



PARAGON
FINANCIAL SOLUTIONS

5400 Poplar Avenue, Suite 350
Memphis, Tennessee 38119

NOTICE OF 2025 ANNUAL MEETING OF SHAREHOLDERS

You are invited to attend the Paragon Financial Solutions 2025 Annual Meeting of Shareholders:

WHEN: Thursday, May 22, 2025, at 3:00 p.m. (Central time).

WHERE: Paragon Bank, 5400 Poplar Avenue, Memphis, Tennessee 38119. We will also livestream the meeting virtually through the internet. Please contact Lewis Perkins at Lewis.Perkins@bankparagon.com for additional information and details regarding the livestream. Several days prior to the meeting, a link will be emailed to those individuals desiring to access the livestream of the meeting who have contacted Mr. Perkins.

ITEMS OF BUSINESS:

- To elect four persons to serve as Class B directors for a three-year term and one person to serve as a Class A director for a two-year term and until their respective successors are duly elected and qualified (Proposal 1);
- To ratify the appointment of Reynolds, Bone & Griesbeck PLC as Paragon's independent auditor for the fiscal year ending December 31, 2025 (Proposal 2); and
- To conduct such other business as may properly come before the meeting or any adjournment or postponement thereof.

RECORD DATE: You are entitled to vote if you were a shareholder of record at the close of business on March 17, 2025.

VOTING BY PROXY: Your Board of Directors is soliciting your proxy to assure that a quorum is present and that your shares are represented and properly voted. Please see the attached Proxy Statement and enclosed proxy card for information on submitting your proxy. If you later decide to attend the meeting in person and vote at the meeting or otherwise change your vote in advance of the meeting, information on withdrawal or revocation of proxies prior to the meeting is also provided. You may receive more than one set of proxy materials and proxy cards. Please promptly submit your proxy for each proxy card you receive in order to assure that all shares are represented.

RECOMMENDATION: Your Board of Directors recommends that you vote "**FOR**" each of the nominees to serve as directors and "**FOR**" Proposal 2.

Your vote is important. Whether or not you expect to attend the meeting, please submit your proxy promptly in order to assure that a quorum is present. Thank you for your attention to this important matter.

By Order of the Board of Directors,

Lewis W. Perkins
Corporate Secretary

March 27, 2025

PARAGON FINANCIAL SOLUTIONS
5400 Poplar Avenue, Suite 350
Memphis, Tennessee 38119

PROXY STATEMENT

The enclosed proxy is being solicited by the Board of Directors of Paragon Financial Solutions, Inc. (“Paragon,” “the Company,” “we,” “us,” or “our”) in connection with the Company’s 2025 Annual Meeting of Shareholders, scheduled to be held on May 22, 2025, at the main office of Paragon Bank, 5400 Poplar Avenue, Memphis, Tennessee 38119, at 3:00 p.m., CDT, and any adjournment thereof (the “Annual Meeting”). Each of the persons designated as a proxy is either a director or officer of Paragon. This Proxy Statement and the enclosed form of proxy are first being mailed on or about March 27, 2025, to shareholders of record at the close of business on March 17, 2025 (the “Record Date”). To assure adequate representation at the Annual Meeting, shareholders are requested to sign, date and return promptly the enclosed proxy card.

IMPORTANT INFORMATION ABOUT ATTENDING THE ANNUAL MEETING

We intend to hold the Annual Meeting in person, but will offer a livestream option for those shareholders that would like to attend the meeting virtually. To access the livestream, please contact Lewis Perkins Lewis.Perkins@bankparagon.com. Several days prior to the Annual Meeting, a link will be emailed to those individuals desiring to access the livestream of the Annual Meeting who have contacted Mr. Perkins.

BUSINESS TO BE CONSIDERED AT THE 2025 ANNUAL MEETING OF SHAREHOLDERS

The purpose of the Annual Meeting is to elect four persons to serve as Class B directors for a three-year term and until their successors are duly elected and qualified and one person to serve as a Class A director for a two-year term and until his or her successor is duly elected and qualified (Proposal 1); to ratify the appointment of Reynolds, Bone & Griesbeck PLC as Paragon’s independent auditor for the fiscal year ending December 31, 2025 (Proposal 2); and to conduct such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

VOTING

Only shareholders of record of Paragon’s common stock, par value \$5.00 per share (“Common Stock”), at the close of business on the Record Date are eligible to vote at the Annual Meeting. On the Record Date, a total of 4,521,711 shares of Paragon’s Common Stock were outstanding.

