Wilson Martin
Form 4
February 21, 2019

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
Wilson Martin

(Last) (First) (Middle)

C/O TELIGENT, INC., 105 LINCOLN AVENUE

(Street)

BUENA, NJ 08310

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Teligent, Inc. [TLGT]

3. Date of Earliest Transaction (Month/Day/Year)
02/19/2019

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
General Counsel

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Securitie (Instr. 3 and 4)

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amou Numb Shares
Stock Option	$ 1.62	02/19/2019	A		193,712		02/19/2020(1)	02/19/2029	Common Stock	193,7

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Wilson Martin C/O TELIGENT, INC. 105 LINCOLN AVENUE BUENA, NJ 08310			General Counsel	

Signatures

/s/ Martin Wilson	02/21/2019
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These securities were issued pursuant to the terms of the Issuer's 2016 Equity Incentive Plan as part of the Reporting Person's annual compensation. One-third of the shares underlying the derivative securities shall vest ratably on an annual basis beginning on February 19, 2020.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. marized in this section were prepared by and are the responsibility of the management of Northwest. No independent registered public accounting firm has examined, compiled, or otherwise performed any procedures with respect to the prospective financial information contained in these financial forecasts and, accordingly, no independent registered public accounting firm has expressed any opinion or given any other form of assurance with respect thereto and no independent registered public accounting firm assumes any responsibility for the prospective financial information.

Further, the unaudited prospective financial information does not take into account the effect on Northwest or Inland Northwest Bank of any possible failure of the merger to occur. None of Northwest, Inland Northwest Bank, or D.A. Davidson, or their respective affiliates, officers, directors, advisors, or other representatives has made, makes, or is authorized in the future to make any representation to any shareholder of Northwest, or other person regarding Northwest s ultimate performance compared to the information contained in the unaudited prospective financial information or that the projected results will be achieved. The inclusion of the unaudited prospective financial information herein should not be deemed an admission or representation by First Interstate or Northwest that it is viewed as material information of Northwest or Inland Northwest Bank particularly in light of the inherent risks and uncertainties associated with such projections.

In light of the foregoing, and taking into account that the Northwest special meeting will be held several months after the unaudited prospective financial information was prepared, as well as the uncertainties inherent in any forecasted information, Northwest shareholders are cautioned not to place unwarranted reliance on such information.

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The following table presents select unaudited prospective financial data of Northwest for the years ending December 31, 2018 through 2019 prepared by Northwest s management and provided to D.A. Davidson and First Interstate.

	As of and For the Year Ended December 31,	
	2018	2019
Net Income (000s)	$ 8,731	$ 10,357
Earnings Per Share	1.16	1.36

First Interstate s Reasons for the Merger

First Interstate s board of directors believes that the merger is in the best interests of First Interstate and its shareholders. In deciding to approve the merger and the merger agreement, First Interstate s board of directors considered a number of factors, including:

Northwest s community banking orientation, its favorable reputation within its local communities and its compatibility with First Interstate and its subsidiaries;

First Interstate management s review of the business, operations, earnings and financial condition, including asset quality, of Northwest;

the scale, scope and strength of operations, product lines and delivery systems that could be achieved by combining First Interstate and Northwest;

the complementary nature of the business, market areas and corporate cultures of First Interstate and Northwest;

First Interstate s historic performance in similar markets, including its recent successes in Oregon, Idaho and Washington following its acquisition of Bank of the Cascades in 2017;

the expectation that the merger will create the opportunity for the combined company to have superior future earnings and prospects compared to First Interstate s earnings and prospects on a stand-alone basis;

First Interstate s successful track record of creating shareholder value through merger and acquisition transactions, including its proven experience in successfully integrating acquired businesses and management s belief that it will be able to integrate Northwest with First Interstate successfully;

the financial presentation, dated April 23, 2018, of Sandler to the First Interstate board of directors and the opinion, dated April 23, 2018, of Sandler to the First Interstate board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to First Interstate of the exchange ratio in the proposed merger;

the review by First Interstate s board of directors with its management and legal advisors of the structure and other terms of the merger and the expectation of First Interstate s legal advisors that the merger will qualify as a transaction of a type that is generally tax-free to Northwest shareholders for U.S. federal income tax purposes (except with respect to cash received in lieu of fractional shares of First Interstate Class A common stock);

First Interstate s expectation that it will achieve cost savings equal to 30% of Northwest s current annualized non-interest expense;

that the transaction is expected to be accretive to earnings per share;

the pro forma financial effects of the proposed transaction, including the expected dilution to tangible book value per share; and

the likelihood of regulators approving the merger without burdensome conditions or delay.

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The foregoing discussion of the information and factors considered by First Interstate s board of directors is not intended to be exhaustive. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, First Interstate s board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. First Interstate s board of directors considered all these factors as a whole, with the assistance of First Interstate s management and First Interstate s outside financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

Treatment of Northwest Stock Purchase Warrants and Restricted Stock

At the effective time of the merger, each stock purchase warrant to purchase shares of Northwest common stock outstanding immediately before the effective time of the merger, whether or not vested, will be canceled and, upon First Interstate s receipt of a warrant termination agreement from the holder, exchanged for a cash payment equal to the product of (1) the number of shares of Northwest common stock subject to the stock purchase warrant multiplied by (2) the amount by which the product of the average closing price and the exchange ratio exceeds the exercise price of such warrant, less applicable withholding taxes.

At the effective time of the merger, each outstanding share of restricted stock will vest and be converted into the right to receive 0.516 shares of First Interstate Class A common stock.

Surrender of Stock Certificates

The conversion of Northwest common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. As soon as practicable after the completion of the merger, the exchange agent will mail to Northwest shareholders a letter of transmittal, together with instructions for the exchange of their Northwest common stock certificates for the merger consideration. Until you surrender your Northwest stock certificates for exchange after completion of the merger, you will not be paid dividends or other distributions declared after the merger with respect to any First Interstate Class A common stock into which your Northwest shares have been converted. When you surrender your Northwest stock certificates accompanied by a properly completed letter of transmittal, First Interstate will pay any unpaid dividends or other distributions, without interest, that had become payable with respect to the shares of First Interstate Class A common stock into which your Northwest shares had been converted.

If you own shares of Northwest common stock in street name through a broker, bank or other nominee, you should receive or seek instructions from the broker, bank or other nominee holding your shares concerning how to surrender your shares of Northwest common stock in exchange for the merger consideration.

If you own shares of Northwest common stock in book-entry form, you are not required to take any additional action to exchange such shares for the merger consideration. Promptly following the completion of the merger, shares of Northwest common stock held in book-entry form automatically will be exchanged for shares of First Interstate Class A common stock in book-entry form and cash to be paid in exchange for fractional shares, if any.

If your Northwest stock certificates have been lost, stolen or destroyed, you will have to provide an affidavit claiming your Northwest stock certificates to be lost, stolen or destroyed, and post a bond in such amount as the exchange agent may direct before you receive any consideration for your shares.

After the completion of the merger, there will be no further transfers of Northwest common stock. Northwest stock certificates presented for transfer after the completion of the merger will be canceled and exchanged for the merger

consideration.

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Accounting Treatment of the Merger

First Interstate will account for the merger under the acquisition method of accounting according to U.S. generally accepted accounting principles. Using the acquisition method of accounting, the assets (including identifiable intangible assets) and liabilities of Northwest will be recorded by First Interstate at their respective fair values at the time of the completion of the merger. The excess of First Interstate s purchase price over the net fair value of the assets acquired and liabilities assumed will then be recorded as goodwill.

Material U.S. Federal Income Tax Consequences of the Merger

General. The following discussion sets forth the material United States federal income tax consequences of the merger to U.S. holders (as defined below) of Northwest common stock. This discussion does not address any tax consequences arising under the laws of any state, locality, foreign jurisdiction or U.S. federal tax laws other than federal income tax law. This discussion is based upon the Internal Revenue Code, the regulations of the United States Department of the Treasury and court and administrative rulings and decisions in effect on the date of this document. These laws may change, possibly retroactively, and any change could affect the continuing validity of this discussion.

For purposes of this discussion, the term U.S. holder means:

a citizen or resident of the United States for U.S. federal income tax purposes;

a corporation created or organized under the laws of the United States or any of its political subdivisions;

a trust that (1) is subject to the supervision of a court within the United States and the control of one or more United States persons or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as United States person; or

an estate that is subject to United States federal income tax on its income regardless of its source.

This discussion assumes that you hold your shares of Northwest common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code. Further, the discussion does not address all aspects of United States federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

a financial institution;

a tax-exempt organization;

an S corporation or other pass-through entity;

an insurance company;

a mutual fund;

a dealer in securities or foreign currencies;

a trader in securities who elects the mark-to-market method of accounting for your securities;

a Northwest shareholder whose shares are qualified small business stock for purposes of Section 1202 of the Internal Revenue Code or who may otherwise be subject to the alternative minimum tax provisions of the Internal Revenue Code;

a Northwest shareholder who received Northwest common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;

a person who has a functional currency other than the U.S. dollar; or

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a Northwest shareholder who holds Northwest common stock as part of a hedge, straddle or a constructive sale or conversion transaction.

If a partnership (including an entity treated as a partnership for United States federal income tax purposes) holds Northwest common stock, the tax treatment of a partner in the partnership will generally depend on the status of such partner and the activities of the partnership.

This discussion is not intended to be tax advice to any particular holder of Northwest common stock. Tax matters regarding the merger are complicated, and the tax consequences of the merger to you will depend on your particular situation. Northwest shareholders are urged to consult their tax advisors as to the U.S. federal income tax consequences of the merger, as well as the effects of state, local, federal non-income and non-U.S. tax laws.

It is a condition to the closing of the merger that First Interstate receive the opinion of its legal counsel, Luse Gorman, PC, and Northwest receive the opinion of its legal counsel, Witherspoon Kelley, each dated as of the effective time of the merger, substantially to the effect that, on the basis of facts, representations and assumptions set forth or referred to in that opinion (including factual representations contained in certificates of officers of First Interstate and Northwest), the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The tax opinions are not binding on the Internal Revenue Service, which we refer to as the IRS, or any court. First Interstate and Northwest have not sought and will not seek any ruling from the IRS regarding any matters relating to the merger and, as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. In addition, if any of the representations or assumptions upon which the opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected.

Based on the opinion that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, the material U.S. federal income tax consequences of the merger are as follows:

No gain or loss will be recognized by a U.S. holder of Northwest stock upon the receipt of shares of First Interstate Class A common stock in exchange therefor pursuant to the merger (except in respect of cash received in lieu of fractional shares, as discussed below);

The aggregate adjusted tax basis of the shares of First Interstate Class A common stock received by the U.S. holder in the merger will be the same as the aggregate adjusted tax basis of shares of Northwest stock surrendered in exchange therefor, reduced by the tax basis allocable to any fractional share of First Interstate Class A common stock for which cash is received;

The holding period of First Interstate Class A common stock received by a U.S. holder will include the holding period of the Northwest stock exchanged therefor; and

Although no fractional shares of First Interstate Class A common stock will be issued in the merger, a U.S. holder who receives cash in lieu of such a fractional share of First Interstate Class A common stock will generally be treated as having received the fractional share pursuant to the merger and then having sold that fractional share of First Interstate Class A common stock for cash. As a result, a U.S. holder will generally

recognize gain or loss equal to the difference between the amount of cash received and the portion of the holder s aggregate adjusted tax basis of the shares of Northwest stock surrendered that is allocable to its fractional share. Any capital gain or loss will be long-term capital gain or loss if the holding period for the fractional share (including the holding period of the shares of Northwest stock surrendered therefor) is more than one year. Long-term capital gains of individuals generally are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

For purposes of the above discussion of the basis and holding periods for shares of Northwest stock and First Interstate Class A common stock, Northwest shareholders who acquired different blocks of Northwest stock

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at different times or at different prices must calculate their basis and holding periods separately for each identifiable block of such stock exchanged or received in the merger.

Backup Withholding. Payments of cash (including cash in lieu of a fractional share, if any) to a U.S. holder of Northwest stock may, under certain circumstances, be subject to information reporting and backup withholding (currently at a rate of 24%) unless such holder provides proof of an applicable exemption or, in the case of backup withholding, furnishes its taxpayer identification number and otherwise complies with the backup withholding rules. Any amounts withheld from payments to a U.S. holder of Northwest stock under the backup withholding rules are not an additional tax and generally will be allowed as a refund or credit against such holder s federal income tax liability provided that the holder timely furnishes the required information to the IRS.

Reporting Requirements. U.S. holders of Northwest stock who receive First Interstate Class A common stock pursuant to the merger will be required to retain records pertaining to the merger, and any such holder who, immediately before the merger, holds at least 5% (by vote or value) of the outstanding Northwest stock, or securities of Northwest with a basis for federal income tax purposes of at least $1 million, will be required to file with its U.S. federal income tax return for the year in which the merger takes place a statement setting forth certain facts relating to the merger. U.S. holders are urged to consult with their tax advisors with respect to these and other reporting requirements applicable to the merger.

The preceding discussion is a summary of the material U.S. federal income tax consequences of the merger to a U.S. holder of Northwest stock and does not address all potential tax consequences that apply or that may vary with, or are contingent on, individual circumstances, and should not be construed as tax advice. Moreover, the discussion does not address any U.S. federal non-income tax or any foreign, state or local tax consequences of the merger. Tax matters are very complicated and, accordingly, we strongly urge you to consult with a tax advisor to determine the particular federal, state, local and foreign income and other tax consequences to you of the merger.

Regulatory Matters Relating to the Merger

Completion of the merger is subject to the receipt of all required approvals and consents from regulatory authorities. The merger is subject to approval by the Federal Reserve Board, the Montana Division and the Washington Department. First Interstate has filed the required applications. While First Interstate does not know of any reason why it would not obtain the approvals in a timely manner, First Interstate cannot be certain when or if it will receive the regulatory approvals.

Federal Reserve Board. The merger and the bank merger are subject to approval by the Federal Reserve Board under the Bank Holding Company Act of 1956, as amended, and the Bank Merger Act, respectively.

The Federal Reserve Board takes into consideration a number of factors when acting on applications under the Bank Merger Act and the Bank Holding Company Act, including: (1) the financial and managerial resources and the effect of the proposed merger on these resources (including capital and pro forma capital ratios of the combined organization, the management expertise, internal controls, and risk management systems, especially those with respect to compliance with laws applicable to consumers and fair lending laws); (2) the effect of the proposal on competition; (3) the future prospects of the existing and merged entities; (4) the convenience and needs of the communities served; (5) any risk to the stability of the United States banking or financial system; and (6) the effectiveness of the acquiring entity in combating money laundering activities. The Federal Reserve Board also reviews the records of the relevant insured depository institutions under the Community Reinvestment Act of 1997, which we refer to as the CRA. In connection with such a review, the Federal Reserve Board will provide an opportunity for public comment on the

application and is authorized to hold a public meeting or other proceeding if it determines such meeting or other proceeding would be appropriate.

In addition, a period of 15 to 30 days must expire following approval by the Federal Reserve Board before completion of the merger is allowed, within which period the United States Department of Justice may file

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objections to the merger under the federal anti-trust laws. While First Interstate and Northwest believe that the likelihood of objection by the Department of Justice is remote in this case, there can be no assurance that the Department of Justice will not initiate proceedings to block the merger.

Montana Division. Prior approval of the bank merger is required from the Montana Division. The Division requires a 30-day public comment period on a bank merger application and may consider any comments received and other factors in considering the bank merger.

Washington Department. The bank merger is subject to and must comply with the requirements of the Revised Code of Washington, which we refer to as the RCW. Under the RCW, notice of the bank merger must be provided to the Washington Department along with a copy of the Bank Merger Act application filed with the Federal Reserve Board and the applicable fee.

Additional Regulatory Approvals and Notices. Notifications and/or applications requesting approval may be submitted to various other federal and state regulatory authorities and self-regulatory organizations. The bank merger will result in First Interstate s acquisition of Northwest branches located in Idaho and Oregon. Accordingly, First Interstate will submit a notice to the Idaho Department of Finance and the Oregon Department of Consumer and Business Services.

The merger cannot proceed in the absence of the requisite regulatory approvals. See *Conditions to Completing the Merger* and *Terminating the Merger Agreement*. There can be no assurance that the requisite regulatory approvals will be obtained, and if obtained, there can be no assurance as to the date of any approval. There also can be no assurance that any regulatory approvals will not contain a condition or requirement that causes the approvals to fail to satisfy one or more conditions set forth in the merger agreement and described under *Conditions to Completing the Merger*.

The approval of any application merely implies the satisfaction of regulatory criteria for approval, which does not include, for example, review of the merger from the standpoint of the adequacy of the merger consideration. Furthermore, regulatory approvals do not constitute an endorsement or recommendation with respect to the merger.

Interests of Certain Persons in the Merger that are Different from Yours

In considering the recommendation of the board of directors of Northwest to approve the merger agreement and the merger, you should be aware that Northwest s executive officers have employment and other compensation agreements or plans that give them financial interests in the merger that are different from, or in addition to, the interests of Northwest shareholders generally, which are described below. Northwest s board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated by the merger agreement.

Treatment of Restricted Stock Awards. The merger agreement provides that at the effective time of the merger, each unvested share of restricted stock issued by Northwest and outstanding at the effective time of the merger will fully vest and convert into the right to receive the same merger consideration that all other shares of Northwest common stock are entitled to receive in the merger.

Restricted Stock Awards Held by Northwest s Three Most Highly Compensated Executive Officers. Russell A. Lee, Holly A. Poquette and Chad R. Burchard, the three most highly compensated executive officers based on 2017 compensation, hold 33,333, 11,867, and 15,167 restricted stock awards, respectively, that will become fully vested at the effective time of the merger, assuming the effective date of the merger is September 30, 2018, and convert into the right to receive the same merger consideration that all other shares of Northwest common stock are entitled to receive

in the merger. Northwest s non-employee directors do not hold any non-vested restricted stock awards. The estimated value of the restricted stock awards that would be made to

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each of Russell A. Lee, Holly A. Poquette and Chad R. Burchard on settlement of their unvested Northwest equity awards is $673,460, $239,761 and $306,434, respectively. These estimated values are based on a per share price of Northwest common stock of $20.20, which is the average closing market price of Northwest common stock over the five business days following the public announcement of the merger. The actual value of the unvested equity awards will be determined based on the closing price at the effective time of the merger.

Payments Under Employment Agreements with Inland Northwest Bank. Inland Northwest Bank previously entered into employment agreements with each of Messrs. Lee and Burchard and Ms. Poquette. The employment agreements provide generally that in the event an involuntary termination of employment without cause (as defined in the executive s agreement) or a voluntary termination by the executive within 24 months following a change in control (which we refer to as the Change in Control Election Period), the executive will receive a cash severance payment equal to the executive s monthly base salary for the number of remaining months in the Change in Control Election Period. Each employment agreement provides that payments will be reduced by the minimum amount necessary so that such payments would not result in the loss of deductibility to Northwest under Section 280G of the Internal Revenue Code or imposition of excise taxes on the executive under Section 4999 of the Internal Revenue Code. Mr. Lee and Ms. Poquette s benefits under their employment agreements will be determined pursuant to a settlement agreement entered into with each executive concurrent with the execution of the merger agreement, as discussed in more detail below. The estimated amount that would be payable to Mr. Burchard under his employment agreement is $415,000.

Settlement Agreements with Russell A. Lee and Holly A. Poquette. In connection with the execution of the merger agreement, First Interstate, First Interstate Bank, Northwest and Inland Northwest Bank entered into a settlement agreement with each of Mr. Lee and Ms. Poquette. In accordance with the terms of each settlement agreement, the executive s employment agreement will be terminated, effective as of the closing of the merger, and in lieu of any payments under such agreement, Mr. Lee and Ms. Poquette, respectively, will be entitled to a cash payment equal to one dollar less than three times the executive s base amount, as determined in accordance with Section 280G of the Internal Revenue Code, less: (1) the parachute payment value, as determined in accordance with Section 280G of the Code, of the accelerated vesting of the executive s restricted stock outstanding as of the closing of the merger; (2) for Mr. Lee only, the payment will be further reduced by the value of the life insurance, with a death benefit of $1,200,000, that First Interstate Bank will provide to him in his capacity as a First Interstate Bank executive; and (3) for Ms. Poquette only, the payment will be further reduced by the retention payment of $150,000 that she will be entitled to receive as a First Interstate Bank officer. The payments are subject to a possible reduction so that the payments to Mr. Lee or Ms. Poquette, respectively, would not result in the loss of deductibility to Northwest under Section 280G of the Internal Revenue Code or imposition of excise taxes on Mr. Lee under Section 4999 of the Internal Revenue Code. The settlement agreement with Mr. Lee provides that he will continue employment with First Interstate Bank as the Executive Vice President of Special Projects at an initial base salary rate of $350,000 per year and that First Interstate will grant Mr. Lee a one-time restricted stock grant with a grant date fair value equal to $200,000, with such award subject to a two-year vesting schedule, with vesting in equal tranches every six months. The settlement agreement with Ms. Poquette provides that she will continue employment with First Interstate Bank with her current base salary until the earlier of (1) six months following the date of the merger, or (2) an earlier date as determined by First Interstate Bank (which we refer to as the Retention Date) and First Interstate Bank will pay her an additional $150,000 if she is employed on the Retention Date. The estimated amounts that would be payable to Russell A. Lee and Holly A. Poquette under their settlement agreements is approximately $812,212, and $410,452, respectively.

Non-Competition Agreement and Consulting and Release Agreement with Russell A. Lee. In connection with the execution of the merger agreement, First Interstate Bank entered into a non-competition agreement and a consulting and release agreement with Mr. Lee. The non-competition agreement provides generally that Mr. Lee may not

compete with First Interstate Bank and he may not solicit business, customers and employees for two years following the date he terminates his position with First Interstate Bank (which we refer to as the Resignation Date). In exchange for the non-competition and non-solicitation restrictions, First

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Interstate or First Interstate Bank will pay Mr. Lee an amount equal to $1.2 million. The consulting and release agreement provides that Mr. Lee will serve as a consultant to First Interstate Bank, on the first business day immediately following the Resignation Date, for up to two years. In exchange for consulting services and a full release of legal claims, First Interstate Bank will pay Mr. Lee an amount equal to $14,583 a month.

Summary of Merger-Related Executive Compensation for Northwest s Three Most Highly Compensated Executive Officers. The following table sets forth the amount of payments and benefits that each of Messrs. Lee, Burchard and Ms. Poquette would receive in connection with the merger, as described above. This table does not include the value of benefits in which the executives are vested without regard to the occurrence of a change in control. The amounts shown below are estimates based on multiple assumptions that may or may not actually occur, and as a result, the actual amounts to be received by an executive may differ materially from the amounts shown below.

Executive	Cash ($)[1]	Equity ($)[2]	Non-Competition Agreement ($)	Consulting and Release Agreement ($)[3]	Total ($)
Russell A. Lee	1,512,212	873,460	1,200,000	350,000	3,935,672
Holly A. Poquette	560,452	239,761			800,213
Chad R. Burchard	415,000	306,434			721,434

(1) The cash payments consist of: (a) for Mr. Lee, an estimated $812,212 payable pursuant to his settlement agreement and an estimated payment of up to $700,000 payable as an officer of First Interstate Bank, assuming that he remains employed for two years; and (b) for Ms. Poquette, an estimated $410,452 payable pursuant to her settlement agreement and a $150,000 retention payment, assuming that she remains employed for up to six months; (c) for Mr. Burchard, the estimated amount payable under his employment agreement. The cash severance payments, as applicable, will be reduced to avoid excise taxes under Section 280G of the Internal Revenue Code; and accordingly, the above cash payments reflect a reduction for Mr. Lee and Ms. Poquette of $136,838 and $24,359, respectively.

(2) Represents the estimated value of the non-vested restricted stock awards that become vested at the effective time of the merger, based on a per share price of Northwest common stock of $20.20, which is the average closing market price of Northwest common stock over the five business days following the public announcement of the merger. In addition, for Mr. Lee, the amount includes the restricted stock grant, with a value of $200,000 and subject to a two-year vesting schedule, that he will receive immediately following the effective date of the merger.

(3) Represents the amount of consulting fees to be paid to Mr. Lee, assuming he provides consulting services for two years.

Indemnification and Insurance of Directors and Officers. In the merger agreement, First Interstate has agreed to indemnify and hold harmless each of the current and former officers and directors of Northwest and its subsidiaries against any costs, expenses, judgments, fines, amounts paid in settlements, damages and other liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether arising before or after the effective time of the merger, pertaining to any matter that existed or occurred at or before the effective time of the merger to the same extent as Northwest currently provides for indemnification of its officers and directors. First Interstate has also agreed to maintain in effect for a period of six years following the effective time of the merger the directors and officers liability insurance policy currently maintained by Northwest or to provide a policy with comparable coverage,

provided that, to obtain such insurance coverage, First Interstate is not obligated to expend, in the aggregate, an amount exceeding 200% of the amount of the annual premiums currently paid by Northwest for such insurance.

Employee Matters

Each person who is an employee of Inland Northwest Bank as of the effective time of the merger (whose employment is not specifically terminated as of the effective time of the merger) will become an employee of

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First Interstate Bank. These employees would continue on Inland Northwest Bank s benefit plans through the end of 2018 and will be eligible to participate in employee benefit plans and compensation opportunities that are substantially comparable to the employee benefit and compensation opportunities that are generally made available to similarly situated employees of First Interstate Bank beginning in 2019; provided, however, that continuing employees will not be eligible to participate in any frozen plans of First Interstate Bank. With respect to any First Interstate Bank medical, dental or vision insurance plan, First Interstate Bank will cause any preexisting condition limitations or eligibility waiting periods to be waived and credit each continuing employee for any co-payments or deductibles incurred by such continuing employee under an Inland Northwest Bank health plan for the plan year in which coverage commences under First Interstate Bank s health plan. Terminated Inland Northwest Bank employees that do not continue as employees of First Interstate Bank following the effective time of the merger, and their qualified beneficiaries, will have the right to continued coverage in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985.

Continuing employees will receive prior service credit for purposes of eligibility and vesting (but not for purposes of benefit accrual under First Interstate Bank s 401(k) Plan for 2018 employer contributions) provided that such recognition of service will not (1) apply to paid time-off, to the extent, at First Interstate Bank s discretion, the cash value of unused paid time-off is paid to continuing employees, or (2) operate to duplicate any benefits with respect to the same period of service.

Each full-time employee of Northwest or Inland Northwest Bank whose employment is involuntarily terminated by First Interstate (other than for cause) within six months following the effective time of the merger and who is not covered by a separate employment agreement, change in control agreement or other agreement that provides for the payment of severance will, upon executing an appropriate release in the form reasonably determined by First Interstate, receive a severance payment equal to two weeks of base pay for each year of service with Northwest, with a minimum payment equal to four weeks for base pay and a maximum payment of 52 weeks of base pay. First Interstate will offer Inland Northwest Bank employees whose jobs are eliminated as a result of the merger priority in applying for open positions with First Interstate and First Interstate Bank.

First Interstate will provide all employees of Inland Northwest Bank whose employment was terminated other than for cause, disability or retirement at or following the merger, job counseling and outplacement assistance services to assist such employees in locating new employment. First Interstate will notify all such employees of opportunities for positions that First Interstate Bank reasonably believes such persons are qualified and will consider any application for such positions submitted by such persons, provided, however, that any decision to offer employment to any such person will be made in the sole discretion of First Interstate Bank.

A retention bonus pool will be established for employees of Inland Northwest Bank other than employees of Inland Northwest Bank who are covered by employment agreements or other contracts providing for severance, as jointly designated by First Interstate and Inland Northwest Bank. The amount and payment date of the retention bonus for each employee will be jointly determined by First Interstate and Inland Northwest Bank.

Operations of First Interstate Bank after the Merger

The merger agreement provides for the merger of Northwest with and into First Interstate, with First Interstate as the surviving entity. Following the merger of Northwest with and into First Interstate, First Interstate will merge Inland Northwest Bank with and into First Interstate Bank, with First Interstate Bank as the surviving bank.

The directors and executive officers of First Interstate and First Interstate Bank will remain the same following the merger.

Resale of Shares of First Interstate Class A Common Stock

All shares of First Interstate Class A common stock issued to Northwest s shareholders in connection with the merger will be freely transferable. This document does not cover any resales of the shares of First Interstate

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Class A common stock to be received by Northwest s shareholders upon completion of the merger, and no person may use this document in connection with any resale.

Time of Completion

Unless the parties agree otherwise and unless the merger agreement has otherwise been terminated, the closing of the merger will take place within 15 days following the date on which all of the conditions to the merger contained in the merger agreement are satisfied or waived. See *Conditions to Completing the Merger.* On the closing date, to merge Northwest into First Interstate, First Interstate will file Articles of Merger with the Montana Secretary of State and the Washington Secretary of State. The merger will become effective at the time stated in the Articles of Merger.

It is currently expected that the merger will be completed late in the third quarter or early in the fourth quarter of 2018. However, because completion of the merger is subject to regulatory approvals and other conditions, the parties cannot be certain of the actual timing of the completion of the merger.

Conditions to Completing the Merger

First Interstate s and Northwest s obligations to consummate the merger are conditioned on the following:

- approval of the merger agreement by Northwest shareholders;
- receipt of all required regulatory approvals, consents or waivers and the expiration of all statutory waiting periods;
- the absence of any order, decree, injunction, statute, rule or regulation that prevents the consummation of the merger or the bank merger or that makes completion of the merger or the bank merger illegal;
- receipt of consent of all third parties whose consent is required to consummate the merger, except where failure to obtain such consent would not have a material adverse effect on First Interstate;
- effectiveness of the registration statement of which this document is a part;
- First Interstate filing a notice with The Nasdaq Stock Market for the listing of the shares of First Interstate Class A common stock to be issued by First Interstate in the merger, and The Nasdaq Stock Market authorizing and not objecting to the listing of such shares of First Interstate Class A common stock; and
- receipt by each of First Interstate and Northwest of an opinion from their respective legal counsel to the effect that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

In addition, First Interstate s obligations to consummate the merger are conditioned on the following:

the representations and warranties of Northwest contained in the merger agreement being true and correct as of the closing date of the merger (except to the extent such representations and warranties speak as of an earlier date and subject to materiality and material adverse effect standards described in the merger agreement), and the receipt by First Interstate of a written certificate from Northwest s Chief Executive Officer and Chief Financial Officer to that effect;

Northwest s performance in all material respects of all of its obligations and covenants required to be performed before the effective time of the merger, and First Interstate s receipt of a written certificate from Northwest s Chief Executive Officer and Chief Financial Officer to that effect;

none of the regulatory approvals, consents or waivers necessary to consummate the merger and the transactions contemplated by the merger agreement including any condition or requirement that would so materially and adversely impact the economic or business benefits to First Interstate of the

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transactions contemplated by the merger agreement that, had such condition or requirement been known, First Interstate would not, in its reasonable judgment, have entered into the merger agreement; and

as of the date immediately before the closing of the merger, no more than 10% of the outstanding shares of Northwest common stock having exercised its dissenters rights.

