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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 16, 2023

Dear Shareholders:

It is our pleasure to invite you to attend the 2023 Annual Meeting of Shareholders of Union Financial Corporation at 9:00 a.m., Eastern time, on Tuesday, May 16, 2023. This year, we will be conducting our annual meeting via the Internet only. To attend the meeting, please log on to the Internet at www.virtualshareholdermeeting.com/UFCP2023. You will need the 16-digit control number included on the proxy card transmitted with these proxy materials to attend the meeting.

The meeting will begin promptly at 9:00 a.m. for the following purposes:

1. To elect 4 directors, Christopher Fluke, Lloyd Cunningham and Cortney Collison to three-year terms each and Robin Kleinjans-McKee to a two-year term;
2. To approve the Union Financial Corporation Employee Stock Option Plan; and
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

Shareholders of record at the close of business on March 28, 2023 will be entitled to vote at the meeting or any adjournment of the meeting. ***Whether or not you expect to attend the meeting, you are urged to vote promptly.*** Registered shareholders may vote through the Internet, by telephone, or by completing, dating, signing, and returning the enclosed proxy card. You will find instructions for voting on the enclosed proxy card.

How Your Proxy Will Be Voted. If the proxy form enclosed is properly executed and returned to the Company, the shares represented by the proxy will be voted at the Annual Meeting of Shareholders and at any adjournment of that meeting. Where shareholders specify a choice, the proxy will be voted as specified. If no choice is specified, the shares represented by the proxy will be voted (1) **FOR** the nominees named by the Board of Directors in the proxy, (2) **FOR** the approval of the Union Financial Corporation Employee Stock Option Plan, and (3) in the discretion of the proxy holder with respect to any other business that may properly come before the meeting or any adjournment of the meeting. Shares not voted at the meeting, whether by abstention or otherwise, will not be treated as votes cast at the meeting.

Revocation of Proxy. A proxy may be revoked prior to its exercise by delivering a written notice of revocation to the Secretary of the Company, executing and delivering a proxy of a later date.

Availability of Annual Report. Our 2023 annual report is available on our website by clicking the “Investors” link at www.ubmich.com. If you would like a copy of the 2023 annual report mailed to you, please contact Charise Blossom at cblossom@ubmich.com or (616) 374-3278, extn. 1018.

Additional Information. If you have any questions concerning the Annual Meeting or the matters discussed in the enclosed Proxy Statement, please contact Cortney Collison, Union Financial Corporation, 670 Cascade W. Parkway SE, Grand Rapids, Michigan 49546, telephone number (616) 374-3278.

Dated: April 17, 2023
Grand Rapids, Michigan

By order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Cortney H. Collison". The signature is written in a cursive style with a large initial 'C'.

Cortney Collison
President

**UNION FINANCIAL CORPORATION
PROXY STATEMENT**

ELECTION OF DIRECTORS

The Company's Articles of Incorporation provide for the division of the Board of Directors into three classes with staggered three-year terms of office and with each class to be as nearly equal in number as possible. The number of directors constituting the Board of Directors is determined from time to time by the Board of Directors. The Board is currently composed of eight directors. The Board currently consists of the following members:

<u>Director</u>	<u>Term Expires</u>	<u>Nominated for New Term to Expire</u>
Lloyd Cunningham	2023	2026
Christopher Fluke	2023	2026
Cortney Collison	2023	2026
Robin Kleinjans-McKee	2023	2025
Paul Trierweiler	2024	---
Steve Millman	2024	---
Timothy Brodbeck	2025	---
Jeff Lumpp	2025	---

The Board has nominated each of Lloyd Cunningham, Christopher Fluke and Cortney Collison for re-election for a three-year term expiring at the annual meeting of shareholders to be held in 2026. The Board has nominated Robin Kleinjans-McKee for re-election for a two-year term expiring at the annual meeting of shareholders to be held in 2025. Each of the nominees is an incumbent director. Robin Kleinjans-McKee was appointed to the Board of Directors in October of 2022.

A plurality of the votes cast at the Annual Meeting is required to elect the nominees as directors of the Company. As such, the individuals who receive the greatest number of votes cast by the holders of the Company's common stock will be elected as directors.

If a nominee becomes unavailable for election due to circumstances not now known (which is not anticipated), the enclosed proxy will be voted for such other person to become a director as the Board may nominate.

The Board of Directors recommends a vote FOR the election of the person(s) nominated by the Board.

PROPOSAL TO APPROVE THE UNION FINANCIAL CORPORATION EMPLOYEE STOCK OPTION PLAN

On February 14, 2023, the Company's Board of Directors approved the Union Financial Corporation Employee Stock Option Plan (the "Option Plan"). The Option Plan permits the grant of stock options to employees of the Company and its subsidiaries, including Union Bank, and is designed to reward employees for their contributions to the Company's success and to provide them with the potential to share in its growth. The Board of Directors desires to have the ability to award stock options to retain existing employees, recruit new employees, and align the personal interests of employees with the interests of our shareholders. As of the date of this proxy statement, no options have yet been issued pursuant to the Option Plan.

The Option Plan must be approved by shareholders in order to grant "incentive stock options," a certain type of stock option that qualifies for favorable tax treatment under the federal tax code.

Key features of the Option Plan include:

Purpose. The purpose of the Option Plan is to promote the long-term success of the Company for the benefit of its shareholders through stock-based compensation by aligning the personal interests of our key employees with those of our shareholders.

Eligibility. Employees of the Company or any of its subsidiaries are eligible to participate.

Administration. The Option Plan will be administered by the Board of Directors. The Board of Directors will make all final decisions regarding the number and terms of all options granted.

Stock Options. A stock option is a contractual right to purchase a number of shares of the Company's common stock at a price determined at the date the option is granted. Options include incentive stock options, as defined in the federal tax code, as well as nonqualified stock options. The exercise price for both incentive stock options and nonqualified stock options must equal at least 100% of the fair market value of the common stock at the date of grant. Options are granted at no cost to the recipients.

Shares Subject to Plan. If approved by the shareholders, a total of 100,000 shares of Union Financial Corporation common stock will be reserved for issuance under the Option Plan.

Term of the Plan. The term of the Option Plan is 10 years. This means that, if the Option Plan is approved by the shareholders, the Board will have the ability to grant stock options until February 14, 2033.

Copy Available upon Request. A copy of the Option Plan is available to any shareholder upon request.

The Board of Directors recommends you vote FOR the proposal to adopt and approve the Union Financial Corporation Employee Stock Option Plan and the reservation of 100,000 shares of common stock for issuance under the plan.