the corporation may deem the nomination to be defective and disregard such nomination, deeming any proxies or votes received for such Shareholder Nominee void.

(e) A person is not eligible to serve as director if he or she: (i) is under indictment for, or has ever been convicted of, a criminal offense, involving dishonesty or breach of trust and the penalty for such offense could be imprisonment for more than one (1) year; (ii) is a person against whom a federal or state bank regulatory agency has, within the past ten (10) years, issued a cease and desist order for conduct involving dishonesty or breach of trust and that order is final and not subject to appeal; (iii) has been found either by any federal or state regulatory agency whose decision is final and not subject to appeal, or by a court, to have (A) committed a willful violation of any law, rule or regulation governing banking, securities, commodities or insurance, or any final cease and desist order issued by a banking, securities, commodities or insurance regulatory agency or (B) breached a fiduciary duty involving personal profit; or (iv) has been nominated by a person who would be disqualified from serving as a director of the corporation under this Section 1.10(e).

(f) The various requirements set forth in subsections (b) and (c) of this Section 1.10 shall apply to all shareholder business and nominations, without regard to whether such business or nominations are required to be included in the corporation's proxy statement or form of proxy.

(g) If, after the shareholder has delivered such notice, any information required to be contained in such notice changes prior to the date of the relevant annual meeting of the shareholders, such notice shall be deemed to be not in compliance with this Section 1.10 and therefore not effective unless such shareholder, within five (5) days of the date of the event causing such change in information, delivers to the corporation an updated notice containing such change. Notwithstanding anything to the contrary contained in these Bylaws, no business shall be conducted at an annual meeting of the shareholders except in accordance with the procedures set forth in this Section 1.10. In addition, any proposal of business (other than the nomination of persons for election to the Board of Directors pursuant to Section 1.10(c)) must be a proper matter for shareholder action. The chairperson of any meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 1.10(b), and if the chairperson should so determine, the chairperson shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

(h) Upon request by the corporation, if any shareholder provides notice pursuant to Rule 14a-19(b) under the Exchange Act, such shareholder shall deliver to the corporation reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) under the Exchange Act and such evidence shall be received by the Secretary at the principal executive offices of the corporation not later than five (5) business days prior to the date of the meeting of the shareholders. Unless otherwise required by law, if any shareholder (i) (A) provides notice pursuant to Rule 14a-19(b) under the Exchange Act and (B) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) under the Exchange Act or (ii) notifies the corporation that such shareholder no longer intends to solicit proxies in accordance with Rule 14a-19 under the Exchange Act, then the corporation shall disregard any proxies or votes solicited for such shareholder's director nominees.

(i) Notwithstanding the foregoing provisions of this Section 1.10, unless otherwise required by law, if the shareholder who delivered the notice (or a qualified representative of such shareholder) does not appear at the meeting of the shareholders of the corporation and present his or her proposed business or nomination(s), such proposed business will not be transacted and any such nomination will be disregarded, notwithstanding that proxies in respect of such vote may have been received by the corporation. For purposes of this Section 1.10, to be considered a qualified representative of a shareholder of the corporation, a person must be a duly authorized officer, manager or partner of such shareholder or must be authorized by a writing executed by such shareholder (or a reliable reproduction or electronic transmission of the writing) stating that such person is authorized to act for such shareholder as a proxy at the meeting of the shareholders of the corporation, and such person must produce proof that he or she is a duly authorized officer, manager or partner of such shareholder or such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, as well as valid government-issued photo identification, at the meeting of the shareholders of the corporation. Notwithstanding anything to the contrary contained in these Bylaws, if the person whom the noticing shareholder proposes to nominate for election or reelection as a director pursuant to the notice procedures set forth in this Sections 1.10 hereof becomes ineligible or unwilling to serve on the Board of Directors, the noticing shareholder may not, at the annual meeting of the shareholders for which its notice for nomination has previously been given, propose to nominate any substitute, successor or replacement nominee for election or reelection as a director, unless it gives a new timely notice pursuant to this section.

Section 2
BOARD OF DIRECTORS

2.1 Number and Qualifications. All corporate powers shall be exercised by, or under the authority of, and the business and affairs of the corporation will be managed by a board of directors (the "Board of Directors"), the members of which need not be shareholders of the corporation or residents of the State of Washington. The range in the number of directors will be as set by the Articles of Incorporation with the exact number of directors to be determined by resolution of the Board of Directors from time to time.

2.2 Election - Term of Office. The directors will be elected by the shareholders pursuant to the Articles of Incorporation, to hold office for the terms specified in the Articles of Incorporation.

2.3 Vacancies. Except as otherwise provided by law, vacancies on the Board of Directors, whether caused by resignation, death, or otherwise, may be filled by the remaining directors, whether constituting a quorum or not, or by the shareholders entitled to vote for the positions vacated. Directors elected to fill vacancies will hold office during the unexpired term of their predecessors and until their successors are elected and qualified.

2.4 Annual Meeting. The annual meeting of the Board of Directors will be held immediately after and at the same place as the annual meeting of the shareholders or any later shareholders' meeting at which directors are elected.

2.5 Regular Meetings. Regular meetings of the Board of Directors will be held on the dates and at the times and places decided by resolution of the Board of Directors.

2.6 Special Meetings. Special meetings of the Board of Directors may be held at any time and at any place whenever called by the Chairperson, the Executive Chairperson, the Lead Independent Director, the Chief Executive Officer, the President or any two (2) directors of the corporation.

2.7 Notice of Meetings. Notice of regular meetings of the Board of Directors is not required. Notice of the date, time, and place of special meetings of the Board of Directors must be given, by or at the direction of the Chairperson, the Executive Chairperson, the Lead Independent Director, the Chief Executive Officer, the President, the Secretary, or any person or persons calling the meeting, electronically or by mail, facsimile or personal communication over the telephone or otherwise, at least two (2) days prior to the day on which the meeting is to be held. No notice need be given if the time and place of the meeting has been fixed by resolution of the Board of Directors and a copy of the resolution has been mailed to every director at least two (2) days before the meeting.

2.8 Waiver of Notice. Notice of any meeting of the Board of Directors may be waived at any time, either before or after a meeting, if the waiver is in writing, signed by the director entitled to notice, and delivered to the corporation. Notice is waived by any director attending or participating in a meeting unless the director, at the beginning of the meeting or promptly on the director's arrival, objects to holding the meeting or transacting business at the meeting and does not vote for or assent to any action taken at the meeting.

2.9 Quorum of Directors; Attendance. A majority of the number of directors fixed in accordance with the Articles of Incorporation or these Bylaws from time to time will constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is present will be the act of the Board of Directors. Members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or committee by means of a conference telephone or similar communication equipment by which all persons participating in the meeting can hear each other at the meeting. Participation by such means will constitute presence in person at a meeting.