On any matters properly presented for the Annual Meeting, each share of Common Stock is entitled to one vote. With respect to Proposal 1, those director nominees receiving a plurality of the votes cast will be elected. With respect to Proposal 2, this proposal will be approved if more shares are voted in favor of the proposal than against the proposal.

All proxies that are properly executed and returned will be voted at the Annual Meeting in accordance with the instructions contained in the proxy, unless the proxy is revoked prior to the vote. If you return a signed and dated proxy card without marking any voting selections, your shares will be voted “FOR” the election of each of the nominees named herein to serve on the Board of Directors and “FOR” the ratification of the appointment of Reynolds, Bone & Griesbeck PLC as Paragon’s independent auditor for the fiscal year ending December 31, 2025.

If any other matter is properly presented at the Annual Meeting, your proxy (one of the individuals named on your proxy card) will vote your shares as recommended by the Board of Directors or, if no recommendation is given, will vote your shares using his or her best judgment. If you abstain from voting on any of the proposals at the Annual Meeting, there will be no practical effect on whether the proposal is approved as directors are elected

by a plurality voting standard and the ratification of our auditors will be approved if more votes are cast in favor of the proposal than against it. Shares represented by such abstentions will, however, be counted in determining whether there is a quorum.

If your shares are held by your broker as your nominee (that is, in “street name”), you will need to obtain a proxy or voting instruction form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. In the event that a broker, bank, custodian, nominee or other record holder of our Common Stock indicates on a proxy that it does not have discretionary authority to vote certain shares on a particular matter, then those shares will be treated as broker non-votes with respect to that matter and will not be voted. Your broker does not have discretionary authority to vote on Proposal 1 (the election of directors) but does have discretionary authority to vote on Proposal 2 (the ratification of the appointment of Reynolds, Bone & Griesbeck PLC as the Company’s independent auditor for 2025). Broker non-votes will have no effect on whether a person nominated as a director is elected, but shares represented by such broker non-votes will, however, be counted in determining whether there is a quorum.

Voting results will be announced at the Annual Meeting.

REVOKING A PROXY

Any shareholder giving a proxy has the power to revoke it at any time before the proxy is voted. A proxy may be revoked at any time before it is exercised by:

- (1) Delivering to Lewis W. Perkins III, our Executive Vice President and Chief Financial Officer, or to the officer presiding at the Annual Meeting, either a written notice of revocation or a properly executed proxy bearing a subsequent date, or
- (2) Voting during the Annual Meeting. You must notify the election officials that you wish to revoke your proxy and vote in person.

If your shares are held by your broker as a nominee or agent, you should follow the instructions provided by your broker to revoke your voting instructions.

QUORUM

A quorum of shareholders is necessary to hold a valid meeting. The presence, in person at the Annual Meeting or by proxy, of the holders of at least a majority of the shares of our Common Stock outstanding and entitled to vote as of the Record Date will constitute a quorum for the transaction of business at the Annual Meeting. Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker or other nominee) or if you vote during the Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, either the Chairman of the Annual Meeting or a majority of the votes present in person or represented by proxy at the Annual Meeting may adjourn the meeting to another date.

ADDITIONAL INFORMATION

If you have any questions about the Annual Meeting (including accessing the livestream of the Annual Meeting), these proxy materials or your ownership of our Common Stock, please contact Lewis W. Perkins III, 5400 Poplar Avenue, Suite 350, Memphis, Tennessee 38119, Telephone (901) 322-0710.

**PROPOSAL NO. 1:
ELECTION OF DIRECTORS**

Paragon’s Bylaws provide that the Board shall consist of not less than four (4) and not more than twenty-five (25) directors, and shall be divided into three classes (Class A, Class B and Class C) with each class having a three year term.