In addition, Northwest s obligations to consummate the merger are conditioned on the following:

the representations and warranties of First Interstate contained in the merger agreement being true and correct as of the closing date of the merger (except to the extent such representations and warranties speak as of an earlier date and subject to materiality and material adverse effect standards described in the merger agreement), and Northwest s receipt of a written certificate from First Interstate s Chief Executive Officer and Chief Financial Officer to that effect; and

First Interstate s performance in all material respects of all of its obligations and covenants required to be performed before the effective time of the merger, and Northwest s receipt of a written certificate from Northwest s Chief Executive Officer and Chief Financial Officer to that effect.

First Interstate and Northwest cannot guarantee that all of the conditions to the merger will be satisfied or waived by the party permitted to do so.

Conduct of Business Before the Merger

Northwest has agreed that, until completion of the merger and unless consented to by First Interstate, or to the extent required by law or regulation of any governmental entity, neither Northwest nor its subsidiaries will:

General Business

conduct its business other than in the regular, ordinary and usual course consistent with past practice;

fail to use reasonable efforts to maintain and preserve intact its business organization, properties, leases, employees and advantageous business relationships and retain the services of its officers and key employees;

take any action that would adversely affect or materially delay its ability to perform its obligations under the merger agreement or to consummate the transactions contemplated by the merger agreement;

Indebtedness

incur, modify, extend or renegotiate any indebtedness for borrowed money or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any person, other than deposits in the ordinary course of business consistent with past practice and advances from the Federal Home Loan

Bank with a maturity of not more than one year;

prepay any indebtedness or other similar arrangements to cause Northwest to incur any prepayment penalty;

purchase any brokered certificates of deposit;

Capital Stock

adjust, split, combine or reclassify its capital stock;

make, declare or pay any dividend or make any other distribution on its capital stock, except for distributions payable to service Northwest s outstanding subordinated notes and distributions from Inland Northwest Bank to Northwest to cover certain expenses;

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grant any person any right to acquire any shares of its capital stock or make any grant or award under the Northwest s equity plans;

issue any additional shares of capital stock or any securities or obligations convertible or exercisable for any shares of its capital stock, except pursuant to the exercise of stock purchase warrants outstanding as of the date of the merger agreement;

redeem or otherwise acquire any shares of its capital stock other than a security interest or as a result of the enforcement of a security interest and other than provided in the merger agreement;

Dispositions

sell, transfer, mortgage, encumber or otherwise dispose of any of its real property or other assets to any person other than to its subsidiary or cancel, release or assign any indebtedness or claims, other than in the ordinary course of business consistent with past practice;

Investments

make any equity investment, either by purchase of stock or securities, contributions to capital, property transfers, or purchase of any property or assets of any other person, or form any new subsidiary;

purchase any debt security other than U.S. government and U.S. government agency securities with final maturities of less than one year;

enter into any futures contract, option, swap agreement, interest rate cap, interest rate floor, interest rate exchange agreement, or take any other action to hedge the exposure of its interest-earning assets or interest-bearing liabilities to changes in market rates of interest;

Contracts

enter into, renew, amend or terminate any material contract or make any change in its leases or material contracts;

Loans

except for loans or commitments for loans that have previously been approved by Northwest before the date of the merger agreement, make, renegotiate, renew, increase the amount of, extend the term of, modify or purchase any loans, or make any commitment in respect of any of the foregoing, except in conformity with existing lending practices;

make any new loan, or commit to make any new loan, to any director or executive officer of Northwest or Inland Northwest Bank, or, except for in accordance with Regulation O of the Federal Reserve Board regulations, amend, renew or increase any existing loan, or commit to do so, with any director or executive officer of Northwest or Inland Northwest Bank;

purchase or sell any mortgage loan servicing rights other than in the ordinary course of business consistent with past practice;

Benefit Plans

increase the compensation or benefits payable to any employee or director other than in the ordinary course of business consistent with past practice and pursuant to policies and written incentive plans in effect;

pay any bonus, pension, retirement allowance or contribution except for cash bonuses in the ordinary course of business, consistent with past practice but not to exceed 10% of such individual s base salary or wage rate as of the date of the merger agreement;

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become a party to, renew or amend any employee benefit, pension, retirement, profit-sharing or welfare plan or employment, severance or change in control agreement;

amend the terms of any outstanding stock purchase warrant or accelerate the vesting of, or lapse the restrictions with respect to, any stock purchase warrants or other stock-based compensation; or make any contributions to any defined contribution plan not in the ordinary course of business consistent with past practice;

Employees

elect any person to any office with the title of Senior Vice President or higher who does not currently hold such office or elect any person to the board of directors who is not a member of the board as of the date of the merger agreement;

hire any employee whose annual base salary would be greater than $100,000, except as may be necessary to replace any employee;

Settling Claims

commence any action or proceeding other than to enforce any obligation owed to Northwest and in accordance with past practice, or settle any claim, action or proceeding against it involving payment of money damages in excess of $100,000 or that would impose any material restrictions on Northwest s operations;

Governing Documents

amend Northwest s articles of incorporation or bylaws, or similar governing documents;

Deposits

increase or decrease the rate of interest paid on time deposits or on certificates of deposit, except in the ordinary course of business;

Capital Expenditures

make any capital expenditures in excess of $100,000, other than existing binding commitments as of the date of the merger agreement and expenditures reasonably necessary to maintain existing assets in good repair;

Branches

establish or commit to establish any new branch office or file any application to relocate or terminate any banking office;

Policies

make any changes in policies in any material respect in existence on the date of the merger agreement with regard to: the extension of credit, or the establishment of reserves with respect to possible loss thereon or the charge off of losses incurred thereon; investments; asset/liability management; deposit pricing or gathering; underwriting, pricing, originating, acquiring, selling, servicing or buying or selling rights to service, loans; its hedging practices and policies; or other material banking policies, in each case except as may be required by changes in applicable law or regulations, generally accepted accounting principles, or at the direction of a governmental entity;

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Communications

except as required by law or for communications in the ordinary course of business consistent with past practice that do not relate to the merger: (1) issue any communication of a general nature to employees without prior consultation with First Interstate and, to the extent relating to post-closing employment, benefit or compensation information, without the prior consent of First Interstate (which will not be unreasonably withheld, conditioned or delayed); or (2) issue any communication of a general nature to customers without the prior approval of First Interstate (which will not be unreasonably withheld, conditioned or delayed);

Environmental Assessments

except with respect to foreclosures in process as of the date of the merger agreement, foreclose upon or take a deed or title to any commercial real estate (1) without providing prior notice to First Interstate and conducting a Phase I environmental assessment of the property, and (2) if the Phase I environmental assessment reflects the presence of any hazardous material or underground storage tank;

Taxes

make, change or rescind any material tax election concerning Northwest s taxes or tax returns, file any amended tax return, enter into any closing agreement with respect to taxes, settle any material tax claim, assessment or surrender any right to claim a tax refund;

Accounting

implement or adopt any change in its accounting principles, practices or methods, other than as may be required by generally accepted accounting principles or regulatory guidelines;

New Lines of Business

enter into any new lines of business;

Merger or Liquidation

merge or consolidate Inland Northwest Bank or any subsidiary with any other corporation or restructure, reorganize or completely or partially liquidate or dissolve itself or any of its subsidiaries;

Tax-Free Reorganization

knowingly take action that would prevent or impede the merger from qualifying as a reorganization under the Internal Revenue Code;

Other Agreements

take any action that is intended or expected to result in any of Northwest s representations and warranties set forth in the merger agreement being or becoming untrue in any material respect at any time before the effective time, or in any of the closing conditions not being satisfied or in a violation of any provision of the merger agreement; or

agree to take, commit to take or adopt any resolutions in support of any of the actions prohibited by the section in the merger agreement governing Northwest s conduct of business until the completion of the merger.

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First Interstate has agreed that, until the completion of the merger and unless permitted by Northwest, or to the extent required by laws or regulation of any governmental entity, or as expressly contemplated or permitted by the merger agreement or as required by law, it will not:

- conduct its business other than in the regular, ordinary and usual course consistent with past practice;
- fail to use reasonable efforts to maintain and preserve intact its business organization, properties, leases, employees and advantageous business relationships and retain the services of its officers and key employees;
- take any action that would adversely affect or materially delay its ability to perform its obligations under the merger agreement or to consummate the transactions contemplated by the merger agreement;
- take any action that is intended or expected to result in any of First Interstate s representations and warranties set forth in the merger agreement being or becoming untrue in any material respect at any time before the effective time, or in any of the closing conditions not being satisfied or in a violation of any provision of the merger agreement;
- knowingly take action that would prevent or impede the merger from qualifying as a reorganization under the Internal Revenue Code;
- agree to take, commit to take or adopt any resolutions in support of any of the actions prohibited by the section in the merger agreement governing First Interstate s conduct of business until the completion of the merger; or
- amend or repeal its articles of incorporation or bylaws in a manner that would adversely affect Northwest or any Northwest shareholder or the transactions contemplated by the merger agreement.

Additional Covenants of Northwest and First Interstate in the Merger Agreement

Agreement Not to Solicit Other Proposals. From the date of the merger agreement until the earlier of the closing of the merger or the termination of the merger agreement, Northwest will not, and will not authorize or permit any of its subsidiaries or any of its subsidiaries officers, directors, employees, or any investment banker, financial advisor, attorney, accountant or other representative, directly or indirectly: (1) solicit, initiate, induce or encourage, or take any action to facilitate, any inquiries, offers, discussions or the making of any proposal that constitutes or could reasonably be expected to lead to, an acquisition proposal by a third party; (2) furnish any confidential or non-public information regarding Northwest, or afford access to any such information or data, to any person in connection with or in response to an acquisition proposal by a third party or an inquiry or indication of interest that would reasonably be expected to lead to such an acquisition proposal; (3) continue or otherwise participate in any discussions or negotiations, or otherwise communicate in any way with any person other than First Interstate, regarding an acquisition proposal by a third party; (4) approve, endorse or recommend any acquisition proposal by a third party; (5) release any person from, waive any provisions of, or fail to use its reasonable best efforts to enforce any confidentiality agreement or standstill

agreement to which Northwest is a party; or (6) enter into or consummate any agreement, agreement in principle, letter of intent, arrangement or understanding contemplating any acquisition proposal by a third party or requiring Northwest to abandon, terminate or fail to consummate the transactions contemplated by the merger agreement.

An acquisition proposal is a proposal or offer, whether or not in writing, with respect to any of the following:

any merger, consolidation, share exchange, business combination or other similar transaction involving Northwest or its subsidiaries;

any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 20% or more of the consolidated assets of Northwest in a single transaction or series of transactions;

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any tender offer or exchange offer for 20% or more of the outstanding shares of Northwest capital stock or the filing of a registration statement under the Securities Act of 1933, as amended, in connection therewith;

any transaction that is similar in form, substance or purpose to any of the foregoing transactions or any combination of the foregoing transactions; or

any public announcement, notice or regulatory filing or a proposal, plan or intention to do any of the foregoing transactions or any agreement to engage in any of the foregoing transactions.

Despite the agreement of Northwest not to solicit other acquisition proposals, Northwest may generally, negotiate or have discussions with, or provide non-public information to, a third party before the Northwest shareholder meeting, provided that the Northwest board of directors determines in good faith, after consultation with its outside legal counsel, that the failure to take such action would reasonably be expected to violate the directors fiduciary obligations to Northwest s shareholders under applicable law and that the acquisition proposal constitutes or is reasonably expected to result in a superior proposal. Before providing any non-public information to, or entering into discussions with, a third party, Northwest must give First Interstate written notice of the identity of the third party and of Northwest s intention to furnish non-public information to, or enter into discussion with, such third party and Northwest must enter into a confidentiality agreement with such third party on terms no more favorable to such third party than the confidentiality agreement between First Interstate and Northwest. A superior proposal is an unsolicited, bona fide written offer or proposal made by a third party to consummate an acquisition proposal by a third party that: (1) Northwest s board of directors determines in good faith, after consulting with its outside legal counsel and its financial advisor, would, if consummated, result in a transaction that is more favorable to the shareholders of Northwest than the transactions contemplated by the merger agreement (taking into account all factors relating to such proposed transaction deemed relevant by Northwest s board of directors, including without limitation, the amount and form of consideration, the timing of payment, the risk of consummation of the transaction, the financing thereof and all other conditions thereto (including any adjustments to the terms and conditions of such transactions proposed by First Interstate in response to such acquisition proposal)); (2) is for 100% of the outstanding shares of Northwest common stock or all or substantially all of the assets of Northwest; and (3) is reasonably likely to be completed on the terms proposed, in each case taking into account all legal, financial, regulatory and other aspects of such acquisition proposal.

If Northwest receives an acquisition proposal or information request from a third party or enters into negotiations with a third party regarding a superior proposal, Northwest must notify First Interstate orally within 24 hours, and within two calendar days in writing, of the receipt of the acquisition proposal or information request and provide First Interstate with information about the third party and its proposal or information request.

Certain Other Covenants. The merger agreement also contains other agreements relating to the conduct of First Interstate and Northwest before consummation of the merger, including but not limited to the following:

each party will promptly advise the other party of (1) any representation or warranty made by it contained in the merger agreement becoming untrue or inaccurate in any material respect or (2) the failure by it to comply in any material respect with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under the merger agreement;

First Interstate and Northwest will provide each other reasonable access during normal business hours to its books, records, contracts, properties, personnel, information technology systems and such other information relating to the other party as may be reasonably requested;

Northwest will provide First Interstate with a copy of each report filed with a governmental entity, each periodic report provided to its senior management and all materials relating to its business or operations furnished to its board of directors, each press release and all other information concerning its business, properties and personnel as First Interstate may reasonably request;

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Northwest will meet with First Interstate on a regular basis to discuss and plan for the conversion of Northwest s data processing and related electronic information systems;

First Interstate and Northwest will cooperate with each other and use their reasonable best efforts to prepare and file all necessary applications, notices and other filings with any governmental entity, the approval of which is required to complete the merger and the other transaction contemplated by the merger agreement;

First Interstate and Northwest, and their respective subsidiaries, will use their reasonable best efforts to obtain all third-party consents that are required to consummate the merger and the other transactions contemplated by the merger agreement;

Northwest will take all steps required to exempt First Interstate, the merger agreement and the transactions contemplated by the merger agreement from any provisions of an anti-takeover nature in Northwest s articles of incorporation and bylaws, or similar organizational documents, and the provisions of any federal or state anti-takeover laws;

First Interstate and Northwest will use their reasonable best efforts to take promptly all actions and to do promptly all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by the merger agreement;

First Interstate and Northwest will consult with one another before issuing any press release or otherwise making public statements with respect to the merger;

Northwest will take all actions necessary to call, give notice of, convene and hold a meeting of its shareholders as promptly as practicable to vote on the merger agreement and the transactions provided for in the merger agreement;

Northwest s board of directors will recommend at its shareholder meeting that the shareholders vote to approve the merger agreement and will use its commercially reasonable efforts to obtain shareholders approval (*provided, however,* that, before the Northwest special meeting, Northwest s board of directors may, if it concludes in good faith (after consultation with its outside legal advisors) that the failure to do so would be reasonably likely to result in a violation of its fiduciary duties under applicable law, withdraw, modify or change its recommendation that Northwest s shareholders approve the merger agreement in a manner adverse to First Interstate; provided Northwest has not breached its obligation not to solicit other acquisition proposals and, if the decision relates to a third party acquisition proposal, Northwest has provided to First Interstate the material terms and conditions of the acquisition proposal or inquiry and given First Interstate the opportunity to revise the merger agreement in light of the third party acquisition proposal);

within 45 days following the date of the merger agreement, First Interstate will prepare and file a registration statement, of which this document forms a part, with the SEC registering the shares of First Interstate

Class A common stock to be issued in the merger to Northwest shareholders;

First Interstate will use its reasonable best efforts to have the registration statement, of which this document forms a part, declared effective by the SEC;

First Interstate will take any action required to be taken under applicable state securities laws;

before completion of the merger, First Interstate will notify The Nasdaq Stock Market of the additional shares of First Interstate Class A common stock that First Interstate will issue in exchange for shares of Northwest common stock;

First Interstate will indemnify Northwest s and its subsidiaries current and former directors, officers and employees to the fullest extent as would have been permitted under Washington law and the Northwest articles of incorporation and bylaws and advance expenses as incurred to the fullest extent permitted under applicable law;

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First Interstate will maintain for a period of six years after completion of the merger Northwest s current directors and officers liability insurance policies, or policies of at least the same coverage and amount and containing terms and conditions that are no less favorable than the current policy, with respect to acts or omissions occurring after before the effective time of the merger, except that First Interstate is not required to incur in the aggregate an expense greater than 200% of Northwest s current annual directors and officers liability insurance premium;

Northwest will give First Interstate the opportunity to participate, at its own expense, in the defense or settlement of any shareholder litigation against Northwest and/or its directors relating to the transactions contemplated by the merger agreement, and no such settlement will be agreed to without First Interstate s prior written consent (such consent not to be unreasonably withheld or delayed); and

First Interstate will assume the Northwest Bancorporation Capital Trust I trust preferred securities and all of Northwest s obligations under the related indentures at the closing of the merger.

Representations and Warranties Made by First Interstate and Northwest in the Merger Agreement

First Interstate and Northwest have made certain customary representations and warranties to each other in the merger agreement relating to their businesses. The representations and warranties contained in the merger agreement were made only for purposes of such agreement and are made as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed to by First Interstate or Northwest, including being qualified by disclosures between the parties. These representations and warranties may have been made to allocate risk between the parties to the merger agreement instead of establishing these matters as facts, and may be subject to standards of materiality that differ from the standard of materiality that an investor may apply when reviewing statements of factual information.

Each of First Interstate and Northwest has made representations and warranties to the other regarding, among other things:

corporate matters, including due organization, qualification and the organizational structure, including corporate matters related to subsidiaries;

capitalization, including total outstanding shares and classes of stock;

authority relative to execution and delivery of the merger agreement and the absence of conflicts with, violations of, or a default under organizational documents or other obligations as a result of the merger;

governmental filings and consents necessary to complete the merger;

the timely filing of regulatory and, for First Interstate, securities reports;

financial statements;

undisclosed liabilities;

litigation matters;

tax matters;

the absence of any event or action that would, or reasonably be expected to, constitute a material adverse effect since December 31, 2017;

legal proceedings;

the absence of regulatory actions;

compliance with applicable laws;

the existence, performance and legal effect of certain contracts;

intellectual property and IT systems;

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labor and employee benefit matters;

real and personal property;

receipt of a fairness opinion;

compliance with applicable environmental laws;

loan portfolio matters;

anti-takeover provisions;

insurance matters;

corporate documents and records;

community reinvestment act and regulatory compliance matters;

internal controls; and

tax treatment of the merger.

In addition, Northwest has made other representations and warranties about itself to First Interstate as to:

brokers or financial advisor fees;

material interests of certain persons;

investment portfolio matters;

related party transactions; and

trust accounts.

The representations and warranties of each of First Interstate and Northwest will expire upon the effective time of the merger.

Terminating the Merger Agreement

The merger agreement may be terminated by mutual written consent of First Interstate and Northwest at any time before the completion of the merger. Additionally, subject to conditions and circumstances described in the merger agreement, either First Interstate or Northwest may terminate the merger agreement if, among other things, any of the following occur:

Northwest shareholders do not approve the merger agreement at the Northwest special meeting (in the case of Northwest terminating, only if Northwest has complied with certain obligations relating to calling the Northwest special meeting and recommending that the Northwest shareholders approve the merger agreement);

any required regulatory approval has been denied and such denial has become final and non-appealable, or a governmental authority or court has issued a final, unappealable order prohibiting consummation of the transactions contemplated by the merger agreement;

the merger has not been consummated by January 31, 2019, unless the failure to complete the merger by that time was due to the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements provided in the merger agreement; or

there is a breach by the other party of any covenant or agreement contained in the merger agreement, or any representation or warranty of the other party becomes untrue, in each case such that the conditions to closing would not be satisfied and such breach or untrue representation or warranty has not been or cannot be cured within 30 days after the giving of written notice to such party of such breach.

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First Interstate may also terminate the merger agreement if Northwest breaches its obligations in any material respect regarding the solicitation of other acquisition proposals or submission of the merger agreement to Northwest s shareholders or if the Northwest board of directors does not publicly recommend in this document that Northwest shareholders approve the merger agreement or withdraws or revises its recommendation in a manner adverse to First Interstate.

Northwest may also terminate the merger agreement:

- before adoption and approval of the merger agreement by its shareholders, to enter into an agreement with respect to a superior proposal to be acquired by a third party, but only if Northwest s board of directors has determined in good faith based on the advice of legal counsel that failure to take such action would cause the Northwest board of directors to violate its fiduciary duties and Northwest has not breached its obligations regarding the solicitation of other acquisition proposals; and

- within the five-day period commencing with the fifth day before the closing date of the merger (which we refer to as the determination date), if both of the following conditions have been satisfied:

  - the average daily closing sale prices of a share of First Interstate Class A common stock as reported on the Nasdaq Global Select Market for the 20 consecutive trading days ending on and including the determination date is less than $32.00 (80% of the closing sale price of First Interstate Class A common stock on the third trading date before the date of the first public announcement of the merger agreement); and

  - First Interstate Class A common stock underperforms the KBW Regional Banking Index by more than 20% during the same period.

However, if Northwest chooses to exercise this termination right, First Interstate has the option, within five days of receipt of notice from Northwest, to adjust the merger consideration and prevent termination under this provision.

Termination Fee

The merger agreement requires Northwest to pay First Interstate a fee of $5.1 million if Northwest terminates the merger agreement to enter into an agreement with respect to an acquisition proposal. Additionally, Northwest must pay the termination fee if First Interstate terminates the merger agreement as a result of a breach by Northwest of its covenants regarding acquisition proposals or its obligation to submit the merger agreement to its shareholders, or if Northwest s board of directors fails to recommend approval of the merger agreement or, after recommending the approval of the merger agreement, it withdraws, modifies or changes its recommendation, so long as at the time of such termination First Interstate is not in material breach of any representation, warranty, or material covenant contained in the merger agreement.

If (1) First Interstate terminates the merger agreement because Northwest breaches a covenant or agreement or if any representation or warranty of Northwest has become untrue and such breach or untrue representation or warranty has not been or cannot be cured within 30 days following written notice to Northwest and such breach giving rise to such termination was knowing and intentional, or (2) either party terminates the merger agreement because Northwest s

shareholders fail to approve and adopt the merger agreement, then Northwest must pay the termination fee if (a) an acquisition proposal was publicly announced (i) before the termination of the merger agreement if terminated in accordance with (1) above, or (ii) before Northwest s shareholder meeting if terminated in accordance with (2), above, and (b) within 12 months after termination of the merger agreement, Northwest consummates or enters into an agreement with respect to an acquisition proposal.

Expenses

Each of First Interstate and Northwest will pay its own costs and expenses incurred in connection with the merger.

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Changing the Terms of the Agreement and Plan of Merger

Before the completion of the merger, First Interstate and Northwest may agree to waive, amend or modify any provision of the merger agreement. However, after the vote by Northwest shareholders, First Interstate and Northwest can make no amendment or modification that would reduce the amount or alter or change the kind of consideration to be received by Northwest s shareholders or that would contravene any provisions of the MBCA or applicable state and federal banking laws, rules and regulations.

Voting Agreements

Each of Northwest s directors and certain executive officers, in their individual capacity as a Northwest shareholder, have entered into a separate voting agreement with First Interstate, pursuant to which each such director and executive officer has agreed to vote all shares of Northwest common stock over which he or she exercises sole or shared dispositive and voting rights in favor of the approval of the merger agreement and certain related matters and against alternative transactions. Under the voting agreements, Northwest s directors and executive officers may not, without the prior written consent of First Interstate, transfer any of their shares of Northwest common stock except for certain limited purposes described in the voting agreements. These voting agreements will terminate if the merger agreement is terminated. As of June 27, 2018, shares constituting 26.7% of the voting power of Northwest common stock were subject to the voting agreements.

Dissenters Rights of Appraisal

Under the Washington Business Corporation Act, which we refer to as the WBCA, Northwest shareholders are entitled to exercise dissenters rights and to receive the fair value in cash of their shares of Northwest common stock if they fully comply with the provisions of the WBCA relating to dissenters rights, if the merger agreement is approved and the merger is consummated. As noted below, First Interstate may terminate the merger agreement if holders of 10% or more of the outstanding shares of Northwest common stock propose to exercise dissenters rights with respect to the merger. The following summary of the WBCA provisions with respect to dissenters rights is qualified in its entirety by reference to those statutes. **Shareholders anticipating exercising dissenters rights with respect to the merger are strongly encouraged to consult their legal counsel and tax, financial or other appropriate advisors.**

The WBCA requires that shareholders be accorded dissenters rights in connection with the proposed merger transaction. A copy of the relevant portions of the WBCA, Sections 23B.13.010 through 23B.13.310 are included as Annex B. The following discussion of dissenters rights is qualified in its entirety by reference to those statutes.

A shareholder may elect to dissent from the proposed merger transaction and, upon consummation of the transaction, to receive the fair value of such shareholder s Northwest common stock.

In order to properly exercise dissenters rights, the shareholder must:

not vote in favor of the merger agreement; and

before the time of the vote taken by Northwest shareholders, notify Northwest of the shareholder s intent to exercise dissenters rights.

Except in certain circumstances specified in the WBCA, a shareholder electing to assert dissenters rights must generally assert such rights with respect to all shares of Northwest common stock beneficially owned by the shareholder. **If a shareholder fails to meet the requirements for assertion of dissenters rights such shareholder is not entitled to payment for his or her shares under the WBCA.**

If a shareholder properly asserts dissenters rights and the proposed merger is consummated, First Interstate, as the surviving corporation in the merger, will send each shareholder who has properly exercised dissenters

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rights a dissenter s notice, notifying the shareholder of, among other things, the completion of the merger and providing the shareholder instructions for the deposit of certificates representing the dissenter s Northwest shares and supplying a form for demanding payment. **A dissenting shareholder failing to timely demand payment or to deposit certificates representing the dissented Northwest common stock is not thereafter entitled to receive payment for his or her shares under the WBCA.**

First Interstate, as the surviving corporation in the merger, is required to pay all dissenting Northwest shareholders who have properly and timely exercised dissenters rights, deposited certificates and demanded payment of the fair value for their shares of Northwest common stock. The amount of payment is determined by First Interstate and made to dissenting shareholders within time frames specified by the WBCA. If a shareholder is dissatisfied with the amount of the payment determined by First Interstate, such shareholder may notify First Interstate in writing, within 30 days after First Interstate made or offered to make payment, of the shareholder s own estimate of the fair value of his or her shares and demand payment for such amount (less any payment made by First Interstate). First Interstate may, after the receipt of such demand, elect to pay the additional amount demanded or, within 60 days following receipt of such demand, commence a legal proceeding for a determination of the fair value of the shares.

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DESCRIPTION OF FIRST INTERSTATE CAPITAL STOCK

As a result of the merger, Northwest shareholders will become First Interstate shareholders. Your rights as a shareholder of First Interstate will be governed by the MBCA, First Interstate s amended and restated articles of incorporation and First Interstate s bylaws. The following summary describes the material terms of First Interstate s capital stock and is subject to, and qualified by, First Interstate s amended and restated articles of incorporation and bylaws and Montana law. We urge you to read the applicable provisions of the MBCA, First Interstate s amended and restated articles of incorporation and First Interstate s bylaws. Copies of First Interstate s governing documents have been filed with the SEC. See *Where You Can Find More Information* as to how to obtain a copy of First Interstate s articles of incorporation and bylaws.

General

First Interstate s amended and restated articles of incorporation provide for two classes of common stock: First Interstate Class A common stock, which has one vote per share, and First Interstate Class B common stock, which has five votes per share. Any holder of First Interstate Class B common stock may at any time convert his or her shares into shares of First Interstate Class A common stock on a share-for-share basis. The shares of First Interstate Class B common stock will be automatically converted into shares of First Interstate Class A common stock on a share-for-share basis:

- when the aggregate number of shares of First Interstate Class B common stock outstanding as of the record date for any meeting of First Interstate shareholders is less than 20% of the aggregate number of shares of First Interstate Class A common stock and First Interstate Class B common stock then outstanding; or

- upon any transfer, whether or not for value, except for permitted transfers as set forth in First Interstate s articles of incorporation and described below.

The shares of First Interstate Class B common stock are generally non-transferable, except in connection with a permitted transfer as set forth in First Interstate s amended and restated articles of incorporation and described below. The rights of the two classes of First Interstate s common stock are otherwise identical.

First Interstate s authorized capital stock consists of 200,100,000 shares, each with no par value per share, of which:

- 100,000,000 shares are designated as First Interstate Class A common stock;

- 100,000,000 shares are designated as First Interstate Class B common stock; and

- 100,000 shares are designated as preferred stock.

At June 27, 2018 First Interstate had issued and outstanding 34,201,140 shares of First Interstate Class A common stock and 22,559,402 shares of First Interstate Class B common stock. At June 27, 2018, First Interstate also had outstanding stock options to purchase an aggregate of 482,648 shares of First Interstate Class A common stock. There were no outstanding shares of First Interstate preferred stock at June 27, 2018.