2.10 Dissent by Directors. A director of the corporation who is present at a meeting of its Board of Directors at which action on any corporate matter is taken will be presumed to have assented to the action unless (a) the director objects at the beginning of the meeting, or promptly on his or her arrival, to holding the meeting or transacting business at the meeting; (b) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) the director delivers written notice of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation within a reasonable time after adjournment. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

2.11 Action Without Meeting. Any action which may be or is required to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of a committee designated by the Board of Directors, may be taken without a meeting if a written consent resolution, setting forth the action taken, is signed by all of the directors or all of the members of the committee, as the case may be, and is delivered to the corporation. The fully signed consent resolution will have the same force and effect as a unanimous vote.

2.12 Removal of Directors. One or more directors may be removed by the shareholders of the corporation in accordance with the provisions of the Articles of Incorporation. Any vacancy caused by such removal may be filled by the shareholders at such meeting, and any director elected to fill such vacancy shall serve only for the unexpired term of his predecessor in office.

2.13 Executive Committee. By resolution adopted by a majority of the full Board of Directors, the Board of Directors may designate from among its members an Executive Committee of not less than two (2) members, and may designate one of such members as chairperson. Any member of the Board of Directors may serve as an alternate member of the Executive Committee in the absence of a regular member or members. The Executive Committee shall have and exercise all of the authority of the Board of Directors during intervals between meetings of the Board of Directors except that the Executive Committee shall not have the authority to: (1) authorize or approve a distribution except according to a general formula or method prescribed by the Board of Directors; (2) approve or propose to shareholders action required to be approved by shareholders; (3) fill vacancies on the Board of Directors or on any of its committees; (4) amend the Articles of Incorporation; (5) adopt, amend, or repeal these Bylaws; (6) approve a plan or merger not requiring shareholder approval, or (7) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares, except as authorized by the Board of Directors within limits specifically prescribed by the Board of Directors.

2.14 Other Committees. By resolution adopted by a majority of the full Board of Directors, the Board of Directors may designate from among its members such other committees as it may deem necessary, each of which shall consist of not less than two (2) directors and have such powers and duties as may from time to time be prescribed by the Board of Directors.

2.15 Rules of Procedure. The majority of the members of any committee may fix its rules of procedure. All actions by any committee shall be reported in written minutes available at any reasonable time to any member of the Board of Directors. Such actions shall be subject to revision, alteration and approval by the Board of Directors; provided, that no rights or acts of third parties who have relied in good faith on the authority granted herein shall be affected by such revision or alteration.

Section 3
OFFICERS

3.1 Officers Enumerated - Appointment. The officers of the corporation may include a Chief Executive Officer, President, Secretary, and Treasurer and one or more Vice Presidents, as well as any assistants to the officers as the Board of Directors may determine. The Board of Directors, in its discretion, may also appoint a Chairperson or an Executive Chairperson from among the members of the Board of Directors. All officers will be appointed by the Board of Directors at its annual meeting of the shareholders to hold office until their successors are appointed and qualified.

3.2 Qualifications. None of the officers of the corporation need be a director, except the Executive Chairperson, if any.

3.3 Chairperson. The Chairperson of the Board of Directors, if any, will preside over all shareholder and director meetings at which he or she is present and will perform such other duties as may from time to time be assigned by the Board of Directors; provided, however, that the Chairperson will not, solely by reason of his or her office, be considered an executive officer of the corporation or be assigned executive responsibilities or participate in the operational management of the corporation. If the Board of Directors designates the Chairperson as the “Executive Chairperson,” he or she shall also be an officer of the corporation. The Executive Chairperson: (a) shall provide advice and counsel to the Chief Executive Officer, the President and other members of senior management in areas such as corporate and strategic planning and policy, acquisitions, major capital expenditures and other areas requested by the Board of Directors; (b) may sign and execute any document, deed, paper, mortgage, bond, stock certificate, contract or other instrument or obligation in the name and on behalf of the corporation, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation or shall be required by law to be otherwise executed; and (c) shall, in general, perform all duties as may be prescribed by these Bylaws or assigned to him or her by the Board of Directors from time to time.

3.4 Lead Independent Director. The Board of Directors may, in its discretion appoint a Lead Independent Director from among its members that are "Independent Directors" (as defined below). He or she shall preside at all meetings at which the Chairperson or Executive Chairperson is not present and shall exercise such other powers and duties as may from time to time be assigned to him or her by the Board of Directors or as prescribed by these Bylaws. For purposes of these Bylaws, "Independent Director" has the meaning ascribed to such term under the rules of The Nasdaq Stock Market or other stock exchange upon which the corporation's common stock is primarily traded.

3.5 Chief Executive Officer. The Chief Executive Officer will oversee the operations of the corporation. Subject to the authority of the Board of Directors, the Chief Executive Officer will have general charge, supervision, and control over the business and affairs of the corporation and will be responsible for its management. If no Chairperson, Executive Chairperson or Lead Independent Director is appointed, or in the absence of the Chairperson, Executive Chairperson or Lead Independent Director, the Chief Executive Officer will preside at all meetings of the shareholders, and of the Board of Directors if he or she is a member of the Board of Directors. Any shares of stock of another corporation held by the corporation will be voted by the Chief Executive Officer, subject to direction from the Board of Directors. The Chief Executive Officer will perform any other duties assigned to that office from time to time by the Board of Directors, and any or all duties assigned to that office by the Board of Directors or these Bylaws may be assigned by the Board of Directors, either in addition to or in substitution for assignment to that office, to the Executive Chairperson.

3.6 President. If no Chief Executive Officer is appointed, the President will act as the Chief Executive Officer, will have responsibility for the general management of the business of the corporation, and will perform those duties set forth in Section 3.3 of these Bylaws. If the Chief Executive Officer is absent or disabled, the President will have and may exercise and perform the authority and duties of the Chief Executive Officer. If the Board of Directors has appointed a Chief Executive Officer, the President shall manage the day-to-day operations of the corporation as well as perform any other duties assigned to that office from time to time by the Board of Directors or Chief Executive Officer.

3.7 Vice President. If the Chief Executive Officer and President are absent or disabled, the Vice President(s), if any, in the order designated by the Board of Directors, will have and may exercise and perform the authority and duties of Chief Executive Officer and the President. In addition, the Vice President(s) will perform any other duties assigned to that office by the Board of Directors, Chief Executive Officer or President from time to time. Each Vice President will have the title, seniority, and duties established for him or her by the Board of Directors.

3.8 Secretary. The Secretary will prepare and keep minutes of meetings of shareholders and directors, will be responsible for authenticating records of the corporation, and will exercise the usual authority pertaining to the office of secretary. The Secretary will keep the stock book of the corporation, a record of certificates representing shares of stock issued by the corporation, and a record of transfers of certificates. The Secretary will keep and, when proper, affix the seal of the corporation, if any, and will perform any other duties assigned to that office by the Board of Directors, Chief Executive Officer or President from time to time.

