

**BNCCORP, INC.**  
**322 East Main Avenue**  
**Bismarck, North Dakota 58501**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**June 18, 2020**

The annual meeting of stockholders of BNCCORP, INC., a Delaware corporation, will be held at 8:30 a.m. (Central Daylight Time) on Thursday, June 18, 2020. Due to the outbreak of Coronavirus Disease 19 (COVID-19), the Annual Meeting will be held via a virtual meeting format at <https://web.lumiagm.com/282814297>. Stockholders will NOT be able to attend the Annual Meeting in person. At the meeting, stockholders will be asked to:

1. Elect two directors;
2. Ratify the appointment of CliftonLarsonAllen LLP as BNC's independent auditor for the year ending December 31, 2020; and
3. Consider any other business that may properly come before the meeting.

The Board of Directors has set the close of business on Monday, April 20, 2020 as the Record Date for the determination of the stockholders entitled to notice of and to vote at the meeting or any adjournments.

To attend and participate in the virtual Annual Meeting, go to <https://web.lumiagm.com/282814297>. If you are a stockholder of record as of April 20, 2020, the record date for the Annual Meeting, you should click on "I have a login," enter the control number found on your proxy card, and enter the password "bnc2020" (the password is case sensitive).

If your shares are held in "street name" through a broker, bank or other nominee, in order to attend and participate in the virtual Annual Meeting you must first obtain a legal proxy from your broker, bank or other nominee reflecting the number of shares of BNC common stock you held as of the record date, your name and email address. You then must submit a request for registration to American Stock Transfer & Trust Company, LLC: (1) by email to [proxy@astfinancial.com](mailto:proxy@astfinancial.com); (2) by facsimile to 718-765-8730 or (3) by mail to American Stock Transfer & Trust Company, LLC, Attn: Proxy Tabulation Department, 6201 15th Avenue, Brooklyn, NY 11219. Requests for registration must be labeled as "Legal Proxy" and be received by American Stock Transfer & Trust Company, LLC no later than 5:00 p.m. (Eastern Daylight Time) on June 3, 2020.

You are cordially invited to attend the meeting. However, whether or not you plan to attend the virtual Annual Meeting, please vote as soon as possible. Please vote by completing, signing and dating the enclosed proxy card or voting instruction card and returning it in the accompanying pre-postage paid return envelope or you may follow the instructions for voting over the Internet or telephone if that option is available to you. You may vote during the Annual Meeting by following the instructions in the accompanying proxy statement. You can revoke a proxy at any time prior to its exercise at the meeting by following the instructions in the accompanying proxy statement. You will have the ability to submit questions during the Annual Meeting via the virtual meeting website.

By Order of the Board of Directors



Cheryl A. Stanton  
*Corporate Secretary*

Bismarck, North Dakota  
May 4, 2020

**Important notice regarding the availability of proxy materials for the 2020 Annual Meeting of Stockholders:** This Notice of Annual Meeting of Stockholders, the Proxy Statement for the 2020 Annual Meeting of Stockholders and the Company's Annual Report for the fiscal year ended December 31, 2019 are available at [www.bnccorp.com](http://www.bnccorp.com) and on the website of the OTCQX at <https://www.otcmarts.com>.

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**BNCCORP, INC.**  
**322 EAST MAIN AVENUE**  
**BISMARCK, NORTH DAKOTA 58501**

**PROXY STATEMENT**  
**ANNUAL MEETING OF STOCKHOLDERS**

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**GENERAL INFORMATION**

This Proxy Statement is furnished to holders of common stock of BNCCORP, INC., a Delaware corporation (“BNC” or the “Company”), in connection with the solicitation by the BNCCORP, INC. Board of Directors (the “Board” or the “Board of Directors”) of proxies for use at the annual meeting of stockholders of BNC to be held at 8:30 a.m. (Central Daylight Time) on June 18, 2020 (the “Annual Meeting”). Due to the outbreak of Coronavirus Disease 19 (COVID-19), the Annual Meeting will be held via a virtual online meeting only at <https://web.lumiagm.com/282814297>. Only stockholders of record at the close of business on April 20, 2020 (the “Record Date”) are entitled to vote at the Annual Meeting. On the Record Date, there were 3,540,650 shares of common stock issued and outstanding. This Proxy Statement and BNC’s 2019 Annual Report are being mailed to each stockholder of record on the Record Date commencing on or about May 4, 2020.

To attend and participate in the virtual Annual Meeting, go to <https://web.lumiagm.com/282814297>. If you are a stockholder of record as of April 20, 2020, the record date for the Annual Meeting, you should click on “I have a login,” enter the control number found on your proxy card, and enter the password “bnc2020” (the password is case sensitive).

If your shares are held in “street name” through a broker, bank or other nominee, in order to attend and participate in the virtual Annual Meeting you must first obtain a legal proxy from your broker, bank or other nominee reflecting the number of shares of BNC common stock you held as of the record date, your name and email address. You then must submit a request for registration to American Stock Transfer & Trust Company, LLC: (1) by email to [proxy@astfinancial.com](mailto:proxy@astfinancial.com); (2) by facsimile to 718-765-8730 or (3) by mail to American Stock Transfer & Trust Company, LLC, Attn: Proxy Tabulation Department, 6201 15th Avenue, Brooklyn, NY 11219. Requests for registration must be labeled as “Legal Proxy” and be received by American Stock Transfer & Trust Company, LLC no later than 5:00 p.m. (Eastern Daylight Time) on June 3, 2020.

The virtual Annual Meeting will begin promptly at 8:30 a.m. (Central Daylight Time). You may log in beginning at 7:30 a.m. (Central Daylight Time). We encourage you to log into the virtual Annual Meeting at least 15 minutes prior to the start time. If you encounter any technical difficulties accessing the virtual Annual Meeting or during the Annual Meeting, please go to <https://go.lumiglobal.com/faq> for frequently asked questions and click on the support button for assistance or please call American Stock Transfer & Trust Company, LLC at 1-866-751-6315. Support will be available starting at 7:30 a.m. on the date of the Annual Meeting and will remain available until the Annual Meeting has finished. You will have the ability to submit questions during the Annual Meeting via the virtual meeting website.

The presence, in person (which includes stockholders who attend the Annual Meeting via the virtual meeting website) or by proxy, of a majority of the issued and outstanding shares of common stock entitled to vote at the virtual Annual Meeting is necessary to constitute a quorum. Stockholders are urged to vote as soon as possible. Please vote by completing, signing and dating the enclosed proxy card or voting instruction card and returning it in the accompanying pre-postage paid return envelope or you may follow the instructions for voting over the Internet or telephone if that option is available to you. Stockholders (including those who attend the virtual Annual Meeting) may continue to vote over the Internet according to the instructions on the proxy card during the virtual Annual Meeting, until the chairperson of the Annual Meeting closes the polls.