Common Stock

Dividends. The holders of First Interstate Class A common stock and First Interstate Class B common stock are entitled to share equally, on a per share basis, in any dividends that First Interstate s board of directors may declare from time to time from legally available funds, subject to limitations under Montana law and the preferential rights of holders of any outstanding shares of preferred stock. If a dividend is paid in the form of shares of common stock or rights to acquire shares of common stock, the holders of First Interstate Class A common stock will be entitled to receive First Interstate Class A common stock, or rights to acquire First

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Interstate Class A common stock, as the case may be, and the holders of First Interstate Class B common stock will be entitled to receive shares of First Interstate Class B common stock, or rights to acquire First Interstate Class B common stock, as the case may be. First Interstate is not subject to regulatory restrictions on the payment of dividends. However, its ability to pay dividends may depend, in part, upon dividends it receives from First Interstate Bank. Applicable regulations limit dividends and other distributions by First Interstate Bank.

Voting Rights. The holders of First Interstate common stock possess exclusive voting rights. The holders of First Interstate Class A common stock are entitled to one vote per share and the holders of First Interstate Class B common stock are entitled to five votes per share on any matter to be voted upon by the shareholders. Holders of First Interstate Class A common stock and First Interstate Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of shareholders, unless otherwise required by law or First Interstate s articles of incorporation.

First Interstate s amended and restated articles of incorporation provide that it may not, without first obtaining the affirmative vote of the holders of a majority of the outstanding shares of First Interstate Class A common stock and First Interstate Class B common stock, each voting as a separate class, issue any additional shares of First Interstate Class B common stock, subject to certain exceptions. The holders of First Interstate common stock are not entitled to cumulative voting rights with respect to the election of directors. Directors will be elected by a majority of the voting power of the shares of First Interstate capital stock present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

Liquidation. Upon liquidation, dissolution or winding up of First Interstate, the holders of First Interstate Class A common stock and First Interstate Class B common stock are entitled to share equally, on a per share basis, in all First Interstate s assets available for distribution after payment or provision for payment of all its debts and liabilities. If First Interstate issues preferred stock, the holders of First Interstate preferred stock may have a priority over the holders of First Interstate common stock upon liquidation or dissolution.

Conversion. First Interstate Class A common stock is not convertible into any other shares of First Interstate s capital stock. Each share of First Interstate Class B common stock is convertible at any time, at the option of the holder, into one share of First Interstate Class A common stock. However, each share of First Interstate Class B common stock will convert automatically into one share of First Interstate Class A common stock upon certain transfers that are not permitted under First Interstate s amended and restated articles of incorporation. See *Transfer* below. Once converted into First Interstate Class A common stock, the First Interstate Class B common stock cannot be reissued.

Transfer. Outstanding shares of First Interstate Class B common stock are subject to transfer restrictions under First Interstate s amended and restated articles of incorporation, limiting their transfer principally to: (1) the holder s spouse; (2) certain of the holder s relatives; (3) estates, trusts or other fiduciary arrangements established for the benefit of a holder of First Interstate Class B common stock; (4) certain charitable remainder trusts; provided that the noncharitable beneficiary of any such trust is one or more of the individuals or fiduciary arrangements set forth in (1) through (3) above; and (5) corporations and partnerships wholly-owned by holders of First Interstate Class B common stock and/or any one or more of the individuals or fiduciary arrangements set forth in (1) through (3) above. Furthermore, the First Interstate Class B common stock is not listed on The Nasdaq Stock Market or any other exchange, and there is no trading market for the First Interstate Class B common stock.

Shares of First Interstate Class B common stock will convert automatically into shares of First Interstate Class A common stock if they are transferred to any party who is not an eligible transferee as described in the preceding paragraph and set forth in First Interstate s amended and restated articles of incorporation.

Subdivision; Combination. No class of common stock may be subdivided or combined unless the other class of common stock concurrently is subdivided or combined in the same proportion and in the same manner.

Preemptive Rights. The holders of First Interstate common stock do not have any preemptive rights.

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Preferred Stock

First Interstate s board of directors is authorized, without approval of the holders of First Interstate Class A common stock or First Interstate Class B common stock, to issue preferred stock from time to time in one or more series in such number and with such designations, preferences, powers and other special rights as may be stated in the resolution providing for such preferred stock. The issuance of First Interstate preferred stock with voting, dividend, liquidation and conversion rights could dilute the voting strength of the holders of First Interstate common stock and may assist management in impeding an unfriendly takeover or attempted change in control.

Anti-Takeover Considerations and Provisions of First Interstate s Articles, Bylaws and Montana Law

A number of provisions of First Interstate s amended and restated articles of incorporation and bylaws concern matters of corporate governance and the rights of First Interstate s shareholders. Certain of these provisions may have an anti-takeover effect by discouraging takeover attempts not first approved by First Interstate s board of directors, including takeovers that may be considered by some of First Interstate s shareholders to be in their best interests. To the extent takeover attempts are discouraged, temporary fluctuations in the market price of First Interstate Class A common stock, which may result from actual or rumored takeover attempts, may be inhibited. Such provisions also could delay or frustrate the removal of incumbent directors or the assumption of control by shareholders, even if such removal or assumption would be viewed by First Interstate s shareholders as beneficial to their interests. These provisions also could discourage or make more difficult a merger, tender offer or proxy contest, even if such a transaction could be viewed by First Interstate s shareholders as beneficial to their interests and could potentially depress the market price of First Interstate Class A common stock. First Interstate s board of directors believes that these provisions are appropriate to protect First Interstate s interests and the interests of First Interstate s shareholders.

Preferred Stock. First Interstate s board of directors may from time to time authorize the issuance of one or more classes or series of preferred stock without shareholder approval. Subject to the provisions of First Interstate s articles of incorporation, limitations prescribed by law and the rules of The Nasdaq Stock Market, if applicable, First Interstate s board of directors is authorized to adopt resolutions to issue shares, establish the number of shares, change the number of shares constituting any series and provide or change the voting powers, designations, qualifications, limitations or restrictions on shares of First Interstate s preferred stock, including dividend rights, terms of redemption, conversion rights and liquidation, dissolution and winding-up preferences, in each case without any action or vote by First Interstate s shareholders.

One of the effects of undesignated preferred stock may be to enable First Interstate s board of directors to discourage an attempt to obtain control of First Interstate by means of a tender offer, proxy contest, merger or otherwise. The issuance of preferred stock may adversely affect the rights of holders of First Interstate Class A common stock and First Interstate Class B common stock by, among other things:

- restricting dividends on either or both classes of common stock;
- diluting the voting power of either or both classes of common stock;
- impairing the liquidation rights of either or both classes of common stock;

delaying or preventing a change in control without further action by the shareholders; or

decreasing the market price of either or both classes of common stock.

Meetings of Shareholders. First Interstate s bylaws provide that annual meetings of First Interstate s shareholders will be held at such time as is determined by First Interstate s board of directors to elect directors and for the transaction of any other business as may come before the annual meeting. First Interstate s amended and restated articles of incorporation provide that special meetings of shareholders may be called by (1) First Interstate s board of directors, (2) the Chairman of First Interstate s board of directors, (3) the Chief Executive

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Officer of First Interstate, or (4) a holder, or a group of holders, of common stock holding more than 10% of the total voting power of the outstanding shares of First Interstate capital stock then entitled to vote.

Advance Notice Provisions. First Interstate s bylaws provide that nominations for directors may not be made by shareholders at any special meeting thereof unless the shareholders intending to make a nomination notifies First Interstate of its intention a specified number of days in advance of the meeting and furnishes to First Interstate certain information regarding itself and the intended nominee. First Interstate s bylaws also require a shareholder to provide written demand to the First Interstate secretary and must describe the purpose for which the special meeting is to be held. Only business within the purposes described in the notice of the meeting may be conducted at a special meeting. These provisions could delay shareholder actions that are favored by the holders of a majority of First Interstate s outstanding capital stock until the next shareholders meeting.

Filling of Board Vacancies. Unless First Interstate s board of directors otherwise determines or is otherwise required by applicable law, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by the shareholders may be filled only by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of First Interstate s board of directors, or by a sole remaining director. Each such director will hold office until the next election of directors and until such director s successor is elected and qualified.

Amendment of the First Interstate Amended and Restated Articles of Incorporation. First Interstate s amended and restated articles of incorporation may be amended in the manner allowed under the MBCA; however, the affirmative vote of the holders of at least 70% of the outstanding shares of the First Interstate Class A common stock, voting separately as a class, is required to amend or repeal any of the provisions in the amended and restated articles of incorporation of First Interstate relating to First Interstate common stock, a change in control transaction or a Class B acquisition transaction (each as defined in the First Interstate amended and restated articles of incorporation).

Amendment of the First Interstate Bylaws. First Interstate s amended and restated articles of incorporation provide that the First Interstate bylaws may be adopted, altered, amended or repealed by First Interstate s board of directors upon the affirmative vote of at least a majority of the directors then in office. First Interstate s amended and restated articles of incorporation also provide that the bylaws may be adopted, amended, or repealed by a majority of the voting power of the shareholders entitled to vote.

Change in Control. First Interstate s amended and restated articles of incorporation provide for certain voting thresholds needed to consummate a change in control transaction (as defined in the First Interstate amended and restated articles of incorporation). Accordingly, if First Interstate proposes to engage in a change in control transaction in which holders of First Interstate Class A common stock and First Interstate Class B common stock will receive different consideration, First Interstate will need to obtain, in addition to any shareholder approval required by the MBCA and the First Interstate amended and restated articles of incorporation, the approval of at least 70% of the outstanding shares of First Interstate Class A common stock, voting separately as a single class.

In addition, if First Interstate proposes to merge into another corporation and in the twelve months before such merger the acquiring company acquired any shares of First Interstate Class B common stock, then such merger transaction will require the affirmative vote of 70% of the outstanding shares of First Interstate Class A common stock, voting separately as a single class, unless the holders of the First Interstate Class A common stock and First Interstate Class B common stock receive the same consideration for their shares in the merger and the merger consideration paid is at least equal to the highest amount paid by the acquiring corporation for the First Interstate Class B common stock.

Transactions with Interested Shareholders. First Interstate cannot merge with or sell any material assets to any shareholder of First Interstate Class B common stock unless such transaction is approved by a majority of

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the disinterested directors on First Interstate s board of directors and the holders of a majority of the shares of First Interstate Class A common stock, voting separately as a single class.

No Cumulative Voting. The MBCA provides that shareholders are not entitled to cumulate votes in the election of directors unless First Interstate s articles of incorporation provide otherwise. First Interstate s amended and restated articles of incorporation prohibit cumulative voting.

Dual Class Structure

As discussed above, First Interstate Class B common stock is entitled to five votes per share, while First Interstate Class A common stock is entitled to one vote per share. First Interstate Class A common stock is the class of stock to be issued to Northwest shareholders in the merger and is the only class of First Interstate s capital stock that is publicly traded. As of June 27, 2018, members of the Scott family held 362,124 shares of First Interstate Class A common stock and 21,721,123 shares of First Interstate Class B common stock and, therefore, controlled in excess of 72.9% of the voting power of First Interstate s outstanding stock. As a result, the Scott family will be able to exert a significant degree of influence or actual control over First Interstate s management and affairs and over matters requiring shareholder approval, including the election of directors, a merger, consolidation or sale of all or substantially all of First Interstate s assets and any other significant transaction. This concentrated control will limit the ability of other shareholders to influence corporate matters and the interests of the Scott family may not always coincide with First Interstate s interests or the interests of other shareholders.

Transfer Agent and Registrar

The transfer agent and registrar for First Interstate s common stock is American Stock Transfer & Trust Company, LLC.

Restrictions on Ownership

Under the federal Change in Bank Control Act, a notice must be submitted to the Federal Reserve Board if any person (including a company), or group acting in concert, seeks to acquire control of a bank holding company or a bank. An acquisition of control can occur upon the acquisition of ten percent or more of the voting stock of a bank holding company or depository institution or as otherwise defined by the Federal Reserve Board. Under the Change in Bank Control Act, the Federal Reserve Board has 60 days from the filing of a complete notice to act, taking into consideration certain factors, including the financial and managerial resources of the acquirer and the anti-trust effects of the acquisition. Any company that so acquires control would then be subject to regulation as a bank holding company.

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COMPARISON OF RIGHTS OF SHAREHOLDERS

The rights of shareholders of First Interstate are currently governed by First Interstate s amended and restated articles of incorporation, bylaws and the MBCA. The rights of shareholders of Northwest are currently governed by Northwest s articles of incorporation, bylaws and the WBCA. If the merger is completed, Northwest shareholders will become First Interstate shareholders and their rights will likewise be governed by First Interstate s amended and restated articles of incorporation, First Interstate s bylaws and the MBCA.

The following summary compares the rights of a Northwest shareholder and the rights of a shareholder of First Interstate. The following summary is not a complete statement of the differences between the rights of Northwest shareholders and the rights of First Interstate shareholders and is qualified in its entirety by reference to the articles of incorporation and bylaws of each corporation. Copies of First Interstate s amended and restated articles of incorporation and bylaws are on file with the SEC and are available on written request addressed to Kirk D. Jensen, General Counsel, First Interstate BancSystem, Inc., 401 North 31st Street, Billings, Montana 59101.

Authorized Stock

First Interstate	*Northwest*
First Interstate s articles of incorporation authorize 200,100,000 shares of capital stock, consisting of 100,000,000 shares of First Interstate Class A common stock, no par value per share, 100,000,000 shares of First Interstate Class B common stock, no par value per share, and 100,000 shares of preferred stock, no par value per share.	Northwest s articles of incorporation authorize 30,000,000 shares of common stock and 500,000 shares of preferred stock.
	As of June 27, 2018, there were 7,267,205 shares of Northwest common stock issued and outstanding.
As of June 27, 2018, there were 34,201,140 shares of First Interstate Class A common stock issued and outstanding and 22,559,402 shares of First Interstate Class B common stock issued and outstanding.	As of June 27, 2018, there were no shares of Northwest preferred stock issued and outstanding.
As of June 27, 2018, there were no shares of First Interstate preferred stock issued and outstanding.	

Voting Rights

First Interstate	*Northwest*
Same provisions as Northwest with respect to cumulative voting.	Northwest s articles of incorporation do not provide for cumulative voting by shareholders in the election of directors.

Each share of First Interstate Class A common stock is entitled to one vote per share. Each share of First Interstate Class B common stock is entitled to five votes per share.

Northwest s bylaws provide that each shareholder is entitled to one vote for each share of stock held by such shareholder.

Preemptive Rights

First Interstate

No holder of any stock has any preemptive rights to subscribe for or purchase any stock other than as First Interstate s board of directors, in its sole discretion, may determine.

Northwest

No holders of any stock have any preemptive rights to subscribe for or purchase any stock.

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Required Vote for Authorization of Certain Actions

First Interstate	*Northwest*
Under the MBCA, a two-thirds vote is generally required for approval of mergers or share exchanges, unless otherwise provided in a company s articles of incorporation. First Interstate s amended and restated articles of incorporation provide that, if First Interstate proposes to engage in a change in control transaction in which holders of First Interstate Class A common stock and First Interstate Class B common stock will receive different consideration, First Interstate will need to obtain, in addition to any shareholder approval required by the MBCA and the First Interstate amended and restated articles of incorporation, the approval of at least 70% of the outstanding shares of First Interstate Class A common stock, voting separately as a single class.	Under the WBCA, a merger or share exchange requires the approval of two-thirds of the outstanding shares of Northwest common stock.
If First Interstate proposes to merge into another corporation and in the twelve months before such merger the acquiring company acquired any shares of First Interstate Class B common stock, then such merger transaction will require the affirmative vote of 70% of the outstanding shares of First Interstate Class A common stock, voting separately as a single class, unless the holders of the First Interstate Class A common stock and First Interstate Class B common stock receive the same consideration for their shares in the merger and the merger consideration paid is at least equal to the highest amount paid by the acquiring corporation for the First Interstate Class B common stock.	

Required Vote for Authorization of Business Combinations with Interested Shareholders

First Interstate	*Northwest*
First Interstate cannot merge with or sell any material assets to any shareholder of First Interstate Class B common stock unless such transaction is approved by a majority of the disinterested directors on First Interstate s board of directors and the holders of a majority of the shares of First Interstate Class A common stock, voting separately as a single class.	Northwest has no similar restriction on business combinations with interested shareholders.

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Dissenters Rights

First Interstate	*Northwest*
Under the MBCA, First Interstate shareholders are entitled to exercise dissenters rights and to receive payment of the fair value of their shares of First Interstate common stock if they fully comply with the provisions of the MBCA relating to dissenters rights. Corporate actions that entitle First Interstate shareholders to exercise their dissenters rights include, but are not limited to, (1) mergers that require shareholder approval to be consummated, (2) amendments to the articles of incorporation that materially and adversely affect certain shareholder rights and (3) any corporate action taken pursuant to a shareholder vote (to the extent the articles of incorporation, bylaws or a resolution of the board provides that voting or nonvoting shareholders are entitled to dissent and to obtain payment for their shares).	Under the WBCA, Northwest shareholders are entitled to exercise dissenters rights and to receive the fair value in cash of their shares of Northwest common stock if they fully comply with the provisions of the WBCA relating to dissenters rights. Corporate actions that entitle Northwest shareholders to exercise their dissenters rights include, but are not limited to, (1) mergers that require shareholder approval to be consummated, (2) amendments to the articles of incorporation that materially and adversely affect certain shareholder rights and (3) any corporate action taken pursuant to a shareholder vote (to the extent the articles of incorporation, bylaws or a resolution of the board provides that voting or nonvoting shareholders are entitled to dissent and to obtain payment for their shares).

Dividends

First Interstate	*Northwest*
Under the MBCA, First Interstate may not declare a dividend if, after giving it effect: (1) First Interstate would not be able to pay its debts as they become due in the usual course of business; or (2) First Interstate s total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution. The holders of First Interstate Class A common stock and First Interstate Class B common stock are entitled to share equally, on a per share basis, in any dividends that First Interstate s board of directors may declare from time to time from legally available funds, subject to limitations under Montana law and the preferential rights of holders of any outstanding shares of preferred stock.	Under the WBCA, Northwest may not make a distribution to its shareholders if, after giving it effect: (1) Northwest would not be able to pay its liabilities as they become due in the usual course of business or (2) Northwest s total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time of the distributions, to satisfy the preferential rights upon dissolutions of shareholders whose preferential rights are superior to those receiving the distribution.

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Indemnification of Directors and Officers and Limitation of Liability

First Interstate

First Interstate s amended and restated articles of incorporation provides that it will indemnify to the fullest extent permitted by the MBCA any officer or director made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, or she is or was a director, officer, employee or agent of First Interstate or any predecessor to First Interstate or serves or served at any other enterprise as a director, officer, employee or agent at the request of First Interstate or any predecessor to First Interstate.

First Interstate s bylaws further provide that it will indemnify to the fullest extent permitted by law any person who was or is a party or threatened to be a party to a proceeding or threatened proceeding by reason of the fact that such person is or was a director or officer of First Interstate or is or was serving as a director or officer serving at the request of First Interstate as a director or officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against expenses (including attorneys fees), judgments, fines and settlements reasonably incurred by the indemnitee. Such indemnification is only permitted if (1) the indemnitee acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal proceeding, the indemnitee had no reasonable cause to believe the conduct was unlawful and (2) the indemnification is properly authorized by First Interstate according to the procedures set forth in its bylaws. Furthermore, no indemnification for actions by or in the right of the corporation is permitted in respect of any claim, issue or matter as to which the indemnitee has been adjudged liable to First Interstate, unless and only to the extent the applicable court determines the indemnitee is fairly and reasonably entitled to indemnification for expenses as the court deems proper.

Northwest

Under the WBCA, indemnification of directors and officers is authorized to cover judgments, amounts paid in settlement, and expenses arising out of actions where the director or officer acted in good faith and reasonably believed that the individual s conduct was in or at least not opposed to the best interests of the corporation, and in criminal cases, where the director or officer had no reasonable cause to believe that his or her conduct was unlawful. Unless limited by the corporation s articles of incorporation, Washington law requires indemnification if the director or officer is wholly successful on the merits of the action. Northwest s bylaws provide that to the extent permitted or required by the WBCA, Northwest shall indemnify its directors and officers and shall advance fees to such persons incurred in the applicable proceeding. Any advancement of expenses will be made only upon (1) delivery to Northwest of an undertaking, by or on behalf of such indemnitee, to repay all amounts advanced if it is determined by final judicial decision (with not further right to appeal) that such indemnitee is not entitled to be indemnified and (2) written affirmation by the indemnitee to Northwest of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification. Northwest s bylaws further provide that it will indemnify any person who was or is a party or threatened to be a party to a proceeding or threatened action, suit or proceeding by reason of the fact that such person is or was a director or officer of Northwest or is or was serving as a director or officer serving at the request of Northwest as a director or officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against expenses (including attorneys fees), judgments, fines and settlements reasonably incurred by the indemnitee.

Except as otherwise provided in its bylaws, Northwest will indemnify an indemnitee in connection with a proceeding initiated by such indemnitee only if a

Expenses reasonably incurred by an indemnitee will be paid in advance of the final disposition of any civil, criminal, administrative or investigative action, suit or proceeding upon receipt by First Interstate of an statement that the indemnitee has met the applicable standard of conduct to be

proceeding was authorized or ratified by the board.

Under Northwest s bylaws, Northwest may maintain insurance, at its expense, to protect any

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First Interstate	*Northwest*
entitled to indemnification and an undertaking by such indemnitee that he or she will repay the advanced expenses should it ultimately be determined that the he or she is not entitled to indemnification by First Interstate. Indemnification of and advancement of expenses to employees and agents of First Interstate is permitted to the fullest extent not prohibited by the MBCA or by any other applicable law.	person who is or was a director, officer, employee or agent of Northwest or who, while a director, officer, employee or agent of Northwest is or was serving as the request of Northwest as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any expense, liability or loss asserted against or incurred by the person in that capacity or arising from his or her status as a director, officer, employee or agent, whether or not Northwest would have the power to indemnify him or her against such expense, liability or loss under the WBCA.
Under First Interstate s bylaws, First Interstate may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of First Interstate, or is or was a director, officer, employee or agent of First Interstate serving at the request of First Interstate as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against liability incurred by the insured in any such capacity or arising out of such status of the insured, whether or not First Interstate would have the power or obligation to indemnify the insured against liability under the provisions of First Interstate s bylaws.	Northwest s articles of incorporation include a provision that eliminates its directors personal liability to Northwest or its shareholders for breach of fiduciary duty as a director to the fullest extent permitted by the WBCA, except for (1) acts or omissions finally adjudged to be intentional misconduct or a knowing violation of law, (2) conduct finally adjudged to be in violation of RCW 23B.08.310 (which involves certain distributions by a corporation) or (3) any transaction with respect to which it was finally adjudged that such director personally received a benefit to which the director was not legally entitled.
First Interstate s amended and restated articles of incorporation include a provision that eliminates its directors personal liability to First Interstate or its shareholders for breach of fiduciary duty as a director to the fullest extent permitted by law.	

Shareholders Meetings

First Interstate	*Northwest*
Same provisions as Northwest with respect to notice of shareholder meetings.	Notice of a meeting must be delivered and, in the case of a special meeting, a description of its purpose, no fewer than 10 days and no more than 60 days before the meeting to each shareholder or record entitled to vote.
Special meetings of shareholders may be called by (1) the board of directors, (2) the Chairman of the board of directors, (3) the Chief Executive Officer (or, in the absence of a Chief Executive Officer, its President) or (4) a holder, or a group of holders, of common stock holding more than	Special meetings of shareholders may be called by (1) the President, (2) by resolution adopted by more

10% of the total voting power of the outstanding shares of capital stock.

Same provisions as Northwest with respect to the shareholder record date for shareholder meetings.

To nominate a director or propose new business, shareholders must give written notice to the secretary not less than the close of business on the

than 50% of the entire board or (3) a holder, or a group of holders, of common stock holding more than 10% of the total voting power of the outstanding shares of capital stock.

For purposes of determining shareholders entitled to vote at a meeting, the board of directors may fix a record date. The WBCA requires that such record date be no more than 70 days before the meeting.

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First Interstate	*Northwest*
90th day nor earlier than the close of business on the 120th day before the anniversary of the preceding year s annual shareholders meeting; provided, however, if no shareholders meeting was held in the prior year or the annual meeting is called for a date that is not within 30 days of such anniversary date, notice of the nomination is required to be delivered no later than the 10th day following the date on which notice of the meeting was mailed or made public, whichever occurs first. Each notice given by a shareholder with respect to a nomination to the board of directors or proposal for new business must be in writing and include certain information regarding the nominee or proposal and the shareholder making the nomination or proposal.	Northwest s bylaws provide that a Northwest shareholder can submit proposals at an annual meeting by providing notice to the secretary of Northwest not less than 120 days before the date of the release of Northwest s proxy statement in connection with the previous year s annual meeting (or such other date or period required by Regulation 14A under the Securities Exchange Act of 1934, as amended). Each notice given by a shareholder with respect to a proposal for new business must be in writing and include certain information regarding the proposal and the shareholder making the proposal.
	Northwest s bylaws provide that a Northwest shareholder can nominate directors for election by providing notice to the secretary of Northwest not less than 60 days before the date of the meeting, provided, however, that if less than 40 days notice of the meeting date is given, notice by the shareholder to be timely must be provided by the close of business on the 10th day following the date on which such notice of the date of the meeting was mailed or such public disclosure was made. Each notice given by a shareholder with respect to a nomination for director must be in writing and include certain information regarding the nominee and the shareholder making the nomination.

Action by Shareholders Without a Meeting

First Interstate	*Northwest*
First Interstate s bylaws require that any action to be taken by the shareholders of First Interstate must be taken at a duly called meeting of shareholders and may not be taken by any consent in writing by such shareholders, unless provided by applicable law.	Under the WBCA, action required or permitted to be approved by Northwest s shareholders at a meeting may be approved without a meeting or a vote if the action is approved by all shareholders entitled to vote on the action.

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Board of Directors

First Interstate	*Northwest*
First Interstate s bylaws state that the number of directors constituting the board of directors will be no less than five and no more than 18, with the exact number to be determined from time to time by the board of directors. There are currently 17 members of First Interstate s board of directors.	Northwest s bylaws state that the number of directors comprising the board of directors will be from nine to 15, with the exact number to be fixed from time to time by resolution of Northwest s board of directors. There are currently 10 members of Northwest s board of directors.
First Interstate s board of directors is divided into three classes, with each class as nearly equal in number as possible. The term of office of each class of director is three years. Each director holds office until the expiration of such director s term or until a director dies, resigns or is removed. At each annual meeting, the number of directors equal to the number of the class whose term expires at the time of such meeting are elected to hold office.	Northwest s board of directors is divided into three approximately equal classes. The term of office of each class of director is three years. Each director holds office until the expiration of such director s term or until a director dies, resigns or is removed. A person will not be qualified for election as a director if he or she will attain the age of 75 before the end of her or her term. The board of directors has the authority to determine the eligibility and to waive the eligibility requirements of any person for nomination or reelection to the board.
First Interstate s bylaws provide that vacancies on the board of directors will be filled by a vote of a majority of the remaining directors. Any director elected to fill a vacancy will hold office for the remainder of the full term of the class of directors in which the vacancy occurred.	Northwest s bylaws provide that vacancies on the board of directors will be filled by a vote of a majority of the remaining directors. Any director elected to fill a vacancy will hold office for the balance of the term except that, in the case of an increase in the number of directors, such vacancy may be filled only until the next annual meeting of shareholders, at which time the vacancy will be filled by vote of the shareholders.
Under First Interstate s bylaws, any director may be removed from office at any time, with or without cause, by the affirmative vote of the holders of at least a majority of the voting power of the issued and outstanding shares of capital stock then entitled to vote in the election of directors.	Under the WBCA, shareholders may remove directors (only at a special meeting call for such purpose) with or without cause unless the articles of incorporation provide that directors may be removed only for cause. Northwest s articles of incorporation do not address removal of directors. Northwest s bylaws provide that any director who fails to attend nine regular meetings of the board in any 12-month period will be asked to

resign.

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Amendment of the Bylaws

First Interstate	*Northwest*
First Interstate s bylaws may be amended or repealed by a majority vote of the board of directors. First Interstate s bylaws may also be amended upon a majority vote of the outstanding shares of capital stock entitled to vote.	Northwest s bylaws may be repealed or amended by the board of directors by a vote of a majority of the directors attending the board meeting at which the change to the bylaws is considered, provided a quorum is present. The shareholders also may amend or repeal the bylaws in the manner allowed under the WBCA.

Amendment of the Articles of Incorporation

First Interstate	*Northwest*
First Interstate s amended and restated articles of incorporation may be amended in the manner allowed under the MBCA; however, the amendment of any of the provisions relating to First Interstate common stock, a Change in Control Transaction or a Class B Acquisition Transaction will require the vote of 70% of the outstanding shares of the First Interstate Class A common stock, voting separately as a class.	Northwest s articles of incorporation may be amended in the manner allowed under the WBCA.

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MANAGEMENT AND OPERATIONS AFTER THE MERGER

Board of Directors

Upon the completion of the merger, First Interstate s board of directors will consist of all the current directors of First Interstate.

For information regarding the current directors of First Interstate, executive compensation and relationships and related transactions, see First Interstate s proxy statement for the 2018 annual meeting of shareholders and its Annual Report on Form 10-K filed with the SEC, which are incorporated by reference in this document. See *Where I Can Find More Information.*

Management

The existing executive officers of First Interstate and First Interstate Bank will not change as a result of the merger.

Operations

While there can be no assurance as to the achievement of business and financial goals, First Interstate currently expects to achieve cost savings equal to approximately 30% of Northwest s current annualized non-interest expenses (excluding one-time non-recurring costs in 2018 identified by Northwest) through the elimination of redundant senior and executive management and other operating efficiencies (such as the elimination of duplicative data processing services). See *Cautionary Statement About Forward-Looking Statements*.

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MARKET PRICE AND DIVIDEND INFORMATION

First Interstate Class A common stock is listed on The Nasdaq Global Select Market under the symbol FIBK. Northwest common stock is quoted on the OTC Market s Pink Marketplace under the symbol NBCT. The following table lists the high and low prices per share for First Interstate Class A common stock and for Northwest common stock and the cash dividends declared by First Interstate for the periods indicated.