3.9 Treasurer. The Treasurer will have charge and custody of and be responsible for all funds and securities of the corporation. The Treasurer will deposit all such funds in the name of the corporation in the appropriate depositories or invest them in the investments designated or approved by the Board of Directors, and will authorize disbursement of the funds of the corporation in payment of just demands against the corporation or as may be ordered by the Board of Directors on securing proper vouchers. The Treasurer will render to the Board of Directors from time to time, as may be required, an account of all transactions as Treasurer, and will perform any other duties assigned to that office from time to time by the Board of Directors, Chief Executive Officer or President.

3.10 Other Officers and Agents. The Board of Directors may appoint other officers and agents as it deems necessary or expedient. Such other officers and other agents will hold their positions for the periods determined from time to time by the Board of Directors. These other officers and agents will exercise the authority and perform the duties prescribed for them by the Board of Directors, which authority and duties may include, in the case of the other officers, one or more of the duties of the named officers of the corporation.

3.11 Removal of Officers. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served by doing so. Removal will be without prejudice to the contract rights, if any, of the person removed. Election or appointment of an officer or agent will not of itself create contract rights.

3.12 Vacancies. Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting.

3.13 Salaries. Salaries of all officers and agents of the corporation appointed by the Board of Directors will be set by the Board of Directors.

Section 4
BUSINESS OF THE CORPORATION

4.1 Obligations. The Chief Executive Officer or President (or the Vice President(s) in their absence or disability), will have responsibility for and authority to carry out the normal and regular business affairs of the corporation. Any agreements or other documents requiring approval by the Board of Directors will be valid if approved by the Board and signed by the Chairperson, the Executive Chairperson, the Lead Independent Director, the Chief Executive Officer, President, or Vice President(s) and attested by the Secretary or an Assistant Secretary.

4.2 Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. This authority may be general or confined to specific instances.

4.3 Loans to Corporation. No loans will be contracted on behalf of the corporation, and no evidence of indebtedness will be issued in its name, unless authorized by the Board of Directors. This authority may be general or confined to specific instances.

4.4 Checks and Drafts. All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the corporation will be signed by the officer(s) or agent(s) of the corporation and in the manner prescribed from time to time by the Board of Directors.

Section 5
INDEMNIFICATION

The corporation may provide indemnification consistent with its Articles of Incorporation and applicable state and federal laws.

Section 6
STOCK

6.1 Certificate of Stock. Each shareholder shall be entitled to certificates that represent and certify the shares of stock he or she holds in the corporation. Certificates of stock will be issued in numerical order. Each shareholder will be entitled to a certificate signed, either manually or in facsimile, by the Chief Executive Officer, President or Vice President(s) and the Secretary. The certificate may be sealed with the corporate seal. Every certificate of stock will state:

(a) The name of the corporation and the fact that the corporation is incorporated under the laws of the State of Washington;

(b) The name of the registered holder of the shares represented by the certificate; and

(c) The number and class of the shares and the designation of the series, if any, represented by the certificate.

Notwithstanding anything to the contrary herein, the Board of Directors may provide by resolution that some or all of the shares of any or all classes or series of the corporation's capital stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation.

6.2 Transfer. Shares of stock may be transferred by delivery of the certificate, accompanied by either an assignment in writing on the back of the certificate or a separate written assignment and power of attorney to transfer the same, which in either event is signed by the record holder of the certificate. No transfer will be valid, except as between the parties to the transfer, until the transfer is made on the books of the corporation. Except as otherwise specifically provided in these Bylaws, no shares of stock will be transferred on the books of the corporation until the outstanding certificate or certificates representing the transferred stock have been surrendered to the corporation.

6.3 Shareholders of Record. The corporation will be entitled to treat the holder of record on the books of the corporation of any share or shares of stock as the holder in fact of those shares for all purposes, including the payment of dividends on and the right to vote the stock, unless provided otherwise by the Board of Directors.

6.4 Loss or Destruction of Certificates. If any certificate of stock is lost or destroyed, another may be issued in its place on proof of loss or destruction and on the giving of a satisfactory bond of indemnity to the corporation. A new certificate may be issued without requiring any bond when, in the judgment of the Board of Directors, it is proper to do so.

6.5 Record Date and Transfer Books. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of the shareholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors will make in advance a record date for any such determination of shareholders. The record date in any case will not be more than seventy (70) days and, in the case of a meeting of the shareholders, not less than ten (10) days prior to the date on which the particular action requiring the determination of shareholders is to be taken. If no record date is fixed for these purposes, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring the dividend is adopted, as the case may be, will be the record date for the determination of shareholders.

6.6 Regulations. The Board of Directors will have the power and authority to make all rules and regulations it deems expedient concerning the issue, transfer, conversion, and registration of certificates for shares of stock of the corporation not inconsistent with these Bylaws, the Articles of Incorporation, or the laws of the United States or the State of Washington.

Section 7
BOOKS AND RECORDS

7.1 Records of Corporate Meetings and Share Register. The corporation will keep at either its principal place of business, its registered office, or another place permitted by law, as the Board of Directors may designate, (a) complete books and records of account and complete minutes or records of all of the proceedings of the Board of Directors, director committees, and shareholders, and (b) a record of shareholders, giving the names of the shareholders in alphabetical order by class of shares and showing their respective addresses and the number and class of shares held by each.

7.2 Reliance on Records. Any person dealing with the corporation may rely on a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors, director committees, or shareholders when certified by the Chief Executive Officer, President, Vice President(s), or Secretary.

Section 8
CORPORATE SEAL

The corporation may adopt, but will not be required to adopt, a corporate seal. If a seal is adopted, it will consist of a flat-faced circular die producing words, letters, and figures in raised form which will state the name of the corporation, the year of its incorporation, and the words “corporate seal.”

Section 9
AMENDMENTS

9.1 By the Shareholders. These Bylaws may be amended, altered, or repealed at any regular or special meeting of the shareholders in accordance with applicable law if notice of the proposed alteration or amendment is contained in the notice of the meeting.

9.2 By the Board of Directors. These Bylaws may be amended, altered, or repealed by the affirmative vote of a majority of the whole Board of Directors at any regular or special meeting of the Board of Directors; provided, however, the Board of Directors shall not amend, alter, or repeal any Bylaw in such manner as to affect the classifications or compensation of the directors in any way. Any action of the Board of Directors with respect to the amendment, alteration or repeal of these Bylaws is hereby made expressly subject to change or repeal by the shareholders.

Section 10
FISCAL YEAR

The fiscal year of the corporation shall be the calendar year.

Section 11
EXCLUSIVE FORUM FOR CERTAIN DISPUTES

Unless the corporation consents in writing to the selection of an alternative forum, a state court located within the State of Washington (or, if no state court located within the State of Washington has jurisdiction, the United States District Court for the Western District of Washington) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the corporation, (2) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the corporation to the corporation or the corporation’s shareholders, (3) any action asserting a claim arising pursuant to any provision of the Washington Business Corporation Act, and (4) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this Section 11.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") dated as of July 29, 2026 (the "Effective Date"), is made by and among Coastal Financial Corporation (the "Company"), Everett, Washington, and Christopher D. Adams (the "Executive").