There are four (4) Class B directors standing for re-election at the Annual Meeting and one (1) Class A director standing for election. If elected, Larry Magdovitz; Mary H. McDaniel; Anita S. Vaughn; and Craig L. Weiss will serve as Class B directors until the 2028 Annual Meeting and until their successors are duly elected and qualified. If elected, Scott Hauss, who is being nominated as a director for the first time at the Annual Meeting, will serve as a Class A director until the 2027 Annual Meeting and until his successor is duly elected and qualified. Steve Bargiacchi resigned as class A director on December 18, 2025.

Directors are elected by a plurality of the votes present in person or represented by proxy and entitled to vote at the Annual Meeting, which means the nominees who receive the largest number of properly cast votes will be elected as directors. A vote to “withhold authority” for the election of one or more director nominees will be counted for quorum purposes, but because the vote required to elect directors is a plurality vote, a vote to “withhold authority” will not affect the outcome of the election under Tennessee law. Similarly, a “broker non-vote” will be counted for quorum purposes but will have no effect on the approval of the nominees to the Company’s Board.

In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as the Board of Directors may propose or a vacancy will occur, which if not eliminated by the directors by reducing the size of the Board, may be filled later by action of the Board. Mr. Magdovitz, Ms. McDaniel, Ms. Vaughn, Mr. Weiss, and Mr. Hauss have each agreed to serve if elected.

NOMINEES FOR ELECTION TO THE BOARD

The following is a brief biography of each nominee standing for election to the Board of Directors at the Annual Meeting.

Class B Director Nominees for Election for a Three-Year Term Expiring at the 2028 Annual Meeting

Lawrence (Larry) M. Magdovitz, II is a licensed attorney in Tennessee and Mississippi, and has served as a director since October 2022, and currently serves as Chairman of Director’s’ Loan Committee. He operates the Law Offices of Lawrence Magdovitz and as well as Harrimack, LLC, a family-owned real estate holding company and property management firm. He was born in Clarksdale, Mississippi, and moved to Memphis with his family in 1980. He graduated from Briarcrest Christian High School in 1993. He received his B.A., cum laude from Boston University in 1997, his J.D., cum laude from the University of Tennessee-Knoxville in 2000 and his LL.M. in Taxation, from NYU in 2001. He began practicing law with Phelps Dunbar, LLP in Tupelo, MS before joining his father’s law firm in Clarksdale. His practice focused on general civil litigation, business law and taxation. He is also a certified property manager through the Institute of Real Estate Management. He is the Chairman of the Lawrence M. & Kerin C. Magdovitz Foundation, the Memphis Rugby Foundation and the West Tennessee State Guard Association, as well as a Board Member for the Southern Jewish Cemetery Association. In his spare time, he volunteers with IREM Memphis Chapter 20, Boy Scouts of America, and the Tennessee State Guard.

Mary H. McDaniel has been a dedicated member of the Board of Directors since September 2012. She actively contributes to the Audit & Compliance Committee, the Directors’ Loan Committee, and the Compensation Committee. Ms. McDaniel retired in 2010 after nearly 31 years at FedEx Express, where she held the position of Vice President – Air Operations Division, Aircraft Materiel. For the past 14 years, she has led MHM Investments, LLC, as its President and owner, offering consulting services in operations strategic support, leadership

development, and organizational effectiveness. Ms. McDaniel is deeply committed to community engagement, participating in several civic, social, and technical organizations. She is a proud member of The Philanthropic Black Women of Memphis, The Memphis Symphony's Circle of Friends, The Women's Foundation for Greater Memphis, and the MS. Foundation for Women of NYC. Her academic credentials include an Associate Degree from Southwest Tennessee Community College, a Bachelor of Science Degree from Bethel University, and a Master of Science degree in Leadership and Management from Western Governors University.