All shares of common stock will be voted in accordance with each stockholder’s directions. If no directions are given, shares will be voted FOR the director nominees and FOR the ratification of the independent auditor. Granting the enclosed proxy does not affect the right to vote remotely at the virtual Annual Meeting.

Any proxy given by a stockholder may be revoked at any time before it is voted. A proxy may be revoked by a stockholder of record by filing a written revocation or a duly executed proxy card bearing a later date with the Corporate Secretary of the Company, or by voting again by the telephone or Internet voting options described on the proxy card. Any stockholder of record present at the virtual Annual Meeting may revoke his or her proxy and vote remotely on each matter brought before the virtual Annual Meeting. If your shares are held in “street name” through a bank, broker or other nominee, any changes to your vote need to be made through them. The last valid vote that you submit will be the vote that is counted. Attendance at the virtual Annual Meeting, without voting, will not serve to revoke a previously submitted proxy.

At the Annual Meeting, each holder of shares of BNC common stock outstanding will be entitled to one vote for each share held of record. For Proposal 1, election of directors, votes may be cast “for” or “withheld” with respect to each nominee. Directors will be elected by a plurality of the votes cast at the Annual Meeting. A plurality means that the nominees with the largest number of votes cast “for” their election, up to the two directors to be chosen at the Annual Meeting, will be elected. Votes that are “withheld” will be excluded entirely from the vote and will have no effect, other than for purposes of determining the presence of a quorum. However, any nominee for director who receives a greater number of votes “withheld” from his or her election than votes “for” such election will, within 10 business days following certification of the stockholder vote, tender his or her resignation to the Board. See “CORPORATE GOVERNANCE — POLICY ON MAJORITY (PLURALITY-PLUS) VOTING IN THE ELECTION OF DIRECTORS”. For Proposal 2, the ratification of the appointment of our independent auditors, approval requires the affirmative vote of the holders of a majority of the shares of common stock present in person or by proxy and entitled to vote on the subject matter.

Abstentions on a proposal will be treated as present for purposes of determining a quorum, but will not be deemed to have voted for such proposal. If you own shares beneficially in “street name” and do not provide your broker with voting instructions, your shares may constitute “broker non-votes.” Broker non-votes occur on a proposal when a broker is not permitted to vote on that proposal without instructions from the beneficial owner and instructions have not been given. If you hold shares through a broker, the broker may be prevented from voting shares held in a brokerage account unless you have given the broker voting instruction. Thus, if you hold your stock through a broker, it is critical that you cast your vote if you want it to count. Abstentions and broker non-votes will have no effect on the election of directors, provided a quorum is established. An abstention for Proposal 2 will have the same effect as a vote against the proposal. Brokers without instructions from beneficial owners may vote on Proposal 2, the approval of independent auditors.

If you are a participant in the Company stock fund under the Company’s 401(k) Plan, you will receive a voting instruction card to instruct the trustee of the 401(k) Plan on how to vote the number of shares in which you own an interest indirectly through the 401(k) Plan. Your voting instructions must be provided in accordance with the procedures described in the instruction card. The trustee will tabulate the votes of 401(k) Plan participants and the trustee will then submit a single proxy card to the Company reflecting the aggregate voting instructions of all 401(k) Plan participants. The Company is not informed about how individual participants voted on any item. Holders of shares of non-vested restricted stock of the Company are entitled to direct how to vote any such shares.

## **CORPORATE GOVERNANCE**

The Board is committed to good corporate governance that promotes the long-term interests of BNC’s stockholders and provides a strong, effective and efficient foundation for business operations and informed oversight and decision making.

### **COMPANY AND SUBSIDIARY BANK BOARD STRUCTURE**

In 2019, as part of the Company’s ongoing strategy to achieve an efficient and effective governance structure, eliminate redundant processes and meetings and allow the Board and its committees to focus on the most significant issues facing the Company, the Nominating and Corporate Governance Committee, at the request of the Board, undertook a comprehensive review of the Company’s and its affiliates’ board and governance structures and practices. Historically, the board of directors of the Company’s wholly owned subsidiary, BNC National Bank (the “Bank Board”) was comprised of executives of BNC National Bank (the “Bank”), with Mr. Franz as the only member of the Board and Bank Board.

As part of this evaluation, the Nominating and Corporate Governance Committee and management examined peer bank holding company best practices, informal and formal regulatory guidance and general corporate governance guidance and practices. Following this review, the Nominating and Corporate Governance Committee recommended the establishment of a modified mirror image board structure with all Company directors, including Mr. Franz, the Chief Executive Officer of the Company and the Bank, serving as directors of both the Company and the Bank, and Dave

Hoekstra, the Chief Credit Officer and President of the Bank's North Dakota market, continuing to serve on the Bank Board. The Nominating and Corporate Governance Committee's recommendations were unanimously approved by the Board, and the new Bank Board structure became effective in January 2020.

### **BOARD LEADERSHIP CHANGES**

During 2019, Tracy Scott stepped down as Board Chair and the Board unanimously appointed Michael Vekich to become Board Chair. Mr. Scott, a co-founder of the Bank, has served in various leadership positions at the Bank and the Company and continues to serve on the Board and the Bank Board. Mr. Vekich has also been appointed Chair of the Bank Board effective January 2020.

### **BOARD EVALUATION PROCESS**

The Board conducts an annual Board and committee self-evaluation facilitated by a third-party. The Nominating and Corporate Governance Committee oversees the evaluation process and reviews the evaluation format to ensure actionable feedback is solicited related to the operation of the Board and its committees. The third-party facilitator aggregates and summarizes responses, which are not attributed to specific directors in order to promote candor, and then reports the evaluation results to the Board Chair and the Nominating and Corporate Governance Committee. The Board Chair and the Nominating and Corporate Governance Committee review all ratings and comments to identify issues and to formulate actions items. The Board Chair and the Nominating and Corporate Governance Committee Chair, with the assistance of a third-party facilitator, provide a verbal report to the Board regarding the assessment results and the Board discusses potential issues or action items. The Board Chair and the Nominating and Corporate Governance Committee Chair then discuss any issues or action items agreed to by the Board with senior management if appropriate. As an outcome of the self-evaluation and discussions, the Board Chair, each committee chair, and senior management implement any agreed upon improvements.

### **BOARD ROLE IN RISK MANAGEMENT**

The Board has an active and ongoing role in risk management. Those risks include, without limitation, strategic, financial, credit, liquidity, compensation, information security, regulatory and operational risks, including risks to the safety and soundness of the Bank. The Board is responsible for the general oversight of risk management and does so through the full Board and its committees. Company management is responsible for assessing and managing risk through robust internal processes and effective internal controls and for providing the status of each category of Company risk, including risk to the Bank, through effective reporting to the Board and its committees. Given the critical link between strategy and risk, including strategic matters, the Board, with the input of management, reviews whether those strategies being considered are consistent with an assessment of the Company's overall risk tolerance, the related opportunities and the capacity to manage the resulting risk.