	First Interstate Common Stock			Northwest Common Stock		
	High	Low	Dividends	High	Low	Dividends
Quarter Ended						
June 30, 2018 (through June 27, 2018)	$ 44.95	$ 38.70	$ 0.28	$ 22.19	$ 13.30	$
March 31, 2018	42.90	38.10	0.28	13.50	12.50	
December 31, 2017	41.25	36.00	0.24	12.95	11.90	
September 30, 2017	38.40	33.33	0.24	12.20	11.80	
June 30, 2017	41.05	33.70	0.24	12.60	11.35	
March 31, 2017	45.35	37.15	0.24	12.24	10.25	
December 31, 2016	43.10	30.70	0.22	10.59	9.16	
September 30, 2016	32.56	26.89	0.22	9.55	9.15	
June 30, 2016	29.55	26.44	0.22	9.60	8.90	
March 31, 2016	28.92	24.92	0.22	9.79	8.85	

The high and low trading prices for First Interstate Class A common stock as of April 25, 2018, the last trading day immediately before the public announcement of the merger, were $40.95 and $40.05, respectively. The high and low trading prices for Northwest common stock as of April 25, 2018, the last trading day immediately before the public announcement of the merger, were $14.00 and $14.00, respectively.

You should obtain current market quotations for First Interstate Class A common stock as the market price of First Interstate Class A common stock will fluctuate between the date of this document and the date on which the merger is completed. You can get these quotations from a newspaper, on the internet or by calling your broker.

Changes in the market price of First Interstate Class A common stock before the completion of the merger will affect the value of the merger consideration that Northwest shareholders will be entitled to receive upon completion of the merger.

As of June 27, 2018, there were approximately 1,723 holders of record of First Interstate Class A common stock. As of June 27, 2018, there were approximately 389 holders of record of Northwest common stock. These numbers do not reflect the number of persons or entities who may hold their stock in nominee or street name through brokerage firms.

Following the merger, the declaration of dividends will be at the discretion of First Interstate s board of directors and will be determined after consideration of various factors, including earnings, cash requirements, the financial condition of First Interstate, applicable state law and government regulations and other factors deemed relevant by First Interstate s board of directors.

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STOCK OWNERSHIP OF NORTHWEST

The following table sets forth the number of shares of Northwest common stock beneficially owned by any person (including any group) who is known to Northwest to be the beneficial owner of more than five percent of Northwest s class of common stock, each director and executive officer of Northwest, and all directors and executive officers of Northwest as a group. Beneficial ownership is shown as of June 27, 2018, and is based on 7,267,205 shares of Northwest common stock outstanding as of June 27, 2018. Beneficial ownership is determined in accordance with the rules of the SEC, which generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to such securities. A security holder also is deemed to be, as of any date, the beneficial owner of all securities that such security holder has the right to acquire within 60 days after such date, such as through the exercise of warrants or the conversion of a security. Except as otherwise indicated, all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them. The address of each of Northwest s directors and executive officers is care of Northwest Bancorporation, Inc., 421 West Riverside Avenue, Suite 113, Spokane, Washington 99201.

Name	Amount and Nature of Beneficial Ownership	Percent of Class
Directors and Executive Officers:		
Nancy C. Allen		%
Anthony D. Bonanzino	20,479	*
Katie Brodie	11,591[1]	*
Chad R. Burchard	17,529	*
Harlan D. Douglass	924,382[2]	12.63%
Mark V. Dresback	30,499	*
Barry A.J. Featherstone	8,239	*
Randall L. Fewel	38,712	*
Russell A. Lee	36,667	*
Bryan S. Norby	41,692[1]	*
Holly A. Poquette	19,605	*
Frank A. Reppenhagen	991,795[3]	13.37%
Jennifer P. West	18,197	*
All directors and executive officers as a group (13 persons)	2,159,387	28.83%
Beneficial owner of more than 5%:		
Banc Funds	644,593[4]	8.87%
Concentric Equity Partners II LP	611,025[5]	8.41%
Community Bancapital, L.P.	380,770[6]	5.13%
Arch Investment Holdings I LTD	61,681[7]	0.85%
Castle Creek SSF-D Investors LP	236,098[7]	3.25%

Castle Creek Special Situation Advisors LLC	6,492[7]	0.09%
Mayo Clinic	160,694[7]	2.21%
Mayo Clinic Master Retirement Trust	160,694[7]	2.21%

* Less than 1.0%.

(1) Includes shares owned together with spouse.

(2) Includes 6,213 shares held by Harlan Douglass, Inc and 50,000 warrants issued in conjunction with the subordinated debentures issued in November 2013.

(3) Under applicable securities laws, as president of CBC Partners GP, LLC, which is the general partner of Community BanCapital, L.P., Mr. Reppenhagen may be deemed to be the beneficial owner of the 230,770 shares of common stock and 150,000 warrants held by Community BanCapital, L.P. As a limited partner in

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CEP-FIC GP, LP, which is the general partner of Concentric Equity Partners II LP, Mr. Reppenhagen may be deemed to be the beneficial owner of the 598,576 shares of common stock held by Concentric Equity Partners II LP and shares listed as owned by Concentric Equity Partners II LP include 12,449 shares issued to Mr. Reppenhagen in his individual capacity. Mr. Reppenhagen disclaims beneficial ownership of the shares held by Concentric Equity Partners II LP, except to the extent of his pecuniary interest in such common stock.

(4) Includes Banc Fund IX LP (231,784 shares), Banc Fund VII LP (183,079 shares) and Banc Fund VII LP (229,730 shares). Address is 20 North Wacker, Suite 3300, Chicago, IL 60606.

(5) Under applicable securities laws, Concentric Equity Partners II LP may be deemed to be beneficial owner of 12,449 shares held by Mr. Reppenhagen in his individual capacity. Concentric Equity Partners II LP disclaims beneficial ownership of the shares held by Mr. Reppenhagen in his individual capacity. Address is 50 E. Washington Street, Suite 400, Chicago, IL 60602.

(6) Includes 150,000 warrants issued in conjunction with the subordinated debentures issued in November 2013. Address is 1000 SW Broadway, Suite 1010, Portland, OR 97205.

(7) Arch Investment Holdings I LTD, Castle Creek SSF-D Investors LP, Castle Creek Special Situation Advisors LLC, Mayo Clinic and Mayo Clinic Master Retirement Trust are thought to be affiliated; as a total they hold 8.61%. Address for Arch Investment Holdings I LTD is 100 Pitts Bay Road, Pembroke HN08 Bermuda. Address for Castle Creek is 6051 El Tordo, Rancho Santa Fe, CA 92067. Address for Mayo Clinic is 200 First Street SW, Rochester, MN 55905.

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LEGAL MATTERS

The validity of the First Interstate Class A common stock to be issued in the proposed merger has been passed upon for First Interstate by Luse Gorman, PC, Washington, D.C. Certain material U.S. federal income taxes consequences relating to the merger will be passed upon for First Interstate by Luse Gorman, PC, Washington, D.C and for Northwest by Witherspoon Kelley, Spokane, Washington.

EXPERTS

The consolidated financial statements of First Interstate as of December 31, 2017 and 2016 and for each of the years in the three-year period ended December 31, 2017 and the effectiveness of internal control over financial reporting as of December 31, 2017 have been incorporated by reference into this document in reliance upon the report of RSM US LLP, an independent registered public accounting firm, appearing in First Interstate s 2017 Annual Report on Form 10-K incorporated by reference in this document, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

First Interstate files annual, quarterly and current reports, proxy statements and other information with the SEC. These filings are available to the public over the internet at the SEC s website at www.sec.gov. You may also read and copy any document First Interstate files with the SEC at its public reference room located at 100 F Street, NE, Washington, DC 20549. Copies of these documents also can be obtained at prescribed rates by writing to the Public Reference Section of the SEC, at 100 F Street, NE, Washington, DC 20549 or by calling 1-800-SEC-0330 for additional information on the operation of the public reference facilities.

First Interstate filed with the SEC a registration statement on Form S-4 under the Securities Act to register the shares of First Interstate Class A common stock to be issued to Northwest shareholders in the merger. This document is a part of that registration statement and constitutes a prospectus of First Interstate in addition to being a proxy statement of Northwest for its special meeting. As permitted by the SEC rules, this document does not contain all of the information that you can find in the registration statement or in the exhibits to the registration statement. The additional information may be inspected and copied as set forth above.

All information in this document concerning First Interstate and its subsidiaries has been furnished by First Interstate and all information in this document concerning Northwest and its subsidiaries has been furnished by Northwest.

Each Northwest shareholder will receive a separate copy of this document, regardless of whether such shareholder is residing at a shared address with one or more other Northwest shareholders.

You should rely only on the information contained in this document when evaluating the merger agreement. We have not authorized anyone to provide you with information that is different from what is contained in this document. This document is dated [ ], 2018. You should not assume that the information contained in this document is accurate as of any date other than such date, and neither the mailing of this document to shareholders of Northwest nor the issuance of shares of First Interstate Class A common stock as contemplated by the merger agreement shall create any implication to the contrary.

First Interstate incorporates by reference into this document the documents listed below and any additional documents that it may file with the SEC between the date of this document and the date of the Northwest special meeting. These documents include periodic reports, such as annual reports on Form 10-K, quarterly reports on Form 10-Q and current

reports on Form 8-K (other than information furnished under Items 2.02 or 7.01 of Form 8-K), as well as proxy statements.

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FIRST INTERSTATE FILINGS (FILE NO 001-34653)

Filings	Period of Report or Date Filed
Annual Report on Form 10-K	Year ended December 31, 2017
Quarterly Report on Form 10-Q	Three Months Ended March 31, 2018
Current Reports on Form 8-K	January 23, 2018, January 30, 2018, March 8, 2018, March 15, 2018, April 5, 2018, April 25, 2018, April 26, 2018, April 27, 2018 and May 4, 2018 (other than portions of those documents not deemed to be filed)

First Interstate also incorporates by reference the description of First Interstate Class A common stock contained in First Interstate s registration statement on Form 8-A filed on March 9, 2010 with the SEC pursuant to which First Interstate s Class A common stock was registered under Section 12 of the Exchange Act, including any amendment or report filed for the purpose of updating such description.

Documents incorporated by reference are available from First Interstate without charge (except for exhibits to the documents unless the exhibits are specifically incorporated in this document by reference). You may obtain documents incorporated by reference in this document by requesting them in writing or by telephone from the appropriate company at the following address:

First Interstate BancSystem, Inc.

401 North 31st Street

Billings, Montana 59101

Attention: Kirk D. Jensen, General Counsel

Telephone: (406) 255-5304

If you would like to request documents from First Interstate, please do so by August 7, 2018 to receive them before the Northwest special meeting. If you request any incorporated documents, First Interstate will mail them to you by first-class mail, or other equally prompt means, within one business day of its receipt of your request.

Neither First Interstate nor Northwest has authorized anyone to give any information or make any representation about the merger or the companies that is different from, or in addition to, that contained in this document or in any of the materials that have been incorporated in this document. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by document or the solicitation of proxies is unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date of this document unless the information specifically indicates that another date applies.

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Annex A

AGREEMENT AND PLAN OF MERGER

DATED AS OF APRIL 25, 2018

BY AND BETWEEN

FIRST INTERSTATE BANCSYSTEM, INC.

AND

NORTHWEST BANCORPORATION, INC.

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Agreement and Plan of Merger

This is an **Agreement and Plan of Merger**, dated as of the 25th day of April, 2018, by and between First Interstate BancSystem, Inc., a Montana corporation (**Purchaser**), and Northwest Bancorporation, Inc., a Washington corporation (the **Company**).

Introductory Statement

The Board of Directors of each of Purchaser and the Company have determined that this Agreement and the business combination and related transactions contemplated hereby are advisable and in the best interests of Purchaser and the Company, as the case may be, and in the best interests of their respective stockholders.

The parties hereto intend that the Merger (as defined herein) shall qualify as a reorganization under the provisions of Section 368(a) of the IRC (as defined herein) for federal income tax purposes and that this Agreement be and is hereby adopted as a plan of reorganization within the meaning of Sections 354 and 361 of the IRC.

Purchaser and the Company each desire to make certain representations, warranties and agreements in connection with the business combination and related transactions provided for herein and to prescribe various conditions to such transactions.

As a condition and inducement to Purchaser s willingness to enter into this Agreement, each executive officer and member of the Board of Directors of the Company has entered into an agreement dated as of the date hereof in the form of Exhibit A, pursuant to which he or she will vote his or her shares of Company Common Stock in favor of this Agreement and the transactions contemplated hereby (each, a **Voting Agreement**).

In consideration of their mutual promises and obligations hereunder, the parties hereto adopt and make this Agreement and prescribe the terms and conditions hereof and the manner and basis of carrying it into effect, which shall be as follows:

ARTICLE I

DEFINITIONS

The following terms are defined in this Agreement in the Section indicated:

Defined Term	**Location of Definition**
Articles of Merger	Section 2.3
Average Closing Price	Section 7(h)
Bank Merger	Section 2.14
Change of Recommendation	Section 5.8(b)
Closing	Section 2.2
Closing Date	Section 2.2
Company	Preamble
Company Benefit Plans	Section 3.2(r)(i)
Company Contract	Section 3.2(o)(i)
Company Equity Plan	Section 2.11

Company ERISA Affiliate	Section 3.2(r)(i)
Company Intellectual Property	Section 3.2(p)(i)
Company IT Systems	Section 3.2(p)(ii)
Company Qualified Plans	Section 3.2(r)(iv)

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Defined Term	Location of Definition
Company Restricted Stock	Section 2.13
Company Stock Option	Section 2.11
Company Stockholder Meeting	Section 5.8(a)
Company Warrant	Section 2.12
Continuing Employee	Section 5.11(a)
D.A. Davidson	Section 3.2(t)
Determination Date	Section 7.1(h)
Disclosure Letter	Section 3.1(a)
Dissenting Shares	Section 2.6
DOL	Section 3.2(r)(ii)
Effective Time	Section 2.3
Exchange Agent	Section 2.7(a)
Exchange Ratio	Section 2.5(a)
Final Index Price	Section 7.1(h)
Good Reason	Section 5.11(e)
INB	Section 2.14
Indemnified Party	Section 5.12(a)
Index Price	Section 7.1(h)
Index Ratio	Section 7.1(h)
Letter of Transmittal	Section 2.7(a)
MBCA	Section 2.1
Merger	Section 2.1
Merger Consideration	Section 2.5(a)
Multiemployer Plan	Section 3.2(r)(vii)
Multiple Employer Plan	Section 3.2(r)(vii)
OREO	Section 4.1(d)
PBGC	Section 3.2(r)(ii)
Proxy Statement-Prospectus	Section 5.9(a)
Purchaser	Preamble
Purchaser Benefit Plans	Section 3.3(r)(i)
Purchaser Contract	Section 3.3(p)(i)
Purchaser ERISA Affiliate	Section 3.3(r)(i)
Purchaser Intellectual Property	Section 3.3(cc)(i)
Purchaser IT Systems	Section 3.3(cc)(ii)
Purchaser Qualified Plans	Section 3.3(r)(iii)
Purchaser Reports	Section 3.3(h)
Starting Date	Section 7.1(h)
Starting Price	Section 7.1(h)
Surviving Corporation	Section 2.1
Voting Agreement	Preamble

For purposes of this Agreement:

Acquisition Proposal means any proposal or offer, whether or not in writing, with respect to any of the following (other than the transactions contemplated hereunder): (i) any merger, consolidation, share exchange, business combination, or other similar transaction or series of transactions involving the Company or any of its Subsidiaries; (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 20% or more of the Company s consolidated assets in a single transaction or series of transactions; (iii) any tender offer or exchange offer for 20% or

more of the outstanding shares of the Company s capital stock or the filing of a registration statement under the Securities Act in connection therewith; (iv) any transaction that is similar in form, substance or purpose to any of the foregoing transactions, or any combination of the foregoing; or (v) any public

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announcement, notice or regulatory filing of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing.

Affiliate of a Person means any person that, directly or indirectly through one or more intermediaries, controls, or is controlled by or is under common control with such Person.

Agreement means this Agreement and the exhibits and schedules hereto, each as amended, modified or restated from time to time in accordance with its terms.

Average Closing Price means the average closing price of Purchaser Common Stock as reported on The Nasdaq Stock Market, LLC for the twenty (20) consecutive trading days ending on and including the Determination Date.

Business Day means any day other than a Saturday, Sunday or federal holiday.

Certificate means certificates or book entry shares evidencing shares of Company Common Stock held by its stockholders.

COBRA shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and the regulations promulgated thereunder.

Company Common Stock means the common stock, no par value per share, of the Company.

Company 401(k) Plan means the Inland Northwest Bank 401(k) Profit Sharing Plan.

CRA means the Community Reinvestment Act.

Determination Date shall mean fifth day prior to the Closing Date, provided that if shares of the Purchaser Common Stock are not actually traded on The Nasdaq Stock Market, LLC on such day, the Determination Date shall be the immediately preceding day to the fifth day prior to the Closing Date on which shares of Purchaser Common Stock actually trade on The Nasdaq Stock Market, LLC.

Environmental Law means any federal, state or local law, statute, ordinance, rule, code, order or regulation relating to (i) the protection, preservation or restoration of the environment (which includes, without limitation, air, water vapor, surface water, groundwater, drinking water supply, soil, surface land, subsurface land, plant and animal life or any other natural resource), or to human health or safety as it relates to Hazardous Materials, or (ii) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release or disposal of, Hazardous Materials, in each case as amended and as now in effect. The term Environmental Law includes, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, and the Federal Occupational Safety and Health Act of 1970 as it relates to Hazardous Materials, each as amended and as now in effect.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Excluded Shares means Dissenting Shares and shares of Company Common Stock owned or held (including as treasury shares), other than in a bona fide fiduciary or agency capacity or in satisfaction of a debt previously

contracted, by Purchaser, the Company or a Subsidiary of either.

FDIC means the Federal Deposit Insurance Corporation.

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Federal Reserve means the Board of Governors of the Federal Reserve System.

FHLB means the Federal Home Loan Bank of Des Moines.

GAAP means U.S. generally accepted accounting principles.

Governmental Entity means any governmental or regulatory authority, agency, court, commission, or other administrative entity.

Hazardous Material means any substance (whether solid, liquid or gas) that is detrimental to human health or safety or to the environment, currently or hereafter listed, defined, designated or classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated, under any Environmental Law, whether by type or by quantity, including any substance containing any such substance as a component. Hazardous Material includes, without limitation, any toxic waste, pollutant, contaminant, hazardous substance, toxic substance, hazardous waste, special waste, industrial substance, oil or petroleum, or any derivative or by-product thereof, radon, radioactive material, asbestos, asbestos-containing material, urea formaldehyde foam insulation, lead and polychlorinated biphenyl.

IRC means the Internal Revenue Code of 1986, as amended.

IRS means the Internal Revenue Service.

Knowledge means, with respect to Purchaser, the actual Knowledge of those senior officers set forth in Purchaser s Disclosure Letter and, with respect to the Company, the actual Knowledge of those senior officers set forth in the Company s Disclosure Letter.

Lien means any charge, mortgage, pledge, security interest, claim, lien or encumbrance.

Loan means a loan, lease, advance, credit enhancement, guarantee, participation interest in a loan, or other extension of credit.

Loan Property means any property in which the applicable party (or a subsidiary of it) holds a security interest and, where required by the context, includes the owner or operator of such property, but only with respect to such property.

Material Adverse Effect means an effect, circumstance, occurrence or change that is material and adverse to the business, financial condition or results of operations of the Company or Purchaser, as the context may dictate, and its Subsidiaries, taken as a whole, or materially prevents, impairs or threatens the ability of either the Company or Purchaser, as the context may dictate, to perform its obligations under this Agreement or consummate the transactions contemplated by this Agreement; *provided*, *however*, that any such effect, circumstance, occurrence or change resulting from any (i) changes, after the date hereof, in laws, rules or regulations or GAAP or regulatory accounting requirements or interpretations thereof that apply to financial and/or depository institutions and/or their holding companies generally, (ii) changes, after the date hereof, in economic conditions affecting financial institutions generally, including but not limited to, changes in the general level of market interest rates, (iii) actions and omissions of Purchaser or the Company required under this Agreement or taken or omitted to be taken with the prior written consent, or at the request, of the other, including expenses incurred by the parties in consummating the transactions contemplated by this Agreement, (iv) worsening of national or international political or social conditions including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon or within the United States, (v) natural disaster or other force majeure event, and (vi) any failure, in and of itself, to meet internal or other estimates, predictions, projections

or forecasts of revenue, net income or any other measure of financial performance (except to the extent that, with respect to this clause (vi), the facts or circumstances giving rise or contributing to failure to meet estimates or

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projections may be deemed to constitute, or be taken into account in determining whether there has been, a Material Adverse Effect, except to the extent such facts or circumstances are themselves excepted from the definition of Material Adverse Effect pursuant to any other clause of this definition) shall not be considered in determining if a Material Adverse Effect has occurred except, with respect to clauses (i), (ii), (iv) and (v), to the extent that the effects of such change uniquely affects such party and its Subsidiaries as compared to comparable U.S. banking organizations.

MDOB means the Montana Division of Banking and Financial Institutions.

Montana Secretary means the Secretary of State of the State of Montana.

Option Payment Amount equals the Average Closing Price multiplied by the Exchange Ratio.

Participation Facility means any facility in which the applicable party (or a Subsidiary of it) participates in the management (including all property held as trustee or in any other fiduciary capacity) and, where required by the context, includes the owner or operator of such property, but only with respect to such property.

Person means an individual, corporation, limited liability company, partnership, association, trust, unincorporated organization or other entity.

Purchaser Common Stock means the Class A common stock, no par value per share, of Purchaser.

Purchaser 401(k) Plan means the First Interstate Bank 401(k) Plan.

Registration Statement means a registration statement on Form S-4 (and any amendments or supplements thereto) with respect to the issuance of Purchaser Common Stock in the Merger.

SEC means the U.S. Securities and Exchange Commission.

Securities Act means the Securities Act of 1933, as amended.

Subsidiary means a corporation, partnership, joint venture or other entity in which the Company or Purchaser, as the case may be, has, directly or indirectly, an equity interest representing 50% or more of any class of the capital stock thereof or other equity interests therein.

Superior Proposal means an unsolicited, bona fide written offer or proposal made by a third party to consummate an Acquisition Proposal that: (i) the Company s Board of Directors determines in good faith, after consulting with its outside legal counsel and its financial advisor, would, if consummated, result in a transaction that is more favorable to the stockholders of the Company than the transactions contemplated hereby (taking into account all factors relating to such proposed transaction deemed relevant by the Company s Board of Directors, including without limitation, the amount and form of consideration, the timing of payment, the risk of consummation of the transaction, the financing thereof and all other conditions thereto (including any adjustments to the terms and conditions of such transactions proposed by Purchaser in response to such Acquisition Proposal)); (ii) is for 100% of the outstanding shares of Company Common Stock or all or substantially all of the assets of the Company; and (iii) is reasonably likely to be completed on the terms proposed, in each case taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal.

Taxes means all income, franchise, gross receipts, real and personal property, real property transfer and gains, wage and employment taxes.

Washington Secretary means the Secretary of State of the State of Washington.

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WBCA means the Washington Business Corporation Act.

WDFI means the Washington State Department of Financial Institutions.

ARTICLE II

THE MERGER

2.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement, the Company will merge with and into Purchaser (the **Merger**) at the Effective Time. At the Effective Time, the separate corporate existence of the Company shall cease. Purchaser shall be the surviving corporation (hereinafter sometimes referred to in such capacity as the **Surviving Corporation**) in the Merger and shall continue to be governed by the Montana Business Corporation Act (the **MBCA**) and its name and separate corporate existence, with all of its rights, privileges, immunities, powers and franchises, shall continue unaffected by the Merger.

2.2 Closing. The closing of the Merger (the **Closing**) will take place by the electronic (PDF), facsimile or overnight courier exchange of executed documents or at a location and at a time as agreed to by the parties hereto on the date designated by Purchaser within fifteen (15) days following satisfaction or waiver (subject to applicable law) of the conditions to Closing set forth in Article VI (other than those conditions that by their nature are to be satisfied at the Closing), or such later date as the parties may otherwise agree (the **Closing Date**).

2.3 Effective Time. In connection with the Closing, Purchaser and the Company shall duly execute and deliver articles of merger to the Montana Secretary and the Washington Secretary, to the extent required by the relevant provision of the MBCA and the WBCA, respectively (collectively, the **Articles of Merger**). The Merger shall become effective at such time as the Articles of Merger are duly filed or at such later date or time as Purchaser and the Company agree and specify in the Articles of Merger (the date and time the Merger becomes effective being the **Effective Time**).

2.4 Effects of the Merger. The Merger will have the effects set forth in this Agreement, in the MBCA and the WBCA. Without limiting the generality of the foregoing, and subject thereto, from and after the Effective Time, Purchaser shall possess all of the properties, rights, privileges, powers and franchises of the Company and be subject to all of the debts, liabilities and obligations of the Company.

2.5 Effect on Outstanding Shares of Company Common Stock.

(a) By virtue of the Merger, automatically and without any action on the part of the holder thereof, each share of Company Common Stock issued and outstanding at the Effective Time, other than Excluded Shares, shall become and be converted into the right to receive 0.516 shares (the **Exchange Ratio**) of Purchaser Common Stock (the **Merger Consideration**).

(b) Notwithstanding any other provision of this Agreement, no fraction of a share of Purchaser Common Stock and no certificates or scrip therefor will be issued in the Merger; instead, Purchaser shall pay to each holder of Company Common Stock who would otherwise be entitled to a fraction of a share of Purchaser Common Stock an amount in cash, rounded to the nearest cent, determined by multiplying such fraction by the Average Closing Price.

(c) If, between the date of this Agreement and the Effective Time, the outstanding shares of Purchaser Common Stock shall have been changed into a different number of shares or into a different class by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, or there shall be any

extraordinary dividend or distribution paid, the Exchange Ratio shall be adjusted appropriately to provide the holders of Company Common Stock the same economic effect as contemplated by this Agreement prior to such event.

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(d) As of the Effective Time, except for Dissenting Shares, each Excluded Share shall be canceled and retired and shall cease to exist, and no exchange or payment shall be made with respect thereto. All shares of Purchaser Common Stock that are held by the Company, if any, other than shares held in a fiduciary capacity or in satisfaction of a debt previously contracted, shall be canceled and shall constitute authorized but unissued shares.

2.6 Dissenter s Rights. Each outstanding share of Company Common Stock, the holder of which has perfected his right to dissent under the WBCA and has not effectively withdrawn or lost such right as of the Effective Time (the **Dissenting Shares**) shall not be converted into or represent the right to receive the Merger Consideration hereunder and shall be entitled only to such rights as are available to such holder pursuant to the applicable provisions of the WBCA. Each holder of a Dissenting Share shall be entitled to receive the value of such Dissenting Share held by him in accordance with the applicable provisions of the WBCA; *provided*, that such holder complies with the procedures contemplated by and set forth in the applicable provisions of the WBCA. If any holder of any Dissenting Share shall effectively withdraw or lose such holder s dissenter s rights under the applicable provisions of the WBCA, each such Dissenting Share shall be exchangeable for the right to receive the Merger Consideration.

2.7 Exchange Procedures.

(a) At or prior to the Effective Time, Purchaser shall deposit, or shall cause to be deposited, with American Stock Transfer & Trust Co. (the **Exchange Agent**), pursuant to an agreement entered into prior to the Closing, for the benefit of the holders of record of shares of Company Common Stock converted into the right to receive the Merger Consideration, for exchange in accordance with this *Section 2.7*, (i) the number of shares of Purchaser Common Stock sufficient to deliver the aggregate Merger Consideration and (ii) any cash payable in lieu of fractional shares pursuant to *Section 2.5(b)*, and Purchaser shall instruct the Exchange Agent to timely deliver the Merger Consideration. Appropriate transmittal materials (**Letter of Transmittal**) shall be mailed as soon as practicable after the Effective Time to each holder of record of Company Common Stock. A Letter of Transmittal will be deemed properly completed only if the completed Letter of Transmittal is accompanied by one or more Certificates representing Company Common Stock (or customary affidavits and, if required by Purchaser pursuant to *Section 2.7(h)*, indemnification regarding the loss or destruction of such Certificates or the guaranteed delivery of such Certificates) representing all shares of Company Common Stock to be converted thereby.

(b) At and after the Effective Time, each Certificate shall represent only the right to receive the Merger Consideration, and as to Dissenting Shares, shall represent only the right to receive applicable payments as set forth in *Section 2.6*. The Company shall provide to the Exchange Agent all information reasonably necessary for it to perform its obligations as specified herein.

(c) The Letter of Transmittal shall (i) specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent, (ii) be in a form and contain any other provisions as Purchaser may reasonably determine and (iii) include instructions for use in effecting the surrender of the Certificates in exchange for the Merger Consideration. Upon the proper surrender of the Certificates to the Exchange Agent, together with a properly completed and duly executed Letter of Transmittal, the holder of such Certificates shall be entitled to receive in exchange therefor a certificate, or, at the election of Purchaser, a statement reflecting shares issued in book entry form, representing that number of whole shares of Purchaser Common Stock that such holder has the right to receive pursuant to *Section 2.5(a)* and a check in the amount equal to any cash in lieu of fractional shares such holder is entitled to pursuant to *Section 2.5(b)* and any dividends or other distributions to which such holder is entitled. Certificates so surrendered shall forthwith be canceled. As soon as practicable following receipt of the properly completed Letter of Transmittal and any necessary accompanying documentation, the Exchange Agent shall distribute Purchaser Common Stock and cash in lieu of fractional shares as provided herein. The Exchange Agent shall not be entitled to vote or exercise any rights of ownership with respect to the shares of

Purchaser Common Stock

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held by it from time to time hereunder, except that it shall receive and hold all dividends or other distributions paid or distributed with respect to such shares for the account of the Persons entitled thereto. If there is a transfer of ownership of any shares of Company Common Stock not registered in the transfer records of the Company, the Merger Consideration shall be issued to the transferee thereof if the Certificates representing such Company Common Stock are presented to the Exchange Agent, accompanied by all documents required, in the reasonable judgment of Purchaser and the Exchange Agent, to evidence and effect such transfer and to evidence that any applicable stock transfer taxes have been paid.