WHEREAS, the Company desires to hire the Executive as Executive Chair of the Company, and the Executive desires to accept an offer of employment to serve as Executive Chair of the Company; and

WHEREAS, the parties desire to enter into an employment relationship on the terms and conditions set forth herein.

NOW, **THEREFORE**, in consideration of the mutual covenants herein contained, the receipt and sufficiency of which are acknowledged, the parties hereby agree as follows.

1. POSITION.

During the period of his employment hereunder, the Executive agrees to serve as Executive Chair of the Board of Directors of the Company (the "Board").

2. TERM AND DUTIES.

(a) The term of this Agreement will commence as of the Effective Date and will continue until the fifth (5th) anniversary of the Effective Date (the "Initial Term"). This Agreement will renew automatically for additional, successive twelve (12) month periods (each, a "Renewal Term", and collectively with the Initial Term, the "Term") unless the Executive, on the one hand, or the Company, on the other hand, delivers notice of intent not to renew at least ninety (90) days prior to the applicable renewal date. The Term may be terminated in accordance with Sections 4 and 5.

(b) During the period of his employment hereunder, except for periods of absence occasioned by illness, vacation periods, and approved leaves of absence, the Executive will devote substantially all of his business time, attention, skill, and efforts to the faithful performance of his duties hereunder, that are consistent with his role as Executive Chair; provided, however, that, from time to time, the Executive may, subject to the Executive's obligations hereunder (including Section 6) and contingent upon the prior written approval of the Board, such approval not to be unreasonably withheld or delayed, serve, or continue to serve, on the boards of directors of, and hold any other offices or positions in, companies or organizations, which will not materially affect the performance of the Executive's duties pursuant to this Agreement. The duties of the Executive as Executive Chair will be as directed by the Board.

3. COMPENSATION AND REIMBURSEMENT.

(a) The compensation specified under this Agreement will constitute the salary and benefits paid for the duties as Executive Chair described in Sections 1 and 2. The Company will pay the Executive as compensation a base salary of $750,000 per year ("Base Salary"), less deductions and withholdings. Such Base Salary will be payable in accordance with the customary payroll practices of the Company. The Compensation Committee of the Board (the "Committee") will review the Executive's Base Salary at least annually and may increase, but not decrease, the Executive's Base Salary based on such review. Any increase in salary after the Effective Date will constitute the Base Salary for purposes of this Agreement. For purposes of this Agreement, any decisions, duties and actions specified for the Committee may be taken or fulfilled by the Board or such other committee that may be established by the Board.

(b) The Executive will be eligible to participate in or receive benefits under any employee benefit plan including, but not limited to, retirement plans, supplemental retirement plans, pension plans, profit-sharing plans, life insurance, health insurance, or any other employee benefit plan or arrangement made available by the Company currently or in the future to its senior executives and key management employees, subject to, and on a basis consistent with, the terms, conditions and overall administration of such plans and arrangements. The Company reserves the right to amend or terminate its plans and programs at any time, or to change the portion of the cost of coverage that the Company pays.

(c) The Company will reimburse the Executive for reasonable, business-related travel and entertainment expenses upon the presentation of appropriate receipts, in accordance with the Company's reimbursement policies and procedures. The Company will reimburse the Executive for reasonable expenses for the Executive and the Executive's spouse to attend industry-related meetings, including registration fees and travel expenses, in accordance with budgetary constraints.

(d) The Company will provide the Executive with a cellular telephone and laptop computer and mobile and home data connections in accordance with the Company's internal IT policy.

(e) The Executive will be entitled to five (5) weeks' paid vacation annually.

(f) The Company will reimburse the Executive up to $500 per month (or such other amount as may be approved by the Committee from time to time) toward the premium for a life insurance policy on the life of the Executive payable to the Executive's designated beneficiary.

(g) The Company will furnish payments for reasonable annual dues for industry certifications (including payment for continuing education requirements associated with such certifications), associations, and memberships, including, but not limited to, membership dues at a country club of the Executive's choosing.

4. TERMINATION OF EMPLOYMENT.

(a) Death or Disability. The Executive's employment will terminate automatically upon the Executive's death. If the Company determines in good faith that a Disability (as defined in Section 5(b)(iii) below) of the Executive has occurred during the Term, the Company may give to the Executive written notice of intention to terminate the Executive's employment. In such event, the Executive's employment with the Company will terminate effective on the thirtieth (30th) day after receipt by the Executive of such written notice, provided that, within the thirty (30) days after such receipt, the Executive will not have returned to full-time performance of the Executive's duties.

(b) Termination by the Company. The Company may terminate the Executive's employment during the Term, with or without Cause (as defined in Section 5(b)(i) below), immediately on written notice to the Executive if with Cause or after thirty (30) days' written notice if without Cause.

(c) Termination by the Executive. The Executive's employment may be terminated by the Executive for any reason or no reason by delivering a Notice of Termination (as defined in Section 4(d) below) to the Company at least one hundred eighty (180) days prior to the desired termination date. During such notice period, and at the sole discretion of the Company, the Executive may be relieved of all duties or prohibited from physically working at the Company's offices so long as the Executive continues to be paid his Base Salary and receive any other amounts owed under this Agreement during such notice period.

(d) Notice of Termination. Any purported termination will be communicated by a Notice of Termination by the Executive to the Company, or by the Company to the Executive, as applicable. For purposes of this Agreement, a "Notice of Termination" will mean a written notice which will indicate the specific termination provision in this Agreement relied upon and, if applicable, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

5. OBLIGATIONS OF THE COMPANY UPON TERMINATION.

(a) Termination for Any Reason. If the Executive's employment terminates for any reason, the Company will have no further obligations to the Executive or the Executive's estate, beneficiary or legal representatives, other than to pay the Executive or his estate, beneficiary or legal representatives, as applicable, (i) the unpaid Base Salary earned by the Executive through the effective date of the Executive's termination of employment with the Company (the "Termination Date") and any vacation pay, expense reimbursements and cash entitlements accrued by the Executive that are payable pursuant to the Company's policies as of such date, which payment will be made within fifteen (15) days of termination (subject to receipt of required substantiation, as applicable) or earlier if required by law, and (ii) any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy, contract or agreement of the Company and its affiliated companies and in accordance with the terms thereof, including, but not limited to, any amounts payable under any deferred compensation arrangements or agreements between the Executive and the Company, or other benefit plans, in accordance with the terms of such plans, programs, policies, contracts or agreements (clauses (i) and (ii), collectively, the "Accrued Benefits"). In the event of the Executive's death prior to payment of the Accrued Benefits, such payments and benefits will be provided to the Executive's estate or beneficiary.

(b) Definitions of Terms.

