

HONAT BANCORP, INC.

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AMENDMENT TO ARTICLES OF INCORPORATION TO ADD NEW ARTICLE 16 TO AUTHORIZE UNCERTIFICATED SHARES

The Corporation is seeking to amend the Articles of Incorporation to add new Article 16 which authorizes the Corporation to issue uncertificated shares of any or all classes and series of shares of the Corporation. Currently, the Corporation's shares may only be represented by shares with certificates. However, Pennsylvania law permits a corporation's shares to be issued without certificates which are called uncertificated, or book-entry, shares. However, in order for the Corporation to issue uncertificated shares, the Corporation's governing documents must permit it. Currently, the Corporation's Articles of Incorporation do not provide for uncertificated shares.

If the shareholders approve and adopt the proposed amendment to the Articles of Incorporation, the amendment will become effective upon the filing of Articles of Amendment containing the amended and restated Articles of Incorporation with the Pennsylvania Department of State.

We recommend that the shareholders approve and adopt a proposal to amend the Corporation's Articles of Incorporation by adding new Article 16 to read in full and in its entirety as follows:

Article 16. Any or all classes and series of shares of the Corporation, or any part thereof, may be uncertificated shares to the extent determined by the Board of Directors from time to time; provided, however, that in no event shall any shares represented by a certificate be deemed uncertificated until the certificate is surrendered to the Corporation.

Purpose of Adding Article 16

Under Pennsylvania law, the governing documents of a company may provide for shares of the company to be represented uncertificated shares. On March 8, 2023, the Board of Directors of the Corporation approved and adopted amendments to the Corporation's Bylaws to provide for uncertificated shares. To ensure that the Corporation is authorized to issue uncertificated shares, on the same date, the Board of Directors approved and adopted an amendment to the Articles of Incorporation adding new Article 16 and directed that the proposed amendment to the Articles of Incorporation be submitted to the shareholders of the Corporation for their approval and adoption at the Corporation's 2023 Annual Meeting of Shareholders.

By permitting the Corporation's shares to be uncertificated, it provides the Corporation's shareholder's with a greater ability to track, manage and safeguard their shares of common stock, it enables the Corporation to reduce and limit expenses related to the issuance of and accounting for paper certificates, including expenses related to lost certificates, it conforms to the record keeping requirements of major stock exchanges to permit book entry stock registers, and it puts the Corporation on equal footing with the vast majority of other financial institutions in the United States. Furthermore, the ability to provide uncertificated shares permits the Corporation to meet the needs of those shareholders who wish to have their shares held in uncertificated or book-entry form.

Amendment Resolution

The Board of Directors proposes and recommends that shareholders approve and adopt the following resolution:

RESOLVED, that the Articles of Incorporation are hereby amended to add new Article 16 to read in full and in its entirety as follows and to be effective upon the filing and effectiveness of Articles of Amendment with the Pennsylvania Secretary of State:

Article 16. Any or all classes and series of shares of the Corporation, or any part thereof, may be uncertificated shares to the extent determined by the Board of Directors from time to time; provided, however, that in no event shall any shares represented by a certificate be deemed uncertificated until the certificate is surrendered to the Corporation.

Recommendation and Vote

The amendment to the Articles of Incorporation to add new Article 16 requires the approval of a majority of the outstanding voting shares at the Annual Meeting of Shareholders.

The Board of Directors recommends that you vote FOR approval and adoption of the amendment to the Articles of Incorporation to add new Article 16.