### **POLICY ON MAJORITY (PLURALITY-PLUS) VOTING IN THE ELECTION OF DIRECTORS**

In 2019, the Nominating and Corporate Governance Committee, at the request of the Board, undertook a review of the Company's voting policy, as reflected in its bylaws, with respect to the election of directors in uncontested elections. The Company's bylaws provide that directors shall be elected by a "plurality" of the votes cast. A plurality means that that the nominees with the largest number of votes cast "for" their election, up to the number of directors to be elected, will be elected as directors. In an uncontested election, the only nominees for election are those persons nominated by the Board.

The Nominating and Corporate Governance Committee, with the assistance of its advisors and management, reviewed data and trends with respect to the use of plurality voting and its alternatives in the uncontested election of directors of financial and other companies of similar size to the Company, as well as the general view of proxy advisors and institutional investors on the subject and, after discussion of alternatives and its findings with the Board, recommended that the Board adopt a "plurality-plus" voting policy in uncontested elections of directors. Based upon the recommendation of the Nominating and Corporate Governance Committee, in January 2020, the Board developed a Policy on Majority (Plurality-Plus) Voting.

The Policy provides that in an uncontested election of directors, any nominee who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election will, within 10 business days following the certification of the stockholder vote, tender his or her written resignation to the Board. Such tendered resignation will be considered by the Nominating and Corporate Governance Committee taking into account any factors or other information it considers appropriate and relevant and, within 60 days following the date of the stockholders' meeting at which the

election occurred, will make a recommendation to the Board concerning the acceptance or rejection of such resignation. The Board will take formal action on the Nominating and Corporate Governance Committee’s recommendation no later than 90 days following the date of the stockholders’ meeting at which the election occurred. The Board will consider the information, factors and alternatives considered by the Nominating and Corporate Governance Committee and such additional factors, information and alternatives as the Board deems relevant.

Following the Board’s decision on the Nominating and Corporate Governance Committee’s recommendation, the Company, within four business days after such decision is made, will publicly disclose the Board’s decision, and, if applicable, the Board’s reasons for rejecting the tendered resignation.

No director who is required to tender his or her resignation shall participate in the Nominating and Corporate Governance Committee’s deliberations or recommendation, or in the Board’s deliberations or determination, with respect to accepting or rejecting his or her resignation as a director. If a majority of the members of the Nominating and Corporate Governance Committee are required to tender their resignations, then the independent directors who are not required to tender their resignations will appoint an ad hoc Board committee from amongst themselves, consisting of such number of directors as they may determine to be appropriate, solely for the purpose of considering and making a recommendation to the Board with respect to the tendered resignations. If such ad hoc committee would have been created but fewer than three directors would be eligible to serve on it, then the entire Board (other than the director whose resignation is being considered) will make the determination to accept or reject the tendered resignation without any recommendation from the Nominating and Corporate Governance Committee and without the creation of an ad hoc committee.

### **PROPOSAL 1: ELECTION OF DIRECTORS**

The Board consists of three classes, each having a three-year term of office, with one class being elected each year. At the Annual Meeting, two directors will be elected to serve three-year terms, each to hold office until his successor is elected and qualified or until such director’s earlier resignation or removal.

The Board of Directors nominates **Timothy J. Franz** and **Michael M. Vekich** for election as directors at the Annual Meeting. Unless you specify otherwise in your proxy card, your shares will be voted by the proxy holder FOR the election of Messrs. Franz and Vekich as members of the class to serve until the 2023 Annual Meeting of Stockholders. If any of the nominees to be elected become unavailable for any reason, the Board may reduce the size of the Board or votes may be cast pursuant to the accompanying form of proxy for a substitute nominee designated by the Board. The nominees have advised us that they will serve on the Board if elected. Information about the nominees is provided below.

#### **DIRECTOR NOMINEES**

<b>Name</b>	<b>Age</b>	<b>Director Biography</b>	<b>Board Committee Memberships</b>
Franz, Timothy J.	62	<i>Mr. Franz</i> became President and Chief Executive Officer for BNCCORP, INC. and BNC National Bank in July 2013. Prior to this role, he joined BNCCORP, INC. and BNC National Bank in 2006 to serve as the Chief Financial Officer. Mr. Franz has served on BNC National Bank’s Board of Directors since 2006 and BNCCORP, INC.’s Board of Directors since 2013. Mr. Franz has been active in several of BNC’s operating committees since joining BNC. Mr. Franz started his professional career at KPMG LLP in 1983 and was a partner at KPMG from 1997 to 2003. During his tenure at KPMG, he focused on the financial services industry and served Wells Fargo, TCF Bank and several community banks. Mr. Franz has also been an active volunteer in various not-for-profit entities in the Minneapolis area. Mr. Franz’s term on the Board will expire in 2023.	None
Vekich, Michael M.	72	<i>Mr. Vekich</i> was appointed to the BNCCORP, INC. Board of Directors in March 2017. He was named Chairman of the BNCCORP, INC. Board of Directors in December 2019 and Chairman and a director of the BNC National Bank Board of Directors in January 2020. Since 1998 through present, Mr. Vekich has been the Chief Executive Officer of Vekich	Chairman of the Board, Member of Audit Committee and the

<b>Name</b>	<b>Age</b>	<b>Director Biography</b>	<b>Board Committee Memberships</b>
		Chartered, management advisors specializing in investment banking, strategic planning, repositioning organizations and governance. He was the Executive Chairman, President and Chief Executive Officer of Skyline Exhibits, designers of trade show exhibits from 2000-2010. In July 2017, Mr. Vekich was appointed by the Governor of Minnesota to serve as Chair of the Minnesota Sports Facilities Authority. Mr. Vekich is the immediate past Chair and a current member of the Board of Trustees of Minnesota State Colleges and Universities, Chair of the Managing Committee and Chair for CAP-HC and President of the National Association of Corporate Directors – Minnesota Chapter. He has significant prior experience serving as a board member for a number of banking companies, including serving as Chair of the board of directors of HF Financial Corp. and Chair of the board of its wholly owned subsidiary, Home Federal Bank, and serving on the board of directors of Tradition Capital Bank and the Bank Holding Company Association. Mr. Vekich received a Bachelor of Arts Degree in Accounting and Business Administration from the University of Minnesota and is a Certified Public Accountant; Certified Global Management Accountant; Certified Board Advisor; and holds a Certificate in Cybersecurity Oversight. Mr. Vekich’s term on the Board will expire in 2023.	Compensation Committee