(i) "Cause" will exist if there is (A) a material neglect by the Executive of his assigned duties, which includes but is not limited to any failure to follow the written direction of the Board or to comply with the Company's code of ethics or written policies, or repeated refusal by the Executive to perform his assigned duties, in each case other than by reason of Disability; provided that Cause will not exist if such failure or refusal, if curable, is cured by the Executive within thirty (30) days following receipt of written notice of such failure or refusal from the Board; (B) the commission by the Executive of any act of fraud or embezzlement against the Company or any of its affiliates or the commission of any felony or act involving dishonesty; (C) the commission by the Executive of any breach of fiduciary duty or act of moral turpitude which causes harm to the Company or any of its affiliates; (D) a material breach by the Executive of the terms of this Agreement or any other confidentiality, non-disclosure or restrictive covenant agreement of the Executive with the Company; (E) the Executive's commencement of employment with another company while he is an employee of the Company without the prior consent of the Board; or (F) a final cease and desist order issued against the Executive directly (or if indirectly then the Board will have the discretion to determine if the Executive will be held accountable by defining it as Cause).

(ii) "Change in Control" means the occurrence of any one or more of the following events:

(A) *Merger*. The Company merges into or consolidates with another entity, or merges another entity into the Company and, as a result, less than a majority of the combined voting power of the resulting entity or, if applicable, the ultimate parent thereof, immediately after the merger or consolidation is held by persons who were stockholders of the Company immediately before the merger or consolidation;

(B) *Acquisition of Significant Share Ownership.* The acquisition by any person (within the meaning of Section 13(d) of the Securities Exchange Act, as amended), other than any employee benefit plan or trust maintained by the Company, of fifty percent (50%) or more of the combined voting power entitled to vote generally in the election of directors of the Company's then outstanding voting securities;

(C) *Change in Board Composition.* During any period of two (2) consecutive years, individuals who constitute the Board at the beginning of the two (2)-year period cease for any reason to constitute at least a majority of the Board; provided, however, that for purposes of this clause (C), each director who is first elected by the Board (or first nominated by the Board for election by the stockholders) by a vote of at least two-thirds (2/3) of the directors who were directors at the beginning of the two (2)-year period will be deemed to have also been a director at the beginning of such period, including for purposes of this proviso; or

(D) *Sale of Assets.* A sale, transfer, or other disposition of all or substantially all of the assets of the Company which is consummated and immediately following which the persons who were the owners of the Company immediately prior to such sale, transfer, or disposition, do not own, directly or indirectly and in substantially the same proportions as their ownership immediately prior to the sale, transfer, or disposition, more than fifty percent (50%) of the combined voting power entitled to vote generally in the election of directors of

(1) the entity or entities to which such assets or ownership interest are sold or transferred or (2) an entity that, directly or indirectly, owns more than fifty percent (50%) of the combined voting power entitled to vote generally in the election of directors of the entities described in clause (1).

Notwithstanding the foregoing, a "Change in Control" will not be deemed to have occurred unless it also constitutes "a change in the ownership or effective control" of the Company, or "a change in the ownership of a substantial portion of the assets" of the Company, within the meanings set forth in Section 409A of the Internal Revenue Code, as amended (the "Code") and the rules, regulations and guidance promulgated thereunder and issued by the Department of the Treasury.

(iii) "Disability" means a determination by the Social Security Administration of the Executive's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(iv) To the extent any definition herein differs in a material way from the definitions of the same term in other agreements relating to the Executive's employment or benefits, the definitions herein will control.

6. CONFIDENTIALITY AND RESTRICTIVE COVENANTS.

(a) Assignment of Intellectual Property. To the extent ownership of any of the following does not automatically vest in the Company as a "work made for hire" as defined in the Copyright Act of 1976 (17 U.S.C. 101 et seq.), the Executive hereby irrevocably assigns and transfers (and, to the extent any such assignment cannot be made at present under applicable law, will irrevocably assign and transfer, for no additional consideration) to the Company all right, title and interest throughout the world in and to any and all inventions, original works of authorship, developments, concepts, know-how, improvements, data, processes, techniques, methods or trade secrets, whether or not patentable or registrable under copyright or similar laws, or other intellectual property, including any rights in or to any databases and collections of data (including training, test or validation data), research, product or service ideas or plans, documentation and designs, developments, inventions and techniques (collectively, referred to as "Inventions"), in each case, which the Executive may solely or jointly invent, conceive, improve, develop or reduce to practice, or cause to be invented, conceived, improved, developed or reduced to practice, during the period of the Executive's employment with the Company, together with all intellectual property therein or thereto (collectively, the "Assigned Inventions"). During and after the Term, Executive will execute and deliver any documents and perform any other acts that the Company may reasonably request in connection with applying for, obtaining, perfecting, evidencing, maintaining and enforcing such intellectual property rights and the assignment thereof. Assigned Inventions do not include an Invention for which no equipment, supplies, facilities or trade secret information of the Company was used and which was developed entirely on the Executive's own time, unless the Invention (i) relates (A) directly to the business of the Company, or (B) to the Company's actual or demonstrably anticipated research or development or (ii) results from any work performed by Executive for the Company. The Executive further acknowledges that all

Assigned Inventions are "works made for hire" (to the greatest extent permitted by applicable law) as defined in the Copyright Act of 1976 (17 U.S.C. 101 et seq.). To the extent permitted by applicable law, Executive also hereby irrevocably waives and agrees never to assert any and all rights of attribution or other moral rights that Executive may have in or with respect to any Assigned Inventions.

(b) License of Intellectual Property. Executive hereby grants to the Company a royalty-free, fully paid-up, irrevocable, perpetual, transferable, worldwide, license, with the right to grant sublicenses, to use, modify, and otherwise exploit any and all intellectual property owned or controlled by Executive that is not assigned to or owned by the Company hereunder to the extent such intellectual property is used or otherwise exploited (or incorporated into any Assigned Invention) by or at the direction of Executive in performing services for the Company.

(c) Return of Company Assets. Upon cessation of his employment, or as otherwise reasonably requested by the Company, the Executive will return to the Company all documents, information and other property of the Company or of any Affiliate that is in his possession or control, including, but not limited to, documents and files (whether paper or electronic); keys, passes and key cards; and computers, portable hard drives, and other office equipment. Upon cessation of his employment, the Executive will cooperate with the Company to transfer possession of an automobile owned or leased by the Company and used by the Executive during the Term.