ANITA S. VAUGHN has served as a director since March 2016 and currently serves on the Audit & Compliance Committee and the Asset-Liability Committee. From 1974 to 2016, Ms. Vaughn was employed by Baptist Memorial Health Care Corporation where she served in a variety of positions including Director of Practice Management, Administrator of Managed Health & Wellness and Assistant Vice-President. From 1998 until her retirement, Ms. Vaughn served as CEO/Administrator of Baptist Memorial Hospital for Women. She is involved in the local community as she serves on the Women's Foundation for a Greater Memphis Board, Baptist College of Health Sciences Governing Board, and the University of Memphis College of Arts and Sciences Alumni Advisory Board and the University of Memphis National Alumni Board. Ms. Vaughn holds a degree in Nursing from Baptist Memorial Hospital School of Nursing, a Bachelor's degree in Sociology from Memphis State University (now the University of Memphis), and a Masters of Public Administration with a concentration in Health Services Administration from Memphis State University. She has been recognized as Distinguished Alumni by the Baptist College of Health Sciences and the University of Memphis, in addition to being inducted into the Memphis City Schools Hall of Fame.

CRAIG L. WEISS has served as a director since January 2005 and became Chairman of the Board beginning April 2014. He currently serves on the Asset-Liability Committee and the Directors' Loan Committee. Since 1997, Mr. Weiss has been the co-owner of Tower Ventures, which develops and owns towers for the Wireless Industry. Tower Ventures is one of the largest privately-held tower companies in the United States. Tower Ventures currently owns over 300 tower assets across the U.S. Mr. Weiss manages the leasing department responsible for lease agreements with AT&T, Verizon, T-Mobile, Dish and others. Tower Ventures has expanded into traditional commercial real estate and currently has 2 ground-up, mixed-use developments underway in the Memphis area. In 2005, Mr. Weiss purchased two Memphis-based security guard businesses and merged their accounts and created Central Defense Security. CDS grew to become the largest security provider in the Mid-South with its headquarters in Memphis and branch offices in Nashville and Little Rock. Mr. Weiss successfully sold Central Defense Security in 2020. Mr. Weiss is a past chair of the board of the Memphis Child Advocacy Center and the Memphis Jewish Community Center and currently serves on the board of the Memphis Shelby Crime Commission. Mr. Weiss also serves on the Board of Trustees for Hutchison School and the Board of Directors for Christian Brothers High School. Mr. Weiss is the Chair of the International Board of Directors of BBYO. Mr. Weiss recently completed Class VIII of Leadership Tennessee. Mr. Weiss holds a Bachelor of Arts degree from the University of Texas at Austin and a Master of Business Administration from the University of Memphis.

Class A Director Nominee for Election for a Two-Year Term Expiring at the 2027 Annual Meeting:

SCOTT A. HAUSS, has served as a director since February 2025. Since April 2024, Mr. Hauss has served as Head of School of Evangelical Christian School, where he is responsible for the overall management, academic excellence, and financial health of the school. From March 2016 to December 2023, Mr. Hauss served as President and Chief Executive Officer of a community bank headquartered in Memphis, TN. Prior to 2016, Mr. Hauss served in various roles at two other community/regional banks including as Senior Managing Director of Commercial Banking and as Senior Vice President of Business Banking for over 15 years. Mr. Hauss previously served on the Board of Trustees of Evangelical Christian School for 14 years, including 2 years as board chairman and 4 years as finance chairman, and of Grace Christian Academy for 3 years. Mr. Hauss serves as Adjunct Professor at the McAfee School of Business at Union University and is a Trustee, Deacon, and Finance Committee Chairman at Crossroads Baptist Church. Mr. Hauss holds a BBA degree in Management from the University of Memphis.

The Board of Directors recommends a vote in favor of each of the Class B Director Nominees and the Class A Director Nominee.

DIRECTORS CONTINUING IN OFFICE

The following directors compose the remainder of our Board of Directors with terms expiring as shown.

Class C Directors Continuing in office until the 2026 Annual Meeting:

JAMES F. FREEMAN, M.D. has served as a director since January 2005 and currently serves on the Directors' Loan Committee and Compensation Committee. Dr. Freeman has been a physician with Memphis Eye & Cataract Associates from 1996 to present. He currently serves on the board of directors of Grace Medical, Inc. Dr. Freeman is also an assistant clinical professor of ophthalmology at the University of Tennessee – Memphis since 1996. He previously served as President of the American Board of Eye Surgery and the Shelby County Health Care Commission and continues to serve as a director of the Advancing Sight Network (previously the Mid-South Eye Bank). Dr. Freeman has many outstanding academic achievements, including a Bachelor's degree in General Biology and Psychology from Vanderbilt University; studies with molecular biology and chemistry from Memphis State University (now the University of Memphis); a Medical Doctorate from the University of Tennessee College of Medicine, Memphis, Tennessee; internship in internal medicine with Methodist Central Hospital, Memphis, Tennessee; residency in ophthalmology at Louisiana State University Medical Center, Shreveport, Louisiana; and a fellowship in cornea, anterior segment and refractive surgery at University of California, Irvine.