\*Chairman of the committee

***THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THE NOMINEES LISTED ABOVE.***

**CONTINUING DIRECTORS**

<b>Name</b>	<b>Age</b>	<b>Director Biography</b>	<b>Board Committee Memberships</b>
Brenna, Nathan P.	49	<i>Mr. Brenna</i> has served on the BNCCORP, INC. Board of Directors since September 2014 and on the BNC National Bank Board of Directors since January 2020. He is the owner of Brenna Farm and Ranch in northwestern North Dakota. Mr. Brenna, a former attorney, has a distinguished legal background having represented clients across the country for a decade at Anthony Ostlund & Baer, P.A. from 1997 to 2007. Mr. Brenna is active in community service. He is a member of the Keene Township Planning & Zoning Commission. Mr. Brenna’s term on the Board will expire in 2022.	Member of Nominating and Corporate Governance Committee* and Compensation Committee
Ghylin, Gaylen	72	<i>Mr. Ghylin</i> has served as a director on the BNCCORP, INC. Board of Directors since June 2003 and the BNC National Bank Board of Directors since January 2020. He previously served as Executive Vice President, Secretary and Chief Financial Officer of Tiller Corporation d/b/a Barton Sand & Gravel Co., Commercial Asphalt Co. and Barton Enterprises, Inc., since 1979, and as a director of the Tiller Corporation from 1980 until his retirement in 2017. Mr. Ghylin also serves on the Board of Directors of True Friends, a nonprofit organization that enriches the lives of nearly 4,000 children and adults with developmental, physical or learning disabilities. Mr. Ghylin’s term on the Board will expire in 2021.	Member of Audit Committee,* Compensation Committee and Nominating and Corporate Governance Committee

Name	Age	Director Biography	Board Committee Memberships
Palmer, John W.	59	<p><i>Mr. Palmer</i> was appointed to the BNCCORP, INC. Board of Directors in April 2019 and to the BNC National Bank Board of Directors in January 2020. Mr. Palmer is a co-founder and principal of PL Capital Advisors, LLC. PL Capital Advisors is a registered investment advisory firm specializing in the banking industry. Prior to co-founding PL Capital in 1996, Mr. Palmer was employed by KPMG LLP, an international public accounting firm, from 1983 to 1996. While at KPMG, Mr. Palmer specialized as an auditor and a strategic advisor to companies in the commercial banking, consumer finance, thrift, mortgage banking and discount brokerage industries, serving publicly and privately held clients ranging in size from \$25 million to \$25 billion in assets. Mr. Palmer has significant prior experience serving as a board member of banking companies including most recently BankFinancial Corporation, HF Financial Corp., and CFS Bancorp, Inc. He received a Bachelor of Accounting degree from Walsh College and is a Certified Public Accountant (status inactive). Mr. Palmer was appointed as a director pursuant to a Cooperation Agreement between the Company, the PL Capital Group (as defined below) and Mr. Palmer, dated as of April 8, 2019. For additional information, regarding the Cooperation Agreement, see <i>Other Transactions with Related Persons</i>. Mr. Palmer’s term on the Board will expire in 2021.</p>	None
Redmann, Tom	62	<p><i>Mr. Redmann</i> has been a director on the BNCCORP, INC. Board of Directors since September 2018 and a director on the BNC National Bank Board of Directors since January 2020. He retired from Bank of North Dakota (“BND”) in 2015 after 26 years, serving the last 15 years as BND’s Loan Manager with a focus on commercial activities. Throughout his BND career, he maintained responsibility for BND’s correspondent bank stock program. Prior to BND, Mr. Redmann worked for the North Dakota Office of Intergovernmental Assistance as the economic development administrator of the Community Development Block Grant Program, and began his career as a financial planner with John G. Kinnard and Company. Mr. Redmann received a Bachelor of Science in Business Administration from North Dakota State University in 1979 and a Master of Business Administration from the University of North Dakota in 1981. Mr. Redmann’s term on the Board will expire in 2021.</p>	Member of Audit Committee
Scott, Tracy J.	73	<p><i>Mr. Scott</i> has served as a director on the BNCCORP, INC. Board of Directors since 1987 and on the BNC National Bank Board of Directors since January 2020. He was previously Chairman of the BNCCORP, INC. Board from 1987-2007 and from 2013-2019. Mr. Scott serves on BNC National Bank’s Executive Credit Committee. He is a Certified Public Accountant (Inactive), Mr. Scott’s term on the Board will expire in 2022.</p>	Member of Audit Committee and Nominating and Corporate Governance Committee

\*Chairman of the committee

**EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS**

*Brendel, Doug – President Mortgage Banking:* Mr. Brendel has served as President Mortgage Banking for BNC National Bank since February 2016 and as EVP of Mortgage Lending from September 2010 to February 2016. He also served as BNC’s Vice President of Mortgage Operations from May 2008 to September 2010. Mr. Brendel served on BNC National



Bank's Board of Directors from September 2013 to January 2020. He serves on the Lake Winnebago HOA Board of Directors and the Arrow Head Yacht Club Board of Directors.

*Cleveland, Shawn – Chief Operating Officer:* Ms. Cleveland has served as BNC National Bank's COO since September 1999 and as its Compliance Officer since July 1995. She is a Certified Public Accountant and a Certified Regulatory Compliance Manager. She is active on several of BNC's operating committees and is the chair of the IT Steering Committee. Ms. Cleveland joined BNC in 1992 as an internal auditor. She served on the BNC National Bank Board of Directors from September 1999 until January 2020.

*Collins, Daniel – Chief Financial Officer:* Mr. Collins has served as the CFO of BNCCORP, INC. and BNC National Bank since December 2013. Previously, Mr. Collins was employed by MoneyGram International where he served in the roles of Senior Vice President/Treasurer and Vice President-Internal Audit Director. Mr. Collins served as Corporate Controller of RBC Dain Rauscher, Inc. and Divisional CFO for the consumer products group at U.S. Bancorp. Mr. Collins also served ten years in Big Four public accounting exclusively serving financial services companies. Mr. Collins served on the BNC National Bank Board of Directors from May 2015 to January 2020. He is also active in several of BNC's operating committees since joining the Company. Mr. Collins is a director/board member at the Minneapolis Crisis Nursery and the Jack Jablonski Believe in Miracles Foundation.

*Hoekstra, Dave – Chief Credit Officer and President North Dakota Market:* Mr. Hoekstra has served as CCO of BNC National Bank since April 2004 and as President of BNC National Bank's North Dakota market since March 2009. Mr. Hoekstra is a Certified Public Accountant (Inactive). He also served as Vice President-Loan Review/Internal Audit at BNC from April 2000 to April 2004. Mr. Hoekstra has served on the BNC National Bank Board of Directors since January 2006. He is a director/board member of the Bismarck State College Foundation, the Crisis Care Chaplaincy, and the Bismarck Youth Baseball organization, and the North Dakota Safety Council.