(d) Confidentiality. The Executive agrees that, during and after the Term, he will not disclose, nor will he use for the benefit of himself or any other person, any of the non-public information regarding the business of the Company or any Affiliate to which he was entrusted with access during his employment (the "Confidential Information"), including but not limited to: (i) customer information, including customer lists and other nonpublic information regarding customers, such as customer contact information; contract terms; customer files; information regarding customer history, needs and preferences; and information designated by customers to be kept confidential; (ii) financial information, such as financial plans and earnings and other performance figures; cost and profitability information; and pricing; (iii) strategies, marketing and other strategic plans; and (iv) personnel files and information. Confidential Information does not include any information that is, or becomes, in the public domain through no disclosure or other action (whether direct or indirect) by the Executive. The obligations in this Section 6(d) with respect to a particular piece of Confidential Information will remain in effect until that piece of information enters the public domain through no breach of contract, duty or other obligation. The Executive will not, during or after the Term, disclose any knowledge of the past, present, planned or considered business activities of the Company or any Affiliate to any person, firm, corporation or other entity for any reason or purpose whatsoever. Notwithstanding the foregoing, the Executive may disclose any knowledge of banking, financial and/or economic principles, concepts or ideas which are not solely and exclusively derived from the business plans and activities of the Company. Nothing in this Agreement or in any agreement between the Executive and the Company prohibits the Executive from (A) voluntarily communicating with the Executive's attorney; (B) initiating communications with, responding to an inquiry from, volunteering information to, providing testimony before, or participating in any investigation or proceeding before the Securities and Exchange Commission (the "SEC"), Equal Employment Opportunity

Commission, the National Labor Relations Board, the Department of Justice, Congress, or any federal or state agency, governmental body, or law enforcement, regulatory or self regulatory authority, regarding this Agreement and its underlying facts and circumstances, or in connection with any reporting of, investigation into, or proceeding regarding suspected violations of law, without prior notice to or authorization from the Company to make any such reports or disclosures or to participate or cooperate in this way; (C) testifying in or disclosing information to a court or other administrative or legislative body in response to a subpoena, court order or written request (with advance notice to the Company prior to any such disclosure to the extent legally permitted); (D) reporting securities law violations to the SEC under the Dodd-Frank Act, and recovering a whistleblower award as permitted under applicable law; and (E) disclosing or discussing conduct, or the existence of a settlement involving conduct, that the Executive reasonably believes under Washington state, federal, or common law to be illegal discrimination, illegal harassment, illegal retaliation, a wage and hour violation, or sexual assault, or that is recognized as against a clear mandate of public policy, in each case, without advance notice to the Company (collectively, the "Permitted Disclosures"). In addition, the Executive understands that the Executive may be entitled to immunity from liability under the Defend Trade Secrets Act, 18 U.S.C. § 1833(b) for certain disclosures of trade secrets, provided that such disclosure (1) is made (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and the Executive does not disclose the trade secret except pursuant to court order.

(e) Non-Solicitation. During the Term and for a period of eighteen (18) months following the Termination Date, the Executive will not, directly or indirectly, do the following, nor will the Executive assist, encourage or advise any other person or entity to do the following:

(i) solicit or induce any Restricted Customer (as defined in Section 6(g)(iii) below) to cease doing business with the Company or any Affiliate, or otherwise interfere with the relationship between a Restricted Customer and the Company or any Affiliate;

(ii) recruit, hire, or employ any Restricted Person (as defined in Section 6(g)(iv) below);

(iii) recommend, suggest or interview for employment any Restricted Person; or

(iv) solicit, advise, encourage or induce any Restricted Person to terminate his or her engagement with the Company or any Affiliate.

(f) Non-Disparagement. Subject to the Permitted Disclosures, during the Term and at all times thereafter, the Executive will not himself, and will not encourage or assist others to, in verbal, written or any other form in any medium (including, but not limited to, television or radio, newspapers, magazines, computer networks, social media, or bulletin boards, statements to the media, or any other form of communication), make false statements about, disparage, defame, impugn, or otherwise damage or assail the reputation, integrity or professionalism of the Company or any Affiliate, or any of their respective directors, officers, employees, representatives, businesses, products, services or activities. The Company will instruct its respective executive officers and directors to not, and to not encourage or assist others to, in verbal, written or any other form in any medium (including, but not limited to, television or radio, newspapers, magazines, computer networks, social media, or bulletin boards, statements to the media, or any other form of communication), make false statements about, disparage, defame, impugn, or otherwise damage or assail the reputation, integrity or professionalism of the Executive. However, nothing in this Section 6(f) will be deemed to preclude any person or entity subject to this Section 6(f) from providing truthful testimony or information pursuant to a validly issued subpoena or court order. Additionally, nothing in this Section 6(f) will prohibit the Company or any of its respective officers, directors, or employees from: (i) defending any legal or arbitral action brought against the Company or any of its Affiliates, or any of its respective officers, directors, or employees; (ii) accurately completing and delivering performance reviews of the Executive; or (iii) making such disclosures to shareholders as are required by law and consistent with applicable fiduciary responsibilities.

(g) Definitions. The following terms have the meanings assigned below:

(i) "Affiliate" as used in this Section 6 means any subsidiary or parent company of the Company.

(ii) "Lookback Period" means the twelve (12) month period immediately preceding the Termination Date.

(iii) "Restricted Customer" means any and all persons or entities who were customers of the Company or any Affiliate as of or within the Lookback Period.

(iv) "Restricted Person" means any person who provided services to the Company or an Affiliate (whether as an employee, agent, independent contractor, or otherwise) as of or within the Lookback Period.

(h) Acknowledgments. The Executive recognizes and acknowledges that the knowledge of the business activities and plans for business activities of the Company and its Affiliates, as they may exist from time to time, is a valuable, special and unique asset of the business of the Company. The Executive agrees that the Company has provided new and independent consideration for the covenants contained in this Section 6, to which the Executive would not otherwise be entitled and the sufficiency of which he recognizes and acknowledges. The Executive agrees that the length and scope of the covenants in Section 6 are necessary to protect the Company's business and goodwill. In particular, the Executive agrees that the "banking as a service" business of the Company and its Affiliates has a nationwide geographic scope and that such business would be irreparably harmed if the Executive were to compete within that field anywhere in the United States. The Executive represents that the Executive's experience and capabilities are such that the Executive can obtain employment in a business, engaged in other lines and/or of a different nature than the Company, and that the enforcement of the covenants herein will not prevent the Executive from earning a sufficient livelihood.

(i) Remedies. The parties hereto, recognizing that irreparable injury will result to the Company, its business and property in the event of the Executive's breach of this Section 6 agree that in the event of any such breach by the Executive, the Company will be entitled, in addition to any other remedies and damages available, to temporary, preliminary and post-trial injunctive relief to restrain the violation hereof by the Executive, the Executive's partners, agents, servants, employers, employees and all persons acting for or with the Executive, which may include (but is not limited to) restraining the Executive from rendering any services to any person, firm, corporation, other entity to whom knowledge of the past, present, planned or considered business activities of the Company or its Affiliates, in whole or in part, has been disclosed or is threatened to be disclosed. Such injunctive relief will be available without any requirement to post a bond or other security, or to prove actual damages or that monetary damages are not an adequate remedy. Nothing herein will be construed as prohibiting the Company from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of damages from the Executive.

(j) Tolling. In the event that the Executive is found to have breached any covenant in this Agreement, the time period provided for in that covenant will be tolled (i.e., it will not run) for so long as the Executive is in violation of that covenant.