CHRISTIAN (CHRIS) JOHN SAENGER has served as a director since January 2005 and currently serves on the Compensation Committee and the Directors' Loan Committee. Mr. Saenger is the Managing Partner of Abson Health LLC, a durable medical equipment company located in Memphis, Tennessee. Prior to his current employment, he was the Marketing Executive and Product Developer for Automated Financial Systems, Exton, Pennsylvania and Senior Vice President for the Southeast Region for Vining Sparks Investment Banking Group, Memphis, Tennessee. He also has previous banking experience in various positions at Union Planters National Bank. Mr. Saenger is involved with the local community as he has served as the President of Youth Villages, Inc.; Chairman of the Advisory Board for St. George's Day School (Memphis Campus); Chairman of the Board of Trustees for St. George's Day School; Chairman of the Germantown Task Force on Ecology; director of SADAC, Inc., an Arkansas farming operation; director of the Midsouth Administrative Service, LLC; director of Mimir Flexo Packaging, Troy, Missouri; and former Chairman of the Memphis Shelby County Industrial Development Board. He graduated from Christian Brothers University, Memphis, Tennessee.

ROBERT S. SHAW, JR., a founder of Paragon Bank, has served as the Chief Executive Officer and a member of the Board of Directors since Paragon's founding in 2005. Prior to joining Paragon, Mr. Shaw was employed from 1992 until 2004 by Enterprise National Bank where he served as the President and Chief Operating Officer and was also a member of the Board of Directors. Mr. Shaw served on the Community Depository Institutions Advisory Council (CDIAC) of the Federal Reserve Bank of St. Louis from 2021 until 2023. He has been active in the Memphis Community serving on the Board of Directors for The Memphis Child Advocacy Center from 2010 until 2019 where he served as Chair of the Board from 2016 to 2017 and where he has served as a celebrity waiter at its Celebrity Chefs' Gala for 19 years. Mr. Shaw serves on the Board of Trustees for Woodland Presbyterian School where he served as Chair of the Board for 11 years. He served on the Pincrest Camp and Retreat Center Board of Directors from 2016 until 2024. Mr. Shaw is a member of Germantown Presbyterian Church where he served as Clerk of the Session and a member and Chairman of the Stewardship Committee. Mr. Shaw is a member of the Economics Club of Memphis. Mr. Shaw holds Bachelor and Master of Accountancy degrees from The University of Mississippi (Ole Miss). He is a certified public accountant (current status is inactive) and a graduate of the American Bankers' Association National Commercial Lending School.

Class A Directors Continuing in office until the 2027 Annual Meeting:

JOHN T. NOVARESE, JR. has served as a director since January 2005 and currently serves on the Asset-Liability Committee and as Chairman of the Audit & Compliance Committee. Mr. Novarese holds equity positions in, and is on the board of directors of, several other companies. He is a principal and founder of Sage Business Advisors, a venture capital firm, which provides investments and management services to early stage companies

and is a partner and manager of a private equity fund. Mr. Novarese was the President and Chief Executive Officer of Pop Tunes Record Shops from 1994 until 2001 when the retail music store chain was sold. In addition to serving nine years on the Board of Trustees at Christian Brothers University, Mr. Novarese has served on various boards of directors, including the Pastoral Council at St. Mary's, Catholic Charities, the Development Board of the Catholic Diocese of Memphis, the Board of Governors for the National Association of Recording Arts and Sciences, and the St. Jude Classic Sales Club. Mr. Novarese currently serves on the board of directors of Make-A-Wish Mid-South. Mr. Novarese earned his Bachelor of Science in Business Administration and a Master of Business Administration from Christian Brothers University.

