

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 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): May 27, 2020

**STERLING BANCORP, INC.**

(Exact name of registrant as specified in its charter)

Michigan  
(State or other jurisdiction  
of incorporation)

001-38290  
(Commission  
File No.)

38-3163775  
(IRS Employer  
Identification No.)

One Towne Square, Suite 1900  
Southfield, Michigan 48076  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (248) 355-2400

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	SBT	Nasdaq Capital Market

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 2.02 Results of Operations and Financial Condition.**

On June 1, 2020, Sterling Bancorp, Inc. issued a press release announcing its financial highlights for the first quarter ended March 31, 2020. The press release is attached as Exhibit No. 99.1 and is incorporated herein by reference. This report and the exhibit are furnished to, and not filed with, the Securities and Exchange Commission.

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

On May 31, 2020, Sterling Bancorp, Inc. (the “Company”) and its wholly owned bank subsidiary, Sterling Bank and Trust, F.S.B. (the “Bank”), agreed to hire Thomas M. O’Brien, age 69, as Chairman, President and Chief Executive Officer of the Company and the Bank, respectively, subject to the receipt of regulatory non-objection from the Office of the Comptroller of the Currency (the “Regulatory Non-Objection”). Mr. O’Brien has been providing consulting services to the Board of Directors of the Bank under a consulting agreement since March 2020, pursuant to which he will have been paid an aggregate of \$600,000 through May 31, 2020 and would be entitled to receive an additional \$60,000 per month thereafter through February 2021. Mr. O’Brien’s consulting services will end on the first business day after the Regulatory Non-Objection is received, at which time Mr. O’Brien’s employment with the Company and the Bank will commence. In connection with the agreement to hire Mr. O’Brien, the Board of Directors of the Company appointed Mr. O’Brien to fill the board vacancy created by the resignation of Thomas Lopp, which is also subject to the receipt of the Regulatory Non-Objection. Mr. O’Brien was similarly appointed to the Board of Directors of the Bank.

An accomplished leader in the financial services industry with over 44 years of industry experience, Mr. O’Brien will report to the Boards of Directors of the Company and the Bank. Most recently he served as Vice Chairman of New York City-based Emigrant Bancorp, Inc. and Emigrant Bank from October 2018 to March 2020. Mr. O’Brien served as President, Chief Executive Officer and on the boards of Sun Bancorp, Inc. and Sun National Bank from April 2014 to February 2018. Mr. O’Brien previously served on the boards of BankUnited, Inc. and BankUnited, NA from May 2012 to April 2014. Prior to that, Mr. O’Brien served as President, Chief Executive Officer and a director of State Bank of Long Island and State Bancorp, Inc. from November 2006 to January 2012. From 2000 to 2006, Mr. O’Brien was President and Chief Executive Officer of Atlantic Bank of New York and, following the acquisition of Atlantic Bank of New York by New York Commercial Bank, continued to serve as President and Chief Executive Officer during the post-closing transition. From 1996 to 2000, Mr. O’Brien was Vice Chairman and a board member of North Fork Bank and North Fork Bancorporation, Inc. From 1977 to 1996, Mr. O’Brien was Chairman, President and Chief Executive Officer of North Side Savings Bank. Mr. O’Brien served as a director of the Federal Home Loan Bank of New York from 2008 to 2012 and served as Chairman of New York Bankers Association in 2007. Mr. O’Brien is currently Trustee and Chairman of the Audit Committee of Prudential Insurance Company of America \$175 Billion Annuity Fund Complex, and Vice-Chairman of the Board and Chairman of the Finance Committee of Archcare and Catholic Healthcare Foundation for the Archdiocese of New York. Mr. O’Brien received a B.A. in Political Science from Niagara University in 1972 and an M.B.A. from Iona College in 1982.

Mr. O’Brien entered into an employment agreement with the Company (the “Employment Agreement”) providing for an at-will employment relationship, which is expected to commence on the first business day following receipt of the Regulatory Non-Objection. The following description is qualified in its entirety by reference to the terms of the Employment Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

The Employment Agreement provides that Mr. O’Brien’s initial base salary will be \$3,000,000 per year. The Board of Directors is required under the Employment Agreement to take all actions necessary to appoint Mr. O’Brien as a director of the Company and the Bank and to the Executive Committee, if any, of each of the Boards of Directors of the Company and the Bank, and to nominate him for election by the Company’s shareholders as a member of the Board of Directors of the Company.

As an inducement to Mr. O’Brien accepting employment with the Company, the Employment Agreement provides that upon the later of (i) the first day on which Mr. O’Brien commences employment and (ii) the fourth trading day following the filing of this Current Report on Form 8-K, he will be granted a stock option to purchase 300,000 shares of the Company’s common stock (“Common Stock”; and such option, the “Option”) with an exercise price per share equal to the average of the high and the low sales prices of the Common Stock underlying the Option on the date of grant. The Option will vest at the rate of one-third (1/3) on January 1, 2021, one-third (1/3) on the first anniversary of the date of grant, and one-third (1/3) on January 1, 2022, subject to his remaining employed on the vesting date; provided that, the unvested portion of the Option would vest immediately in full upon Mr. O’Brien’s termination of employment due to “death” or “disability” or upon a “change of control” (each, as defined in the Employment Agreement). In the event of termination of employment other than termination for “cause” (as defined in the Employment Agreement), if the Option is exercisable at the time of such termination of employment, it will remain exercisable for three years following termination, provided that Mr. O’Brien remains in compliance with certain terms contained in the Employment Agreement. The Company is required to cause any equity awards to be received under the Employment Agreement to be registered with the Securities and Exchange Commission as soon as practicable following the Company’s eligibility to do so. The award will be granted pursuant to an Option Award, the form of which is attached to this Current Report on Form 8-K as Exhibit 10.2 and incorporated herein by reference. The award is not subject to the Company’s 2017 Omnibus Equity Incentive Plan.

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Upon the commencement of his employment, Mr. O'Brien will also be entitled to participate in any employee benefits, fringe benefits, perquisites and business expense reimbursements that the Company or the Bank offers to full-time employees or other members of executive management other than through or related to bank owned life insurance arrangements, as disclosed in the Company's most recent proxy statement. Mr. O'Brien will also receive a temporary housing allowance and relocation assistance (which includes the payment of a rental allowance on the rental of an apartment and reimbursement of moving expenses) and a weekly travel allowance (for travel expenses to Mr. O'Brien's residence). Under the Employment Agreement, Mr. O'Brien will also be eligible to receive annual equity awards at the discretion of the Company's Compensation Committee.

The Employment Agreement also contains customary non-solicitation, non-competition and non-disclosure provisions.

Mr. O'Brien also entered into a stock purchase agreement with the Company (the "Stock Purchase Agreement"), pursuant to which Mr. O'Brien has agreed to purchase 300,000 shares of Common Stock directly from the Company with his own funds within 12 months from the date of commencement of his employment. All purchases must be made based on then current trading prices of the Company's common stock at the time of purchase. The shares to be purchased will not initially be registered under the Securities Act of 1933, as amended. However, Mr. O'Brien will receive customary "piggy-back" registration rights that provide for Mr. O'Brien to add the shares he purchases to future registrations of securities by the Company. The Stock Purchase Agreement, which will be effective upon Mr. O'Brien's commencement of employment, is filed as Exhibit 10.3 to this Current Report on Form 8-K and incorporated herein by reference.

**Item 7.01 Regulation FD Disclosure.**

A press release regarding the Company's agreement to hire Mr. O'Brien is attached to this Current Report on Form 8-K as Exhibit 99.2 and is incorporated herein by reference.

**Item 8.01. Other Events.**

On May 27, 2020, the Company received a letter from the Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq") notifying the Company that, based on the previously-disclosed plan of compliance submitted by the Company on May 18, 2020, Nasdaq has granted an exception to enable the Company to regain compliance with Nasdaq Listing Rule 5250(c)(1). This exception extends the deadline for the Company to file its Annual Report on Form 10-K for the year ended December 31, 2019 (the "Annual Report") and Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 (the "Quarterly Report") through September 14, 2020. In the event the Company does not file the Annual Report and Quarterly Report on or before that date, Nasdaq would provide the Company with a delisting determination notification, and the Company would have the opportunity to appeal such determination to a Nasdaq Hearings Panel and to request a further stay pending the appeal.

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## FORWARD-LOOKING STATEMENTS

This Current Report on Form 8-K includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements generally can be identified by the use of forward-looking terminology such as “will,” “propose,” “may,” “plan,” “seek,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “continue,” “predict,” “project,” “potential,” “could,” “would,” “should” or similar terminology, including references to assumptions. Forward-looking statements are based on various assumptions and analyses made by us in light of our management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors (many of which are beyond our control) that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. These factors include, without limitation, the following: the timing and occurrence or non-occurrence of events that may be subject to circumstances beyond our control; increases in competitive pressure among financial institutions or from non-financial institutions; changes in the interest rate environment; changes in deposit flows, loan demand or collateral values; changes in accounting principles, policies or guidelines; changes in general economic, business and political conditions, either nationally or locally in some or all areas in which we do business, or conditions in the real estate, securities or financial markets or the banking industry; legislative or regulatory changes; supervision and examination by the OCC and the Board of Governors of the Federal Reserve System; our ability to successfully implement technological changes; our ability to successfully consummate new business initiatives; litigation or other matters before regulatory agencies, whether currently existing or commencing in the future, including litigation and investigations relating to our residential lending practices and the Advantage Loan Program; the outcomes of such litigation and investigations, including the risk of civil or criminal enforcement action, regulatory restrictions on the Bank's activities, financial penalties or judgments, other adverse consequences, and any resulting effects on the Company's business, financial condition, and/or results of operations; losses from such litigation and investigations that may be materially higher than expected and that may materially exceed our contingency reserves; repurchase requests related to the sale of loans originated under the Advantage Loan Program may be materially higher than expected and result in repurchase obligations that may materially exceed our loan repurchase reserves; the ability of our auditors to complete the audit of the Company's December 31, 2019 financial statements or the review of the Company's March 31, 2020 financial statements; our ability to file our Annual Report on Form 10-K for the year ended December 31, 2019 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 within the exception period granted by The Nasdaq Stock Market, LLC; our ability to comply with Nasdaq's continued listing requirements and the possibility that our shares will be delisted if such requirements are not satisfied; our ability to implement enhanced risk management policies, procedures and controls commensurate with shifts in our business strategies and regulatory expectations; the occurrence of natural and other disasters, pandemics, terrorist activities, significant political events, cyberattacks, security breaches or system failures that affect us or our counterparties or service providers, including the COVID-19 pandemic and the regulatory and governmental actions implemented in response to COVID-19; and the risks, uncertainties, and other factors detailed from time to time in our public filings, including those included in the disclosures under the headings “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 18, 2019, subsequent periodic reports and future periodic reports. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those projected in, or implied by, such forward-looking statements. Any forward-looking statements presented herein are made only as of the date of this filing, and we do not undertake any obligation to update, revise, or correct any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, the receipt of new information, or otherwise.

### Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<b>EXHIBIT NUMBER</b>	<b>EXHIBIT DESCRIPTION</b>
<a href="#">Exhibit 10.1</a>	<a href="#">Employment Agreement with Mr. Thomas M. O'Brien, dated as of June 1, 2020.</a>
<a href="#">Exhibit 10.2</a>	<a href="#">Form of Option Award to be entered into with Mr. Thomas M. O'Brien.</a>
<a href="#">Exhibit 10.3</a>	<a href="#">Stock Purchase Agreement with Mr. Thomas M. O'Brien, dated as of June 1, 2020.</a>
<a href="#">Exhibit 99.1</a>	<a href="#">Press Release of Sterling Bancorp, Inc. relating to first quarter financial highlights dated June 1, 2020.</a>
<a href="#">Exhibit 99.2</a>	<a href="#">Press Release of Sterling Bancorp, Inc. relating to Mr. Thomas M. O'Brien dated June 1, 2020.</a>

**SIGNATURE**

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.

**STERLING BANCORP, INC.**

Dated: June 1, 2020

By: /s/ STEVE HUBER  
Steve Huber  
Chief Financial Officer

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**STERLING BANCORP, INC.  
EMPLOYMENT AGREEMENT**

**THIS EMPLOYMENT AGREEMENT** (this “Agreement”) is hereby entered into effective as of June 1, 2020 (the “Effective Date”), by and between Sterling Bancorp, Inc. (the “Company”), a Michigan corporation and the holding company for Sterling Bank and Trust, F.S.B., with its principal executive offices at One Towne Square, Suite 1900, Southfield, MI 48076 (the “Executive Offices”), and Thomas M. O’Brien (“Executive”). Any reference to the “Bank” in this Agreement shall mean Sterling Bank and Trust, F.S.B., or any successor to Sterling Bank and Trust, F.S.B.

**WHEREAS**, Executive and the Board of Directors of the Company desire to enter into an employment agreement setting forth the terms and conditions of the employment of Executive and the related rights and obligations of each of the parties.

**NOW, THEREFORE**, in consideration of the promises and mutual covenants herein contained, it is hereby agreed as follows:

**1. Position and Responsibilities.**

(a) During the period of Executive’s employment under this Agreement, Executive agrees to serve as Chairman, President and Chief Executive Officer of the Company and of the Bank. Executive shall have responsibility for the general management and control of the business and affairs of the Company and its affiliates and shall perform all duties and shall have all powers which are commonly incident to the offices of Chairman, President and Chief Executive Officer or which, consistent with those offices, are delegated to him by the Board of Directors of the Company (the “Board of Directors”), and Executive shall report directly to the Board of Directors.

(b) During the period of Executive’s employment under this Agreement, except for periods of absence occasioned by illness, vacation, and reasonable leaves of absence, Executive shall devote substantially all of his business time, attention, skill and efforts to the faithful performance of his duties under this Agreement, including activities and services related to the organization, operation and management of the Company and its affiliates, as well as participation in community, professional and civic organizations, which may promote the business affairs of the Company. Notwithstanding any provisions herein to the contrary, Executive may serve, or continue to serve, on the board of directors of Prudential Insurance Company of America Mutual Fund Complex and boards of directors (or similar bodies) of not-for-profit entities.

(c) The Company will furnish Executive with the working facilities and staff customary for executive officers with the titles and duties set forth in this Agreement and as are necessary for him to perform his duties. The location of such facilities and staff shall be at the Executive Offices, or such other location as is mutually agreed to between the Company and Executive.

(d) During the period of Executive’s employment under this Agreement, the Board of Directors shall take all actions necessary to appoint Executive as a director of the Company and the Bank and to the Executive Committee of each of the boards of directors of the Company and the Bank if any and to nominate him for election by the Company’s shareholders as a member of the Board of Directors, and, upon such appointment or election, Executive agrees to serve in such capacity. Upon Executive’s termination of employment as an officer and employee of the Company for any reason, Executive hereby agrees and acknowledges that this Agreement shall constitute such individual’s letter of resignation as a member of the Board of Directors of the Company, the Bank, and all related entities of the Company and the Bank, effective as of the date of such termination of employment.

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## 2. Period of Employment.

Executive's employment under this Agreement shall commence on the first business day following the date of receipt by both the Company and the Bank of the final applicable regulatory approvals or non-objections from the OCC and, if necessary, the FRB, as described in Section 20(b) below ("Regulatory Approval.") The Company and Executive acknowledge and agree that Executive's employment is "at-will," meaning that Executive's employment is for no definite period of time, and Executive or the Company may terminate such employment relationship at any time for any reason or no reason. The employment at-will relationship remains in full force and effect regardless of any statements to the contrary made by company personnel or set forth in any documents other than those explicitly made to the contrary and signed by an authorized representative of the Board of Directors of the Company.

## 3. Compensation and Benefits.

(a) *Base Salary.* The Company agrees to pay Executive during the period of Executive's employment under this Agreement a base salary at the rate of \$3,000,000 per annum, payable in accordance with the customary payroll practices of the Company, or those of the Bank in accordance with Section 8(b) below. The Board of Directors or the Compensation Committee of the Board of Directors shall review annually the rate of Executive's base salary based upon factors they deem relevant, and may maintain or increase his base salary, *provided* that, no such action shall reduce the rate of base salary below the rate then in effect without Executive's express written consent. In the absence of action by the Board of Directors, Executive shall continue to receive a base salary at the per annum rate specified above or, if another rate has been established under the provisions of this Section 3, the rate last properly established by action of the Board of Directors.

(b) *Equity Award.* Executive shall be entitled to be granted an equity award in accordance with the following terms:

(i) Option Grant. Executive will be granted a stock option to purchase 300,000 shares of stock of the Company (the "Option") with an exercise price per share equal to the average of the high and the low sales prices on NASDAQ on the date of grant. The grant shall take place on the later of (i) date of commencement of employment, which will on the first business day following receipt of Regulatory Approval, and (ii) the 4th trading day following public announcement by the Company of the appointment of Executive as Chairman, President and Chief Executive Officer of the Company and of the Bank. The Option will vest at the rate based on the following schedule: 1/3 of such options shall vest on January 1, 2021, 1/3 of such options shall vest on the first anniversary of the date of grant, and the remaining 1/3 of such options shall vest on January 1, 2022, subject to Executive's continued employment with the Company through each such vesting date; *provided* that, the unvested portion of the Option will vest immediately in full upon Executive's termination of employment due to his death or Disability or upon a "Change of Control" as defined in Section 7(e). In the event of termination of employment other than termination for Cause, if the Option to purchase Company stock is exercisable at the time of such termination of employment, it shall remain exercisable for three years following such termination, *provided* that the Executive shall be in compliance with the post-termination, non-competition and non-solicitation limitations set forth in Sections 6 and 7 below. The provisions of this Section 3(b)(i) shall survive the expiration of this Agreement.

(ii) The Company shall cause the shares underlying such awards to be registered under the Securities Act of 1933, pursuant to a registration statement on Form S-8 (or other appropriate form) and registered or qualified under applicable state law as soon as practicable following the Company's eligibility to do so, and the Company shall take all actions required to maintain the effectiveness of such registration statement until all common stock that may be issued, sold or delivered to Executive has been so issued, sold and/or delivered or the Company's obligations have lapsed. The Board of Directors of the Company shall take all necessary action to ensure that the grants and purchases contemplated by this Agreement are approved for purposes of Rule 16b-3 of the Securities Exchange Act of 1934.

(iii) The Executive shall also be eligible to receive annual equity awards at the discretion of the Company's Compensation Committee in accordance with Company approved and adopted equity plans.

(c) *Other Employee Benefits.* In addition to any other compensation or benefits provided for under this Agreement, Executive shall be entitled to participate in any employee benefits, fringe benefits, perquisites and business expense reimbursements that the Company or the Bank offers to full-time employees or executive management now or in the future on a basis no less favorable than those provided to similarly situated executives. Without limiting the generality of the foregoing provisions of this paragraph, Executive shall be entitled to participate in or receive benefits under all plans relating to stock purchases, pension, profit sharing, employee stock ownership, supplemental retirement (other than through or related to bank owned life insurance arrangements), group life insurance, medical and other health and welfare coverage that are made available by the Company or the Bank as of the date Executive commences employment or at any time in the future during the period of Executive's employment under this Agreement, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements.

(d) *Temporary Housing and Relocation Assistance.* Executive shall establish a residence within 35 miles of Southfield Michigan not later than October 1, 2020. To assist Executive with his relocation, the Company will directly pay for the following, subject to the Executive providing the Company with appropriate documentation of such expense within a reasonable time of the date incurred:

(i) Hotel costs for up to ninety (90) days (up to a maximum of \$22,500) and following the Executive's rental of an apartment, an apartment rental of up to \$1,500 per month.

(ii) The reasonable moving expenses associated with packing and moving certain of Executive's household goods, both to his residence in or around Southfield Michigan and at the termination of employment with the Company (other than a termination for Cause) from his residence in or around Southfield Michigan, up to a maximum of \$5,000 for each move.

(iii) Travel expenses for the Executive to the Executive's residence in Florida up to a maximum of \$500 per week.



To the extent commercially reasonable, the Company shall endeavor to provide the benefits described in this Section 3(d) in a manner that minimizes any associated tax liability to Executive. If the payments under this Section 3 (d) result in taxable income to the Executive which is not deductible by the Executive, then the Company shall pay to the Executive an additional amount equal to the federal, state and local income taxes (at the effective rates actually paid by the Executive on such amounts) on payments under this section 3(d).