*Peiler, Mark E. – Chief Investment Officer:* Mr. Peiler has served as Chief Investment Officer for BNC National Bank since December 2015 and was previously SVP-Chief Investment Officer from August 2005 to December 2015 and an Investment Officer for BNC from May 1998 to August 2005. Mr. Peiler served on the BNC National Bank Board of Directors from January 2006 to January 2020. He is active on several of BNC's operating committees, and chairs BNC's asset/liability management committee and trust investment committee. Mr. Peiler holds the Chartered Financial Analyst designation and is a director, and the past president, of CFA Society – Minnesota.

*Spillman, Scott – President Arizona Market:* Mr. Spillman joined BNC in May 2008 as President of BNC National Bank's Arizona market. Prior to BNC, he served as Senior Vice President-Business Development Officer at First National Bank of Arizona. Prior to his position at First National Bank of Arizona, he was Senior Vice President-Business Development Officer for Imperial Bank/Comerica Bank in Arizona. Mr. Spillman served on the BNC National Bank Board of Directors from January 2009 to January 2020. He also serves on the Glendale Chamber of Commerce Board of Directors.

*Stanton, Cheryl A. – Chief Legal Officer/General Counsel/Corporate Secretary:* Ms. Stanton has been the Chief Legal Officer and General Counsel of BNCCORP, INC. and BNC National Bank since March 2013. She has been Corporate Secretary of BNCCORP, INC. since January 1, 2018. Prior to joining BNC, Ms. Stanton was a partner with the Anthony Ostlund law firm in Minneapolis, MN where she represented BNC as outside litigation counsel in numerous matters and other clients in complex litigation matters including, but not limited to, bank-related matters, shareholder disputes and contract disputes. Ms. Stanton has been licensed to practice law since October 1997. She is a former Chair of the American Bankers Association Regional Bank General Counsels Group. She served on the BNC National Bank Board of Directors from September 2013 to January 2020.

## **DIRECTOR NOMINATIONS**

Recommendations for nominations of persons to serve as directors of the Company are made by the Nominating and Corporate Governance Committee of the Board and are approved by the entire Board. The Nominating and Corporate Governance Committee will also consider candidates for director suggested by other directors, as well as our management and stockholders. A stockholder who desires to recommend a prospective nominee for the Board must follow our procedures for stockholder nominations, which are described under "Stockholder Proposals, Nominations and Communications with the Board of Directors."

The Board believes that nominees to the Board must meet the following minimum qualifications: The nominee must have achieved significant success in business or have extensive financial expertise, must be committed to representing the long-term interests of the Company's stockholders, must have high ethical and moral standards and integrity and must

satisfy applicable independence criteria. Additionally, the Board evaluates potential nominees by considering the following factors:

- whether the potential nominee has experience and expertise that is relevant to the Company’s business, including any specialized business experience, technical expertise, or other specialized skills, and whether he or she has knowledge regarding issues affecting the Company;
- whether the potential nominee is free of any conflict of interest or the appearance of any conflict of interest with the Company’s best interests and the best interests of the Company’s stockholders, and whether he or she is willing and able to represent the interests of all of the Company’s stockholders; and
- any factor affecting the ability or willingness of the potential nominee to devote sufficient time to Board activities and to enhance his or her understanding of the Company’s business.

In addition, with respect to an incumbent director whom the Board is considering as a potential nominee for re-election, the Board reviews and considers the incumbent director’s service to BNC during his or her term, including the number of meetings attended, level of participation and overall contribution to BNC. The manner in which the Board evaluates a potential nominee will not differ based on whether the potential nominee is recommended by a stockholder of BNC. Each of the nominees for director at the 2020 Annual Meeting is a current director standing for re-election.

### **DIRECTOR INDEPENDENCE**

The Board has determined that, except for Mr. Franz, each member of the Board is an “independent director” within the meaning of the NASDAQ corporate governance listing standards and the Company’s corporate governance policies. Mr. Franz is not considered independent because he is an executive officer of the Company.

### **BOARD OF DIRECTORS MEETINGS AND COMMITTEES**

There were fifteen Board meetings in 2019. The Board has three standing committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee, which are described below. During 2019, each committee met five times. Each incumbent director named in this proxy statement who was a member of the Board in 2019 attended at least 75 percent of the meetings of the Board and Board committees on which each served in 2019.

***Executive Sessions.*** The independent directors meet in “executive sessions” at which only independent directors are present. The independent directors hold at least one executive session at each regularly scheduled Board and committee meeting.

***Audit Committee.*** The current members of the Audit Committee are Messrs. Ghylin, Redmann, Scott and Vekich, all of whom are independent under the listing standards of the NASDAQ Stock Market and under the OTCQX Market Rules. The Audit Committee is responsible for assisting the Board in its oversight of (i) the Company’s accounting and financial reporting processes; (ii) the integrity of the Company’s financial statements; (iii) the performance of the Company’s internal audit department and the internal audit process; (iv) the independence and performance of the Company’s auditors; and (v) compliance by the Company with legal and regulatory requirements. The Audit Committee has adopted a written charter and reviews and reassesses the adequacy of its charter on an annual basis. A copy of the Audit Committee’s charter is available on the Investor Relations section of the Company’s website at [www.bnccorp.com](http://www.bnccorp.com).

***Compensation Committee.*** The members of the Compensation Committee are Messrs. Brenna, Ghylin, and Vekich, all of whom are independent under the listing standards of the NASDAQ Stock Market and under the OTCQX Market Rules. The Compensation Committee is responsible for compensation matters as may be directed by the Board from time to time. The Compensation Committee has the authority to retain compensation consultants to assist in the evaluation of executive officer compensation and may delegate any of its responsibilities to subcommittees, so long as members of subcommittees are not members of management. A copy of the Compensation Committee’s charter is available on the Investor Relations section of the Company’s website at [www.bnccorp.com](http://www.bnccorp.com).

***Nominating and Corporate Governance Committee.*** The members of the Nominating and Corporate Governance Committee are Messrs. Brenna, Ghylin, and Scott, all of whom are independent under the listing standards of the NASDAQ Stock Market and under the OTCQX Market Rules. The purposes of the Nominating and Corporate Governance Committee are to (i) identify and recommend to the Board individuals who are qualified to serve as directors

of the Company and on committees of the Board; (ii) advise the Board with respect to Board composition, procedures and committees; and (iii) oversee the evaluation of the Board and any related matters required by applicable laws. The Nominating and Corporate Governance Committee has adopted a written charter and reviews the adequacy of its charter on an annual basis. A copy of the Nominating and Corporate Governance Committee's charter is available on the Investor Relations section of the Company's website at [www.bnccorp.com](http://www.bnccorp.com).

### **DIRECTOR'S ATTENDANCE AT ANNUAL MEETINGS**

The Company does not have a written policy regarding director attendance at annual stockholder meetings, although all directors are encouraged to attend such meetings. All of the directors attended our 2019 Annual Meeting of Stockholders.