7. EFFECT ON PRIOR AGREEMENTS AND EXISTING BENEFITS PLANS.

This Agreement contains the entire understanding between the parties hereto and supersedes all prior discussions and agreements (except as explicitly provided herein) relating to the subject matter herein. No provision of this Agreement will be interpreted to mean that the Executive is subject to receiving fewer benefits than those available to him without reference to this Agreement.

8. TAXES.

All compensation and benefits provided under this Agreement or otherwise by the Company will be subject to applicable tax withholding.

9. MANDATORY REDUCTION OF PAYMENTS IN CERTAIN EVENTS.

(a) Notwithstanding anything in this Agreement to the contrary, in the event it will be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (such benefits, payments or distributions are hereinafter referred to as "Payments") would, if paid, be subject to the excise tax imposed by Section 4999 of the Code, (the "Excise Tax"), then, prior to the making of any Payments to the Executive, a calculation will be made comparing (i) the net after-tax benefit to the Executive of the Payments after payment by the Executive of the Excise Tax, to (ii) the net after-tax benefit to the Executive if the Payments had been limited to the extent necessary to avoid being subject to the Excise Tax. If the amount calculated under (i) above is less than the amount calculated under (ii) above, then the Payments will be limited to the extent necessary to avoid being subject to the Excise Tax (the "Reduced Amount"). The reduction of the Payments due hereunder, if applicable, will be made by first reducing cash Payments against the latest amounts to be paid and then, to the extent necessary, reducing those Payments having the next highest ratio of Parachute Value (as defined below) to actual present value of such Payments as of the date of the Change in Control, reducing the latest amounts to be paid first, as determined by a nationally recognized accounting firm or an accounting firm specializing in Section 280G chosen by the Company (the "Determination Firm").

For purposes of this Section 9, present value will be determined in good faith in accordance with Section 280G(d)(4) of the Code. For purposes of this Section 9, the "Parachute Value" of a Payment means the present value as of the date of the Change in Control of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2) of the Code, as determined by the Determination Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(b) All determinations required to be made under this Section 9, including whether an Excise Tax would otherwise be imposed, whether the Payments will be reduced, the amount of the Reduced Amount, and the assumptions to be utilized in arriving at such determinations, will be made in writing in good faith by the Determination Firm which will provide detailed supporting calculations to the Company and the Executive as soon as practicable following the receipt of notice from the Executive that a Payment is due to be made, or such earlier time as is requested by the Company and in no event later than thirty (30) days following the receipt of such notice from the Executive. All fees and expenses of the Determination Firm will be borne solely by the Company. Any determination by the Determination Firm will be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Determination Firm hereunder, it is possible that Payments which the Executive was entitled to, but did not receive pursuant to Section 9(a), could have been made without the imposition of the Excise Tax ("Underpayment"), consistent with the calculations required to be made hereunder. In such event, the Determination Firm will determine the amount of the Underpayment that has occurred and any such Underpayment will be promptly paid by the Company to or for the benefit of the Executive but no later than March 15 of the year following the year in which the Underpayment is determined to exist, which is when the legally binding right to such Underpayment arises.

10. COMPLIANCE WITH SECTION 409A OF THE INTERNAL REVENUE CODE.

(a) It is the intent of the Company that the payments and benefits provided under this Agreement will be exempt from the application of, or otherwise comply with, the requirements of Section 409A of the Code ("Section 409A"). Any benefits or payments provided under this Agreement or otherwise provided by the Company to the Executive are intended to be separate payments (as such term is defined under Section 409A), and are also intended to qualify for the "short-term deferral" exception to Section 409A to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the involuntary separation pay or other exceptions to maximum extent possible or otherwise comply with Section 409A. This Agreement will be construed, administered, and governed in a manner that effects such intent, and the Company will not take any action that would be inconsistent with such intent; provided that in no event will the Company be responsible for any 409A penalties that arise in connection with any amounts payable under this Agreement. Without limiting the foregoing, the payments and benefits provided under this Agreement may not be deferred, accelerated, extended, paid out or modified in a manner that would result in the imposition of an additional tax under Section 409A upon the Executive.

(b) If neither the "short-term deferral" nor the involuntary separation pay exceptions to Section 409A described above applies to a benefit, payment, or reimbursement under this

Agreement, and such benefit, payment or reimbursement is not otherwise exempt from Section 409A, then notwithstanding any provision in this Agreement to the contrary, the remaining provisions of this Section 10 will apply.

(i) If the Executive is a "specified employee," within the meaning of Section 409A as determined under the Company's policy for identifying specified employees on the Termination Date, then to the extent required in order to comply with Section 409A, all payments, benefits or reimbursements paid or provided under this Agreement that constitute a "deferral of compensation" within the meaning of Section 409A, that are provided as a result of a "separation from service" within the meaning of Section 409A and that would otherwise be paid or provided during the first six (6) months following such Termination Date will be accumulated through and paid or provided (together with interest on the delayed amount at the applicable federal rate under Section 7872(f)(2)(A) of the Code in effect on the Termination Date) within thirty (30) days after the first business day following the six (6) month anniversary of such Termination Date (or, if the Executive dies during such six (6)-month period, within thirty (30) days after the Executive's death).

(ii) To the extent required to comply with Section 409A, any reimbursement of expenses pursuant to this Agreement that is not excluded from the Executive's income will be subject to the following requirements: (A) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided in any other calendar year; (B) the reimbursement of the eligible expense must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (C) the right to reimbursement is not subject to liquidation or exchange for another benefit.

11. NO ATTACHMENT; SUCCESSORS AND ASSIGNS.

(a) Except as required by law, no right to receive payments under this Agreement will be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation, or to execution, attachment, levy, or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action will be null, void, and of no effect.

(b) This Agreement will be binding upon, and inure to the benefit of, the Executive and the Company and their respective successors and assigns. The Company may assign this Agreement to any purchaser of all or substantially all of its assets without notice to or consent from the Executive. The Executive may not assign this Agreement.

12. MODIFICATION AND WAIVER.

(a) Except for the judicial or arbitral modification allowed by Section 13, this Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto.

(b) No term or condition of this Agreement will be deemed to have been waived, nor will there be any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver will be deemed a continuing waiver unless specifically stated therein, and each such waiver will operate only as to the specific term or condition waived and will not constitute a waiver of such term or condition for the future as to any act other than that specifically waived.

13. SEVERABILITY.

If, for any reason, any provision of this Agreement, or any part of any provision, is held invalid, such invalidity will not affect any other provision of this Agreement or any part of such provision not held so invalid, and each such other provision and part will to the full extent consistent with law continue in full force and effect. If any one or more of the provisions contained in this Agreement will for any reason be held by a court of competent jurisdiction or arbitrator to be excessively broad (for example as to temporal or geographic scope), that court or arbitrator will construe, modify, limit, and enforce such provision to the extent allowed by applicable law as it then will appear in such jurisdiction, without affecting the enforceability of any part of this Agreement in any jurisdiction or proceeding.