(d) No dividends or other distributions declared or made after the Effective Time with respect to Purchaser Common Stock issued pursuant to this Agreement shall be remitted to any person entitled to receive shares of Purchaser Common Stock hereunder until such Person surrenders his or her Certificates in accordance with this *Section 2.7*. Upon the surrender of such Person s Certificates, such Person shall be entitled to receive any dividends or other distributions, without interest thereon, which subsequent to the Effective Time had become payable but not paid with respect to shares of Purchaser Common Stock represented by such Person s Certificates.

(e) The stock transfer books of the Company shall be closed immediately upon the Effective Time and from and after the Effective Time there shall be no transfers on the stock transfer records of the Company of any shares of Company Common Stock. If, after the Effective Time, Certificates are presented to Purchaser, they shall be canceled and exchanged for the Merger Consideration deliverable in respect thereof pursuant to this Agreement in accordance with the procedures set forth in this *Section 2.7*.

(f) Any portion of the aggregate amount of cash to be paid in lieu of fractions of a share pursuant to *Section 2.5*, any dividends or other distributions to be paid pursuant to this *Section 2.7* or any proceeds from any investments thereof that remains unclaimed by the holders of Company Common Stock for six months after the Effective Time shall be repaid by the Exchange Agent to Purchaser upon the written request of Purchaser. After such request is made, each holder of Company Common Stock who has not theretofore complied with this *Section 2.7* shall look only to Purchaser for the Merger Consideration deliverable in respect of each share of Company Common Stock such stockholder holds, as determined pursuant to *Section 2.5* of this Agreement, without any interest thereon. Notwithstanding the foregoing, neither the Exchange Agent nor any party to this Agreement (or any Affiliate thereof) shall be liable to any former holder of Company Common Stock for any amount delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

(g) Purchaser and the Exchange Agent shall be entitled to rely upon the Company s stock transfer books to establish the identity of those Persons entitled to receive the Merger Consideration, which books shall be conclusive with respect thereto. The Company shall provide to the Exchange Agent all information reasonably necessary for it to perform its obligations as specified herein. In the event of a dispute with respect to ownership of stock represented by any Certificate, Purchaser and the Exchange Agent shall be entitled to deposit any Merger Consideration represented thereby in escrow with an independent third party and thereafter be relieved with respect to any claims thereto.

(h) If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and the posting by such Person of a bond in such amount as the Exchange Agent may direct as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Certificate the Merger Consideration deliverable in respect thereof pursuant to *Section 2.5*.

2.8 Effect on Outstanding Shares of Purchaser Common Stock. At the Effective Time, and except as provided in *Section 2.5(d)*, each share of Purchaser Common Stock issued and outstanding immediately prior to the Effective Time shall remain an issued and outstanding share of common stock of the Surviving Corporation and shall not be

affected by the Merger.

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2.9 Directors of Surviving Corporation After Effective Time. Immediately after the Effective Time, until their respective successors are duly elected or appointed and qualified, the directors of the Surviving Corporation shall consist of the directors of Purchaser serving immediately prior to the Effective Time.

2.10 Articles of Incorporation and Bylaws. The articles of incorporation of Purchaser, as in effect immediately prior to the Effective Time, shall be the articles of incorporation of the Surviving Corporation until thereafter amended in accordance with applicable law and the terms thereof. The bylaws of Purchaser, as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Corporation until thereafter amended in accordance with applicable law and the terms of such bylaws.

2.11 Treatment of Stock Options. At the Effective Time, each option to acquire shares of Company Common Stock that is outstanding and unexercised immediately prior thereto (**Company Stock Option**) pursuant to the Inland Northwest Bank 2014 Share Incentive Plan (the **Company Equity Plan**) shall automatically become vested and shall be cancelled and, subject to Purchaser s receipt of an option surrender agreement in the form set forth in the Purchaser s Disclosure Letter, converted into the right to receive from Purchaser a cash payment in an amount, less required withholding taxes, equal to the product of (i) the number of shares of Company Common Stock subject to the Company Stock Option, multiplied by (ii) the amount by which the Option Payment Amount exceeds the exercise price of such Company Stock Option. If the exercise price of a Company Stock Option is greater than the Option Payment Amount, then at the Effective Time such Company Stock Option shall be cancelled without any payment made in exchange therefor. Such cash payment shall be made by wire transfer of immediately available funds on the Closing Date.

2.12 Treatment of Stock Purchase Warrants. At the Effective Time, each stock purchase warrant to acquire shares of Company Common Stock that is outstanding and unexercised immediately prior thereto (**Company Warrant**) shall be cancelled pursuant to the warrant termination agreement in the form set forth in the Purchaser s Disclosure Letter and each holder thereof shall receive from Purchaser a cash payment in an amount, less required withholding taxes, equal to the product of (i) the number of shares of Company Common Stock subject to the Company Warrant, multiplied by (ii) the amount by which the Option Payment Amount exceeds the exercise price of such Company Warrant. If the exercise price of a Company Warrant is greater than the Option Payment Amount, then at the Effective Time such Company Warrant shall be cancelled without any payment made in exchange therefor. Such cash payment shall be made by wire transfer of immediately available funds on the Closing Date.

2.13 Treatment of Restricted Stock. At the Effective Time, any vesting restrictions on each share of restricted stock outstanding immediately prior thereto (**Company Restricted Stock**) pursuant to the Company Equity Plan shall automatically lapse and shall be treated as issued and outstanding shares of Company Common Stock for the purposes of this Agreement, including but not limited to, the provisions of *Section 2.5*. Purchaser shall use reasonable best efforts to ensure Purchaser s transfer agent will permit holders of Company Restricted Stock to satisfy their tax withholding obligations for the Company Restricted Stock via net settlement.

2.14 Bank Merger. As soon as practicable after the execution and delivery of this Agreement, First Interstate Bank, a wholly owned subsidiary of Purchaser, and Inland Northwest Bank (**INB**), a wholly owned subsidiary of the Company, shall enter into the Plan of Bank Merger, in the form attached hereto as Exhibit B, pursuant to which INB will merge with and into First Interstate Bank (the **Bank Merger**). The parties intend that the Bank Merger will become effective as soon as practicable following the Effective Time.

2.15 Alternative Structure. Notwithstanding anything to the contrary contained in this Agreement, prior to the Effective Time, Purchaser may specify that the structure of the transactions contemplated by this Agreement be revised and the parties shall enter into such alternative transactions as Purchaser may reasonably determine to effect

the purposes of this Agreement; *provided, however,* that such revised structure shall not (i) alter or change the amount or kind of the Merger Consideration, (ii) materially impede or delay consummation of the transactions contemplated by this Agreement, or (iii) adversely limit or impact the qualification of the Merger as

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a reorganization under the provisions of Section 368(a) of the IRC. In the event that Purchaser elects to make such a revision, the parties agree to execute appropriate documents to reflect the revised structure.

2.16 Absence of Control. It is the intent of the parties hereto that Purchaser by reason of this Agreement shall not be deemed (until consummation of the transactions contemplated hereby) to control, directly or indirectly, the Company or to exercise, directly or indirectly, a controlling influence over the management or policies of the Company.

2.17 Additional Actions. If, at any time after the Effective Time, Purchaser or First Interstate Bank shall consider or be advised that any further deeds, assignments or assurances in law or any other acts are necessary or desirable to (i) vest, perfect or confirm, of record or otherwise, in Purchaser or First Interstate Bank its right, title or interest in, to or under any of the rights, properties or assets of the Company or INB, or (ii) otherwise carry out the purposes of this Agreement, INB, the Company and their officers and directors shall be deemed to have granted to Purchaser and First Interstate Bank an irrevocable power of attorney to execute and deliver, in such official corporate capacities, all such deeds, assignments or assurances in law or any other acts as are necessary or desirable to (a) vest, perfect or confirm, of record or otherwise, in Purchaser or First Interstate Bank its right, title or interest in, to or under any of the rights, properties or assets of the Company or INB or (b) otherwise carry out the purposes of this Agreement, and the officers and directors of Purchaser or First Interstate Bank are authorized in the name of the Company or INB or otherwise to take any and all such action.

2.18 Withholding. Purchaser or the Exchange Agent will be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement or the transactions contemplated hereby to any holder of Company Common Stock such amounts as Purchaser (or any Affiliate thereof) or the Exchange Agent are required to deduct and withhold with respect to the making of such payment under the IRC, or any applicable provision of U.S. federal, state, local or non-U.S. tax law. To the extent that such amounts are properly withheld by Purchaser or the Exchange Agent, such withheld amounts will be treated for all purposes of this Agreement as having been paid to the holder of the Company Common Stock in respect of whom such deduction and withholding were made by Purchaser or the Exchange Agent.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Disclosure Letters; Standard.

(a) Prior to the execution and delivery of this Agreement, Purchaser and the Company have each delivered to the other a letter (each, its **Disclosure Letter**) setting forth, among other things, facts, circumstances and events the disclosure of which is required or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more of their respective representations and warranties contained in *Section 3.2* or *Section 3.3*, as applicable, or to one or more of its covenants contained in Articles IV or V (and making specific reference to the Section of this Agreement to which they relate). Disclosure in any paragraph of the Disclosure Letter shall apply only to the indicated Section of this Agreement except to the extent that it is reasonably clear on the face of such disclosure (notwithstanding the absence of a specific cross reference) that it is relevant to another paragraph of the Disclosure Letter or another Section of this Agreement.

(b) No representation or warranty of the Company or Purchaser contained in *Sections 3.2* or *3.3*, as applicable (other than (i) the representations and warranties contained in *Sections 3.2(c) and 3.3(c)*, which shall be true in all respects, and (ii) the representations and warranties contained in *Sections 3.2(a)*, *3.2(d)*, *3.2(e)(i)* and *(ii), 3.2(j), 3.2(u)*, *3.2(x)*, *3.3(a)*, *3.3(d)*, *3.3(e)(i)* and *(ii), 3.3(k)* and *3.3(u)*, which shall be true in all material respects) will be deemed untrue or

incorrect, and no party will be deemed to have breached a representation or warranty, as a consequence of the existence of any fact, event or circumstance unless such fact, event or

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circumstance, individually or taken together with all other facts, events or circumstances inconsistent with any representation or warranty contained in *Sections 3.2* or *3.3*, has had or is reasonably likely to have a Material Adverse Effect with respect to the Company or Purchaser, as the case may be (it being understood that, except with respect to *Section 3.2(j)*, for purposes of determining the accuracy of such representations and warranties, all Material Adverse Effect qualifications and other materiality qualifications contained in such representations and warranties shall be disregarded).

3.2 Representations and Warranties of the Company. Except (i) as disclosed in the Company s Disclosure Letter, and (ii) for information and documents commonly known as confidential supervisory information that is prohibited from disclosure (and as to which nothing in this Agreement shall require disclosure), the Company represents and warrants to Purchaser that:

(a) *Organization and Qualification*. The Company is a corporation duly organized and validly existing under the laws of the State of Washington and is registered with the Federal Reserve as a bank holding company. The Company has all requisite corporate power and authority to own, lease and operate its properties and to conduct the business currently being conducted by it. The Company is duly qualified or licensed as a foreign corporation to transact business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so qualified or licensed and in good standing would not have a Material Adverse Effect on the Company. The Company engages only in activities, and holds properties only of the types, permitted to bank holding companies by the Bank Holding Company Act of 1956, as amended, and the rules, regulations and interpretations promulgated thereunder.

(b) *Subsidiaries*.

(i) The Company s Disclosure Letter sets forth with respect to each of the Company s direct and indirect Subsidiaries its name, its jurisdiction of incorporation, the Company s percentage ownership, the number of shares of stock or other equity interests owned or controlled by the Company and the name and number of shares held by any other person who owns any stock of the Subsidiary. The Company owns, directly or indirectly, all of the issued and outstanding shares of capital stock or other equity interests of each of its Subsidiaries, free and clear of any Liens. There are no contracts, commitments, agreements or understandings relating to the Company s right to vote or dispose of any equity securities of its Subsidiaries. The Company s ownership interest in each of its Subsidiaries is in compliance with all applicable laws, rules and regulations relating to equity investments by bank holding companies or Washington-chartered savings banks.

(ii) Each of the Company s Subsidiaries is a corporation or limited liability company duly organized and validly existing under the laws of its jurisdiction of incorporation, has all requisite corporate power and authority to own, lease and operate its properties and to conduct the business currently being conducted by it and is duly qualified or licensed as a foreign corporation to transact business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so qualified or licensed and in good standing would not have a Material Adverse Effect on the Company.

(iii) The outstanding shares of capital stock of each Subsidiary have been validly authorized and are validly issued, fully paid and nonassessable. No shares of capital stock of any Subsidiary of the Company are or may be required to be issued by virtue of any options, warrants or other rights, no securities exist that are convertible into or exchangeable for shares of such capital stock or any other debt or equity security of any Subsidiary, and there are no contracts, commitments, agreements or understandings of any kind for the issuance of additional shares of capital

stock or other debt or equity security of any Subsidiary or options, warrants or other rights with respect to such securities.

(iv) INB is a Washington-chartered commercial bank. No Subsidiary of the Company other than INB is an insured depository institution as defined in the Federal Deposit Insurance Act, as amended, and the

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applicable regulations thereunder. INB s deposits are insured by the FDIC through the Deposit Insurance Fund to the fullest extent permitted by law. INB is a member in good standing of the FHLB and owns the requisite amount of stock therein.

(c) *Capital Structure*.

(i) The authorized capital stock of the Company consists of 30,000,000 shares of Company Common Stock and 500,000 shares of preferred stock, no par value per share.

(ii) As of the date of this Agreement:

(A) 7,518,686 shares of Company Common Stock (including 256,685 shares of Company Restricted Stock) are issued and outstanding, all of which are validly issued, fully paid and nonassessable and were issued in full compliance with all applicable laws and not in violation of any preemptive rights;

(B) no shares of Company preferred stock are issued and outstanding; and

(C) 200,000 shares of Company Common Stock are reserved for issuance pursuant to outstanding Company Stock Options (including exercisable and unexercisable Company Stock Options) and Company Warrants.

(iii) Set forth in the Company s Disclosure Letter are: (a) a complete and accurate list of all outstanding Company Stock Options, including the names of the optionees, dates of grant, exercise prices, dates of vesting, dates of termination, shares subject to each grant and whether stock appreciation, limited or other similar rights were granted in connection with such options; (b) a complete and accurate list of all outstanding shares of Company Restricted Stock, including the names of the grantees, dates of grant, dates of vesting and shares subject to each grant; and (c) a complete and accurate list of all outstanding Company Warrants, including the names of the warrant holders, dates of grant, exercise prices, dates of vesting, dates of termination, shares subject to each grant and whether stock appreciation, limited or other similar rights were granted in connection with such warrants.

(iv) No bonds, debentures, notes or other indebtedness having the right to vote on any matters on which stockholders of the Company may vote are issued or outstanding other than (i) $5.155 million of trust preferred securities issued by Northwest Bancorporation Capital Trust I; (ii) the guarantee by the Company to the holders of the debentures issued by the Northwest Bancorporation Capital Trust I; and (iii) $6 million of unsecured subordinated notes, due November 18, 2022.

(v) Except as set forth in this *Section 3.2(c)*, as of the date of this Agreement, (A) no shares of capital stock or other voting securities of the Company are issued, reserved for issuance or outstanding, and (B) other than Company Stock Options and Company Warrants, neither the Company nor any of its Subsidiaries has or is bound by any outstanding subscriptions, options, warrants, calls, rights, convertible securities, commitments or agreements of any character obligating the Company or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, any additional shares of capital stock of the Company (including any rights plan or agreement) or obligating the Company or any of its Subsidiaries to grant, extend or enter into any such option, warrant, call, right, convertible security, commitment or agreement. Neither the Company nor any of its Subsidiaries has or is bound by any rights of any character relating to the purchase, sale or issuance or voting of, or right to receive dividends or other distributions on shares of Company Common Stock, or any other security of the Company or a Subsidiary of the Company or any securities representing the right to vote, purchase or otherwise receive any shares of Company Common Stock or any other security of the Company or a Subsidiary of the Company. Other than as stated herein, there are no outstanding securities or instruments that contain any redemption or similar provisions, and there are no outstanding contractual

obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of the Company or any of its Subsidiaries.

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(vi) Other than the Voting Agreements and as set forth in the Company s Disclosure Letter, there are no voting trusts, shareholder agreements, proxies or similar agreements to which the Company or any of its Subsidiaries is a party in effect with respect to the voting or transfer of the Company Common Stock or other voting securities or equity interests of the Company or granting any shareholder or other person any registration rights. The Company does not have in effect a poison pill or similar shareholder rights plan.

(d) *Authority*. The Company has all requisite corporate power and authority to enter into this Agreement, to perform its obligations hereunder and, subject to the consents, approvals and filings set forth in *Section 3.2(f)*, to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate actions on the part of the Company s Board of Directors, and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated by this Agreement other than the approval and adoption of this Agreement by the affirmative vote of the holders of two-thirds of the outstanding shares of Company Common Stock. The Company s Board of Directors has determined that this Agreement is advisable and has directed that this Agreement be submitted to the Company s stockholders for approval and adoption and has unanimously adopted a resolution to the foregoing effect and recommend that the stockholders approve and adopt this Agreement. This Agreement has been duly and validly executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors rights and remedies generally and to general principles of equity, whether applied in a court of law or a court of equity.

(e) *No Violations*. The execution, delivery and performance of this Agreement by the Company do not, and the consummation of the transactions contemplated by this Agreement will not, (i) assuming that the consents, approvals and filings referred to in *Section 3.2(f)* have been obtained and the applicable waiting periods have expired, violate any law, rule or regulation or any judgment, decree, order, governmental permit or license to which the Company or any of its Subsidiaries (or any of their respective properties) is subject, (ii) violate the articles of incorporation or bylaws of the Company or the similar organizational documents of any of its Subsidiaries or (iii) constitute a breach or violation of, or a default under (or an event that, with due notice or lapse of time or both, would constitute a default under), or result in the termination of, accelerate the performance required by, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries under, any of the terms, conditions or provisions of any note, bond, indenture, deed of trust, loan agreement or other agreement, instrument or obligation to which the Company or any of its Subsidiaries is a party, or to which any of their respective properties or assets may be subject.

(f) *Consents and Approvals*. Except for (i) filings of applications and notices with, receipt of approvals or no objections from, and the expiration of related waiting periods required by, federal and state banking authorities, including filings and notices with the Federal Reserve, the MDOB and the WDFI, (ii) the filing with the SEC of a Proxy Statement-Prospectus in definitive form relating to the meeting of the Company s stockholders to be held in connection with this Agreement and the transactions contemplated hereby and of the Registration Statement in which such proxy statement will be included as a prospectus, and declaration of effectiveness of the Registration Statement, (iii) the filing of the Articles of Merger with the Montana Secretary pursuant to the MBCA and with Washington Secretary pursuant to the WBCA, the filing of a certificate for the Bank Merger with the MDOB and the filing of a notice for the Bank Merger with the WDFI, (iv) filing with The Nasdaq Stock Market LLC of a notification or application of the listing of the shares of Purchaser Common Stock to be issued in the Merger, (v) such filings and approvals as are required to be made or obtained under the securities or Blue Sky laws of various states in connection with the issuance of shares of Purchaser Common Stock pursuant to this Agreement, and (vi) the approval by the Company s stockholders required to approve the Merger under Washington law, no consents or approvals of, or filings or registrations with, any Governmental Entity or any third party are required to be made or obtained by the Company

in connection with the execution and delivery by the Company of this Agreement or the consummation by the Company of the Merger and the other transactions contemplated by this Agreement, including the Bank Merger. As of the date hereof, the

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Company has no Knowledge of any reason pertaining to the Company why any of the approvals referred to in this *Section 3.2(f)* should not be obtained without the imposition of any material condition or restriction described in *Section 6.2(e)*.

(g) *Governmental Filings*. The Company and each of its Subsidiaries has filed all reports, schedules, registration statements and other documents that it has been required to file since January 1, 2015 with the Federal Reserve, the FDIC and WDFI or any other Governmental Entity. As of their respective dates, each of such filings complied in all material respects with all laws or regulations under which it was filed (or was amended so as to be in compliance promptly following discovery of such noncompliance).

(h) *Financial Statements*. The Company has previously made available to Purchaser copies of the consolidated statements of financial condition of the Company and its Subsidiaries as of December 31, 2017 and 2016 and related consolidated statements of income, comprehensive income, changes in shareholders equity and cash flows for each of the years in the two-year period ended December 31, 2017, together with the notes thereto, accompanied by the audit report of the Company s independent registered public accounting firm. Such financial statements were prepared from the books and records of Company and its Subsidiaries, fairly present the consolidated financial position of Company and its Subsidiaries in each case at and as of the dates indicated and the consolidated results of operations and cash flows of Company and its Subsidiaries for the periods indicated, and, except as otherwise set forth in the notes thereto, were prepared in accordance with GAAP consistently applied throughout the periods covered thereby. The books and records of the Company and its Subsidiaries have been, and are being, maintained in all material respects in accordance with GAAP and any other legal and accounting requirements and reflect only actual transactions.

(i) *Undisclosed Liabilities*. Neither the Company nor any of its Subsidiaries has incurred any debt, liability or obligation of any nature whatsoever (whether accrued, contingent, absolute or otherwise and whether due or to become due) other than liabilities reflected on or reserved against in the consolidated statement of financial condition of the Company as of December 31, 2017, except for (i) liabilities incurred since December 31, 2017 in the ordinary course of business consistent with past practice that, either alone or when combined with all similar liabilities, have not had, and would not reasonably be expected to have, a Material Adverse Effect on the Company and (ii) liabilities incurred for legal, accounting, financial advising fees and out-of-pocket or other expenses or fees in connection with the transactions contemplated by this Agreement.

(j) *Absence of Certain Changes or Events*.

(i) Except as set forth in the Company s Disclosure Letter, since December 31, 2017, the Company and its Subsidiaries have conducted their respective businesses only in the ordinary and usual course of such businesses consistent with their past practices and there has not been any event or occurrence that has had, or is reasonably expected to have, a Material Adverse Effect on the Company.

(ii) Except as set forth in the Company s Disclosure Letter, since December 31, 2017, none of the Company or any of its Subsidiaries have taken any action that would be prohibited by clauses (b)(i), (c), (d), (e), (h), (j), (k), (n), (o) or (p) of *Section 4.1* if taken after the date hereof.

(k) *Litigation*. There are no material suits, actions or legal, administrative or arbitration proceedings pending or, to the Knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries or any property or asset of the Company or any of its Subsidiaries that (i) are seeking damages or declaratory relief against the Company or any of its Subsidiaries or (ii) challenge the validity or propriety of the transactions contemplated by this Agreement. There are no judgments, decrees, injunctions, orders or rulings of any Governmental Entity or arbitrator outstanding against the Company or any of its Subsidiaries or the assets of the Company or any of its Subsidiaries (or that, upon

consummation of the Merger, would apply to Purchaser or any of its Subsidiaries). Since January 1, 2015, (i) there have been no subpoenas, written demands, or document requests received by the Company or any of its Subsidiaries from any Governmental Entity and (ii) no

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Governmental Entity has requested that the Company or any of its Subsidiaries enter into a settlement, negotiation or tolling agreement with respect to any matter related to any such subpoena, written demand, or document request.

(l) *Absence of Regulatory Actions*. Since January 1, 2015, neither the Company nor any of its Subsidiaries has been a party to any cease and desist order, written agreement or memorandum of understanding with, or any commitment letter or similar undertaking to, or has been subject to any action, proceeding, order or directive by any Governmental Entity, or has adopted any board resolutions relating to such matters as are material to the business of the Company or its Subsidiaries at the request of any Governmental Entity, or has been advised by any Governmental Entity that it is contemplating issuing or requesting (or is considering the appropriateness of issuing or requesting) any such action, proceeding, order, directive, written agreement, memorandum of understanding, commitment letter, board resolutions or similar undertaking. To the Knowledge of the Company, there are no material unresolved violations, criticisms or exceptions by any Governmental Entity with respect to any report or statement relating to any examinations of the Company or its Subsidiaries.

(m) *Compliance with Laws*. To the Knowledge of the Company, the Company and each of its Subsidiaries have complied in all material respects with and are not in material default or violation under any applicable law, statute, order, rule, regulation, policy and/or guideline of any Governmental Entity relating to the Company or any of its Subsidiaries, including without limitation all laws related to data protection or privacy, the Equal Credit Opportunity Act and Regulation B, the Fair Housing Act, the Fair Credit Reporting Act, the Truth in Lending Act and Regulation Z, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act and Regulation X, and any other law relating to bank secrecy, discriminatory lending, financing or leasing practices, money laundering prevention, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act, and all agency requirements relating to the origination, sale and servicing of mortgage and consumer loans. The Company and each of its Subsidiaries has all material permits, licenses, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, all Governmental Entities that are required in order to permit it to carry on its business as it is presently conducted. All such permits, licenses, certificates of authority, orders and approvals are in full force and effect, and no suspension or cancellation of any of them is, to the Knowledge of the Company, threatened. Neither the Company nor any of its Subsidiaries has been given notice or been charged with any violation of, any law, ordinance, regulation, order, writ, rule, decree or condition to approval of any Governmental Entity that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on the Company.

(n) *Taxes*. All federal, state, local and foreign tax returns required to be filed by or on behalf of the Company or any of its Subsidiaries have been timely filed or requests for extensions have been timely filed and any such extension shall have been granted and not have expired, and all such filed returns are complete and accurate in all material respects. All Taxes shown on such returns, all Taxes required to be shown on returns for which extensions have been granted and all other Taxes required to be paid by the Company or any of its Subsidiaries have been paid in full or adequate provision has been made for any such Taxes on the Company s statement of financial condition (in accordance with GAAP). To the Knowledge of the Company, there is no audit examination, deficiency assessment, tax investigation or refund litigation with respect to any Taxes of the Company or any of its Subsidiaries, and no claim has been made in writing by any authority in a jurisdiction where the Company or any of its Subsidiaries do not file tax returns that the Company or any such Subsidiary is subject to taxation in that jurisdiction. All Taxes, interest, additions and penalties due with respect to completed and settled examinations or concluded litigation relating to the Company or any of its Subsidiaries have been paid in full or adequate provision has been made for any such Taxes on the Company s statement of financial condition (in accordance with GAAP). The Company and its Subsidiaries have not executed an extension or waiver of any statute of limitations on the assessment or collection of any tax due that is currently in

effect. The Company and each of its Subsidiaries has withheld and paid all Taxes required to have been withheld and paid in

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connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party, and the Company and each of its Subsidiaries has timely complied with all applicable information reporting requirements under Part III, Subchapter A of Chapter 61 of the IRC and similar applicable state and local information reporting requirements. Neither the Company nor any of its Subsidiaries has made any payments and is not a party to any agreement, and does not maintain any plan, program or arrangement, which could require it to make any payments that would not be fully deductible by reason of Section 162(m) of the IRC.

(o) *Agreements*.

(i) The Company has previously delivered to Purchaser, and the Company s Disclosure Letter lists, any contract, arrangement, commitment or understanding (whether written or oral) to which the Company or any of its Subsidiaries is a party or is bound:

(A) (1) with any director, officer or employee of the Company or any of its Subsidiaries the benefits of which are contingent, or the terms of which are materially altered, upon the occurrence of a transaction involving the Company or any of its Subsidiaries of the nature contemplated by this Agreement; (2) with respect to the employment of any directors, officers, employees or consultants; or (3) any of the benefits of which will be increased, or the vesting or payment of the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement, or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement (including any stock option plan, phantom stock or stock appreciation rights plan, restricted stock plan or stock purchase plan);

(B) that (1) contains a non-compete or client, customer or employee non-solicit requirement or any other provision that restricts the conduct of, or the manner of conducting, any line of business of the Company or any of its Subsidiaries (or, following the consummation of the transactions contemplated hereby, Purchaser or any of its Subsidiaries), (2) obligates the Company or any of its Affiliates (or, following the consummation of the transactions contemplated hereby, Purchaser or any of its Subsidiaries) to conduct business with any third party on an exclusive or preferential basis, or (3) requires referrals of business or requires the Company or any of its Subsidiaries to make available investment opportunities to any person on a priority or exclusive basis;

(C) pursuant to which the Company or any of its Subsidiaries may become obligated to invest in or contribute capital to any entity;

(D) that relates to borrowings of money (or guarantees thereof) by the Company or any of its Subsidiaries in excess of $100,000, other than FHLB borrowings and repurchase agreements with customers entered into in the ordinary course of business;

(E) that grants any right of first refusal, right of first offer or similar right with respect to any material assets, rights or properties of the Company or any of its Subsidiaries;

(F) that limits the payment of dividends by the Company or any of its Subsidiaries;

(G) that relates to the involvement of the Company or any Subsidiary in a joint venture, partnership, limited liability company agreement or other similar agreement or arrangement, or to the formation, creation or operation, management or control of any partnership or joint venture with any third parties;

(H) that relates to an acquisition, divestiture, merger or similar transaction and that contains representations, covenants, indemnities or other obligations (including indemnification, earn-out or other contingent obligations) that

are still in effect;

(I) that is a lease or license with respect to any property, real or personal, whether as landlord, tenant, licensor or licensee, involving a liability or obligation as obligor in excess of $100,000 per annum;

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(J) that is a consulting agreement or data processing, software programming or licensing contract involving the payment of more than $100,000 per annum; or

(K) that is not of the type described in clauses (A) through (J) above and that involved payments by, or to, the Company or any of its Subsidiaries in the fiscal year ended December 31, 2017, or that could reasonably be expected to involve such payments during the fiscal year ending December 31, 2018, of more than $100,000 (excluding Loans) or the termination of which would require payment by the Company or any of its Subsidiaries in excess of $100,000.