NAPOLEON L. CASSIBRY III served as Chairman of the Board of Directors from January 2005 to March 2014 and currently serves on the Directors' Loan Committee and the Asset-Liability Committee (Chairman). Mr. Cassibry is a Managing Director of Stifel Financial (Stifel Financial Corp. is an American multinational independent investment bank and financial services company created under the Stifel name in July 1983 and listed on the New York Stock Exchange on November 24, 1986). He previously served as Senior Vice President of Vining Sparks, IBG, LP, a large regional bond brokerage firm. In April 2022, Vining Sparks became Vining Sparks a Stifel Company, a national financial services holding company. He joined Vining Sparks in its investment sales division in 1983. In 1991, he was appointed as Senior Vice President of Fixed Income Sales and continues to serve in that position. He is experienced in banking as a former Vice President of the Investment Banking Group at Union Planters National Bank and as an Assistant Vice President and Branch Manager at National Bank of Commerce. Previously, he served on the board of directors of Grand Prairie Savings & Loan, Stuttgart, Arkansas and Cleveland State Bank, Cleveland, Mississippi. Mr. Cassibry has been active in the local community by serving as the former chairman of the board of Teen Challenge of Memphis. Mr. Cassibry graduated from Delta State University in 1972 with a Bachelor's degree in Business Administration.

PETE A. STARK has served as a director since October 2012 and currently serves on the Compensation Committee (Chairman) and Asset-Liability Committee. Since July 2020, Mr. Stark has served as Managing Member of Leeward Advisors, LLC, a consulting firm he founded that focuses on leading and advising private equity backed portfolio companies. From April 2022 to March 2024, Mr. Stark served as Chief Financial Officer and Chief Operating Officer of VetEvolve Holdings, LLC, a private equity backed veterinary services platform company that was recently sold. From January 2019 to June 2020, Mr. Stark served as an independent healthcare consultant. From July 2012 to December 2018, Mr. Stark served as Chief Financial Officer of Physicians Pharmacy Alliance, Inc. (PPA); he was appointed President & Chief Operating Officer of PPA in February 2013 and served as Chief Executive Officer from January 2015 until the sale of the company in December 2018. Previously, he worked for Accredo Health Group, Inc. from 2003 until 2012 in various senior finance, accounting, and operational roles, and most recently as the organization's Chief Financial Officer. Mr. Stark's experience includes over 30 years in business planning, finance, and operations, primarily in healthcare. He is a Certified Public Accountant (current status is inactive) and a Chartered Global Management Accountant. Mr. Stark earned a Bachelor of Science degree in Business Administration with a concentration in Accounting and a minor in Computer Information Systems from Christian Brothers University.

EXECUTIVE OFFICERS

In addition to Mr. Shaw, the following individuals serve as our executive officers:

LEWIS W. PERKINS, III has served as Executive Vice President and Chief Financial Officer since August 2011. Mr. Perkins previously served as an Audit Partner at Reynolds, Bone & Griesbeck PLC, where he was responsible for reviewing financial statement audits of financial institutions for compliance with applicable standards, providing consulting services to financial institution clients and supervising staff in the financial institution niche. Mr. Perkins worked at Reynolds, Bone & Griesbeck PLC, for over 15 years prior to joining Paragon. Mr. Perkins is currently serving on the board of the Memphis Child Advocacy Center. Mr. Perkins received his Bachelor's degree in Business Administration from Auburn University and his Master of Business Administration with a concentration in accounting from the University of Memphis. Mr. Perkins is a Certified

Public Accountant (current status is active) and is an active member of the American Institute of CPAs and the Tennessee Society of CPAs, where he has previously served on the Financial Institution Committee.

ANDREW H. TAYLOR has served as Executive Vice President since our inception in 2005. He currently serves as the Chief Banking Officer, Senior Lending Officer for Paragon Bank, the Senior Credit Officer of Paragon Small Business Capital Group, Paragon's SBA lending unit, and the Bank's Senior Special Assets Officer. Mr. Taylor has over 30 years of experience in commercial lending and retail banking at both regional financial institutions and community banks. Mr. Taylor holds a Bachelor of Science degree in Finance from the University of Tennessee. He also holds a Masters of Business Administration from the Owen School of Management at Vanderbilt University.