### **CODE OF ETHICS**

The Company has adopted a code of ethics and business conduct that applies to each of its employees, officers and directors, including its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the Company's code of ethics and business conduct is available on the Company's website at [www.bnccorp.com](http://www.bnccorp.com).

### **RELATED PARTY TRANSACTIONS**

#### ***General.***

BNC had no related party transactions that would be required to be reported under Item 403 of Regulation S-K for the fiscal years ended December 31, 2018 and December 31, 2019.

In the ordinary course of business, BNC grants loans to executive officers, directors and principal stockholders of BNC, as well as affiliates of such persons. These loans are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to BNC, except that BNC provides for a reduced interest rate of up to one hundred basis points to all employees (including executive officers) for certain loans, including first mortgage loans, home equity loans, construction loans, as well as commercial loans for titled vehicles and unsecured loans. During the fiscal years ended December 31, 2018 and December 31, 2019, (i) none of our executive officers was party to a loan transaction under the employee reduced rate program that exceeded \$120,000 and (ii) there were no loans to executive officers, directors or principal stockholders of BNC that involved more than the normal risk of collectability or presented other unfavorable features.

For additional information regarding related-party transactions, see Note 24 of the consolidated financial statements contained in the 2019 Annual Report.

#### ***Other Transactions with Related Persons.***

#### ***Nomination and Standstill Agreement***

On March 23, 2017, BNC entered into a Nomination and Standstill Agreement (the "Nomination and Standstill Agreement") with PL Capital, LLC, PL Capital Advisors, LLC, Goodbody/PL Capital, LLC, the PL Capital Funds, John W. Palmer, Richard J. Lashley and Curtis Thompson (collectively, the "PL Capital Group") and Michael M. Vekich, in his capacity as the designee of the PL Capital Group (the "PL Capital Designee") to stand for election to the Board of Directors at the 2017 Annual Meeting. The Nomination and Standstill Agreement terminated in accordance with its terms effective as of February 27, 2019.

#### ***Cooperation Agreement***

On April 8, 2019, BNC entered into a Cooperation Agreement (the "Cooperation Agreement") with PL Capital, LLC, PL Capital Advisors, LLC, Goodbody/PL Capital, LLC, the PL Capital Funds, John W. Palmer, Richard J. Lashley, Martin Alwin, and Curtis Thompson (collectively, the "PL Capital Group") and John W. Palmer, in his capacity as a director of the Company. The PL Capital Group has informed BNC that it beneficially owns 340,800 shares of BNC's common stock, which represents approximately 9.76% of the outstanding shares as of the Record Date.

The Cooperation Agreement is effective from April 8, 2019 until the earlier of (i) the day after BNC's 2021 Annual Meeting of Stockholders (the "2021 Annual Meeting") and (ii) the day after the PL Capital Designee (as defined

below) shall voluntarily resign as a member of the Board (subject to certain exceptions) and the PL Capital Group has provided a written notice to the Company that it does not intend to designate a replacement of such PL Capital Designee. The Cooperation Agreement may be terminated prior to such date by either BNC or the PL Capital Group in the event the other has failed to cure any material breach within 15 days following notice of the breach.

Pursuant to the Cooperation Agreement, among other things, during the term thereof:

- The Board appointed Mr. Palmer as a director of the Company as of April 8, 2019, for a term expiring at BNC's 2021 Annual Meeting.
- The PL Capital Group agreed to vote all the shares of BNC's common stock that it beneficially owns in favor of the election of BNC's slate of directors at the Annual Meeting and in favor of all other matters at the Annual Meeting, other than any "Extraordinary Transaction", as defined in the Cooperation Agreement.
- Mr. Palmer agreed to resign at the request of the Board of Directors if the PL Capital Group ceases to own at least 5.0% of the Company's then-outstanding shares of common stock or if the Board determines that any member of the PL Capital Group has materially breached the terms of the Cooperation Agreement.
- If, prior to the 2021 Annual Meeting, Mr. Palmer, or his successor (the "PL Capital Designee"), is unable or ceases to serve on the Board due to the PL Capital Designee's death or disability, then the PL Capital Group has the right to recommend a substitute person to fill the resulting vacancy, provided that the replacement meets certain criteria. The appointment of the replacement director is subject to the approval of the Board after exercising its fiduciary duties, which approval may not be unreasonably withheld or delayed.
- The PL Capital Group agreed to certain provisions that restrict the PL Capital Group and its affiliates from, among other things, engaging in certain proxy solicitations, soliciting consents from stockholders, seeking to influence the voting of any of BNC's securities, making stockholder proposals, proposing or participating in certain extraordinary corporate transactions involving BNC, calling meetings of stockholders, seeking representation on the Board of Directors or nominating candidates for election to the Board of Directors other than as set forth in the Cooperation Agreement, seeking to remove any of BNC's directors or taking action to influence the Board of Directors or BNC's management or otherwise to exercise a controlling influence over the management and policies of BNC. These provisions are effective from the date of the Cooperation Agreement to the day immediately following the Annual Meeting.

A copy of the Cooperation Agreement is available on the Investor Relations section of the Company's website at [www.bnccorp.com](http://www.bnccorp.com).

### **AUDIT COMMITTEE REPORT**

Management has the primary responsibility for the Company's internal controls and financial reporting process. The independent registered public accountants are responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board ("PCAOB") and issuing an opinion thereon. The Audit Committee's responsibility is to monitor and oversee these processes. As part of its ongoing activities, the Audit Committee has:

- reviewed and discussed with management the Company's audited consolidated financial statements for the fiscal year ended December 31, 2019;
- discussed with the independent registered public accountants the matters required to be discussed by the applicable requirements of the PCAOB; and
- received the written disclosures and the letter from the independent registered public accountants required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with the independent accountant the independent accountant's independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in the Company's Annual Report for the fiscal year ended December 31, 2019 and distributed to stockholders of the Company.

THE AUDIT COMMITTEE

Gaylen Ghylin, Committee Chairman  
 Tracy J. Scott  
 Michael M. Vekich

**EXECUTIVE COMPENSATION**

*Summary Compensation Table.*

The following table sets forth a summary of certain information concerning the compensation paid by the Company for services rendered in all capacities during the fiscal years ended December 31, 2019 and 2018 to our principal executive officer and our two other most highly compensated executive officers who were serving as executive officers as of December 31, 2019. We refer to these three executives as our Named Executive Officers.