Each contract, arrangement, commitment or understanding of the type described in this *Section 3.2(o)*, whether or not set forth in the Company s Disclosure Letter, is referred to herein as a **Company Contract**, and neither the Company nor any of its Subsidiaries knows of, or has received notice of, any material violation of the above by any of the other parties thereto.

(ii) Each Company Contract is valid and binding on the Company or one of its Subsidiaries, as applicable, and in full force and effect, except as, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Company. The Company and each of its Subsidiaries has in all material respects performed all obligations required to be performed by it under each Company Contract. To the Company s Knowledge, each third-party counterparty to each Company Contract has in all material respects performed all obligations required to be performed by it under such Company Contract, and no event or condition exists that constitutes or, after notice or lapse of time or both, will constitute, a material default on the part of the Company or any of its Subsidiaries under any such Company Contract.

(iii) Neither the Company nor any of its Subsidiaries is in default under (and no event has occurred that with due notice or lapse of time or both, would constitute a default under) or is in material violation of any provision of any note, bond, indenture, mortgage, deed of trust, loan agreement, lease or other agreement to which it is a party or by which it is bound or to which any of its respective properties or assets is subject and, to the Knowledge of the Company, no other party to any such agreement (excluding any Loan or extension of credit made by the Company or any of its Subsidiaries) is in default in any respect thereunder.

(p) *Intellectual Property; Company IT Systems*.

(i) The Company and each of its Subsidiaries owns or possesses valid and binding licenses and other rights to use (in the manner and the geographic areas in which they are currently used) without payment all patents, copyrights, trade secrets, trade names, service marks and trademarks material to its business. The Company s Disclosure Letter sets forth a complete and correct list of all material trademarks, trade names, service marks and copyrights owned by or licensed to the Company or any of its Subsidiaries for use in its business, and all licenses and other agreements relating thereto and all agreements relating to third party intellectual property that the Company or any of its Subsidiaries is licensed or authorized to use in its business, including without limitation any software licenses but excluding any so-called shrink-wrap license agreements and other similar computer software licensed in the ordinary course of business and/or otherwise resident on desktop computers (collectively, the **Company Intellectual Property**). With respect to each item of Company Intellectual Property owned by the Company or any of its Subsidiaries, the owner possesses all right, title and interest in and to the item, free and clear of any Lien. With respect to each item of Company Intellectual Property that the Company or any of its Subsidiaries is licensed or authorized to use, the license, sublicense or agreement covering such item is legal, valid, binding, enforceable and in full force and effect as to the Company and the Subsidiaries. Neither the Company nor any of its Subsidiaries has received any charge, complaint, claim, demand or notice alleging any interference, infringement, misappropriation or violation with or of any intellectual property rights of a third party (including any claims that the Company or any of its Subsidiaries must license or refrain from using any intellectual property rights of a third party). To the Knowledge of the Company,

neither the Company nor any of its Subsidiaries has interfered with, infringed upon, misappropriated or otherwise come into conflict with any intellectual property rights of third parties and no third party has interfered with, infringed

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upon, misappropriated or otherwise come into conflict with any intellectual property rights of the Company or any of its Subsidiaries.

(ii) To the Company s Knowledge, all information technology and computer systems (including software, information technology and telecommunication hardware and other equipment) relating to the transmission, storage, maintenance, organization, presentation, generation, processing or analysis of data and information, whether or not in electronic format, used in or necessary to the conduct of the business of the Company or INB (collectively, the **Company IT Systems**) have been properly maintained by technically competent personnel, in accordance with standards set by the manufacturers or otherwise in accordance with standards in the industry, to ensure proper operation, monitoring and use. The Company IT Systems are in good working condition to effectively perform all information technology operations necessary to conduct the Company s consolidated business as currently conducted. Neither the Company nor INB has experienced within the past two years any material disruption to, or material interruption in, the conduct of its business attributable to a defect, bug, breakdown or other failure or deficiency of the Company IT Systems. No Person has gained unauthorized access to any of the Company IT Systems that has had, or is reasonably expected to have, a Material Adverse Effect on the Company. The Company and INB have taken reasonable measures to provide for the back-up and recovery of the data and information necessary to the conduct of their businesses without material disruption to, or material interruption in, the conduct of their respective businesses. The Company and its Subsidiaries are in compliance in all material respects with all data protection and privacy laws and regulations as well as their own policies relating to data protection and the privacy and security of personal data and the non-public personal information of their respective customers and employees, except for immaterial failures to comply or immaterial violations.

(q) *Labor Matters*.

(i) The Company and its Subsidiaries are in material compliance with all applicable laws respecting employment, retention of independent contractors, employment practices, terms and conditions of employment, and wages and hours. Neither the Company nor any of its Subsidiaries is or has ever been a party to, or is or has ever been bound by, any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor organization with respect to its employees, nor is the Company or any of its Subsidiaries the subject of any proceeding asserting that it has committed an unfair labor practice or seeking to compel it or any such Subsidiary to bargain with any labor organization as to wages and conditions of employment nor, to the Knowledge of the Company, has any such proceeding been threatened, nor is there any strike, other labor dispute or organizational effort involving the Company or any of its Subsidiaries pending or, to the Knowledge of the Company, threatened.

(ii) The Company s Disclosure Letter identifies (A) all present employees (including any leased or temporary employees) of the Company and its Subsidiaries and any consultants or independent contractors providing services to the Company or any of its Subsidiaries; (B) each employee s, consultant s or independent contractor s date of hire and current rate of compensation; and (C) each employee s accrued vacation, sick leave or personal leave if applicable. The Company s Disclosure Letter also names any employee who is absent from work due to a leave of absence (including, but not limited to, in accordance with the requirements of the Family and Medical Leave Act or the Uniformed Services Employment and Reemployment Rights Act) or a work-related injury, or who is receiving workers compensation or disability compensation. There are no unpaid wages, bonuses or commissions owed to any employee (other than those not yet due).

(r) *Employee Benefit Plans*.

(i) The Company s Disclosure Letter lists all Company Benefit Plans. For purposes of this Agreement, **Company Benefit Plans** mean all employee benefit plans (as defined in Section 3(3) of ERISA), whether or not subject to

ERISA, whether funded or unfunded, and all pension, benefit, retirement, bonus, stock option, stock purchase, restricted stock, stock-based, performance award, phantom equity, incentive, deferred

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compensation, retiree medical or life insurance, supplemental retirement, severance, retention, employment, consulting, termination, change in control, salary continuation, accrued leave, sick leave, vacation, paid time off, health, medical, disability, life, accidental death and dismemberment, insurance, welfare, fringe benefit and other similar plans, programs, policies, practices or arrangements or other contracts or agreements (and any amendments thereto) with respect to which the Company or any Subsidiary or any trade or business of the Company or any of its Subsidiaries, whether or not incorporated, all of which together with the Company would be deemed a single employer within the meaning of Section 4001 of ERISA (a **Company ERISA Affiliate**), is a party or has any current or future obligation or that are sponsored, maintained, contributed to or required to be contributed to by the Company or any of its Subsidiaries or any Company ERISA Affiliate for the benefit of any current or former employee, officer, director, consultant or independent contractor (or any spouse or dependent of such individual) of the Company or any of its Subsidiaries or any Company ERISA Affiliate.

(ii) The Company has heretofore made available to Purchaser true, correct and complete copies of the following documents with respect to each of the Company Benefit Plans, to the extent applicable, (i) all plans and trust agreements, (ii) all summary plan descriptions, amendments, modifications or material supplements to any Company Benefit Plan, (iii) where any Company Benefit Plan has not been reduced to writing, a written summary of all the material plan terms, (iv) the annual report (Form 5500), if any, filed with the IRS for the last three (3) plan years and summary annual reports, with schedules and financial statements attached, (v) the most recently received IRS determination letter, if any, relating to any Company Benefit Plan, (vi) the most recently prepared actuarial report for each Company Benefit Plan (if applicable) for each of the last three (3) years and (vii) copies of material notices, letters or other correspondence with the IRS, U.S. Department of Labor (the **DOL**) or Pension Benefit Guarantee Corporation (the **PBGC**).

(iii) Each Company Benefit Plan has been established, operated and administered in all material respects in accordance with its terms and the requirements of all applicable laws, including ERISA and the IRC. Neither the Company nor any of its Subsidiaries has taken any action to take corrective action or made a filing under any voluntary correction program of the IRS, the DOL or any other Governmental Entity with respect to any Company Benefit Plan, and neither the Company nor any of its Subsidiaries has any Knowledge of any plan defect that would qualify for correction under any such program.

(iv) The Company s Disclosure Letter identifies each Company Benefit Plan that is intended to be qualified under Section 401(a) of the IRC (the **Company Qualified Plans**). The IRS has issued a favorable determination letter with respect to each Company Qualified Plan and the related trust, which letter has not been revoked (nor has revocation been threatened), and, to the Knowledge of the Company, there are no existing circumstances and no events have occurred that could adversely affect the qualified status of any Company Qualified Plan or the exempt status of the related trust or increase the costs relating thereto. No trust funding any Company Benefit Plan is intended to meet the requirements of Section 501(c)(9) of the IRC.

(v) Each Company Benefit Plan that is subject to Section 409A of the IRC has been administered and documented in compliance with the requirements of Section 409A of the IRC, except where any non-compliance has not and cannot reasonably be expected to result in material liability to the Company or any of its Subsidiaries or any employee of the Company or any of its Subsidiaries.

(vi) With respect to each Company Benefit Plan that is subject to Title IV or Section 302 of ERISA or Sections 412, 430 or 4971 of the IRC: (i) no such plan is in at-risk status for purposes of Section 430 of the IRC, (ii) the present value of accrued benefits under such Company Benefit Plan, based upon the actuarial assumptions used for funding purposes in the most recent actuarial report prepared by such Company Benefit Plan s actuary with respect to such Company Benefit Plan, did not, as of its latest valuation date, exceed the then current fair market value of the assets of

such Company Benefit Plan allocable to such accrued benefits, (iii) no reportable event within the meaning of Section 4043(c) of ERISA for which the 30-day notice requirement has not been waived has occurred, (iv) all premiums to the PBGC have been timely paid in full, (v) no liability (other than for premiums to the PBGC) under Title IV of ERISA has been or is expected to be incurred by the Company

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or any of its Subsidiaries, and (vi) the PBGC has not instituted proceedings to terminate any such Company Benefit Plan.

(vii) None of the Company, its Subsidiaries nor any Company ERISA Affiliate has, at any time during the last six years, contributed to or been obligated to contribute to any plan that is a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA (a **Multiemployer Plan**) or a plan that has two or more contributing sponsors at least two of whom are not under common control, within the meaning of Section 4063 of ERISA (a **Multiple Employer Plan**), and none of the Company and its Subsidiaries nor any Company ERISA Affiliate has incurred any liability to a Multiemployer Plan or Multiple Employer Plan as a result of a complete or partial withdrawal (as those terms are defined in Part 1 of Subtitle E of Title IV of ERISA) from a Multiemployer Plan or Multiple Employer Plan.

(viii) Neither the Company nor any of its Subsidiaries sponsors has sponsored or has any obligation with respect to any employee benefit plan that provides for any post-employment or post-retirement health or medical or life insurance benefits for retired, former or current employees or beneficiaries or dependents thereof, except as required by Section 4980B of the IRC.

(ix) All contributions required to be made to any Company Benefit Plan by applicable law or by any plan document or other contractual undertaking, and all premiums due or payable with respect to insurance policies funding any Company Benefit Plan, for any period through the date hereof, have been timely made or paid in full or, to the extent not required to be made or paid on or before the date hereof, have been fully reflected on the books and records of the Company.

(x) There are no pending or threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations that have been asserted or instituted, and, to the Company s Knowledge, no set of circumstances exists that may reasonably be expected to give rise to a claim or lawsuit, against the Company Benefit Plans, any fiduciaries thereof with respect to their duties to the Company Benefit Plans or the assets of any of the trusts under any of the Company Benefit Plans, that could reasonably be expected to result in any material liability of the Company or any of its Subsidiaries to the PBGC, the IRS, the DOL, any Multiemployer Plan, a Multiple Employer Plan, any participant in any Company Benefit Plan, or any other party.

(xi) To the Knowledge of the Company, none of the Company and its Subsidiaries nor any Company ERISA Affiliate nor any other person, including any fiduciary, has engaged in any prohibited transaction (as defined in Section 4975 of the IRC or Section 406 of ERISA) that could subject any of the Company Benefit Plans or their related trusts, the Company, any of its Subsidiaries, any Company ERISA Affiliate or any person that the Company or any of its Subsidiaries has an obligation to indemnify, to any material tax or penalty imposed under Section 4975 of the IRC or Section 502 of ERISA.

(xii) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) result in, cause the vesting, exercisability or delivery of, or increase in the amount or value of, any payment, compensation (including stock or stock-based), right or other benefit to any employee, officer, director, independent contractor, consultant or other service provider of the Company or any of its Subsidiaries, or result in any limitation on the right of the Company or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Company Benefit Plan or related trust. Without limiting the generality of the foregoing, no amount paid or payable (whether in cash, in property, or in the form of benefits) by the Company or any of its Subsidiaries in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) will be an excess parachute payment within the meaning of Section 280G of the IRC. Neither the Company nor any of its Subsidiaries maintains or contributes to a rabbi trust or similar funding vehicle, and the transactions contemplated by this Agreement will not

cause or require the Company or any of its Affiliates to establish or make any contribution to a rabbi trust or similar funding vehicle.

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(xiii) No Company Benefit Plan provides for the gross-up or reimbursement of Taxes under Section 409A or 4999 of the IRC, or otherwise. The Company s Disclosure Letter includes true, correct and complete copies of Section 280G calculations (whether or not final) with respect to any disqualified individual in connection with the transactions contemplated hereby.

(xiv) There are no pending or, to the Company s Knowledge, threatened material labor grievances or material unfair labor practice claims or charges against the Company or any of its Subsidiaries, or any strikes or other material labor disputes against the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries are party to or bound by any collective bargaining or similar agreement with any labor organization, or work rules or practices agreed to with any labor organization or employee association applicable to employees of the Company or any of its Subsidiaries and, to the Knowledge of the Company, there are no organizing efforts by any union or other group seeking to represent any employees of the Company or any of its Subsidiaries and no employees of the Company or any of its Subsidiaries are represented by any labor organization.

(s) *Properties*.

(i) A list of all real property owned or leased by the Company or a Subsidiary of the Company is set forth in the Company s Disclosure Letter. The Company and each of its Subsidiaries has good and marketable title to all real property owned by it (including any property acquired in a judicial foreclosure proceeding or by way of a deed in lieu of foreclosure or similar transfer), in each case free and clear of any Liens except (i) liens for Taxes not yet due and payable and (ii) such easements, restrictions and encumbrances, if any, as are not material in character, amount or extent, and do not materially detract from the value, or materially interfere with the present use of the properties subject thereto or affected thereby. Each lease pursuant to which the Company or any of its Subsidiaries as lessee, leases real or personal property is valid and in full force and effect as to the Company and the Subsidiaries and neither the Company nor any of its Subsidiaries, nor, to the Company s Knowledge, any other party to any such lease, is in default or in violation of any material provisions of any such lease. The Company has previously delivered to Purchaser a complete and correct copy of each such lease. All real property owned or leased by the Company or any of its Subsidiaries are in all material respects in a good state of maintenance and repair (normal wear and tear excepted), conform in all material respects with all applicable ordinances, regulations and zoning laws and are considered by the Company to be adequate for the current business of the Company and its Subsidiaries. To the Knowledge of the Company, none of the buildings, structures or other improvements located on any real property owned or leased by the Company or any of its Subsidiaries encroaches upon or over any adjoining parcel or real estate or any easement or right-of-way.

(ii) The Company and each of its Subsidiaries has good and marketable title to all tangible personal property owned by it, free and clear of all Liens except such Liens, if any, that are not material in character, amount or extent, and that do not materially detract from the value, or materially interfere with the present use of the properties subject thereto or affected thereby. With respect to personal property used in the business of the Company and its Subsidiaries that is leased rather than owned, neither the Company nor any of its Subsidiaries is in default under the terms of any such lease.

(t) *Fairness Opinion*. The board of directors of Company has received the opinion (which, if initially rendered verbally, has been or will be confirmed by a written opinion, dated the same date) of D.A. Davidson & Co. (**D.A. Davidson**) to the effect that, as of the date of such opinion and subject to the assumptions, limitations and qualifications set forth therein, the Exchange Ratio in the Merger is fair, from a financial point of view, to the holders of Company Common Stock.

(u) *Fees*. Other than for financial advisory services performed for the Company by D.A. Davidson pursuant to an agreement executed March 12, 2018, a true and complete copy of which is included in the Company s Disclosure Letter, neither the Company nor any of its Subsidiaries, nor any of their respective officers, directors, employees or agents, has employed any broker or finder or incurred any liability for any financial advisory fees, brokerage fees, commissions or finder s fees, and no broker or finder has acted directly

or indirectly for the Company or any of its Subsidiaries in connection with this Agreement or the transactions contemplated hereby.

(v) *Environmental Matters*.

(i) Each of the Company s and its Subsidiaries properties, the Participation Facilities, and, to the Knowledge of the Company, the Loan Properties are, and have been during the period of the Company s or its Subsidiaries ownership or operation thereof, in material compliance with all Environmental Laws.

(ii) There is no suit, claim, action, demand, executive or administrative order, directive, investigation or proceeding pending or, to the Knowledge of the Company, threatened, before any court or Governmental Entity against the Company or any of its Subsidiaries or any Participation Facility (A) for alleged noncompliance (including by any predecessor) with, or liability under, any Environmental Law or (B) relating to the presence of or release into the environment of any Hazardous Material, whether or not occurring at or on a site owned, leased or operated by the Company or any of its Subsidiaries or any Participation Facility.

(iii) There is no suit, claim, action, demand, executive or administrative order, directive, investigation or proceeding pending or threatened before any court or, to the Knowledge of the Company, Governmental Entity relating to or against any Loan Property (or the Company or any of its Subsidiaries in respect of such Loan Property) (A) relating to alleged noncompliance (including by any predecessor) with, or liability under, any Environmental Law or (B) relating to the presence of or release into the environment of any Hazardous Material, whether or not occurring at a Loan Property.

(iv) Neither the Company nor any of its Subsidiaries has received in writing any notice, demand letter, executive or administrative order, directive or request for information from any Governmental Entity or any third party indicating that it may be in violation of, or liable under, any Environmental Law.

(v) To the Knowledge of the Company, there are no underground storage tanks at any properties owned or operated by the Company or any of its Subsidiaries or any Participation Facility. Neither the Company nor any of its Subsidiaries nor, to the Knowledge of the Company, any other person or entity, has closed or removed any underground storage tanks from any properties owned or operated by the Company or any of its Subsidiaries or any Participation Facility.

(vi) During the period of (A) the Company s or its Subsidiary s ownership or operation of any of their respective current properties or (B) the Company s or its Subsidiary s participation in the management of any Participation Facility, to the Knowledge of the Company, there has been no release of Hazardous Materials in, on, under or affecting such properties except for releases of Hazardous Materials in quantities below the level at which they were regulated under any Environmental Law in effect at the time of such release. To the Knowledge of the Company, prior to the period of (A) the Company s or its Subsidiary s ownership or operation of any of their respective current properties or (B) the Company s or its Subsidiary s participation in the management of any Participation Facility, there was no contamination by or release of Hazardous Material in, on, under or affecting such properties except for releases of Hazardous Materials in quantities below the level at which they were regulated under any Environmental Law in effect at the time of such release.

(w) *Loan Matters*.

(i) All Loans held by the Company or any of its Subsidiaries were made in all material respects for good, valuable and adequate consideration in the ordinary course of the business, in accordance in all material respects with sound banking practices and, to the Knowledge of the Company, the Loans are not subject to any defenses, setoffs or

counterclaims, including without limitation any such as are afforded by usury or truth in lending laws, except as may be provided by bankruptcy, insolvency or similar laws or by general principles of equity. The notes or other evidences of indebtedness evidencing such Loans and all forms of pledges, mortgages and other collateral documents and security agreements are, in all material respects, enforceable and valid.

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(ii) Neither the terms of any Loan, any of the documentation for any Loan, the manner in which any Loans have been administered and serviced, nor the Company s practices of approving or rejecting Loan applications, violate in any material respect any federal, state, or local law, rule or regulation applicable thereto, including, without limitation, the Truth In Lending Act, Regulations O and Z of the Federal Reserve, the CRA, the Equal Credit Opportunity Act, and any state laws, rules and regulations relating to consumer protection, installment sales and usury.

(iii) The allowance for loan losses reflected in the Company s audited statement of financial condition at December 31, 2017 was, and the allowance for loan losses shown on the statements of financial condition in the Company Reports for periods ending after such date, in the opinion of management, were, or will be, adequate, as of the dates thereof, under GAAP.

(iv) None of the agreements pursuant to which the Company or any of its Subsidiaries has sold Loans or pools of Loans or participations in Loans or pools of Loans contains any obligation to repurchase such Loans or interests therein solely on account of a payment default by the obligor on any such Loan.

(v) (A) The Company s Disclosure Letter sets forth a list of all Loans as of the date hereof by the Company or INB to any directors, executive officers and principal stockholders (as such terms are defined in Regulation O of the Federal Reserve (12 C.F.R. Part 215)) of the Company or any of its Subsidiaries, (B) there are no Loans to any employee, officer, director or Affiliate thereof on which the borrower is paying a rate other than that reflected in the note or other relevant credit or security agreement or on which the borrower is paying a rate that was or is not in compliance with Regulation O and (C) all such Loans are and were originated in compliance in all material respects with all applicable laws.

(vi) The Company s Disclosure Letter sets forth a listing, as of March 31, 2018, by account, of: (A) each borrower, customer or other party that has notified INB during the past twelve (12) months of, or has asserted against the Company or INB, in each case in writing, any lender liability or similar claim, and, to the Knowledge of the Company or INB, each borrower, customer or other party that has given the Company or INB any oral notification of, or orally asserted to or against Company or INB, any such claim; and (B) all Loans (1) that are contractually past due ninety (90) days or more in the payment of principal and/or interest, (2) that are on non-accrual status, (3) that are classified as Pass 5, Special Mention, Substandard, Doubtful, Loss or words of similar import, (4) that are considered trou debt restructurings or where the interest rate terms have been reduced and/or the maturity dates have been extended subsequent to the origination of the Loan due to concerns regarding the borrower s ability to pay in accordance with the Loan s original terms and (5) where a specific reserve allocation exists in connection therewith; and (C) all other assets classified by the Company or INB as real estate acquired through foreclosure or in lieu of foreclosure, including in-substance foreclosures, and all other assets currently held that were acquired through foreclosure or in lieu of foreclosure.

(x) *Anti-takeover Provisions Inapplicable*. The Company and its Subsidiaries have taken all actions required to exempt Purchaser, the Agreement, the Plan of Bank Merger, the Merger and the Bank Merger from any provisions of an anti-takeover nature contained in their organizational documents, and the provisions of any federal or state anti-takeover, fair price, moratorium, control share acquisition or similar laws or regulations.

(y) *Material Interests of Certain Persons*. Except for deposit and loan relationships entered into in the ordinary course of business, no current or former officer or director of the Company, or any family member or Affiliate of any such Person, has any material interest, directly or indirectly, in any contract or property (real or personal), tangible or intangible, used in or pertaining to the business of the Company or any of its Subsidiaries.

(z) *Insurance*. In the opinion of management, the Company and its Subsidiaries are presently insured for amounts deemed reasonable by management against such risks as companies engaged in a similar business, including engaging in the transactions contemplated by this Agreement, would, in accordance with good business

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practice, customarily be insured. The Company s Disclosure Letter contains a list of all policies of insurance carried and owned by the Company or any of the Company s Subsidiaries showing the name of the insurance company and agent, the nature of the coverage, the policy limit, the annual premiums and the expiration date. All of the insurance policies and bonds maintained by the Company and its Subsidiaries are in full force and effect, the Company and its Subsidiaries are not in default thereunder, all premiums and other payments due under any such policy have been paid. There are presently no material claims pending under such policies of insurance and no notices have been given by the Company or any of its Subsidiaries under such policies (other than with respect to health or disability insurance).

(aa) *Investment Securities; Derivatives*.

(i) Except for restrictions that exist for securities that are classified as held to maturity, none of the investment securities held by the Company or any of its Subsidiaries, including but not limited to FHLB stock, is subject to any restriction (contractual or statutory) that would materially impair the ability of the entity holding such investment freely to dispose of such investment at any time.

(ii) Neither the Company nor any of its Subsidiaries is a party to or has agreed to enter into an exchange-traded or over-the-counter equity, interest rate, foreign exchange or other swap, forward, future, option, cap, floor or collar or any other contract that is a derivative contract (including various combinations thereof) or owns securities that (A) are referred to generically as structured notes, high risk mortgage derivatives, capped floating rate notes or capped floating rate mortgage derivatives or (B) are likely to have changes in value as a result of interest or exchange rate changes that materially exceed normal changes in value attributable to interest or exchange rate changes.

(bb) *Indemnification*. Except as provided in the Articles of Incorporation or bylaws of the Company and the similar organizational documents of its Subsidiaries, and in employment agreements, change in control agreements and other agreements related to employment or service as a director, officer or employee, neither the Company nor any of its Subsidiaries is a party to any agreement that provides for the indemnification of any of its present or former directors, officers, employees or stockholders, or other persons who serve or served as a director, officer or employee of another corporation, partnership or other enterprise at the request of the Company and, to the Knowledge of the Company, there are no claims for which any such Person would be entitled to indemnification under the Articles of Incorporation or bylaws of the Company or the similar organizational documents of any of its Subsidiaries, under any applicable law or regulation or under any such employment-related agreement.

(cc) *Corporate Documents and Records*. The Company has previously provided a complete and correct copy of the Articles of Incorporation, bylaws and similar organizational documents of the Company and each of the Company s Subsidiaries, as in effect as of the date of this Agreement. Neither the Company nor any of the Company s Subsidiaries is in violation of its Articles of Incorporation, bylaws or similar organizational documents. The minute books of the Company and each of the Company s Subsidiaries constitute a complete and correct record of all actions taken by their respective boards of directors (and each committee thereof) and their stockholders.

(dd) *CRA, Anti-Money Laundering, OFAC and Customer Information Security*. INB has received a rating of Satisfactory or better in its most recent examination or interim review with respect to the CRA. The Company does not have Knowledge of any facts or circumstances that would cause INB or any other Subsidiary of the Company: (i) to be deemed not to be in satisfactory compliance in any material respect with the CRA, and the regulations promulgated thereunder, or to be assigned a rating for CRA purposes by federal bank regulators of lower than Satisfactory ; or (ii) to be deemed to be operating in violation in any material respect of the Bank Secrecy Act, the USA PATRIOT Act, any order issued with respect to anti-money laundering by the U.S. Department of the Treasury s Office of Foreign Assets Control, or any other applicable anti-money laundering statute, rule or regulation; or (iii) to

be deemed not to be in satisfactory compliance in any material respect with

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the applicable privacy of customer information requirements contained in any federal and state privacy laws and regulations, including without limitation, in Title V of the Gramm-Leach-Bliley Act of 1999 and the regulations promulgated thereunder, as well as the provisions of the information security program adopted by INB. To the Knowledge of the Company, no non-public customer information has been disclosed to or accessed by an unauthorized third party in a manner that would cause either the Company or any of its Subsidiaries to undertake any remedial action. The Board of Directors of INB (or where appropriate of any other Subsidiary of the Company) has adopted, and INB (or such other Subsidiary of the Company) has implemented, an anti-money laundering program that contains adequate and appropriate customer identification verification procedures that comply with Section 326 of the USA PATRIOT Act and such anti-money laundering program meets the requirements in all material respects of Section 352 of the USA PATRIOT Act and the regulations thereunder, and INB (or such other Subsidiary of the Company) has complied in all material respects with any requirements to file reports and other necessary documents as required by the USA PATRIOT Act and the regulations thereunder.

(ee) *Internal Controls*. The Company and its Subsidiaries have devised and maintain a system of internal control over financial reporting sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and to provide reasonable assurances that (i) transactions are executed in accordance with management s general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets, and (iii) access to assets is permitted only in accordance with management s general or specific authorization. There are no significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect in any material respect the Company s ability to record, process, summarize and report financial information. To the Knowledge of the Company, there has occurred no fraud, whether or not material, that involves management or other employees who have a significant role in the Company s internal controls over financial reporting.

(ff) *Tax Treatment of the Merger*. The Company has no Knowledge of any fact or circumstance relating to it that would prevent the transactions contemplated by this Agreement from qualifying as a reorganization under Section 368(a) of the IRC.

(gg) *Related Party Transactions.* The Company s Disclosure Letter lists all instances in which the Company or any Company Subsidiary is a party to any transaction (including any loan or other credit accommodation) with any Affiliate of the Company or any Company Subsidiary where the amount exceeds $120,000. All such transactions involving indebtedness (a) were made in the ordinary course of business, (b) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and (c) did not involve more than the normal risk of collectability or present other unfavorable features. No loan or credit accommodation to any Affiliate of the Company or any Company Subsidiary is presently in default or, during the three-year period prior to the date of this Agreement, has been in default or has been restructured, modified or extended. Neither the Company nor any Company Subsidiary has been notified that principal or interest with respect to any such loan or other credit accommodation will not be paid when due or that the loan grade classification accorded such loan or credit accommodation is inappropriate.

(hh) *Trust Accounts*. The Company and each Subsidiary has properly administered all accounts for which it acts as a fiduciary in all material respects, including but not limited to accounts for which it serves as trustee, agent, custodian, personal representative, guardian, conservator or investment advisor, in accordance with the terms of the governing documents and applicable laws and regulations. Neither the Company nor any other Subsidiary, nor has any of their respective directors, officers or employees, committed any breach of trust with respect to any such fiduciary account and the records for each such fiduciary account.