#### **4. Termination for Cause; Death; Disability; Good Reason.**

(a) *Termination for Cause.* With respect to termination of Executive's employment, "Cause" shall be considered to exist if Executive: (i) has willfully failed or refused to perform his assigned duties under this Agreement in any material respect (including, for these purposes, Executive's inability to perform such duties as a result of drug or alcohol dependency); (ii) has committed gross negligence in the performance of, or is guilty of continual neglect of, his assigned duties; (iii) has been convicted or entered a plea of guilty or *nolo contendere* to, the commission of a felony or any other crime involving dishonesty, personal profit or other circumstance likely, in the reasonable judgment of the Board of Directors of the Company, to have a material adverse effect on the Bank and the Company or their business, operations or reputation taken as a whole;

(i) has violated, in any material respect, any law, rule, regulation, written agreement or final cease-and-desist order applicable to the Bank or the Company in his performance of services for the Bank or the Company or the Company's or the Bank's code of conduct; or (v) has willfully and intentionally breached the material terms of this Agreement in any material respect. For purposes of this definition, no act or failure to act on the part of Executive shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Bank and the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors of the Company, the board of directors of the Bank or the Executive Committee of either board or based upon the written advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Bank and the Company. Any such determination must be made by a majority vote of the entire membership of the Board of Directors of the Company at a meeting of the Board of Directors called and held for that purpose, finding that, in the good faith opinion of the Board of Directors, Executive's conduct satisfies the requirements for termination for Cause. Termination for Cause shall be effected by written Notice of Termination (as described below) to Executive setting forth with particularity the grounds for termination. Notwithstanding any other provision to the contrary, and for the avoidance of doubt, other than with respect to earned but unpaid salary and such other vested benefits as are set forth in this Agreement and in any other agreement or plan, Executive shall not have the right to receive compensation or other benefits for any period after termination for Cause. Notwithstanding anything herein to the contrary, Executive acknowledges and agrees that commencement of employment is further conditioned upon the Company's prior receipt of satisfactory results regarding customary drug testing.

(b) *Death.* Notwithstanding any other provision of this Agreement to the contrary, in the event of Executive's death during the period of his employment under this Agreement, the Company shall make payment to his estate in the amount of Executive's base salary through the end of the month in which the death occurred, and such other vested benefits as are set forth in this Agreement and in any other agreement or plan. This provision shall not negate any rights Executive or his beneficiaries may have to death benefits under any employee benefit plan of the Company or the Bank.

(c) *Disability.* The Company may terminate Executive's employment upon a determination, by vote of a majority of the members of the Board of Directors of the Company, acting in reliance on the written advice of a medical professional acceptable to them and reasonably acceptable to Executive or his guardian, that Executive is suffering from a "Disability," which shall mean a physical or mental impairment which, at the date of the determination, has prevented Executive from performing his assigned duties on a substantially full-time basis for a period of at least sixty (60) days during the period of six (6) months ending with the date of the determination or is likely to result in death or prevent Executive from performing his assigned duties on a substantially full-time basis for a period of at least sixty (60) days during the period of six (6) months beginning with the date of the determination. As a condition to any benefits, the Board of Directors may require Executive to submit to such physical or mental evaluations and tests as it deems reasonably appropriate. In the event of Executive's Disability, Executive will be entitled to payment from the Company in the amount of all earned but unpaid salary as of the date of termination of employment and such other vested benefits as are set forth in this Agreement and in any other agreement or plan. This provision shall not negate any rights Executive may have to disability benefits under any other plan of the Company or the Bank. A termination of employment due to Disability under this Section 4(c) shall be effected by Notice of Termination given to Executive by the Company and shall take effect on the later of the effective date of termination specified in such notice or sixty (60) days after the date on which the Notice of Termination is given to Executive, *provided* that Executive has not resumed, on a substantially full-time basis, his employment with the Company as Chairman, President and Chief Executive Officer.

(d) *Termination for Good Reason.* With respect to termination of Executive's employment, "Good Reason" shall be considered to exist upon the occurrence of any of the following events without Executive's consent:

(i) the assignment to duties materially inconsistent with Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by this Agreement;

(ii) a material diminution in the authorities, duties or responsibilities of the person to whom Executive is required to report, including a requirement that Executive report to an officer or employee instead of reporting directly to the Board;

(iii) a material reduction in Executive's annual base salary;

(iv) the Company's requiring Executive to be based at any office or location resulting in a material increase in Executive's commute to and from Executive's primary residence in or near Southfield, Michigan (for this purpose an increase in the Executive's commute by 50 miles or more shall be deemed material);

(v) the Board of Directors' failure to appoint Executive as a director of the Company and Bank and to the Executive Committee of each of the boards of directors of the Company and the Bank or to nominate him for election by the Company's shareholders or Executive's removal from such boards or committees (as a result of not being reelected or otherwise); or

(vi) any other action or inaction that constitutes a material breach by the Company of this Agreement;

*provided* that, within ninety (90) days after the initial existence of such event, the Company shall be given notice and an opportunity, of not less than thirty (30) days, to remedy in good faith the condition constituting such "Good Reason" as asserted by Executive. Executive's employment shall continue in effect during such time so long as the Company makes diligent efforts during such time to cure the asserted Good Reason event or condition. In the event that the Company shall remedy in good faith the event or condition constituting Good Reason, then Executive's notice of termination for Good Reason shall be null and void, and, as a result of such event, the Executive shall not be entitled to resign with Good Reason. The Company's remedy of any Good Reason event or condition with or without notice from Executive shall not relieve the Company from any obligations to Executive under this Agreement or otherwise and shall not affect Executive's rights upon the reoccurrence of the same, or the occurrence of any other, Good Reason event or condition. Executive's resignation hereunder for Good Reason shall not occur later than one hundred fifty (150) days following the initial date on which the event Executive claims constitutes Good Reason occurred. In the event of Executive's termination of employment for Good Reason, Executive will be entitled to payment from the Company in the amount of all earned but unpaid salary as of the date of termination of employment and such other vested benefits as are set forth in this Agreement and in any other agreement or plan.

**5. Notice.**

(a) Any notice or communication permitted or required by this Agreement shall be in writing and shall become effective two days after mailing by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company, to:	Sterling Bancorp, Inc. Attn: General Counsel One Towne Square Suite 1900 Southfield, MI 48076
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With a copy to:

Arnold & Porter Kaye Scholer LLP  
250 West 55th Street  
New York, NY 10019-9710  
Attention: Robert C. Azarow  
Telephone: 212-836-7477  
Email: [Robert.Azarow@arnoldporter.com](mailto:Robert.Azarow@arnoldporter.com)

If to Executive, to his address most recently on file with the Company, with a copy to:

Wiggin and Dana LP  
800 17th Street, N.W.  
Washington, D.C. 20006  
Attention: Christian Chandler  
Telephone: 202-800-2474  
Email: [cchandler@wiggin.com](mailto:cchandler@wiggin.com)

(b) Any purported termination of employment by the Company or by Executive shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon to provide a basis for termination of Executive's employment.

**6. Post-Termination Obligations.**

All payments and benefits to Executive under this Agreement shall be subject to Executive's compliance with Section 7 of this Agreement. Executive shall, upon reasonable notice, furnish such information and assistance to the Company as may reasonably be required by the Company in connection with any litigation to which it or any of its affiliates is, or may become, a party, other than any litigation between Executive and the Company or its affiliates. The Company shall reimburse Executive for reasonable costs incurred by Executive in providing such information and assistance.

**7. Non-Competition, Non-Solicitation and Non-Disclosure.**

(a) For a period of one (1) year following Executive's termination of employment for any reason other than death, Executive agrees to the application of, and to abide by, the non-competition and non-solicitation restrictions and covenants set forth in this Section 7(a). Notwithstanding the foregoing, no such non-competition and non-solicitation restrictions shall apply in the event of a termination of employment upon or following a "Change of Control" (as defined in Section 7(e)) that occurs after the initial term of the change in control and severance agreement contemplated by Section 21.

(i) Executive will not contact (with a view toward selling any product or service competitive with any product or service sold or proposed to be sold by the Company, the Bank, or any subsidiary of such entities) any person, firm, association or corporation (1) to which the Company, the Bank, or any subsidiary of such entities sold any product or service during the thirty-six (36) month period immediately prior to Executive's termination of employment, or (2) which Executive was otherwise aware was a client of the Company, the Bank, or any subsidiary of such entities at the time of termination of employment. Executive will not directly or indirectly make any such contact, either for his own benefit or for the benefit of any other person, firm, association, or corporation.

(ii) Executive shall not engage in providing professional services or enter into employment as an employee, director, consultant, representative or similar relationship to any financial services enterprise (including a savings and loan association, bank, credit union or insurance company) that is primarily engaged in the business of offering retail customer and commercial deposit and/or loan products in the States of Michigan or California and is materially competitive with the Company, the Bank or their subsidiaries in the States of Michigan or California.

(iii) Executive hereby agrees that he shall not, on his own behalf or on behalf of others, employ, solicit, or induce, or attempt to employ, solicit or induce, any employee of the Company, the Bank, or any subsidiary of such entities for employment with any enterprise, nor will the Executive directly or indirectly, on his behalf or for others, seek to influence any employee of the Company, the Bank, or any subsidiary of such entities to leave the employ of the Company, the Bank, or any subsidiary of such entities.

The provisions of this Section 7(a) shall survive the expiration of this Agreement.

(b) *Non-Disparagement.* Executive shall not make any statements that disparage the Company, the Bank, or any subsidiary of such entities or the business practices of the Company, the Bank, or any subsidiary of such entities, except to the extent required (i) by law or by a court or other governmental agency of competent jurisdiction, or (ii) to exercise any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934, as amended ("Exchange Act")). The Company and the Bank shall not knowingly or intentionally make any statements that disparage Executive, and the Company and the Bank shall each instruct its directors and officers not to make any statements that disparage Executive. The provisions of this Section 7(b) shall survive the expiration of this Agreement.