SUMMARY COMPENSATION TABLE					
Name and principal position	Year	Salary (\$)	Bonus (\$)	All other compensation (\$)	Total (\$)
Timothy J. Franz President and Chief Executive Officer	2019	406,000	14,000	32,689(1)	452,689
	2018	400,000	90,000	47,141	537,141
Doug Brendel President Mortgage Banking	2019	235,000	235,000	22,136(2)	492,556
	2018	235,000	25,000	17,654	277,654
Cheryl A. Stanton Chief Legal Officer/General Counsel/Corporate Secretary	2019	261,000	30,000	27,250(3)	318,250
	2018	261,000	30,000	27,250	318,250

- (1) All other Compensation for 2019 includes 401(k) matching contribution (\$12,250), country club dues (\$11,779), automobile allowance (\$6,000) and life insurance policy premiums (\$2,660).
- (2) All other Compensation for 2019 includes SERP employer contribution (\$15,000) and 401(k) matching contribution (\$7,136).
- (3) All other Compensation for 2019 includes SERP employer contribution (\$15,000) and 401(k) matching contribution (\$12,250).

**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END**

The following table sets forth, for each of the Named Executive Officers, information regarding equity awards outstanding at December 31, 2019.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options		Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested
Exercisable	Unexercisable	Option Expiration Date			Vested	Vested
Timothy J. Franz	8,400	-	\$3.00	3/17/2020	-	-
Doug Brendel	-	-	-	-	-	-
Cheryl A. Stanton	-	-	-	-	-	-

## DIRECTOR COMPENSATION

The following table sets forth, for the year ended December 31, 2019, certain information as to the total remuneration paid to the Company's directors other than Mr. Franz, who does not receive additional compensation for his service on the Board. Compensation paid to Mr. Franz is included in "Executive Compensation—Summary Compensation Table." We do not pay separate compensation to directors for their service on the Bank Board.

<b>Name</b>	<b>Fees earned or paid in cash (\$)</b>	<b>Stock Awards (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Nathan P. Brenna	35,000	-	-	35,000
Gaylen Ghylin	39,000	-	-	39,000
John W. Palmer	31,500	-	-	31,500
Tom Redmann	31,500	-	-	31,500
Tracy J. Scott	75,000	-	-	75,000
Michael M. Vekich	64,500	-	-	64,500

## BENEFICIAL OWNERSHIP

The following table sets forth as of March 20, 2020 certain information as to the common stock of the Company beneficially owned by (i) certain entities that are beneficial owners of more than 5% of the issued and outstanding common stock of the Company and are affiliated with directors of the Company, (ii) the directors and director nominees of the Company, (iii) the Named Executive Officers of the Company, and (iv) all current directors, director nominees and executive officers as a group. As of March 20, 2020, there were 3,540,650 shares of common stock issued and outstanding.

<b>Name</b>	<b>Common Stock Beneficially Owned</b>			<b>Percent of Common Stock Owned<sup>(1)</sup></b>
	<b>Shares Owned</b>	<b>Shares Which May Be Acquired Within 60 Days</b>	<b>Total Shares Beneficially Owned</b>	
<i>5% Shareholders</i>				
PL Capital Advisors, LLC	341,230	990	342,220 <sup>(2)</sup>	9.66%
<i>Directors</i>				
Nathan Brenna	430	3,285 <sup>(3)</sup>	3,715	*
Timothy Franz	36,532	2,734 <sup>(4)</sup>	39,266	1.11%
Gaylen Ghylin	17,128	5,012 <sup>(5)</sup>	22,140	*
John Palmer	341,230	990	342,220 <sup>(6)</sup>	9.66%
Tom Redmann	430	0	430	*
Tracy Scott	22,097	0	22,097	*
Michael Vekich	430	0	430	*
<i>NEOs</i>				
Cheryl A. Stanton	6,071	1,853 <sup>(7)</sup>	7,924	*
Doug Brendel	2,592	1,597 <sup>(8)</sup>	4,189	*
<i>All Current Directors, Director Nominees and Executive Officers as a Group (14 persons)</i>				
	504,190	24,788 <sup>(9)</sup>	528,978	14.84%

\* Represents beneficial ownership of less than 1% of our outstanding shares of common stock.

(1) The percent was calculated based on 3,540,650 shares of common stock issued and outstanding as of March 20, 2020.

(2) Includes shares owned by PL Capital Advisors, LLC, or its associates or affiliates. John W. Palmer is a managing member of PL Capital Advisors, LLC and therefore may be deemed to beneficially own these shares. Also includes 530 shares directly owned by John W. Palmer and 990 common stock equivalents credited to Mr. Palmer's deferred stock account under the BNCCORP, INC. Deferred Compensation Plan for Directors.

(3) Includes 3,285 common stock equivalents credited to Mr. Brenna's deferred stock account under the BNCCORP, INC. Deferred Compensation Plan for Directors.

- (4) Includes 2,734 fully vested phantom shares under the BNCCORP, INC. Nonqualified Deferred Compensation Plan.
- (5) Includes 5,012 common stock equivalents credited to Mr. Ghylin's deferred stock account under the BNCCORP, INC. Deferred Compensation Plan for Directors.
- (6) Includes shares owned by PL Capital Advisors, LLC, or its associates or affiliates. John W. Palmer is a managing member of PL Capital Advisors, LLC and therefore may be deemed to beneficially own these shares. Also includes 530 shares directly owned by John W. Palmer and 990 common stock equivalents credited to Mr. Palmer's deferred stock account under the BNCCORP, INC. Deferred Compensation Plan for Directors.
- (7) Includes 1,853 fully vested phantom shares under the BNCCORP, INC. Nonqualified Deferred Compensation Plan.
- (8) Includes 1,597 fully vested phantom shares under the BNCCORP, INC. Nonqualified Deferred Compensation Plan.
- (9) Includes 9,287 common stock equivalents under the BNCCORP, INC. Deferred Compensation Plan for Directors and 15,501 fully vested phantom shares under the BNCCORP, INC. Nonqualified Deferred Compensation Plan.

## **PROPOSAL 2: RATIFICATION OF INDEPENDENT AUDITORS**

### **REPLACEMENT OF PREVIOUS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Effective as of September 17, 2019, the Audit Committee and the Board of Directors replaced KPMG as the Company's independent registered public accounting firm following a competitive review process of independent registered public accounting firms.

During the Company's two most recent fiscal years ended December 31, 2018 and 2017 and the subsequent interim period through the effective date of KPMG's replacement, there were no disagreements with KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of KPMG, would have caused KPMG to make reference to the subject matter of disagreement in connection with its report.

KPMG's audit reports on the Company's consolidated financial statements as of and for the years ended December 31, 2018 and 2017 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

### **ENGAGEMENT OF NEW INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Effective as of September 17, 2019, the Audit Committee and the Board engaged CliftonLarsonAllen LLP ("CLA") as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2019. Upon the recommendation of the Audit Committee, the Board has again appointed CLA to act as the independent auditor for BNC for the fiscal year ending December 31, 2020.