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(ii) *No Other Representations or Warranties.*

(i) Except for the representations and warranties made by the Company in this *Section 3.2*, neither the Company nor any other Person makes any express or implied representation or warranty with respect to the Company, its Subsidiaries, or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and the Company hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, neither the Company nor any other Person makes or has made any representation or warranty to Purchaser or any of its Affiliates or representatives with respect to (A) any financial projection, forecast, estimate, budget or prospective information relating to the Company, any of its Subsidiaries or their respective businesses, or (B) except for the representations and warranties made by the Company in this *Section 3.2*, any oral or written information presented to Purchaser or any of its Affiliates or representatives in the course of their due diligence investigation of the Company, the negotiation of this Agreement or in the course of the transactions contemplated hereby.

(ii) The Company hereby acknowledges and agrees that neither Purchaser nor any other Person has made or is making any express or implied representation or warranty other than those contained in *Section 3.3*.

3.3 Representations and Warranties of Purchaser. Except (i) as disclosed in Purchaser s Disclosure Letter, and (ii) for information and documents commonly known as confidential supervisory information that is prohibited from disclosure (and as to which nothing in this Agreement shall require disclosure), the Purchaser represents and warrants to the Company that:

(a) *Organization and Qualification*. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Montana and is registered with the Federal Reserve as a bank holding company. Purchaser has all requisite corporate power and authority to own, lease and operate its properties and to conduct the business currently being conducted by it. Purchaser is duly qualified or licensed as a foreign corporation to transact business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so qualified or licensed and in good standing would not have a Material Adverse Effect on Purchaser. Purchaser engages only in activities, and holds properties only of the types, permitted to financial holding companies by the Bank Holding Company Act of 1956, as amended, and the rules, regulations and interpretations promulgated thereunder.

(b) *Subsidiaries*.

(i) Purchaser owns, directly or indirectly, all of the issued and outstanding shares of capital stock or other equity interests of each of its Subsidiaries free and clear of any Liens. There are no contracts, commitments, agreements or understandings relating to Purchaser s right to vote or dispose of any equity securities of its Subsidiaries. Purchaser s ownership interest in each of its Subsidiaries is in compliance with all applicable laws, rules and regulations relating to equity investments by bank holding companies or Montana-chartered savings banks.

(ii) Each of Purchaser s Subsidiaries is a corporation duly organized and validly existing under the laws of its jurisdiction of incorporation, has all requisite corporate power and authority to own, lease and operate its properties and to conduct the business currently being conducted by it and is duly qualified or licensed as a foreign corporation to transact business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so qualified or licensed and in good standing would not have a Material Adverse Effect on the Purchaser.

(iii) The outstanding shares of capital stock of each Subsidiary have been validly authorized and are validly issued, fully paid and nonassessable. No shares of capital stock of any Subsidiary of Purchaser are or may be required to be issued by virtue of any options, warrants or other rights, no securities exist that are

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convertible into or exchangeable for shares of such capital stock or any other debt or equity security of any Subsidiary, and there are no contracts, commitments, agreements or understandings of any kind for the issuance of additional shares of capital stock or other debt or equity security of any Subsidiary or options, warrants or other rights with respect to such securities.

(iv) First Interstate Bank is a Montana-chartered commercial bank. No Subsidiary of Purchaser other than First Interstate Bank is an insured depository institution as defined in the Federal Deposit Insurance Act, as amended, and the applicable regulations thereunder. First Interstate Bank s deposits are insured by the FDIC through the Deposit Insurance Fund to the fullest extent permitted by law. First Interstate Bank is a member in good standing of the FHLB and owns the requisite amount of stock therein.

(c) *Capital Structure*.

(i) The authorized capital stock of Purchaser consists of 100,000,000 shares of Purchaser Common Stock, 100,000,000 shares of Class B common stock, no par value per share, and 100,000 shares of preferred stock, no par value per share.

(ii) As of the date of this Agreement,

(A) 34,074,993 shares of Purchaser Common Stock are issued and outstanding, all of which are validly issued, fully paid and nonassessable and were issued in full compliance with all applicable laws and not in violation of any preemptive rights;

(B) 22,629,003 shares of Class B common stock of Purchaser are issued and outstanding, all of which are validly issued, fully paid and nonassessable and were issued in full compliance with all applicable laws and not in violation of any preemptive rights;

(C) no shares of Purchaser preferred stock are issued and outstanding; and

(D) 1,273,959 shares of Purchaser Common Stock are reserved for issuance pursuant to outstanding grants or awards under Purchaser s stock-based benefit plans.

(iii) The shares of Purchaser Common Stock to be issued in exchange for shares of Company Common Stock upon consummation of the Merger in accordance with this Agreement have been duly authorized and when issued in accordance with the terms of this Agreement, will be validly issued, fully paid and nonassessable and subject to no preemptive rights.

(iv) No bonds, debentures, notes or other indebtedness having the right to vote on any matters on which stockholders of Purchaser may vote are issued or outstanding.

(v) Except as set forth in this *Section 3.3(c)*, as of the date of this Agreement, (A) no shares of capital stock or other voting securities of Purchaser are issued, reserved for issuance or outstanding, and (B) other than shares of Class B common stock options to purchase shares of Purchaser Common Stock, neither the Company nor any of its Subsidiaries has or is bound by any outstanding subscriptions, options, warrants, calls, rights, convertible securities, commitments or agreements of any character obligating Purchaser or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, any additional shares of capital stock of Purchaser (including any rights plan or agreement) or obligating Purchaser or any of its Subsidiaries to grant, extend or enter into any such option, warrant, call, right, convertible security, commitment or agreement. Neither Purchaser nor any of its Subsidiaries has or is

bound by any rights of any character relating to the purchase, sale or issuance or voting of, or right to receive dividends or other distributions on shares of Purchaser Common Stock, or any other security of Purchaser or a Subsidiary of Purchaser or any securities representing the right to vote, purchase or otherwise receive any shares of Purchaser Common Stock or any other security of

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Purchaser or a Subsidiary of Purchaser. Other than as stated herein, there are no outstanding securities or instruments that contain any redemption or similar provisions, and there are no outstanding contractual obligations of Purchaser or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of Purchaser or any of its Subsidiaries.

(d) *Authority*. Purchaser has all requisite corporate power and authority to enter into this Agreement, to perform its obligations hereunder and, subject to the consents, approvals and filings set forth in *Section 3.3(f)*, to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate actions on the part of Purchaser s Board of Directors, and no other corporate proceedings on the part of Purchaser are necessary to authorize this Agreement or to consummate the transactions contemplated by this Agreement. Purchaser s Board of Directors has determined that this Agreement is advisable and has unanimously adopted a resolution to the foregoing effect. This Agreement has been duly and validly executed and delivered by Purchaser and constitutes a valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors rights and remedies generally and to general principles of equity, whether applied in a court of law or a court of equity.

(e) *No Violations*. The execution, delivery and performance of this Agreement by Purchaser do not, and the consummation of the transactions contemplated by this Agreement will not, (i) assuming that the consents, approvals and filings referred to in *Section 3.3(f)* have been obtained and the applicable waiting periods have expired, violate any law, rule or regulation or any judgment, decree, order, governmental permit or license to which Purchaser or any of its Subsidiaries (or any of their respective properties) is subject, (ii) violate the articles of incorporation or bylaws of Purchaser or the similar organizational documents of any of its Subsidiaries or (iii) constitute a breach or violation of, or a default under (or an event that, with due notice or lapse of time or both, would constitute a default under), or result in the termination of, accelerate the performance required by, or result in the creation of any Lien upon any of the properties or assets of Purchaser or any of its Subsidiaries under, any of the terms, conditions or provisions of any note, bond, indenture, deed of trust, loan agreement or other agreement, instrument or obligation to which Purchaser or any of its Subsidiaries is a party, or to which any of their respective properties or assets may be subject.

(f) *Consents and Approvals*. Except for (i) filings of applications and notices with, receipt of approvals or no objections from, and the expiration of related waiting periods required by, federal and state banking authorities, including filings and notices with the Federal Reserve, the MDOB and the WDFI, (ii) the filing with the SEC of a Proxy Statement-Prospectus in definitive form relating to the meeting of the Company s stockholders to be held in connection with this Agreement and the transactions contemplated hereby and of the Registration Statement in which such proxy statement will be included as a prospectus, and declaration of effectiveness of the Registration Statement, (iii) the filing of the Articles of Merger with the Montana Secretary pursuant to the MBCA and the Washington Secretary pursuant to the WBCA, the filing of a certificate for the Bank Merger with the MDOB and the filing of a notice for the Bank Merger with the WDFI, (iv) filing with The Nasdaq Stock Market LLC of a notification or application of the listing of the shares of Purchaser Common Stock to be issued in the Merger, and (v) such filings and approvals as are required to be made or obtained under the securities or Blue Sky laws of various states in connection with the issuance of shares of Purchaser Common Stock pursuant to this Agreement, no consents or approvals of, or filings or registrations with, any Governmental Entity or any third party are required to be made or obtained in connection with the execution and delivery by Purchaser of this Agreement or the consummation by Purchaser of the Merger and the other transactions contemplated by this Agreement, including the Bank Merger. As of the date hereof, Purchaser has no Knowledge of any reason pertaining to Purchaser why any of the approvals referred to in this *Section 3.3(f)* should not be obtained without the imposition of any material condition or restriction described in *Section 6.2(e)*.

(g) *Governmental Filings*. Purchaser and each of its Subsidiaries has filed all reports, schedules, registration statements and other documents that it has been required to file since January 1, 2015 with the

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Federal Reserve, the MDOB or any other Governmental Entity. As of their respective dates, each of such filings complied in all material respects with all laws or regulations under which it was filed (or was amended so as to be in compliance promptly following discovery of such noncompliance).

(h) *Securities Filings*. Purchaser has filed with the SEC all reports, schedules, registration statements, definitive proxy statements and exhibits thereto that it has been required to file under the Securities Act or the Exchange Act since January 1, 2015 (collectively, **Purchaser Reports**). None of Purchaser Reports contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. As of their respective dates of filing with the SEC, all of Purchaser Reports complied in all material respects with the applicable requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder. Each of the financial statements (including, in each case, any notes thereto) of Purchaser included in Purchaser Reports complied as to form, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto.

(i) *Financial Statements*. Purchaser has previously made available to the Company copies of the consolidated balance sheets of Purchaser and its Subsidiaries as of December 31, 2017 and 2016 and related consolidated statements of income, comprehensive income, changes in stockholders equity and cash flows for each of the years in the three-year period ended December 31, 2017, together with the notes thereto, accompanied by the audit report of Purchaser s independent registered public accounting firm, as reported in Purchaser s Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC. Such financial statements were prepared from the books and records of Purchaser and its Subsidiaries, fairly present the consolidated financial position of Purchaser and its Subsidiaries in each case at and as of the dates indicated and the consolidated results of operations and cash flows of Purchaser and its Subsidiaries for the periods indicated, and, except as otherwise set forth in the notes thereto, were prepared in accordance with GAAP consistently applied throughout the periods covered thereby. The books and records of Purchaser and its Subsidiaries have been, and are being, maintained in all material respects in accordance with GAAP and any other legal and accounting requirements and reflect only actual transactions.

(j) *Undisclosed Liabilities*. Neither Purchaser nor any of its Subsidiaries has incurred any debt, liability or obligation of any nature whatsoever (whether accrued, contingent, absolute or otherwise and whether due or to become due) other than liabilities reflected on or reserved against in the consolidated balance sheet of Purchaser as of December 31, 2017, except for (i) liabilities incurred since December 31, 2017 in the ordinary course of business consistent with past practice that, either alone or when combined with all similar liabilities, have not had, and would not reasonably be expected to have, a Material Adverse Effect on Purchaser and (ii) liabilities incurred for legal, accounting, financial advising fees and out-of-pocket expenses in connection with the transactions contemplated by this Agreement.

(k) *Absence of Certain Changes or Events*. Since December 31, 2017, Purchaser and its Subsidiaries have conducted their respective businesses only in the ordinary and usual course of such businesses consistent with their past practices and there has not been any event or occurrence that has had, or is reasonably expected to have, a Material Adverse Effect on Purchaser.

(l) *Litigation*. There are no material suits, actions or legal, administrative or arbitration proceedings pending or, to the Knowledge of Purchaser, threatened against or affecting Purchaser or any of its Subsidiaries or any property or asset of Purchaser or any of its Subsidiaries that (i) are seeking damages or declaratory relief against Purchaser or any of its Subsidiaries or (ii) challenge the validity or propriety of the transactions contemplated by this Agreement. There are no judgments, decrees, injunctions, orders or rulings of any Governmental Entity or arbitrator outstanding against Purchaser or any of its Subsidiaries or the assets of Purchaser or any of its Subsidiaries. Since January 1, 2015 (i) there have been no subpoenas, written demands, or document requests received by Purchaser or any of its Subsidiaries from

any Governmental Entity and (ii) no

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Governmental Entity has requested that Purchaser or any of its Subsidiaries enter into a settlement, negotiation or tolling agreement with respect to any matter related to any such subpoena, written demand, or document request.

(m) *Absence of Regulatory Actions*. Since January 1, 2015, neither Purchaser nor any of its Subsidiaries has been a party to any cease and desist order, written agreement or memorandum of understanding with, or any commitment letter or similar undertaking to, or has been subject to any action, proceeding, order or directive by any Governmental Entity, or has adopted any board resolutions relating to such matters as are material to the business of Purchaser or its Subsidiaries at the request of any Governmental Entity, or has been advised by any Governmental Entity that it is contemplating issuing or requesting (or is considering the appropriateness of issuing or requesting) any such action, proceeding, order, directive, written agreement, memorandum of understanding, commitment letter, board resolutions or similar undertaking. To the Knowledge of Purchaser, there are no material unresolved violations, criticisms or exceptions by any Governmental Entity with respect to any report or statement relating to any examinations of Purchaser or its Subsidiaries.

(n) *Compliance with Laws*. To the Knowledge of Purchaser, Purchaser and each of its Subsidiaries have complied in all material respects with and are not in material default or violation under any applicable law, statute, order, rule, regulation, policy and/or guideline of any Governmental Entity relating to the Company or any of its Subsidiaries, including without limitation all laws related to data protection or privacy, the Equal Credit Opportunity Act and Regulation B, the Fair Housing Act, the Fair Credit Reporting Act, the Truth in Lending Act and Regulation Z, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act and Regulation X, and any other law relating to bank secrecy, discriminatory lending, financing or leasing practices, money laundering prevention, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act, and all agency requirements relating to the origination, sale and servicing of mortgage and consumer loans. Purchaser and each of its Subsidiaries has all material permits, licenses, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, all Governmental Entities that are required in order to permit it to carry on its business as it is presently conducted. All such permits, licenses, certificates of authority, orders and approvals are in full force and effect, and no suspension or cancellation of any of them is, to the Knowledge of Purchaser, threatened. Neither Purchaser nor any of its Subsidiaries has been given notice or been charged with any violation of, any law, ordinance, regulation, order, writ, rule, decree or condition to approval of any Governmental Entity that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Purchaser.

(o) *Taxes*. All federal, state, local and foreign tax returns required to be filed by or on behalf of Purchaser or any of its Subsidiaries have been timely filed or requests for extensions have been timely filed and any such extension shall have been granted and not have expired, and all such filed returns are complete and accurate in all material respects. All Taxes shown on such returns, all Taxes required to be shown on returns for which extensions have been granted and all other Taxes required to be paid by Purchaser or any of its Subsidiaries have been paid in full or adequate provision has been made for any such Taxes on Purchaser s balance sheet (in accordance with GAAP). To the Knowledge of Purchaser, there is no audit examination, deficiency assessment, tax investigation or refund litigation with respect to any Taxes of Purchaser or any of its Subsidiaries, and no claim has been made in writing by any authority in a jurisdiction where Purchaser or any of its Subsidiaries do not file tax returns that Purchaser or any such Subsidiary is subject to taxation in that jurisdiction. All Taxes, interest, additions and penalties due with respect to completed and settled examinations or concluded litigation relating to Purchaser or any of its Subsidiaries have been paid in full or adequate provision has been made for any such Taxes on Purchaser s balance sheet (in accordance with GAAP). Purchaser and its Subsidiaries have not executed an extension or waiver of any statute of limitations on the assessment or collection of any tax due that is currently in effect. Purchaser and each of its Subsidiaries has withheld

and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party, and Purchaser and each of its Subsidiaries has

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timely complied with all applicable information reporting requirements under Part III, Subchapter A of Chapter 61 of the IRC and similar applicable state and local information reporting requirements.

(p) *Agreements*.

(i) Each contract, arrangement, commitment or understanding (whether written or oral) that is a material contract (as such term is defined in Item 601(b)(10) of Regulation S-K under the Securities Act) to which Purchaser or any of its Subsidiaries is a party or by which Purchaser or any of its Subsidiaries is bound as of the date hereof has been filed as an exhibit to the most recent Annual Report on Form 10-K filed by Purchaser, or a Quarterly Report on Form 10-Q or Current Report on Form 8-K subsequent thereto (each, a **Purchaser Contract**) and neither Purchaser nor any of its Subsidiaries knows of, or has received notice of, any material violation of the above by any of the other parties thereto.

(ii) Each Purchaser Contract is valid and binding on Purchaser or one of its Subsidiaries, as applicable, and in full force and effect, except as, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Purchaser. Purchaser and each of its Subsidiaries has in all material respects performed all obligations required to be performed by it under each Purchaser Contract. To the Knowledge of Purchaser, each third-party counterparty to each Purchaser Contract has in all material respects performed all obligations required to be performed by it under such Purchaser Contract, and no event or condition exists which constitutes or, after notice or lapse of time or both, will constitute, a material default on the part of Purchaser or any of its Subsidiaries under any such Purchaser Contract.

(q) *Labor Matters*. Purchaser and its Subsidiaries are in material compliance with all applicable laws respecting employment, retention of independent contractors, employment practices, terms and conditions of employment, and wages and hours. Neither Purchaser nor any of its Subsidiaries is or has ever been a party to, or is or has ever been bound by, any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor organization with respect to its employees, nor is Purchaser or any of its Subsidiaries the subject of any proceeding asserting that it has committed an unfair labor practice or seeking to compel it or any such Subsidiary to bargain with any labor organization as to wages and conditions of employment nor, to the Knowledge of Purchaser, has any such proceeding been threatened, nor is there any strike, other labor dispute or organizational effort involving Purchaser or any of its Subsidiaries pending or, to the Knowledge of Purchaser, threatened.

(r) *Employee Benefit Plans*.

(i) For purposes of this Agreement, **Purchaser Benefit Plans** mean all employee benefit plans (as defined in Section 3(3) ERISA), whether or not subject to ERISA, whether funded or unfunded, and all pension, benefit, retirement, bonus, stock option, stock purchase, restricted stock, stock-based, performance award, phantom equity, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance, accrued leave, sick leave, vacation, paid time off, health, medical, disability, life, accidental death and dismemberment, insurance, welfare, fringe benefit and other similar plans, programs, policies, practices or arrangements or other contracts or agreements (and any amendments thereto) with respect to which Purchaser or any Subsidiary or any trade or business of Purchaser or any of its Subsidiaries, whether or not incorporated, all of which together with Purchaser would be deemed a single employer within the meaning of Section 4001 of ERISA (a **Purchaser ERISA Affiliate**), is a party or that are sponsored, maintained, contributed to or required to be contributed to by Purchaser or any of its Subsidiaries or any Purchaser ERISA Affiliate for the benefit of any current employee, officer, director, consultant or independent contractor (or any spouse or dependent of such individual) of Purchaser or any of its Subsidiaries or any Purchaser ERISA Affiliate.

(ii) Each Purchaser Benefit Plan has been established, operated and administered in all material respects in accordance with its terms and the requirements of all applicable laws, including ERISA and the IRC. Neither Purchaser nor any of its Subsidiaries has taken any action to take corrective action or made a filing under

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any voluntary correction program of the IRS, the DOL or any other Governmental Entity with respect to any Purchaser Benefit Plan, and neither Purchaser nor any of its Subsidiaries has any Knowledge of any plan defect that would qualify for correction under any such program.

(iii) With regard to each Purchaser Benefit Plan that is intended to be qualified under Section 401(a) of the IRC (the **Purchaser Qualified Plans**), the IRS has issued a favorable determination letter with respect to each Purchaser Qualified Plan and the related trust, which letter has not been revoked (nor has revocation been threatened), and, to the Knowledge of Purchaser, there are no existing circumstances and no events have occurred that could adversely affect the qualified status of any Purchaser Qualified Plan or the exempt status of the related trust or increase the costs relating thereto. No trust funding any Purchaser Benefit Plan is intended to meet the requirements of Section 501(c)(9) of the IRC.

(iv) With respect to each Purchaser Benefit Plan that is subject to Title IV or Section 302 of ERISA or Sections 412, 430 or 4971 of the IRC: (i) no such plan is in at-risk status for purposes of Section 430 of the IRC, (ii) no reportable event within the meaning of Section 4043(c) of ERISA for which the 30-day notice requirement has not been waived has occurred, (iii) all premiums to the PBGC have been timely paid in full, (iv) no liability (other than for premiums to the PBGC) under Title IV of ERISA has been or is expected to be incurred by Purchaser or any of its Subsidiaries, and (v) the PBGC has not instituted proceedings to terminate any such Purchaser Benefit Plan.

(v) There are no pending or threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations that have been asserted or instituted, and, to Purchaser s Knowledge, no set of circumstances exists that may reasonably be expected to give rise to a claim or lawsuit, against Purchaser Benefit Plans, any fiduciaries thereof with respect to their duties to Purchaser Benefit Plans or the assets of any of the trusts under any of Purchaser Benefit Plans, that could reasonably be expected to result in any material liability of Purchaser or any of its Subsidiaries to the PBGC, the IRS, the DOL, any Multiemployer Plan, a Multiple Employer Plan, any participant in any Purchaser Benefit Plan, or any other party.

(vi) To the Knowledge of Purchaser, none of Purchaser and its Subsidiaries nor any Purchaser ERISA Affiliate nor any other person, including any fiduciary, has engaged in any prohibited transaction (as defined in Section 4975 of the IRC or Section 406 of ERISA) that could subject any of Purchaser Benefit Plans or their related trusts, Purchaser, any of its Subsidiaries, any Purchaser ERISA Affiliate or any person that Purchaser or any of its Subsidiaries has an obligation to indemnify, to any material tax or penalty imposed under Section 4975 of the IRC or Section 502 of ERISA.

(s) *Properties*. Purchaser and each of its Subsidiaries has good and marketable title to all real property owned by it (including any property acquired in a judicial foreclosure proceeding or by way of a deed in lieu of foreclosure or similar transfer), in each case free and clear of any Liens except (i) liens for Taxes not yet due and payable and (ii) such easements, restrictions and encumbrances, if any, as are not material in character, amount or extent, and do not materially detract from the value, or materially interfere with the present use of the properties subject thereto or affected thereby. Each lease pursuant to which Purchaser or any of its Subsidiaries as lessee, leases real or personal property is valid and in full force and effect as to Purchaser and the Subsidiaries and neither Purchaser nor any of its Subsidiaries, nor, to Purchaser s Knowledge, any other party to any such lease, is in default or in violation of any material provisions of any such lease. All real property owned or leased by Purchaser or any of its Subsidiaries are in all material respects in a good state of maintenance and repair (normal wear and tear excepted), conform in all material respects with all applicable ordinances, regulations and zoning laws and are considered by Purchaser to be adequate for the current business of Purchaser and its Subsidiaries.

(t) *Loan Matters*. All Loans held by Purchaser or any of its Subsidiaries were made in all material respects for good, valuable and adequate consideration in the ordinary course of the business, in accordance in all material respects with sound banking practices and, to the Knowledge of Purchaser, the Loans are not subject to

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any defenses, setoffs or counterclaims, including without limitation any such as are afforded by usury or truth in lending laws, except as may be provided by bankruptcy, insolvency or similar laws or by general principles of equity. The notes or other evidences of indebtedness evidencing such Loans and all forms of pledges, mortgages and other collateral documents and security agreements are, in all material respects, enforceable and valid.

(u) *Anti-takeover Provisions Inapplicable*. Purchaser and its Subsidiaries have taken all actions required to exempt Purchaser, the Agreement, the Plan of Bank Merger, the Merger and the Bank Merger from any provisions of an anti-takeover nature contained in their organizational documents, and the provisions of any federal or state anti-takeover, fair price, moratorium, control share acquisition or similar laws or regulations.

(v) *Corporate Documents and Records*. Purchaser has previously made available a complete and correct copy of the Articles of Incorporation, bylaws and similar organizational documents of Purchaser and each of Purchaser s Subsidiaries, as in effect as of the date of this Agreement. Neither Purchaser nor any of Purchaser s Subsidiaries is in violation of its Articles of Incorporation, bylaws or similar organizational documents. The minute books of Purchaser and each of Purchaser s Subsidiaries constitute a complete and correct record of all actions taken by their respective boards of directors (and each committee thereof) and their stockholders.

(w) *CRA, Anti-Money Laundering, OFAC and Customer Information Security*. First Interstate Bank has received a rating of Satisfactory or better in its most recent examination or interim review with respect to the CRA. Purchaser does not have Knowledge of any facts or circumstances that would cause First Interstate Bank or any other Subsidiary of Purchaser: (i) to be deemed not to be in satisfactory compliance in any material respect with the CRA, and the regulations promulgated thereunder, or to be assigned a rating for CRA purposes by federal bank regulators of lower than Satisfactory ; or (ii) to be deemed to be operating in violation in any material respect of the Bank Secrecy Act, the USA PATRIOT Act, any order issued with respect to anti-money laundering by the U.S. Department of the Treasury s Office of Foreign Assets Control, or any other applicable anti-money laundering statute, rule or regulation; or (iii) to be deemed not to be in satisfactory compliance in any material respect with the applicable privacy of customer information requirements contained in any federal and state privacy laws and regulations, including without limitation, in Title V of the Gramm-Leach-Bliley Act of 1999 and the regulations promulgated thereunder, as well as the provisions of the information security program adopted by First Interstate Bank. To the Knowledge of Purchaser, no non-public customer information has been disclosed to or accessed by an unauthorized third party in a manner that would cause either Purchaser or any of its Subsidiaries to undertake any remedial action. The Board of Directors of First Interstate Bank (or where appropriate of any other Subsidiary of Purchaser) has adopted, and First Interstate Bank (or such other Subsidiary of Purchaser) has implemented, an anti-money laundering program that contains adequate and appropriate customer identification verification procedures that comply with Section 326 of the USA PATRIOT Act and such anti-money laundering program meets the requirements in all material respects of Section 352 of the USA PATRIOT Act and the regulations thereunder, and First Interstate Bank (or such other Subsidiary of Purchaser) has complied in all material respects with any requirements to file reports and other necessary documents as required by the USA PATRIOT Act and the regulations thereunder.

(x) *Internal Controls*. Purchaser and its Subsidiaries have devised and maintain a system of internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and to provide reasonable assurances that (i) transactions are executed in accordance with management s general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets, and (iii) access to assets is permitted only in accordance with management s general or specific authorization. There are no significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect in any material respect Purchaser s ability to record, process, summarize and

report financial information. To the Knowledge of Purchaser, there has occurred

no fraud, whether or not material, that involves management or other employees who have a significant role in Purchaser s internal controls over financial reporting.

(y) *Tax Treatment of the Merger*. Purchaser has no Knowledge of any fact or circumstance relating to it that would prevent the transactions contemplated by this Agreement from qualifying as a reorganization under Section 368(a) of the IRC.

(z) *Fairness Opinion.* The Board of Directors of Purchaser has received the opinion (which, if initially rendered verbally, has been or will be confirmed by a written opinion, dated the same date) of Sandler O Neill & Partners, L.P. to the effect that, as of the date of such opinion and subject to the assumptions, limitations and qualifications set forth therein, the Exchange Ratio in the Merger is fair, from a financial point of view, to Purchaser.

(aa) *Environmental Matters*. Except as set forth in Purchaser s Disclosure Letter, each of Purchaser s and its Subsidiaries properties, the Participation Facilities, and, to the Knowledge of Purchaser, the Loan Properties, are, and have been during the period of Purchaser s or its Subsidiaries ownership or operation thereof, in material compliance with all Environmental Laws.

(bb) *Insurance*. In the opinion of management, Purchaser and its Subsidiaries are presently insured for amounts deemed reasonable by management against such risks as companies engaged in a similar business, including engaging in the transactions contemplated by the Agreement, would, in accordance with good business practice, customarily be insured. All of the insurance policies and bonds maintained by Purchaser and its Subsidiaries are in full force and effect, Purchaser and its Subsidiaries are not in default thereunder, all premiums and other payments due under any such policy have been paid and all material claims thereunder have been filed in due and timely fashion.

(cc) *Intellectual Property; Purchaser IT Systems.*

(i) Purchaser and each of its Subsidiaries owns or possesses valid and binding licenses and other rights to use (in the manner and the geographic areas in which they are currently used) without payment all patents, copyrights, trade secrets, trade names, service marks and trademarks material to its business. With regard to all material trademarks, trade names, service marks and copyrights owned by Purchaser or any of its Subsidiaries for use in its business, and all licenses and other agreements relating thereto and all agreements relating to third party intellectual property that Purchaser or any of its Subsidiaries is licensed or authorized to use in its business, including without limitation any software licenses but excluding any so-called shrink-wrap license agreements and other similar computer software licensed in the ordinary course of business and/or otherwise resident on desktop computers (collectively, the **Purchaser Intellectual Property**), the owner possesses all right, title and interest in and to the item, free and clear of any Lien. With respect to each item of Purchaser Intellectual Property that Purchaser or any of its Subsidiaries is licensed or authorized to use, the license, sublicense or agreement covering such item is legal, valid, binding, enforceable and in full force and effect as to Purchaser and the Subsidiaries. Neither Purchaser nor any of its Subsidiaries has received any charge, complaint, claim, demand or notice alleging any interference, infringement, misappropriation or violation with or of any intellectual property rights of a third party (including any claims that Purchaser or any of its Subsidiaries must license or refrain from using any intellectual property rights of a third party). To the Knowledge of Purchaser, neither Purchaser nor any of its Subsidiaries has interfered with, infringed upon, misappropriated or otherwise come into conflict with any intellectual property rights of third parties and no third party has interfered with, infringed upon, misappropriated or otherwise come into conflict with any intellectual property rights of Purchaser or any of its Subsidiaries.