(c) *Non-Disclosure.* Executive acknowledges that during his employment he will learn and have access to confidential information regarding the Company and the Bank and its customers and businesses (“Confidential Information”). Executive agrees and covenants not to disclose or use for his own benefit, or the benefit of any other person or entity, any such Confidential Information, unless or until the Company or the Bank consents to such disclosure or use, or such information becomes common knowledge in the industry or is otherwise legally in the public domain. Executive shall not knowingly disclose or reveal to any unauthorized person any Confidential Information relating to the Company, the Bank, or any subsidiaries or affiliates, or to any of the businesses operated by them, and Executive confirms that such information constitutes the exclusive property of the Company and the Bank. Executive shall not otherwise knowingly act or conduct himself (1) to the material detriment of the Company or the Bank, or its subsidiaries, or affiliates, or (2) in a manner which is inimical or contrary to the interests of the Company or the Bank. Notwithstanding the foregoing, it shall not be a breach of this Section 7(c) for Executive to disclose Confidential Information to the extent that disclosure is (A) requested by the Company or its affiliates or (B) required by a court or other governmental agency of competent jurisdiction. The provisions of this Section 7(c) shall survive the expiration of this Agreement. Notwithstanding anything herein to the contrary, the Executive is hereby notified, in accordance with the Defend Trade Secrets Act of 2016, that the Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Executive is further notified that if he files a lawsuit for retaliation by the Employer for reporting a suspected violation of law, the Executive may disclose the Employer’s trade secrets to his attorney and use the trade secret information in the court proceeding if the Executive (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order. Further, notwithstanding anything in this Agreement to the contrary, nothing contained herein prohibits the Executive from reporting, without the prior authorization of the Employer and without notifying the Employer, possible violations of federal law or regulation to the United States Securities and Exchange Commission, the United States Department of Justice, the United States Congress or other governmental agency having apparent supervisory authority over the business of the Employer, or making other disclosures that are protected under the whistleblower provisions of Federal law or regulation.

(d) For purposes of this Section 7, the parties agree to exclusive jurisdiction in the federal and state courts of Michigan. Subject to the final sentence of this Section 7(d), the parties hereto, recognizing that irreparable injury will result to the Company or its affiliates, its business and property in the event of Executive’s breach of any provision of this Section 7, agree that in the event of any such breach by Executive, the Company or its affiliates will be entitled, in addition to any other remedies and damages available, to an injunction issued by any court of competent jurisdiction located in Michigan to restrain the violation or attempted violation hereof by Executive, Executive’s partners, agents, servants, employees and all persons acting for or under the direction of Executive. Executive further agrees that the period of restriction set forth in this Section 7 shall be tolled during any period of violation thereof by Executive. Executive represents and admits that in the event of his termination of employment with the Company, Executive’s experience and capabilities are such that Executive can obtain employment in a business engaged in other lines and/or of a different nature than the Company or its affiliates, and that the enforcement of a remedy by way of injunction will not prevent Executive from earning a livelihood. Nothing herein will be construed as prohibiting the Company or its affiliates from pursuing any other remedies available to the Company or its affiliates for such breach or threatened breach, including the recovery of damages from Executive. Notwithstanding the foregoing, in the event that Executive’s employment is terminated by the Company or its affiliates without Cause or by Executive for Good Reason, the parties hereto agree that the only remedy available to the Company or its affiliates upon a breach of this Section 7 is termination of the post-termination option exercise period contemplated by Sections 3(b) of any then outstanding options as of the date of such breach.

(e) A “Change of Control” shall be deemed to have occurred upon the happening of any of the following events:

(i) the consummation of a reorganization, merger or consolidation of the Company with one or more other persons, other than a transaction following which:

(A) at least 51% of the equity ownership interests of the entity resulting from such transaction are beneficially owned (within the meaning of Rule 13d-3 promulgated under the Exchange Act in substantially the same relative proportions by persons who, immediately prior to such transaction, beneficially owned (within the meaning of Rule 13d-3 promulgated under the Exchange Act) at least 51% of the outstanding equity ownership interests in the Company; and

(B) at least 51% of the securities entitled to vote generally in the election of directors of the entity resulting from such transaction are beneficially owned (within the meaning of Rule 13d-3 promulgated under the Exchange Act) in substantially the same relative proportions by persons who, immediately prior to such transaction, beneficially owned (within the meaning of Rule 13d-3 promulgated under the Exchange Act) at least 51% of the securities entitled to vote generally in the election of directors of the Company;

(ii) the acquisition of all or substantially all of the assets of the Company or beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 25% or more of the outstanding securities of the Company entitled to vote generally in the election of directors by any person or by any persons acting in concert;

(iii) a complete liquidation or dissolution of the Company; or

(iv) any event which would be described in section 7(e)(i), (ii) or (iii) if the term “Bank” were substituted for the term “Company” therein.

In no event, however, shall a Change of Control be deemed to have occurred as a result of any acquisition of securities or assets of the Company, the Bank, or a subsidiary of either of them, by the Company, the Bank, or any subsidiary of either of them, or by any employee benefit plan maintained by any of them. For purposes of this section 7(e), the term “person” shall have the meaning assigned to it under sections 13(d)(3) or 14(d)(2) of the Exchange Act.

#### **8. Source of Payments.**

(a) All payments provided for in this Agreement shall be timely paid in cash or check from the general funds of the Company, subject to Section 8(b).

(b) Any compensation or benefits provided to Executive by any direct or indirect subsidiary of the Company or the Bank shall be applied to offset the obligations of the Company hereunder in such manner as the Company and the Bank may mutually agree, it being intended that this Agreement set forth the aggregate compensation and benefits payable to Executive for all services to the Company, the Bank and all of their respective direct or indirect subsidiaries and affiliates.

**9. Entire Agreement.**

This Agreement, together with any subsequent understanding or modifications thereof as agreed to in writing by the parties, contain all of the terms agreed upon by the parties with respect to the subject matter of this Agreement and supersede all prior agreements, arrangements and communications between the parties concerning such subject matter, whether oral or written. Notwithstanding anything herein to the contrary, any period that Executive shall have served the Company, the Bank or any related entity as a consultant and not as an employee prior to the commencement of Executive's employment under this Agreement shall not be deemed service to the Company as an employee, and shall not be considered or included in any calculation or determination of time employed by the Company for purposes of this Agreement.

**10. No Attachment.**

Except as required by law, no right to receive payments under this Agreement shall 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 affect any such action shall be null, void and of no effect.

**11. Modification and Waiver.**

(a) 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 shall be deemed to have been waived, nor shall 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 shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future as to any act other than that specifically waived.

**12. Severability.**

If, for any reason, any provision of this Agreement, or any part of any provision, is held invalid, such invalidity shall not affect any other provision of this Agreement or any remaining part of such provision not held so invalid, and each such other provision and part thereof shall to the full extent consistent with law continue in full force and effect.

**13. Headings for Reference Only.**

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



**14. Governing Law.**

Except to the extent preempted by federal law, the validity, interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Michigan without regard to principles of conflicts of law of Michigan.

**15. Arbitration.**

Except as provided in Section 7(d) above, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled exclusively by arbitration in accordance with the rules then in effect of the district office of the American Arbitration Association (“AAA”) nearest to the Executive Offices of the Company, and judgment upon the award rendered may be entered in any court having jurisdiction thereof, except to the extent that the parties may otherwise reach a mutual settlement of such issue. The provisions of this Section 15 shall survive the expiration of this Agreement.

**16. No Duty of Mitigation.**

Executive shall not be required to mitigate the amount of any payment of severance benefits if he accepts other compensation for employment with another entity.

**17. Indemnification.**

Except as prohibited by applicable law, the Company shall provide Executive (including his heirs, executors and administrators) with coverage under a directors’ and officers’ liability insurance policy at its expense on terms and conditions at least as favorable as the most favorable coverage in effect for other directors and officers of the Company (or any successor) and shall indemnify Executive (and his heirs, executors and administrators) to the fullest extent permitted under Michigan law 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 or its affiliates (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, judgments, court costs and attorneys’ fees and the costs of reasonable settlements. The provisions of this Section 17 shall survive the expiration of this Agreement.

**18. Successors and Assigns.**

This Agreement shall be binding upon, and inure to the benefit of, Executive, the Company and their respective successors and assigns. The Company shall require any successor or assignee, whether direct or indirect, by purchase, merger, consolidation or otherwise, to all or substantially all of the business or assets of the Bank or 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. Executive shall not assign any part of Executive’s rights under this Agreement without the written consent of the Company.

**19. Withholding; 409A.**

(a) All payments required to be made by the Company hereunder to Executive shall be subject to the withholding of such amounts, if any, relating to tax and other payroll deductions as the Company may reasonably determine should be withheld pursuant to any applicable law or regulation.

(b) To the extent that any reimbursements or in-kind payments are subject to Section 409A of the Code, then such reimbursements or in-kind payments (other than medical expenses) shall be made in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement); (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

**20. Regulatory Matters.**

(a) Nothing in this Agreement shall be deemed to constitute an obligation of the Company or the Bank to make any payments or agree to make any payments to Executive which require prior approval in accordance with the Federal Deposit Insurance Corporation ("FDIC") regulation 12 C.F.R. Part 359, Golden Parachute and Indemnification Payments.

(b) Notwithstanding anything herein to the contrary, Executive shall not commence employment with the Company or the Bank prior to both the Company's and the Bank's receipt of the required regulatory approvals or non-objections with respect to Executive's employment as contemplated in this Agreement, including the approval or non-objection by both the Office of the Comptroller of the Currency ("OCC") and, if necessary, the Board of Governors of the Federal Reserve System ("FRB") to Interagency Notices of Change in Director or Senior Executive Officer. Further, in the event that (i) either of the Notices of Change in Director or Senior Executive Officer (the "Notices") filed by the Bank and Company under Section 32 of the Federal Deposit Insurance Act, 12 U.S.C. § 1831i, to request approval to hire Executive as its Chairman, President and Chief Executive Officer and to appoint him as a director of the Bank and the Company is denied by the OCC or the FRB, respectively, or (ii) the OCC or the FRB indicates that such agency is unlikely to approve the respective Notice, then the Company shall give notice of such determination to Executive and thereafter this Agreement shall be deemed null and void.