14. HEADINGS FOR REFERENCE ONLY.

The headings of sections and paragraphs herein are included solely for convenience of reference and will not control the meaning or interpretation of any of the provisions of this Agreement.

15. GOVERNING LAW; VENUE AND JURISDICTION.

(a) This Agreement will be governed by the substantive laws and procedural provisions of the State of Washington, including, without limitation, its statutory and case law of privilege, unless otherwise specified herein; provided, however, that in the event of a conflict between the terms of this Agreement and any applicable federal or state law or regulation, the provisions of such law or regulation will prevail.

(b) If requested by the Company or the Executive, any unresolved controversy or claim arising from or related to this Agreement or breach hereof will be resolved by use of mediation initially, and if that fails to resolve the matter, by arbitration. Mediation will be in Seattle, Washington, before a mediator qualified in mediation of employment matters agreed upon by the parties. If the parties cannot agree on a single mediator, each party must select one (1) mediator and those two (2) mediators will select a third (3^{rd}) mediator. This third (3^{rd}) mediator will hear the dispute. There will be only one mediator. The parties will use best efforts to obtain a mediator and complete the mediation within thirty (30) days from the date of request for mediation. If the mediation has not been completed within forty-five (45) days from the date of request for mediation, any party may, by notice to all other parties and the American Arbitration Association (the "AAA"), forgo mediation and move directly to arbitration under the AAA National Rules for the Resolution of Employment Disputes (or under any other form of arbitration mutually acceptable to the parties); provided, however, that such arbitration will be before one (1) arbitrator, and will be in Seattle, Washington. Also, by written agreement signed by the Company and the Executive, the parties hereto may agree to forgo mediation, may make any agreement regarding scheduling of the mediation or the arbitration process, discovery or hearing, which agreement will be binding on the mediator or arbitrator, despite any AAA rule to the contrary. In any arbitration, if the Executive is the prevailing party, the Company will pay all reasonable attorney's fees of the Executive, as well as the expenses and administrative fees related to the arbitration. If the Company is the prevailing party at the arbitration, each party will pay its own attorney's fees and expenses and its share of the administrative fees and expenses related to the arbitration. Notwithstanding the foregoing provisions of this Section 15(b), (i) the parties are not required to arbitrate any issue for which injunctive relief is sought by any party hereto, (ii) all parties may seek injunctive relief in any federal or state court having jurisdiction located in Seattle, Washington, and (iii) claims of worker's compensation and unemployment compensation will not be subject to arbitration under this Agreement. In rendering any decision as to any state law claims, Washington State law will apply.

(c) The parties irrevocably and unconditionally waive, to the fullest extent permitted by law, all rights to trial by jury in any action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, including, without limitation, any counteraction or counterclaim, whether in contract, statute, tort (including, without limitation, negligence) or otherwise. This provision is a material inducement for the parties to enter into this Agreement.

16. INDEMNIFICATION.

The Company will provide the Executive with coverage under a standard directors' and officers' liability insurance policy as is provided for the other directors and officers of the Company, at its expense, and hereby indemnifies the Executive to the fullest extent permitted under applicable Washington and federal law and the Articles of Incorporation and Bylaws of the Company against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which he may be involved by reason of his having been a director or officer of the Company (whether or not he continues to be a director or officer at the time of incurring such expenses or liabilities), such expenses and liabilities to include, but not be limited to, judgment, court costs and attorneys' fees and the cost of reasonable settlements.

17. SUCCESSOR TO THE COMPANY.

The Company will require any successor or assignee, whether direct or indirect, by purchase, merger, consolidation or otherwise, to all or substantially all the business or assets of the Company, expressly and unconditionally, to assume and agree to perform the Company's obligations under this Agreement, in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

18. REGULATORY REQUIREMENTS.

The parties agree that any payments contemplated pursuant to this Agreement are subject to and conditioned upon their compliance (if required) with the provisions of 12 U.S.C. § 1828(k) and implementing rules thereunder (including 12 C.F.R. Part 359) restricting certain "golden parachute and indemnification payments" as such laws and regulations may hereafter be amended from time to time (the "FDIC Compensation Restrictions"), and that notwithstanding any other provisions of this Agreement, the Company will in no case be obligated to make any payment to the Executive that would be impermissible under the FDIC Compensation Restrictions.

19. CLAWBACK.

(a) The Company or its successors retain the legal right to demand the return of any "golden parachute" payments from the Executive in the event that it will be determined, by legal process or by order of the Company's federal regulator(s) that the Executive:

(i) has committed any fraudulent act or omission, breach of trust or fiduciary duty, or insider abuse with regard to the Company that has had or is likely to have a material adverse effect on the Company; or

(ii) is substantially responsible for the insolvency of, the appointment of a conservator or receiver for, or the troubled condition, as defined by applicable regulations of the appropriate federal banking agency, of the Company or any FDIC insured depository institution subsidiary of the Company; or

(iii) has materially violated any applicable federal or state banking law or regulation that has had or is likely to have a material effect on the Company; or

(iv) has violated or conspired to violate section 215, 656, 657, 1005, 1006, 1007, 1014, 1032, or 1344 of title 18 of the United States Code, or section 1341 or 1343 of such title affecting a federally insured financial institution as defined in title 18 of the United States Code.

(b) The Company and its successors-in-interest further retain the legal right to demand the return by the Executive of incentive compensation paid to the Executive within the fifteen (15) months prior to such demand (or any longer period of time required by applicable law) pursuant to the terms of any compensation "clawback" or recoupment policy of the Company applicable to similarly situated employees of the Company (as may be amended from time to time and as may hereafter be adopted) or required to comply with applicable law.

(c) The Executive acknowledges and agrees that the Executive is subject to the Executive Compensation Clawback Policy of the Company that became effective as of October 2, 2023, as it may be amended from time to time (the "Clawback Policy"). The Executive agrees that any Covered Compensation (as defined in the Clawback Policy) and any Excess Compensation (as defined in the Clawback Policy) is subject to clawback by the Company or any of its affiliates in accordance with the Clawback Policy and, if required by the Clawback Policy, the Executive will reimburse to the Company or any of its affiliates any Covered Compensation or Excess Compensation, as applicable, in accordance with the Clawback Policy.

(d) No reduction, modification, limitation or clawback of payments or compensation pursuant to Section 18 or this Section 19, including reimbursement by the Executive of Covered Compensation or Excess Compensation, will be a breach of this Agreement.

20. BOARD MEMBERSHIP.

Termination of the Executive's employment with the Company for any reason whatsoever will constitute the Executive's resignation from the Board and of any subsidiary for which he serves as a director, and resignation as an officer of the Company and of any of the subsidiaries for which he serves as an officer.

Signatures on following page

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by a duly authorized officer or director, and the Executive has signed this Agreement, effective on the date first written above. This Agreement may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement between the parties.

Coastal Financial Corporation

By: ____
Title:

______
Christopher D. Adams