Although it is not required to do so, our Board of Directors wishes to submit the selection of CLA for ratification by our stockholders at the Annual Meeting on a non-binding basis. Even if this selection is ratified by our stockholders at the Annual Meeting, our Audit Committee and Board may, in their discretion, change the appointment at any time during the year if it determines that such a change would be in the best interests of BNC and our stockholders. If our stockholders do not ratify the selection of CLA, our Audit Committee and Board will reconsider whether to retain CLA or appoint another independent auditor.

### **FEES PAID TO OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS**

The following table describes services rendered by each of KPMG and CLA to the Company, and fees paid by the Company to each of KPMG and CLA for such services, for the fiscal years ended December 31, 2018 and 2019. KPMG acted as the independent registered public accounting firm for the Company for the fiscal year ended December 31, 2018 and performed the Company's audit services in fiscal year 2018. During the 2019 fiscal year, KPMG acted as the independent registered public accounting firm through September 16, 2019. Effective September 17, 2019, CLA acted as

the independent registered public accounting firm for the Company for the fiscal year ended December 31, 2019 and performed the Company's audit services for the fiscal year 2019.

<b>Services Rendered</b>	<b>2019</b>	<b>2018</b>
Audit Fees <sup>(1)</sup>	\$ 97,030	\$ 301,000
Audit-Related Fees <sup>(2)</sup>	\$ 10,000	\$ 22,000
Tax Fees	\$ 0	\$ 0
All Other Fees <sup>(3)</sup>	\$ 75,283	\$ 29,500
Total	\$ 182,313	\$352,500

*(1) Audit fees consisted of the annual audit of our consolidated financial statements and audits of compliance with HUD assisted programs.*

*(2) Audit-Related fees consisted of employee benefit plan audits.*

*(3) Includes out of pocket expenses for all audit services as well as fees paid to KPMG in 2019 for transition related expenses.*

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" RATIFICATION OF THE APPOINTMENT OF CLIFTONLARSONALLEN LLP.**

**AVAILABILITY OF YEAR END FINANCIAL REPORT**

The Company's common stock is currently traded on the OTCQX, the marketplace operated by OTC Markets Group, under the trading symbol "BNCC".

The Notice of Annual Meeting of Stockholders, this Proxy Statement for the 2020 Annual Meeting of Stockholders and the Company's Annual Report for the fiscal year ended December 31, 2019 are available at [www.bnccorp.com](http://www.bnccorp.com) and on the website of the OTCQX at <https://www.otcm Markets.com>. A hard copy of the Notice of Annual Meeting of Stockholders, this Proxy Statement and Annual Report will be provided without charge upon written request to Cheryl A. Stanton, Corporate Secretary, BNCCORP, INC., 322 East Main Avenue, Bismarck, ND 58501, or by calling (612) 305-2222.

**STOCKHOLDER PROPOSALS, NOMINATIONS AND COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

**STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS**

Director nominations and stockholder proposals not included in proxy mailings may be submitted for the 2021 Annual Meeting of Stockholders if they meet the timing and information requirements set forth in BNC's Bylaws. Stockholders must deliver notice of a proposal or director nomination to the Company's Corporate Secretary between February 18, 2021 and March 20, 2021, but if the 2021 Annual Meeting of Stockholders is not held on a date that is within 30 days before or after the anniversary of the 2020 Annual Meeting, then the deadline is ten days after the earlier of the date that: (i) public disclosure of the date of the 2021 Annual Meeting of Stockholders was made; or (ii) notice of the date of the 2021 Annual Meeting of Stockholders was mailed. Stockholders can nominate directors at the 2021 Annual Meeting of Stockholders if the nomination: (i) is submitted to BNC's Corporate Secretary by the deadline set forth above and; and (ii) satisfies the informational and other requirements in the Bylaws of BNC as determined by the Board. BNC reserves the right to vote all proxies as it determines in its discretion on any stockholder proposals or nominations, pursuant to authority provided on the proxy card.

**PROCEDURES REGARDING DIRECTOR CANDIDATES RECOMMENDED BY STOCKHOLDERS**

The Board will consider director nominees recommended by stockholders in accordance with the Policy on Securityholder Recommendations of Candidates for Election as Directors established by the Board (the "Policy for



Director Recommendations”). A copy of the Policy for Director Recommendations is available on the Company’s website at [www.bnccorp.com](http://www.bnccorp.com).

Generally, a stockholder who wishes to recommend a person or persons for consideration by the Board as a nominee for election to the Board must send a written notice by mail, c/o Cheryl A. Stanton, Corporate Secretary, BNCCORP, INC., 322 East Main Avenue, Bismarck, ND 58501, that sets forth (i) the name, age, business address and residential address of each person proposed for nomination; (ii) the principal occupation or employment of such person; (iii) the class and number of shares of capital stock of BNC of which such person is the beneficial owner; and (iv) any other information relating to such person that would be required to be disclosed in a proxy statement prepared in accordance with Section 14 of the Exchange Act and the rules and regulations thereunder had such nominee been nominated by the Board, including any information necessary to determine whether such person satisfies applicable independence standards. Stockholder recommendations will be considered only if received not more than 150 days and not less than 120 days in advance of the first anniversary of the date on which the Company’s proxy statement for the preceding year’s meeting was mailed to stockholders (on or after December 5, 2020 but no later than January 4, 2021 with respect to recommendations for nominees to be considered at the 2021 Annual Meeting of Stockholders).

### **STOCKHOLDER COMMUNICATIONS WITH DIRECTORS**

Stockholders may communicate with the Board of Directors or any individual director by sending a letter to Cheryl A. Stanton, Corporate Secretary, BNCCORP, INC., 322 East Main Avenue, Bismarck, ND 58501. Ms. Stanton will forward the stockholder’s communication directly to the appropriate director or directors.

### **OTHER MATTERS**

The cost of soliciting proxies will be borne by the Company. The solicitation will be primarily by mail. In addition to the use of mail, some of the officers, directors and regular employees of the Company and its subsidiaries may solicit proxies by telephone, e-mail or personal interview without additional compensation therefor. The Company will reimburse banks, brokerage houses and other institutions, custodians, nominees and fiduciaries for reasonable expenses in forwarding proxy material to their principals.

BNC’s list of stockholders of record as of the Record Date will be available for examination for 10 days prior to the Annual Meeting at our principal executive offices at 322 East Main Avenue, Bismarck, ND 58501. During the Annual Meeting such list will be available for examination through the virtual meeting website (<https://web.lumiagm.com/282814297>).

Regardless of the number of shares you hold, it is important that your common stock be represented at the Annual Meeting to establish a quorum. You are strongly encouraged to date and sign your proxy or voting instruction card and return it without delay in the enclosed addressed envelope, even if you plan to attend the Annual Meeting.

By Order of the Board of Directors



Cheryl A. Stanton  
*Corporate Secretary*

Bismarck, North Dakota  
May 4, 2020

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