**21. Related Matters.**

Following the execution of this Agreement, Executive and the Company shall cooperate to promptly negotiate in good faith the terms of a change in control and severance agreement generally consistent with market terms available at publicly traded institutions, whether in the form of an amendment to this Agreement or a separate agreement, to be entered into between Executive and the Company after first receiving approval in accordance with 12 C.F.R. Part 359.

**[signature page follows]**

**IN WITNESS WHEREOF**, Sterling Bancorp, Inc. has caused this Agreement to be executed by its duly authorized officer, and Executive has signed this Agreement, on this 1<sup>st</sup> day of June, 2020.

**STERLING BANCORP, INC.**

By: /s/ Colleen L. Kimmel  
Colleen L. Kimmel  
Vice President & General Counsel

**EXECUTIVE**

/s/ Thomas M. O'Brien  
Thomas M. O'Brien

## STERLING BANCORP, INC.

## NONQUALIFIED STOCK OPTION AGREEMENT

**NONQUALIFIED STOCK OPTION AGREEMENT** (the "Agreement") dated as of \_\_\_\_\_, 2020, (the "Date of Grant"), between STERLING BANCORP, INC. (the "Company") and THOMAS M. O'BRIEN (the "Grantee").

1. Grant of Options. Pursuant to the Employment Agreement dated \_\_\_\_\_, 2020 (the "Employment Agreement") by and between the Grantee and the Company, the Company hereby grants the Grantee options (the "Options") to purchase 300,000 shares of its common stock (the "Optioned Shares"). The Options have been granted as an "inducement" award under NASDAQ Marketplace Rules.

2. Term of Options. The Options shall be an effective and binding obligation of the Company only during the Option Term (as hereinafter defined) and, upon the expiration of the Option Term, the Options shall become null and void to the extent of the Optioned Shares not theretofore purchased. The "Option Term", for purposes of this Agreement, shall be the period commencing on the date hereof ("Date of Grant") and ending with the earlier of the following dates: (i) the tenth anniversary of the Date of Grant or (ii) the time set forth in Section 5 below.

3. Exercise Price. The exercise price per share shall be \$\_\_\_\_\_.

4. Exercise of Options. Subject to the terms and conditions set forth in this Agreement, including the accelerated vesting and forfeiture provisions set forth in Section 5 below, the Options will become exercisable ("vest") as follows: 1/3 of such options shall vest on January 1, 2021, 1/3 of such options shall vest on the first anniversary of the Date of Grant, and the remaining 1/3 of such options shall vest on January 1, 2022, subject to Executive's continued employment with the Company through each such vesting date; *provided* that the unvested portion of the Option will vest immediately upon a "Change of Control" as defined in Section 7(e) of the Employment Agreement if the Grantee is employed by the Company on the date of the Change of Control.

5. Termination. Notwithstanding anything to the contrary herein, the following provisions shall govern the treatment of the Options following the termination of the Grantee's employment:

a. Death. If the Grantee's termination of employment is due to death or "Disability" (as defined in the Employment Agreement), the entire unvested portion of the Options shall vest as of the date of the Grantee's death or date of termination of service with the Company due to Disability.

b. Termination With Cause. If the Grantee's employment is terminated by the Company with Cause (as defined in the Employment Agreement), any unexercised Options, whether or not vested, shall be forfeited. If the Board of Directors of the Company (the "Board") shall have temporarily suspended the Grantee's duties pursuant to the Employment Agreement while any proceeding to discharge the Grantee with Cause is pending, the Board may, by written notice to the Grantee, also temporarily suspend the exercise of the Option.

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c. Termination without Cause or Resignation by Grantee. If the Grantee's employment is terminated by the Company for any reason other than Cause or disability or if the Grantee resigns his employment for any or no reason, any unvested Options shall be forfeited and shall terminate and be of no further force or effect as of the date of termination of employment.

d. Period to Exercise Option Following Termination of Employment. In the event of termination of employment other than termination for Cause, if the Option to purchase Company stock is exercisable at the time of such termination of employment, it shall remain exercisable until the earlier of (i) the expiration of the Option Term and (ii) the third anniversary of such termination; *provided*, that the Grantee shall be in compliance with the post-termination, non-competition and non-solicitation limitations set forth in Sections 6 and 7 of the Employment Agreement.

6. Method of Exercise. An Option may be exercised in whole or in part at any time by written notice to the Compensation Committee of the Board of Directors of the Company at principal office of the Company at One Towne Square, Suite 1900, Southfield, MI 48076 (or such other place as may hereafter be designated by the Company), which notice shall specify the number of Optioned Shares as to which the Grantee desires to exercise. The notice shall be accompanied by an unendorsed certified or official bank check or money order for the full exercise price, in United States dollars, payable to the order of the Company. The Company's Board of Directors (or any committee of such Board of Directors with authority over the Company's stock option plans) may permit the Grantee to make payment by wire transfer or other manner acceptable to the Board of Directors or such committee and may permit electronic delivery of notice in lieu of written notice.

7. Tax Withholding. No shares will be issued pursuant to the exercise of an Option unless and until the Grantee pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of an Option. The Grantee shall have the right to direct the Company to deduct from the shares issuable to the Grantee upon the exercise of an Option, or to accept from the Grantee the tender of, a number of whole shares having a Fair Market Value equal to all or any part of the tax withholding obligations of the Grantee.

8. Compliance with Securities Law. The issuance of shares pursuant to this Agreement shall be subject to compliance with all applicable requirements of Federal, state and foreign law with respect to such securities and the requirements of any stock exchange or market system upon which the Company's stock may then be listed or quoted. In addition, no Option may be exercised or shares issued pursuant to this Agreement unless (a) a registration statement under the Securities Act of 1933 shall at the time of such exercise or issuance be in effect with respect to the shares issuable or (b) in the opinion of legal counsel to the Company, the shares issuable pursuant to this Agreement may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. As soon as practicable following the Company's eligibility to do so, the Company shall prepare and file with the Securities and Exchange Commission a registration statement on Form S-8 covering a sufficient number of shares of the Company's common stock to provide for all of the common stock contemplated to be issued under this Agreement. Thereafter, the Company shall take all actions required to maintain the effectiveness of such registration statement until all common stock issuable under this Agreement has been so issued or the Option Term has expired.

9. Reclassification, Consolidation, or Merger. In the event of any recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or exchange of Company stock of the same class as the Optioned Shares for other securities, stock dividend or other special and nonrecurring dividend or distribution (whether in the form of cash, securities or other property) that has an effect on the fair market value of the Company stock, liquidation, dissolution, or other similar corporate transaction or event that has an effect on the fair market value of the Company stock, such that an adjustment is appropriate in order to prevent the dilution or enlargement of the rights of the Grantee with respect to the Options, the Company's Board of Directors or any committee of such Board of Directors with authority to administer the Company's stock option plans shall, in such manner as it may determine, adjust any or all of (i) the number and kind of securities underlying the Options and (ii) the exercise price of the Options, to prevent such dilution or enlargement; provided, however, that any such adjustment shall be made in a manner designed to ensure that the Options granted hereunder maintain their exemption from, or compliance with, Section 409A of the Internal Revenue Code.

10. Rights Prior to Exercise of Options. The Grantee shall have no rights as a shareholder with respect to the Optioned Shares as to which the Options shall not have been exercised and payment made as herein provided, and shall have no rights with respect to such shares other than those rights that are expressly conferred by this Agreement. No adjustments shall be made for distributions, dividends, allocations, or other rights with respect to any shares of Common Stock prior to the exercise of such Option except as set forth in Section 9 hereof.

11. Conditions Upon Issuance of Shares.

a. Legal Compliance. Shares will not be issued pursuant to the exercise of the Options unless the exercise of the Options and the issuance and delivery of such Shares will comply with applicable laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

b. Investment Representations. As a condition to the exercise of an Options, the Company may require the person exercising the Options to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

12. Nonassignability. This Options shall not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) by the Grantee otherwise than by will or laws of descent and distribution and shall be exercisable during his lifetime only by the Grantee, and shall not be subject to execution, attachment or similar process. The Grantee may, by written notice delivered to the Company prior to the Grantee's death, designate a beneficiary or beneficiaries who shall, upon the Grantee's death, succeed to his rights in respect of any unexercised Options and may revoke a prior designation by similar subsequent notice.

13. Binding Effect, Modification; Choice of Law. This Agreement is binding upon the heirs, executors, administrators, successors and permitted assigns of the parties hereto. This Agreement may only be altered, modified or amended by a writing signed by the Company and the Grantee. This Agreement and all determinations made and actions taken hereunder shall be governed by the internal laws of the State of Michigan and construed in accordance therewith.

14. Non-qualified Stock Options. The Options are not intended to be incentive stock options within the meaning of Section 422(b) of the Internal Revenue Code.

15. Compliance with Section 409A of the Internal Revenue Code. This Agreement and the Options granted hereunder are intended to either be exempt from or comply with the requirements of Section 409A of the Internal Revenue Code and will be interpreted and administered in accordance with such intent. In no event will the Company be responsible for or reimburse the Grantee for any taxes or other penalties incurred as a result of application of Section 409A of the Internal Revenue Code.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the Date of Grant.

STERLING BANCORP, INC.

BY:

\_\_\_\_\_  
Colleen L. Kimmel  
Vice President & General Counsel

\_\_\_\_\_  
THOMAS M. O'BRIEN (Grantee)



(Form of Notice to be Given When  
Foregoing Options is Exercised)

Sterling Bancorp, Inc.  
One Towne Square, Suite 1900  
Southfield, MI 48076

The Undersigned, Thomas M. O'Brien, as Grantee under the Non-Qualified Stock Option Agreement dated as of \_\_\_\_\_, 2020, hereby exercises the option contained in said Agreement for the purchase of \_\_\_\_\_ shares of the common stock of the Company. The undersigned delivers to you herewith in payment of the shares a certified official bank check or money order payable to the order of the Company, in the amount of \$\_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
Note: If the option is exercised either by a legatee under the Grantee's last will or by the personal representative of the Grantee or designated beneficiary of the Grantee, evidence must be submitted satisfactory to the Company that such person is the personal representative or beneficiary, as applicable of the Grantee.

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## STERLING BANCORP, INC.

## STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the “**Agreement**”) is made effective as of June 1, 2020 by and between Sterling Bancorp, Inc. (the “**Company**”), a Michigan corporation and the holding company for Sterling Bank and Trust, F.S.B., with its principal executive offices at One Towne Square, Suite 1900, Southfield, MI 48076, and Thomas M. O’Brien (“**Purchaser**”).

In consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Purchase of Shares.

1.1 Purchase. Purchaser hereby agrees to purchase from the Company, on up to four (4) separate purchase dates, and the Company hereby agrees to sell to Purchaser on such purchase dates, an aggregate of 300,000 shares (the “**Shares**”) of the common stock, no par value, of the Company (the “**Common Stock**”) at a purchase price per share (the “**Purchase Price**”) as determined herein. Such purchases shall occur on such dates (each, a “**Purchase Date**”) as are determined by Purchaser; provided, that the purchase of all of the Shares must be completed on or prior to May 31, 2021. Notwithstanding anything to the contrary herein, all Purchase Dates must occur during an open “trading window” of the Company as communicated to the Company’s executive officers by the general counsel of the Company on a quarterly basis. The Purchase Price for each Share to be purchased on any Purchase Date shall be equal to the average of the high and low sales prices on the trading day immediately prior to such Purchase Date (the “**Pricing Date**”), as such prices are reported on the Nasdaq National Market System or such other exchange as the Company’s securities may then be listed or traded.

1.2 Payment. At such time as Purchaser determines to purchase Shares in accordance with the terms hereof, Purchaser shall deliver to the Company written notice of such purchase, setting forth the Purchase Date for such purchase selected by Purchaser and the total number of Shares to be purchased on such Purchase Date. Promptly following the close of trading on the applicable Pricing Date, the Company shall notify Purchaser of the aggregate Purchase Price for the Shares to be purchased on such Purchase Date. On the Purchase Date, Purchaser shall deliver to the Company the aggregate Purchase Price for the Shares being purchased on such date, which shall be paid by check payable to the Company or wire transfer of immediately available funds to an account specified by the Company. Each of Purchaser and the Company agrees to take all other actions and execute and deliver all other documents as may be necessary or appropriate to effect the purchase of the Shares as provided herein.

1.3 Issuance of Shares on each Purchase Date; Stock Certificates. Promptly following receipt by the Company of the aggregate Purchase Price for the Shares purchased on any Purchase Date, the Company shall take all actions necessary to cause the Shares purchased on such Purchase Date to be issued in the name of Purchaser on the Company’s stock transfer books and, at Purchaser’s request, shall cause to be delivered to Purchaser one or more certificates evidencing such Shares registered in the name of Purchaser.

2. Purchaser Representations. In connection with the purchase of the Shares, Purchaser represents to the Company as follows:

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(a) This Agreement constitutes a valid and binding obligation of Purchaser, enforceable in accordance with its terms.

(b) Purchaser understands that the sale of the Shares has not been and will not be registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or registered or qualified under applicable state securities laws in reliance upon certain exemptions from such registration and qualification. Purchaser is an “accredited investor” within the meaning of Rule 501 promulgated under the Securities Act.

(c) Purchaser is aware of the Company’s business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing the Shares for investment for Purchaser’s own account and not with a view to, or for resale in connection with, any “distribution” thereof within the meaning of the Securities Act or under any applicable state securities laws. Purchaser does not have any present intention to transfer the Shares to any other party. Purchaser understands that the exemption from registration under the Securities Act for the issuance of the Shares depends in part upon the bona fide nature of Purchaser’s investment intent as expressed in this Agreement.

(d) Purchaser understands that the Shares are “restricted securities” under federal and state securities laws and that, pursuant to these laws, Purchaser may not resell, transfer or otherwise dispose of the Shares unless they are registered and qualified under such laws or an exemption from such registration and qualification is available. Purchaser acknowledges that the Company has no obligation to register or qualify the Shares for resale except as provided in this Agreement. Purchaser further acknowledges that, if an exemption from registration or qualification is available, it may be conditioned on certain requirements, including, but not limited to, the time and manner of sale, a required holding period for the Shares and requirements relating to the Company, which are outside of Purchaser’s control and which the Company is under no obligation, and may not be able, to satisfy.

(e) Purchaser believes that an investment in the Shares is suitable for Purchaser based on Purchaser’s investment objectives and financial needs, and Purchaser is able to bear the economic risk of an investment in the Shares for an indefinite period of time. Purchaser has such knowledge and experience in financial and business matters as to make Purchaser capable of evaluating the risks of the prospective investment and to make an informed investment decision. Purchaser has either (i) preexisting personal or business relationships with the Company or any of its officers, directors or controlling persons, or (ii) the capacity to protect Purchaser’s own interests in connection with the purchase of the Shares by virtue of the business or financial expertise of Purchaser or professional advisors to Purchaser who are unaffiliated with and who are not compensated by the Company or any of its affiliates, directly or indirectly.

3. Company Representations. In connection with the sale of the Shares, the Company represents to Purchaser as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Michigan.

(b) The Company has the requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated by this Agreement, and the execution and delivery of this Agreement and the performance by the Company of its obligations hereunder have been duly authorized by all necessary corporate action on the part of the Company. This Agreement constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms.

(c) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not result in any violation of any provisions of the Company's certificate of incorporation, bylaws or other organizational documents to which it is a party or any applicable law.

(d) The Shares, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable. Assuming the accuracy of the representations of Purchaser in Section 2 of this Agreement, the Shares will be issued in compliance with all applicable federal and state securities laws.

4. Legends on Stock Certificates.

4.1 Restrictive Legends. In the event that the Company shall issue stock certificates for the Shares, all certificates shall be endorsed with the following restrictive legend:

(a) "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE AND MAY BE OFFERED AND SOLD ONLY IF REGISTERED AND QUALIFIED PURSUANT TO THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS OR IF THE COMPANY IS PROVIDED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION AND QUALIFICATION UNDER FEDERAL AND STATE SECURITIES LAWS IS NOT REQUIRED."

4.2 Other Legends. The stock certificates for the Shares shall be endorsed with any legends that may be required by state securities or other applicable laws.

5. Piggy-back Registration Rights.

(a) If, at any time within the period commencing on the date of the Company's first issuance of Shares to Purchaser and ending on May 31, 2023, the Company proposes to prepare and file with the Securities and Exchange Commission ("SEC") a registration statement on Form S-1 or S-3, or any successor form(s), under the Securities Act in connection with an offering of the Company's securities solely for cash (a "Public Offering"), the Company shall promptly give Purchaser written notice of such proposed registration, at least thirty (30) days prior to the filing of any such registration statement under the Securities Act. Upon the written request of Purchaser given within twenty (20) business days after receipt of such written notice from the Company, the Company shall, subject to the provisions of Section 5.1(b) below, use its best efforts to cause to be registered under the Securities Act all or any part of the Shares purchased by Purchaser hereunder (such Shares, including any capital stock of the Company issued by way of a stock split, stock dividend, recapitalization, merger or other distribution with respect to, or in exchange for, or in replacement of, such Shares, collectively, the "Registrable Securities") that Purchaser has requested to be so registered.

(b) If the offering with respect to which Purchaser is entitled to registration under this Section 5 is an underwritten offering, then the right of Purchaser to registration pursuant to Section 5.1(a) above shall be conditioned upon Purchaser's participation in, and the inclusion of Purchaser's Registrable Securities in, the underwriting to the extent provided herein. Purchaser shall (together with the Company and any other holders of Company securities distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected by the Company. Notwithstanding any other provision of this Section 5.1, if the underwriter determines that marketing factors require a limitation of the number of shares to be underwritten in the Public Offering, the underwriter may (subject to the allocation priority set forth below) exclude some or all Registrable Securities from such registration and underwriting. The Company shall so advise Purchaser and all other persons requesting registration who have substantially similar registration rights ("Analogous Registration Rights") to those granted to Purchaser in this Section 5.1 (collectively, "Participating Holders"), and the number of shares of securities that may be included in the registration and underwriting shall be allocated in the following manner: (i) first to the Company; (ii) second to Purchaser and the Participating Holders, in proportion, as nearly as practicable, to the respective amounts of Registrable Securities held by Purchaser and securities of the Company held by such Participating Holders with Analogous Registration Rights who have indicated to the Company their decision to distribute through such underwriting any of their securities eligible for such registration; and (iii) third, to any other shareholders of the Company (i.e., other than Participating Holders) on a *pro rata* basis. If Purchaser disapproves of the terms of any such underwriting, it may elect to withdraw therefrom by written notice to the Company and the underwriter. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from such registration. Nothing herein is intended to prevent the Company from having the right to withdraw a registration statement described in Section 5.1(a) above for an offering which includes the Registrable Securities of Purchaser: provided, that any such withdrawn registration statement will not be counted as one of the registrations for purposes of determining the number of registrations as provided in Section 5.1(f) below.

(c) If Purchaser decides not to include all of its Registrable Securities in any registration statement filed by the Company, Purchaser shall nevertheless continue to have the right to include any of its Registrable Securities in any subsequent registration statement or statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(d) Whenever required under this Section 5.1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

i. after preparing and filing a registration statement as provided in Section 5.1(a) above, prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement (the "**Prospectus**") as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all of the Registrable Securities included in such registration;

ii. furnish to Purchaser such numbers of copies of the Prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of the Registrable Securities included in such registration;

iii. notify Purchaser at any time of the occurrence of any event as a result of which a Prospectus, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; and

iv. use its reasonable efforts to register and qualify the Registrable Securities included in such registration under the securities laws of such jurisdictions as shall be reasonably appropriate for the distribution of such Registrable Securities; provided, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such jurisdiction.

(e) It shall be a condition to the Company's obligations under Section 5.1(a) above that Purchaser shall furnish to the Company such information regarding Purchaser, the Registrable Securities being disposed of by Purchaser in such registration, and the intended method of disposition of such Registrable Securities as shall be required to effect the registration of the Registrable Securities. In that connection, Purchaser shall be required to represent to the Company that all such information which is given is both complete and accurate in all material respects when made.