MARSHALL L. TALLEY has served as Executive Vice President and Chief Credit Officer since October 2009. Mr. Talley has over 32 years' experience in the credit administration function. Mr. Talley's experience includes 13 years in loan review at Union Planters Bank where he was the Department Manager for five of those years. Upon leaving Union Planters, Mr. Talley was Senior Vice President and Senior Credit Officer at another local community bank for approximately five years. Mr. Talley previously served on the loan committee of River City Capital. Mr. Talley holds a Bachelor of Accounting from Memphis State University (now University of Memphis) and is a Certified Public Accountant (inactive status).

CERTAIN TRANSACTIONS WITH DIRECTORS AND MANAGEMENT

Each of the executive officers of Paragon and many of the members of the Board of Directors and their associates were customers of Paragon during the fiscal year ended December 31, 2024, and as such had transactions with Paragon in the ordinary course of business. Included among such transactions were loans made on substantially the same terms, including interest rates, collateral and repayment terms, as those prevailing at the time for comparable transactions with other Paragon Bank customers and which did not involve more than the normal risk of collectability or present other unfavorable features. Similar transactions are expected to occur in the future. At no time since the beginning of 2024 did extensions of credit to any executive officer, director or nominee (including associates of any such person) exceed 25% of Paragon's equity capital accounts, or \$14,868,232. On December 31, 2024, extensions of credit of \$2,756,640 (constituting 4.64% of Paragon's equity capital accounts at December 31, 2024) were outstanding to Paragon's executive officers and directors (including associates) as a group. On February 28, 2025, the outstanding balance on these loans was \$2,735,792. All these loans are currently in good standing and are being paid in accordance with their terms.

PROPOSAL NO. 2 RATIFICATION OF THE INDEPENDENT AUDITOR

Our Board of Directors has appointed Reynolds, Bone & Griesbeck PLC to serve as Paragon's independent auditor for the fiscal year ending December 31, 2025, and has decided that the appointment of Reynolds, Bone & Griesbeck PLC should be submitted to the shareholders for ratification at the Annual Meeting. Representatives of Reynolds, Bone & Griesbeck PLC are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from shareholders.

Shareholder ratification of the appointment of Reynolds, Bone & Griesbeck PLC as Paragon's independent auditor for the year ending December 31, 2025, is not required by Paragon's Bylaws or other governing documents. However, the Board is submitting the appointment of Reynolds, Bone & Griesbeck PLC to the shareholders for ratification as a matter of good corporate governance. Even if the shareholders do ratify the appointment, the Audit Committee in its discretion may direct the appointment of a different independent auditor at any time during the year if it believes that such a change would be in the best interest of Paragon and our shareholders.

The ratification of the appointment of Reynolds, Bone & Griesbeck PLC will be approved if the votes cast in favor of approval of the proposal exceed the votes cast against the proposal.

On behalf of the Audit & Compliance Committee, the Board of Directors recommends a vote in favor of Proposal No. 2.

**SHAREHOLDER PROPOSALS AND DIRECTOR NOMINEES FOR THE
2026 ANNUAL MEETING OF SHAREHOLDERS**

Paragon's Bylaws establish an advance notice procedure with regard to shareholder proposals and director nominations. If a shareholder wishes to present a proposal or nominate a director for consideration at the 2026 Annual Meeting of Shareholders, such shareholder must meet the eligibility standards set out in Paragon's Bylaws and must give written notice to Paragon's Chief Executive Officer at Paragon's principal business address not less than 90 days nor more than 120 days prior to May 22, 2026. The shareholder's submission must include certain specified information concerning the proposal or the proposed nominee and the shareholder, including such shareholder's ownership of Common Stock, as described in more detail in paragon's Bylaws.

OTHER MATTERS

Paragon's management is unaware of any business not described herein that has been or is expected to be properly brought before our Annual Meeting, or any adjournment or postponement thereof. Should other matters properly come before the Annual Meeting, the persons named in a properly executed and returned proxy will vote the shares represented by such proxy according to their best judgment on such matters.

By Order of the Board of Directors,



Lewis W. Perkins III
*Executive Vice President,
Chief Financial Officer, and
Corporate Secretary*