(f) The Company shall bear all expenses necessary to comply with this Section 5.1, in connection with up to two (2) registrations hereunder, including, without limitation, all registration, filing and qualification fees, underwriters' expense allowances, printing expenses, fees and disbursements of counsel for the Company, blue sky fees and expenses, the expense of any special audits incident to or required by any such registration, and all reasonable fees and disbursements of one special counsel for Purchaser and all of the Participating Holders with Analogous Registration Rights who elect to include their securities in any such registration, but expressly excluding all underwriting discounts and selling commissions applicable to the sale of the Registrable Securities in the registration, which discounts and commissions shall be borne solely by Purchaser and the other Participating Holders out of the proceeds of the offering.

(g) Purchaser shall have no right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 5.1.

(h) The Company's obligations under this Section 5.1 shall terminate with respect to those Registrable Securities held by Purchaser at the end of any period of ninety (90) days during which such Purchaser could have sold all such Registrable Securities pursuant to SEC Rule 144.

(i) Notwithstanding any contrary provision of this Section 5.1, the Company shall not be required to effect any registrations under the Securities Act or under any state securities laws on behalf of Purchaser if the Company's Common Stock is publicly traded on a national exchange (including NASDAQ) and in the opinion of counsel for the Company, the offering or transfer of Registrable Securities by Purchaser in the manner proposed (including, without limitation, the number of shares proposed to be offered or transferred, the time of sale, and the method of offering or transfer) is exempt from the registration requirements of the Securities Act and the securities laws of applicable states.

6. Effectiveness. The rights and obligations hereunder shall not be effective until such time as the employment agreement between the Purchaser and the Company dated as of June 1, 2020 has become effective.

7. Termination. In the event that Purchaser ceases to be employed by the Company or the Bank for any reason, this Agreement shall terminate and all obligations of the parties under this Agreement shall be of no further force or effect.

8. Miscellaneous.

8.1 No Employment or Service Contract. Nothing in this Agreement shall confer upon Purchaser any right to continue in the service of the Company (or any affiliated entity) for any period of time or restrict in any way the rights of the Company (or any affiliated entity) or Purchaser to terminate the employment status of Purchaser at any time for any reason, with or without cause.

8.2 Notices. All notices under this Agreement must be in writing and shall be deemed given when delivered personally or by confirmed facsimile or email, one (1) day after being sent by nationally recognized overnight courier service, or three (3) days after being sent by prepaid certified mail, to the address of the party to be noticed as set under such party's name on the signature page hereto or such other address as such party last provided to the other party by written notice.

8.3 No Waiver. The failure of any party hereto in any instance to exercise any of its rights under this Agreement shall not constitute a waiver of any other rights that may subsequently arise under this Agreement. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition.

8.4 Binding Effect; Modification; Choice of Law. This Agreement is binding upon the heirs, executors, administrators, successors and permitted assigns of the parties hereto. This Agreement may only be altered, modified or amended by a writing signed by the Company and Purchaser. This Agreement and all determinations made and actions taken hereunder shall be governed by the internal laws of the State of Michigan and construed in accordance therewith.

8.5 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

8.6 Facsimile and Electronic Signatures. This Agreement may be executed and delivered by facsimile or electronic transmission, and upon such delivery, the facsimile or electronic transmission shall have the same effect as if an original signature had been delivered to the other party.

8.7 Severability. If any provision of this Agreement is deemed void or unenforceable, such provision shall nevertheless be enforced to the fullest extent allowed by law, and the validity of the remainder of this Agreement shall not be affected.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first indicated above.

**PURCHASER**

/s/ THOMAS M. O'BRIEN  
THOMAS M. O'BRIEN

Address:  
105 Inagua Lane  
Bonita Springs, FL 34134

**STERLING BANCORP, INC.**

By: /s/ COLLEEN L. KIMMEL

Name: COLLEEN L. KIMMEL

Title: Vice President & General Counsel

Address:  
One Towne Square  
Suite 1900  
Southfield, MI 48076

*[Signature Page to Stock Purchase Agreement]*

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## Sterling Bancorp Reports First Quarter 2020 Financial Highlights

**Southfield, Michigan, June 1, 2020** — Sterling Bancorp, Inc. (NASDAQ: SBT) (the “Company”), the holding company of Sterling Bank and Trust, F.S.B. (the “Bank”), today reported unaudited financial highlights for its first quarter ended March 31, 2020 reflecting the establishment of reserves relating to the Bank’s Advantage Loan Program (the “Advantage Loan Program”) as well as a significant increase to the allowance for loan losses in light of economic conditions due to COVID-19.

### Q1 2020 Financial Highlights

- **Net loss of \$27.8 million**
- **Net loss per share of \$(0.56)**
- **Non-interest expense of \$47.0 million, reflecting loan repurchase reserves of \$7.8 million related primarily to the sale of loans originated under the Advantage Loan Program and contingency reserves of \$25.0 million related to previously-disclosed litigation and investigations stemming from the Advantage Loan Program; these reserves reflect additional information obtained during the course of the previously-disclosed internal review of this program**
- **Provision for loan losses of \$20.9 million, reflecting our evaluation of the current and expected impacts on our loan portfolios from the COVID-19 pandemic**
- **Net interest income before provision for loan losses of \$28.6 million**
- **Net interest margin of 3.57%**
- **Non-interest income of \$0.5 million; the decline in non-interest income reflects an increased valuation allowance against our mortgage servicing rights in the amount of \$1.2 million**
- **Shareholders’ equity of \$332.6 million**
- **Bank capital ratios reflect a capital contribution of \$50.0 million from the Company to the Bank and continue to be in excess of minimum ratios required to be considered “well-capitalized” with a leverage ratio of 11.43%, a total risk-based capital ratio of 20.52% and a common equity tier one ratio of 19.26%**
- **The Company’s consolidated leverage ratio of 10.08%, risk-based capital ratio of 21.55% and common equity tier one ratio of 16.96% continue to exceed minimum regulatory capital requirements**
- **Total deposits of \$2.645 billion**
- **Total loan originations of \$185.4 million**
- **Total gross loans, including loans held for investment and loans held for sale, of \$2.846 billion**
- **Total loan delinquencies increased during the quarter to 1.10% from 0.70%; nonperforming loans were relatively stable at 0.40%**
- **Forbearances requested to date on approximately 470 loans, with an aggregate UPB of \$275 million**

As the Bank’s internal review of the circumstances that led to the previously-reported discontinuation of the Advantage Loan Program has progressed, it has become apparent that the potential for liability related to the origination of residential mortgage loans under that program warrants the initial creation of reserves. Results from the internal review to date indicate that certain employees engaged in misconduct in connection with the origination of loans, including with respect to verification of income, the amount of income reported for borrowers, reliance on third parties, and related documentation. In addition, as previously disclosed, we are currently subject to various investigations and litigation stemming from the Bank’s residential lending practices, which are in their early stages and could result in additional liability. However, the Board of Directors believes that the recent management and personnel changes, particularly the agreement to hire Thomas M. O’Brien as the new Chairman, President and Chief Executive Officer, subject to the receipt of necessary regulatory non-objection, will ultimately enable the Company and the Bank to move forward in a stronger position to address and resolve any past regulatory and compliance issues.

As previously disclosed, the Bank is currently under formal investigation by the Office of the Comptroller of the Currency (the “OCC”) and continues to be subject to a publicly-available formal agreement with the OCC, dated June 18, 2019, relating to certain aspects of its Bank Secrecy Act/Anti-Money Laundering compliance program as well as the Bank’s credit administration. The Bank also has received grand jury subpoenas from the United States Department of Justice (the “DOJ”) requesting the production of documents and information in connection with an investigation that appears to be focused on the Bank’s residential lending practices and related issues. The Bank is fully cooperating with these ongoing investigations.

In addition, as previously disclosed, the Company, certain of its current and former officers and directors, and other parties have been named as defendants in a shareholder class action captioned *Oklahoma Police Pension and Retirement System v. Sterling Bancorp, Inc., et al.*, Case No. 2:20-cv-10490-AJT-EAS, filed in the United States District Court for the Eastern District of Michigan. This action alleges violations of the federal securities laws, primarily with respect to disclosures concerning the Bank's residential lending practices that were made in the Company's registration statement and prospectus for its initial public offering, in subsequent periodic filings with the SEC, and during earnings calls. The Company intends to vigorously defend this action.

The outcome of the pending investigations and litigation is uncertain. There can be no assurance (i) that we will not incur material losses due to damages, penalties, costs and/or expenses as a result of such investigations and litigation, (ii) that the reserves we have established will be sufficient to cover such losses, or (iii) that such losses will not materially exceed such reserves and have a material impact on our financial condition or results of operations. In addition, in connection with the audit of the Company's December 31, 2019 financial statements, the Company is evaluating whether any portion of the reserves should be applied to the fourth quarter of 2019 and/or prior periods. The Company has incurred significant legal expenses in defending the litigation and in cooperating with the investigations and expects to continue to do so during the pendency of these matters.

#### **Conference Call and Webcast**

Management will host a conference call today at 11:00 a.m. Eastern Time to discuss the Company's recent management changes and financial highlights. The conference call number for U.S. participants is (833) 535-2201 and the conference call number for participants outside the U.S. is (412) 902-6744. Additionally, interested parties can listen to a live webcast of the call in the "Investor Relations" section of the Company's website at [www.sterlingbank.com](http://www.sterlingbank.com). An archived version of the webcast will be available in the same location shortly after the live call has ended.

A replay of the conference call may be accessed through June 15, 2020 by dialing (877) 344-7529, using conference ID number 10144576.

#### **About Sterling Bancorp, Inc.**

Sterling Bancorp, Inc. is a unitary thrift holding company. Its wholly owned subsidiary, Sterling Bank and Trust, F.S.B., has primary branch operations in San Francisco and Los Angeles, California, New York City and Bellevue, Washington. Sterling offers a broad range of loan products to the residential and commercial markets, as well as retail and business banking services. Sterling also has an operations center and a branch in Southfield, Michigan. For additional information, please visit the Company's website at <http://www.sterlingbank.com>.

## Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements generally can be identified by the use of forward-looking terminology such as “will,” “propose,” “may,” “plan,” “seek,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “continue,” “predict,” “project,” “potential,” “could,” “would,” “should” or similar terminology, including references to assumptions. Forward-looking statements are based on various assumptions and analyses made by us in light of our management’s experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors (many of which are beyond our control) that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. These factors include, without limitation, the following: the timing and occurrence or non-occurrence of events that may be subject to circumstances beyond our control; increases in competitive pressure among financial institutions or from non-financial institutions; changes in the interest rate environment; changes in deposit flows, loan demand or collateral values; changes in accounting principles, policies or guidelines; changes in general economic, business and political conditions, either nationally or locally in some or all areas in which we do business, or conditions in the real estate, securities or financial markets or the banking industry; legislative or regulatory changes; supervision and examination by the OCC and the Board of Governors of the Federal Reserve System; our ability to successfully implement technological changes; our ability to successfully consummate new business initiatives; litigation or other matters before regulatory agencies, whether currently existing or commencing in the future, including litigation and investigations relating to our residential lending practices and the Advantage Loan Program; the outcomes of such litigation and investigations, including the risk of civil or criminal enforcement action, regulatory restrictions on the Bank’s activities, financial penalties or judgments, other adverse consequences, and any resulting effects on the Company’s business, financial condition, and/or results of operations; losses from such litigation and investigations that may be materially higher than expected and that may materially exceed our contingency reserves; repurchase requests related to the sale of loans originated under the Advantage Loan Program may be materially higher than expected and result in repurchase obligations that may materially exceed our loan repurchase reserves; the ability of our auditors to complete the audit of the Company’s December 31, 2019 financial statements or the review of the Company’s March 31, 2020 financial statements; our ability to file our Annual Report on Form 10-K for the year ended December 31, 2019 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 within the exception period granted by The Nasdaq Stock Market, LLC; our ability to comply with Nasdaq’s continued listing requirements and the possibility that our shares will be delisted if such requirements are not satisfied; our ability to implement enhanced risk management policies, procedures and controls commensurate with shifts in our business strategies and regulatory expectations; the occurrence of natural and other disasters, pandemics, terrorist activities, significant political events, cyberattacks, security breaches or system failures that affect us or our counterparties or service providers, including the COVID-19 pandemic and the regulatory and governmental actions implemented in response to COVID-19; and the risks, uncertainties, and other factors detailed from time to time in our public filings, including those included in the disclosures under the headings “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 18, 2019, subsequent periodic reports and future periodic reports. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those projected in, or implied by, such forward-looking statements. Any forward-looking statements presented herein are made only as of the date of this press release, and we do not undertake any obligation to update, revise, or correct any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, the receipt of new information, or otherwise.

### Contacts:

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**STERLING BANCORP, INC. AGREES TO HIRE THOMAS M. O'BRIEN  
AS CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER**

Sterling Bancorp, Inc. (NASDAQ: SBT) (the "Company"), the holding company of Sterling Bank and Trust, F.S.B. (the "Bank"), announced today that the Company and the Bank have agreed to hire Thomas M. O'Brien as the Chairman, President and Chief Executive Officer of the Company and the Bank, subject to prior receipt of regulatory non-objection from the Office of the Comptroller of the Currency. Mr. O'Brien currently serves as a consultant to the Board of Directors of the Bank and will not assume the duties and responsibilities of President and Chief Executive Officer until such regulatory non-objection is received. The application for regulatory non-objection is being filed today. Steve Huber, current Chief Financial Officer and Treasurer of the Company, will continue to serve as Interim President and Chief Executive Officer until the time Mr. O'Brien becomes an employee of the Company.

Mr. O'Brien is an accomplished leader in the financial services industry with over 44 years of industry experience. Most recently he served as Vice Chairman of New York City-based Emigrant Bancorp, Inc. and Emigrant Bank from October 2018 to March 2020. He has served as President, Chief Executive Officer and on the boards of Sun Bancorp, Inc. and Sun National Bank from April 2014 to February 2018. He also served on the boards of BankUnited, Inc. and Bank United, NA from May 2012 to April 2014. Mr. O'Brien served as President, Chief Executive Officer and a director of State Bank of Long Island and State Bancorp, Inc. from November 2006 to January 2012. From 2000 to 2006, Mr. O'Brien was President, Chief Executive Officer and a director of Atlantic Bank of New York and, following the acquisition of Atlantic Bank of New York by New York Commercial Bank, continued to serve as President and Chief Executive Officer during the post-closing transition. From 1996 to 2000, Mr. O'Brien was Vice Chairman and a board member of North Fork Bank and North Fork Bancorporation, Inc. From 1977 to 1996, Mr. O'Brien was Chairman, President and Chief Executive Officer of North Side Savings Bank.

Recognized as an industry thought leader, Mr. O'Brien served as a director of the Federal Home Loan Bank of New York from 2008 to 2012 and served as Chairman of New York Bankers Association in 2007. He is currently Trustee and Chairman of the Audit Committee of Prudential Insurance Company of America \$175 Billion Annuity Fund Complex, and Vice-Chairman of the Board and Chairman of the Finance Committee of Archcare and Catholic Healthcare Foundation for the Archdiocese of New York.

Benjamin Wineman, Chairman of the special committee of independent directors of the Bank, stated: "We are pleased to announce Tom O'Brien as Sterling's new Chairman, President and Chief Executive Officer. Tom brings a wealth of expertise to this role, having served in a number of senior leadership capacities at various financial institutions over the past few decades. Each time Tom has been in the CEO chair, he has successfully led the turnaround of difficult situations, while enhancing operational integrity, driving shareholder value and creating a strong regulatory compliance culture. He is a proven leader and a strong strategic thinker. We believe Tom is well-positioned to lead Sterling through its current regulatory and operational challenges while providing clear strategic direction during these difficult economic times for the Bank and our customers."

Mr. O'Brien stated: "This is not an opportunity that I actively sought. However I have had the recent opportunity to work with Sterling's directors and have witnessed their firm commitment to undertaking the remedial work necessary to successfully resolve the regulatory enforcement action against the Bank and ongoing government investigations, repair the Bank's and the Company's reputation and address forthrightly the multiple issues from the past. As the pressing need to find new leadership recently developed, I could not say no to their request to step into this role. I am committed to joining their mission and feel fully prepared to provide the leadership necessary within the Company and Bank to create a fully compliant enterprise which will be a source of pride to our various stakeholders and, in particular, our employees and public shareholders. To that end, I asked to be given the opportunity to personally invest and purchase 300,000 shares from the Company to demonstrate my alignment with our shareholders."

Mr. O'Brien also stated: "This morning, the Company will release some financial highlights for the quarter ended March 31, 2020. While the Company is not in a position at this time to provide a traditional earnings release and commentary, these financial highlights should begin to provide investors with better insight into those matters currently under review."

Finally, Mr. O'Brien stated: "A conference call is being scheduled, at which time I will briefly discuss my vision for the Company and then take questions limited solely to my new role and my history. Due to the ongoing investigations, I will be unable to answer questions related to the matters currently facing the Company. Nonetheless, we each have a firm commitment and a sense of urgency to undertake and complete the tasks necessary to bring Sterling into full regulatory compliance and sustainable profitable operations as expeditiously as possible."

#### **About Sterling Bancorp, Inc.**

Sterling Bancorp, Inc. is a unitary thrift holding company. Its wholly-owned subsidiary, Sterling Bank and Trust, F.S.B., has primary branch operations in San Francisco and Los Angeles, California, New York City and Bellevue, Washington. Sterling offers a range of loan products to the residential and commercial markets, as well as retail and business banking services. Sterling also has an operations center and a branch in Southfield, Michigan. For additional information, please visit the Company's website at <http://www.sterlingbank.com>.

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## Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements generally can be identified by the use of forward-looking terminology such as “will,” “propose,” “may,” “plan,” “seek,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “continue,” “predict,” “project,” “potential,” “could,” “would,” “should” or similar terminology, including references to assumptions. Forward-looking statements are based on various assumptions and analyses made by us in light of our management’s experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors (many of which are beyond our control) that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. These factors include, without limitation, the following: the timing and occurrence or non-occurrence of events that may be subject to circumstances beyond our control; increases in competitive pressure among financial institutions or from non-financial institutions; changes in the interest rate environment; changes in deposit flows, loan demand or collateral values; changes in accounting principles, policies or guidelines; changes in general economic, business and political conditions, either nationally or locally in some or all areas in which we do business, or conditions in the real estate, securities or financial markets or the banking industry; legislative or regulatory changes; supervision and examination by the OCC and the Board of Governors of the Federal Reserve System; our ability to successfully implement technological changes; our ability to successfully consummate new business initiatives; litigation or other matters before regulatory agencies, whether currently existing or commencing in the future, including litigation and investigations relating to our residential lending practices and the Advantage Loan Program; the outcomes of such litigation and investigations, including the risk of civil or criminal enforcement action, regulatory restrictions on the Bank’s activities, financial penalties or judgments, other adverse consequences, and any resulting effects on the Company’s business, financial condition, and/or results of operations; losses from such litigation and investigations that may be materially higher than expected and that may materially exceed our contingency reserves; repurchase requests related to the sale of loans originated under the Advantage Loan Program may be materially higher than expected and result in repurchase obligations that may materially exceed our loan repurchase reserves; the ability of our auditors to complete the audit of the Company’s December 31, 2019 financial statements or the review of the Company’s March 31, 2020 financial statements; our ability to file our Annual Report on Form 10-K for the year ended December 31, 2019 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 within the exception period granted by The Nasdaq Stock Market, LLC; our ability to comply with Nasdaq’s continued listing requirements and the possibility that our shares will be delisted if such requirements are not satisfied; our ability to implement enhanced risk management policies, procedures and controls commensurate with shifts in our business strategies and regulatory expectations; the occurrence of natural and other disasters, pandemics, terrorist activities, significant political events, cyberattacks, security breaches or system failures that affect us or our counterparties or service providers, including the COVID-19 pandemic and the regulatory and governmental actions implemented in response to COVID-19; and the risks, uncertainties, and other factors detailed from time to time in our public filings, including those included in the disclosures under the headings “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 18, 2019, subsequent periodic reports and future periodic reports. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those projected in, or implied by, such forward-looking statements. Any forward-looking statements presented herein are made only as of the date of this press release, and we do not undertake any obligation to update, revise, or correct any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, the receipt of new information, or otherwise.

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