(ii) To Purchaser s Knowledge, all information technology and computer systems (including software, information technology and telecommunication hardware and other equipment) relating to the transmission, storage, maintenance,

organization, presentation, generation, processing or analysis of data and

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information, whether or not in electronic format, used in or necessary to the conduct of the business of Purchaser or First Interstate Bank (collectively, **Purchaser IT Systems**) have been properly maintained by technically competent personnel, in accordance with standards set by the manufacturers or otherwise in accordance with standards in the industry, to ensure proper operation, monitoring and use. Purchaser IT Systems are in good working condition to effectively perform all information technology operations necessary to conduct Purchaser s consolidated business as currently conducted. Neither Purchaser nor First Interstate Bank has experienced within the past two years any material disruption to, or material interruption in, the conduct of its business attributable to a defect, bug, breakdown or other failure or deficiency of Purchaser IT Systems. No Person has gained unauthorized access to any of the Purchaser IT Systems that has had, or is reasonably expected to have, a Material Adverse Effect on Purchaser. Purchaser and First Interstate Bank have taken reasonable measures to provide for the back-up and recovery of the data and information necessary to the conduct of their businesses without material disruption to, or material interruption in, the conduct of their respective businesses. Purchaser and its Subsidiaries are in compliance in all material respects with all data protection and privacy laws and regulations as well as their own policies relating to data protection and the privacy and security of personal data and the non-public personal information of their respective customers and employees, except for immaterial failures to comply or immaterial violations.

(dd) *No Other Representations or Warranties.*

(i) Except for the representations and warranties made by Purchaser in this *Section 3.3*, neither Purchaser nor any other Person makes any express or implied representation or warranty with respect to Purchaser, its Subsidiaries, or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and Purchaser hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, neither Purchaser nor any other Person makes or has made any representation or warranty to the Company or any of its Affiliates or representatives with respect to (A) any financial projection, forecast, estimate, budget or prospective information relating to Purchaser, any of its Subsidiaries or their respective businesses, or (B) except for the representations and warranties made by Purchaser in this *Section 3.3*, any oral or written information presented to the Company or any of its Affiliates or representatives in the course of their due diligence investigation of Purchaser, the negotiation of this Agreement or in the course of the transactions contemplated hereby.

(ii) Purchaser hereby acknowledges and agrees that neither the Company nor any other Person has made or is making any express or implied representation or warranty other than those contained in *Section 3.2*.

ARTICLE IV

CONDUCT PENDING THE MERGER

4.1 Forbearances by the Company. Except as expressly contemplated or permitted by this Agreement, disclosed in the Company s Disclosure Letter, or to the extent required by law or regulation or any Governmental Entity, during the period from the date of this Agreement to the Effective Time, the Company shall not, nor shall the Company permit any of its Subsidiaries to, without the prior written consent (which may include consent via electronic mail) of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed):

(a) conduct its business other than in the regular, ordinary and usual course consistent with past practice; fail to use reasonable efforts to maintain and preserve intact its business organization, properties, leases, employees and advantageous business relationships and retain the services of its officers and key employees; or take any action that would adversely affect or materially delay its ability to perform its obligations under this Agreement or to consummate the transactions contemplated hereby;

(b) (i) incur, modify, extend or renegotiate any indebtedness for borrowed money, or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other

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person, other than (A) the creation of deposit liabilities in the ordinary course of business consistent with past practice and (B) advances from the FHLB with a maturity of not more than one year;

(ii) prepay any indebtedness or other similar arrangements so as to cause the Company to incur any prepayment penalty thereunder; or

(iii) purchase any brokered certificates of deposit;

(c) (i) adjust, split, combine or reclassify any capital stock;

(ii) make, declare or pay any dividend, or make any other distribution on its capital stock except for distributions payable to service Company s outstanding subordinated notes and distributions from INB to Company to cover expenses incurred in the ordinary course of business consistent with past practice, expenses incurred in connection with filings with regulatory agencies by the Company and expenses incurred in connection with the transactions contemplated by this Agreement;

(iii) grant any person any right to acquire any shares of its capital stock or make any grant or award under the Company Equity Plan;

(iv) issue any additional shares of capital stock or any securities or obligations convertible or exercisable for any shares of its capital stock, except pursuant to the exercise of stock options or Company Warrants outstanding as of the date hereof; or

(v) redeem or otherwise acquire any shares of its capital stock other than a security interest or as a result of the enforcement of a security interest and other than as provided in this Agreement;

(d) other than in the ordinary course of business consistent with past practice (including the sale, transfer or disposal of other real estate owned (**OREO**)), (i) sell, transfer, mortgage, encumber or otherwise dispose of any of its real property or other assets to any person other than a Subsidiary, or (ii) cancel, release or assign any indebtedness to any such Person or any claims held by any such Person;

(e) make any equity investment, either by purchase of stock or securities, contributions to capital, property transfers, or purchase of any property or assets of any other person, or form any new subsidiary;

(f) enter into, renew, amend or terminate any material contract, plan or agreement, or make any change in any of its leases or material contracts;

(g) Except for Loans or commitments for Loans that have previously been approved by the Company prior to the date of this Agreement, make, renegotiate, renew, increase the amount of, extend the term of, modify or purchase any Loans, or make any commitment in respect of any of the foregoing, except in conformity with existing lending practices;

(h) (i) make any new Loan, or commit to make any new Loan, to any director or executive officer of the Company or INB, or any entity controlled, directly or indirectly, by any of the foregoing or (ii) except for Loans made in accordance with Regulation O of the Federal Reserve (12 C.F.R. Part 215), amend, renew or increase any existing Loan, or commit to amend, renew or increase any such Loan, to any director or executive officer of the Company or INB, or any entity controlled, directly or indirectly, by any of the foregoing;

(i) (i) (a) increase in any manner the compensation, bonuses or other fringe benefits of any of its employees or directors, other than in the ordinary course of business consistent with past practice and pursuant to policies and written incentive plans then in effect or as set forth in the Company s Disclosure Letter, or (b) pay any bonus, pension, retirement allowance or contribution, except for cash bonuses in the ordinary course of business consistent with past practice and as set forth in the Company s Disclosure Letter but not to exceed 10.0% of such individual s base salary or wage rate as of the date hereof;

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(ii) become a party to, amend, renew, extend or commit itself to any pension, retirement, profit-sharing or welfare benefit plan or agreement or employment, severance or change in control agreement with or for the benefit of any employee or director, except for amendments to any plan or agreement that are required by law;

(iii) amend, modify or revise the terms of any outstanding stock option or Company Warrant or voluntarily accelerate the vesting of, or the lapsing of restrictions with respect to, any stock options or other stock-based compensation; or make any contributions to any defined contribution plan not in the ordinary course of business consistent with past practice;

(iv) elect to any office with the title of Senior Vice President or higher any person who does not hold such office as of the date of this Agreement or elect to its Board of Directors any person who is not a member of its Board of Directors as of the date of this Agreement; or

(v) hire any employee with an annualized salary in excess of $100,000 except as may be necessary to replace any employee whose employment is terminated, whether voluntarily or involuntarily;

(j) commence any action or proceeding, other than to enforce any obligation owed to the Company or any of its Subsidiaries and in accordance with past practice, or settle any claim, action or proceeding (i) involving payment by it of money damages in excess of $100,000 or (ii) that would impose any material restriction on its operations or the operations of any of its Subsidiaries;

(k) amend its Articles of Incorporation or bylaws, or similar governing documents;

(l) increase or decrease the rate of interest paid on time deposits or on certificates of deposit, except in the ordinary course of business;

(m) purchase any debt security, including mortgage-backed and mortgage-related securities, other than U.S. government and U.S. government agency securities with final maturities of less than one year;

(n) make any capital expenditures in the aggregate in excess of $100,000, other than pursuant to binding commitments existing on the date hereof, which are described in the Company s Disclosure Letter, and except for expenditures reasonably necessary to maintain existing assets in good repair;

(o) establish or commit to the establishment of any new branch or other office facilities or file any application to relocate or terminate the operation of any banking office;

(p) enter into any futures contract, option, swap agreement, interest rate cap, interest rate floor, interest rate exchange agreement, or take any other action for purposes of hedging the exposure of its interest-earning assets or interest-bearing liabilities to changes in market rates of interest;

(q) make any changes in policies in any material respect in existence on the date hereof with regard to: the extension of credit, or the establishment of reserves with respect to possible loss thereon or the charge off of losses incurred thereon; investments; asset/liability management; deposit pricing or gathering; underwriting, pricing, originating, acquiring, selling, servicing or buying or selling rights to service, loans; its hedging practices and policies; or other material banking policies, in each case except as may be required by changes in applicable law or regulations, GAAP, or at the direction of a Governmental Entity;

(r) except as required by law or for communications in the ordinary course of business consistent with past practice that do not relate to the Merger or other transactions contemplated hereby:

(i) issue any communication of a general nature to employees (including general communications relating to benefits and compensation) without prior consultation with Purchaser and, to the extent relating to post-Closing employment, benefit or compensation information, without the prior consent of Purchaser (which shall not be unreasonably withheld, conditioned or delayed); or

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(ii) issue any communication of a general nature to customers without the prior approval of Purchaser (which shall not be unreasonably withheld, conditioned or delayed);

(s) except with respect to foreclosures in process as of the date hereof, foreclose upon or take a deed or title to any commercial real estate (i) without providing prior notice to Purchaser and conducting a Phase I environmental assessment of the property and (ii) if the Phase I environmental assessment referred to in the prior clause reflects the presence of any Hazardous Material or underground storage tank;

(t) make, change or rescind any material election concerning Taxes or Tax Returns, file any amended Tax Return, enter into any closing agreement with respect to Taxes, settle or compromise any material Tax claim or assessment, or surrender any right to claim a refund of Taxes or obtain any Tax ruling;

(u) take any action that is intended or expected to result in any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time prior to the Effective Time, or in any of the conditions to the Merger set forth in Article VI not being satisfied or in a violation of any provision of this Agreement;

(v) implement or adopt any change in its accounting principles, practices or methods, other than as may be required by GAAP or regulatory guidelines;

(w) enter into any new lines of business;

(x) purchase or sell any mortgage loan servicing rights other than in the ordinary course of business consistent with past practice;

(y) merge or consolidate INB or any Subsidiary with any other corporation or restructure, reorganize or completely or partially liquidate or dissolve it or any of its Subsidiaries;

(z) knowingly take action that would prevent or impede the Merger from qualifying as a reorganization within the meaning of Section 368 of the IRC; or

(aa) agree to take, make any commitment to take, or adopt any resolutions of its Board of Directors in support of, any of the actions prohibited by this *Section 4.1*.

Any request by the Company or response thereto by Purchaser shall be made in accordance with the notice provisions of *Section 8.7* and shall note that it is a request pursuant to this *Section 4.1*.

4.2 Forbearances by Purchaser. Except as expressly contemplated or permitted by this Agreement or to the extent required by law or regulation or any Governmental Entity, during the period from the date of this Agreement to the Effective Time, Purchaser shall maintain its rights and franchises in all material respects, and shall not, nor shall Purchaser permit any of its Subsidiaries to, without the prior written consent (which may include consent via electronic mail) of the Company (which consent shall not be unreasonably withheld, conditioned or delayed):

(a) conduct its business other than in the regular, ordinary and usual course consistent with past practice; fail to use reasonable efforts to maintain and preserve intact its business organization, properties, leases, employees and advantageous business relationships and retain the services of its officers and key employees;

(b) take any action that would adversely affect or materially delay its ability to perform its obligations under this Agreement or to consummate the transactions contemplated hereby;

(c) take any action that is intended to or expected to result in any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time prior to the Effective

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Time, or in any of the conditions to the Merger set forth in Article VI not being satisfied or in a violation of any provision of this Agreement;

(d) knowingly take action that would prevent or impede the Merger from qualifying as a reorganization within the meaning of Section 368 of the IRC;

(e) agree to take, make any commitment to take, or adopt any resolutions of its Board of Directors in support of, any of the actions prohibited by this *Section 4.2*; or

(f) amend, repeal or modify any provision of its Articles of Incorporation or Bylaws in a manner that would adversely affect the Company or any Company stockholder or the transactions contemplated by this Agreement.

ARTICLE V

COVENANTS

5.1 Acquisition Proposals.

(a) From the date of this Agreement until the earlier to occur of the Closing or the termination of this Agreement in accordance with its terms, the Company shall not, and shall not authorize or permit any of its Subsidiaries or any of its Subsidiaries officers, directors or employees or any investment banker, financial advisor, attorney, accountant or other representative retained by the Company or any of its Subsidiaries to, directly or indirectly, (i) solicit, initiate, induce or encourage, or take any other action to facilitate, any inquiries, offers discussions or the making of any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, (ii) furnish any confidential or non-public information or data regarding the Company or any of its Subsidiaries or afford access to any such information or data to any Person in connection with or in response to an Acquisition Proposal or an inquiry or indication of interest that would reasonably be expected to lead to an Acquisition Proposal, (iii) continue or otherwise participate in any discussions or negotiations, or otherwise communicate in any way with any person (other than Purchaser), regarding an Acquisition Proposal, (iv) approve, endorse or recommend any Acquisition Proposal, (v) release any person from, waive any provisions of, or fail to use its reasonable best efforts to enforce any confidentiality agreement or standstill agreement to which the Company is a party or (vi) enter into or consummate any agreement, agreement in principle, letter of intent, arrangement or understanding contemplating any Acquisition Proposal or requiring the Company to abandon, terminate or fail to consummate the transactions contemplated hereby. Without limiting the foregoing, it is understood that any violation of the restrictions set forth in the preceding sentence by any officer, director or employee of the Company or any of the Subsidiaries or any investment banker, financial advisor, attorney, accountant or other representative retained by the Company or any of its Subsidiaries shall be deemed to be a breach of this *Section 5.1* by the Company. Notwithstanding the foregoing, prior to the adoption and approval of this Agreement by the Company s stockholders at the Company Stockholder Meeting, this *Section 5.1(a)* shall not prohibit the Company from furnishing non-public information regarding the Company and its Subsidiaries to, or entering into discussions with, any person in response to an Acquisition Proposal that is submitted to the Company by such Person (and not withdrawn) if (1) the Acquisition Proposal constitutes or is reasonably expected to result in a Superior Proposal, (2) the Company has not breached any of the covenants set forth in this *Section 5.1*, (3) the Company s Board of Directors determines in good faith, after consultation with outside legal counsel, that the failure to take such action would reasonably be expected to violate the directors fiduciary obligations to the Company s stockholders under applicable law, and (4) prior to furnishing any non-public information to, or entering into discussions with, such Person, the Company gives Purchaser written notice of the identity of such Person and of the Company s intention to furnish non-public information to, or enter into discussions with, such Person and the Company receives from such Person an executed confidentiality agreement on terms no more favorable to such

Person than the confidentiality agreement between Purchaser and the Company is to Purchaser.

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(b) The Company will notify Purchaser orally within twenty-four (24) hours and in writing (within two (2) calendar days) of receipt of any Acquisition Proposal, any request for non-public information that could reasonably be expected to lead to an Acquisition Proposal, or any inquiry with respect to or that could reasonably be expected to lead to an Acquisition Proposal, including, in each case, the identity of the Person making such Acquisition Proposal, the request or inquiry and the terms and conditions thereof, and shall provide to Purchaser any written materials received by the Company or any of its Subsidiaries in connection therewith. The Company will keep Purchaser informed of any developments with respect to any such Acquisition Proposal, request or inquiry promptly orally (within one (1) calendar day) and in writing (within two (2) calendar days) upon the occurrence thereof.

(c) The Company will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties conducted prior to the date of this Agreement with respect to any of the foregoing.

5.2 Advice of Changes. Prior to the Closing, each party shall promptly advise the other party orally and in writing to the extent that it has Knowledge of (i) any representation or warranty made by it contained in this Agreement becoming untrue or inaccurate in any material respect or (ii) the failure by it to comply in any material respect with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement; *provided*, *however*, that no such notification shall affect the representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement.

5.3 Access and Information.

(a) Upon reasonable notice and subject to applicable laws relating to the exchange of information, each of Purchaser and the Company, for purposes of verifying the representations and warranties of the other and preparing for the Merger and other matters contemplated by this Agreement, shall (and shall cause its respective Subsidiaries to) afford to the other party and its representatives (including, without limitation, officers and employees of the other party and its Affiliates and counsel, accountants and other professionals retained by the other party) such reasonable access during normal business hours throughout the period prior to the Effective Time to the books, records, contracts, properties, personnel, information technology services and to such other information relating to the other party and its Subsidiaries as may be reasonably requested, except where such materials relate to (i) matters involving this Agreement, (ii) pending or threatened litigation or investigations if, in the opinion of counsel, the presence of such designees would or might adversely affect the confidential nature of, or any privilege relating to, the matters being discussed, (iii) matters involving an Acquisition Proposal or (iv) confidential supervisory information; *provided, however*, that no investigation pursuant to this *Section 5.3* shall affect or be deemed to modify any representation or warranty made in this Agreement. Neither party nor any of its Subsidiaries shall be required to provide access to or to disclose information where such access or disclosure would violate or prejudice the rights of its customers, jeopardize the attorney-client privilege of the entity in possession or control of such information or contravene any law, rule, regulation, order, judgment, decree, fiduciary duty or binding agreement entered into prior to the date of this Agreement. The parties will make appropriate and reasonable substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

(b) From the date hereof until the Effective Time, the Company shall, and shall cause its respective Subsidiaries to, promptly provide to Purchaser (i) a copy of each report filed with a Governmental Entity, (ii) a copy of each periodic report provided to its senior management and all materials relating to its business or operations furnished to its Board of Directors, (iii) a copy of each press release made available to the public and (iv) all other information concerning its business, properties and personnel as may be reasonably requested, provided that Purchaser shall not be entitled to receive reports or other documents relating to (w) matters involving this Agreement, (x) pending or threatened litigation or investigations if, in the opinion of counsel, the disclosure of such information would or might adversely affect the confidential nature of, or any privilege

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relating to, the matters being discussed, (y) matters involving an Acquisition Proposal or (z) confidential supervisory information.

(c) The Company and Purchaser will not, and will cause its respective representatives not to, use any information and documents obtained in the course of the consideration of the consummation of the transactions contemplated by this Agreement, including any information obtained pursuant to this *Section 5.3*, for any purpose unrelated to the consummation of the transactions contemplated by this Agreement and will hold such information and documents in confidence and treat such information and documents as secret and confidential and to use all reasonable efforts to safeguard the confidentiality of such information and documents.

(d) From and after the date hereof, representatives of Purchaser and the Company shall meet on a regular basis to discuss and plan for the conversion of the Company s and its Subsidiaries data processing and related electronic informational systems to those used by Purchaser and its Subsidiaries with the goal of conducting such conversion as soon as practicable following the consummation of the Bank Merger.

(e) Within ten (10) Business Days of the end of each calendar month, the Company shall provide Purchaser with an updated list of Loans described in *Section 3.2(w)(vi)*.

(f) The information regarding the Company and its Subsidiaries to be supplied by the Company for inclusion in the Registration Statement, any filings or approvals under applicable state securities laws, or any filing pursuant to Rule 165 or Rule 425 under the Securities Act or Rule 14a-12 under the Exchange Act will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The information supplied, or to be supplied, by the Company for inclusion in applications to Governmental Entities to obtain all permits, consents, approvals and authorizations necessary or advisable to consummate the transactions contemplated by this Agreement shall be accurate in all material respects.

(g) The information regarding Purchaser and its Subsidiaries to be supplied by Purchaser for inclusion in the Registration Statement, any filings or approvals under applicable state securities laws, or any filing pursuant to Rule 165 or Rule 425 under the Securities Act or Rule 14a-12 under the Exchange Act will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Proxy Statement-Prospectus (except for such portions thereof supplied by the Company or any of its Subsidiaries) will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder. The information supplied, or to be supplied, by Purchaser for inclusion in applications to Governmental Entities to obtain all permits, consents, approvals and authorizations necessary or advisable to consummate the transactions contemplated by this Agreement shall be accurate in all material respects. The Registration Statement will comply as to form in all material respects with the provisions of the Securities Act and the rules and regulations thereunder.

5.4 Applications; Consents.

(a) The parties hereto shall cooperate with each other and shall use their reasonable best efforts to prepare and file as soon as practicable after the date hereof, all necessary applications, notices and filings to obtain all permits, consents, approvals and authorizations of all Governmental Entities that are necessary or advisable to consummate the transactions contemplated by this Agreement. The Company and Purchaser shall furnish each other with all information concerning themselves, their respective Subsidiaries, and their respective Subsidiaries directors, officers and stockholders and such other matters as may be reasonably necessary or advisable in connection with any

application, notice or filing made by or on behalf of Purchaser, the Company or any of their respective Subsidiaries to any Governmental Entity in connection with the transactions contemplated by this Agreement. Purchaser and the Company shall have the right to review in advance, and to the extent practicable each will consult with the other on, all the information relating to Purchaser and the Company, as the

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case may be, and any of their respective Subsidiaries, that appears in any filing made with, or written materials submitted to, any Governmental Entity pursuant to this *Section 5.4(a)*.

(b) As soon as practicable after the date hereof, each of the parties hereto shall, and they shall cause their respective Subsidiaries to, use its reasonable best efforts to obtain any consent, authorization or approval of any third party that is required to be obtained in connection with the transactions contemplated by this Agreement.

(c) Purchaser and the Company shall promptly advise each other upon receiving any communication from any Governmental Entity whose consent or approval is required for consummation of the transactions contemplated by this Agreement that causes such party to believe that there is a reasonable likelihood that such consent or approval will not be obtained or that the receipt of any such required consent or approval will be materially delayed.

5.5 Anti-Takeover Provisions. The Company and its Subsidiaries shall take all steps required by any relevant federal or state law or regulation or under any relevant agreement or other document to exempt or continue to exempt Purchaser, the Agreement, the Plan of Bank Merger, the Merger and the Bank Merger from any provisions of an anti-takeover nature in the Company s or its Subsidiaries Articles of Incorporation and Bylaws, or similar organizational documents, and the provisions of any federal or state anti-takeover laws.

5.6 Additional Agreements. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use all reasonable efforts to take promptly, or cause to be taken promptly, all actions and to do promptly, or cause to be done promptly, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement as expeditiously as possible, including using efforts to obtain all necessary actions or non-actions, extensions, waivers, consents and approvals from all applicable Governmental Entities, effecting all necessary registrations, applications and filings (including, without limitation, filings under any applicable state securities laws) and obtaining any required contractual consents and regulatory approvals.

5.7 Publicity. The initial press release announcing this Agreement shall be a joint press release. Thereafter, the Company and Purchaser shall consult with each other prior to issuing any press releases or otherwise making public statements (including any written communications to stockholders) with respect to the Merger and any other transaction contemplated hereby; *provided, however,* that nothing in this *Section 5.7* shall be deemed to prohibit any party from making any disclosure that its counsel deems necessary to satisfy such party s disclosure obligations imposed by law.

5.8 Stockholder Meeting.

(a) The Company will submit to its stockholders this Agreement and any other matters required to be approved or adopted by stockholders to carry out the intentions of this Agreement. In furtherance of that obligation, the Company will take, in accordance with applicable law and its Articles of Incorporation and Bylaws, all action necessary to call, give notice of, convene and hold a meeting of its stockholders (the **Company Stockholder Meeting**) as promptly as practicable to consider and vote on approval and adoption of this Agreement and the transactions provided for in this Agreement. Subject to *Section 5.8(b)*, the Company shall, (i) through its Board of Directors, recommend to its stockholders adoption and approval of this Agreement, (ii) include such recommendation in the Proxy Statement-Prospectus and (iii) use commercially reasonable efforts to obtain from its stockholders a vote approving and adopting this Agreement.

(b) Notwithstanding anything in this Agreement to the contrary, at any time prior to the Company Stockholder Meeting, the Company s Board of Directors may, if it concludes in good faith (after consultation with its outside legal

advisors) that the failure to do so would be reasonably likely to result in a violation of its fiduciary duties under applicable law, withdraw or modify or change in a manner adverse to Purchaser its

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recommendation that the stockholders of the Company approve this Agreement (a **Change of Recommendation**); *provided* that prior to any such Change of Recommendation, the Company shall have complied in all material respects with *Section 5.1*, given Purchaser written notice promptly (and in any event within twenty-four (24) hours) advising it of the decision of the Company s Board of Directors to take such action and, if the decision relates to an Acquisition Proposal, given Purchaser the material terms and conditions of the Acquisition Proposal or inquiry, including the identity of the Person making any such Acquisition Proposal; and *provided, further,* that if the decision relates to an Acquisition Proposal: (i) the Company shall have given Purchaser three (3) Business Days after delivery of such notice to Purchaser to propose revisions to the terms of this Agreement (or make another proposal) and if Purchaser proposes to revise the terms of this Agreement, the Company shall have negotiated in good faith with Purchaser with respect to such proposed revisions or other proposal; and (ii) the Company s Board of Directors shall have determined in good faith, after considering the results of such negotiations and giving effect to any proposals, amendments or modifications made or agreed to by Purchaser, if any, that such Acquisition Proposal constitutes a Superior Proposal. If the Company s Board of Directors does not make the determination that such Acquisition Proposal constitutes a Superior Proposal and thereafter determines not to withdraw, modify or change its recommendation that the stockholders of the Company approve this Agreement in connection with a new Acquisition Proposal, the procedures referred to above shall apply anew and shall also apply to any subsequent withdrawal, modification or change. In the event of any material revisions to the Acquisition Proposal that result in terms that are less favorable to the Company, the Company shall be required to deliver a new written notice to Purchaser and to again comply with the requirements of this *Section 5.8(b)* with respect to such new written notice, except that the three (3) Business Day period referred to above shall be reduced to two (2) Business Days. In addition to the foregoing, the Company shall not submit to the vote of its stockholders any Acquisition Proposal other than the Merger.

5.9 Registration of Purchaser Common Stock.

(a) Within forty-five (45) days following the date hereof, Purchaser shall prepare and file the Registration Statement with the SEC. The Registration Statement shall contain proxy materials relating to the matters to be submitted to the Company stockholders at the stockholders meeting and shall also constitute the prospectus relating to the shares of Purchaser Common Stock to be issued in the Merger (such proxy statement/prospectus, and any amendments or supplements thereto, the **Proxy Statement-Prospectus**). The Company will furnish to Purchaser the information required to be included in the Registration Statement with respect to its business and affairs and shall have the right to review and consult with Purchaser and approve the form of, and any characterizations of such information included in, the Registration Statement prior to its being filed with the SEC. Purchaser shall use its reasonable best efforts to have the Registration Statement declared effective by the SEC and to keep the Registration Statement effective as long as is necessary to consummate the Merger and the transactions contemplated hereby. The Company will use reasonable best efforts to cause the Proxy Statement-Prospectus to be mailed to its stockholders as promptly as practicable after the Registration Statement is declared effective under the Securities Act. Purchaser will advise the Company, promptly after it receives notice thereof, of the time when the Registration Statement has become effective, the issuance of any stop order, the suspension of the qualification of Purchaser Common Stock issuable in connection with the Merger for offering or sale in any jurisdiction, or any request by the SEC for amendment of the Proxy Statement-Prospectus or the Registration Statement. If at any time prior to the Effective Time any information relating to Purchaser or the Company, or any of their respective Affiliates, officers or directors, should be discovered by Purchaser or the Company that should be set forth in an amendment or supplement to any of the Registration Statement or the Proxy Statement-Prospectus so that any of such documents would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party that discovers such information shall promptly notify the other party hereto and, to the extent required by law, rules or regulations, an appropriate amendment or supplement describing such information shall be promptly filed by Purchaser with the SEC and disseminated by the Company to the stockholders of the Company.

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(b) Purchaser shall also take any action required to be taken under any applicable state securities laws in connection with the Merger and each of the Company and Purchaser shall furnish all information concerning it and the holders of Company Common Stock as may be reasonably requested in connection with any such action.

(c) Prior to the Effective Time, Purchaser shall notify or file an application with The Nasdaq Stock Market LLC of the additional shares of Purchaser Common Stock to be issued by Purchaser in exchange for the shares of Company Common Stock.

5.10 Notification of Certain Matters. Each party shall give prompt notice to the other of: (i) any event or notice of, or other communication relating to, a default or event that, with notice or lapse of time or both, would become a default, received by it or any of its Subsidiaries subsequent to the date of this Agreement and prior to the Effective Time, under any contract material to the financial condition, properties, businesses or results of operations of each party and its Subsidiaries taken as a whole to which each party or any Subsidiary is a party or is subject; and (ii) any event, condition, change or occurrence that individually or in the aggregate has, or that, so far as reasonably can be foreseen at the time of its occurrence, is reasonably likely to result in a Material Adverse Effect. Each of the Company and Purchaser shall give prompt notice to the other party of any notice or other communication from any third party alleging that the consent of such third party is or may be required in connection with any of the transactions contemplated by this Agreement.

5.11 Employee Benefit Matters.

(a) Purchaser shall honor the Company Benefit Plans set forth in the Company s Disclosure Letter in accordance with the terms of such Company Benefit Plans, except to the extent an alternative treatment is set forth in this *Section 5.11* or in *Sections 2.11*, *2.12* or *2.13* of this Agreement. Following the Effective Time, Purchaser shall maintain or cause to be maintained employee benefit plans and compensation opportunities for the benefit of all Persons who are employees of the Company and its Subsidiaries immediately prior to the Effective Time and whose employment is not specifically terminated at or prior to the Effective Time (a **Continuing Employee**) that, in the aggregate are substantially comparable to the employee benefit and compensation opportunities that are generally made available to similarly situated employees of Purchaser or its Subsidiaries; *provided, however,* in no event shall any Continuing Employee be eligible to participate in any frozen plan of Purchaser or its Subsidiaries.

(b) At the sole discretion of Purchaser, Purchaser may maintain the Company s health and welfare plans through the end of the calendar year in which the Effective Time occurs. Notwithstanding the foregoing, if Purchaser determines to terminate one or more of Company s health and/or welfare plans, then, at the request of Purchaser made at least thirty (30) days prior to the Effective Time, the Company shall adopt resolutions, to the extent required, providing that one or more of the Company s health and welfare plans (excluding any plans that are mutually agreed to in writing between the parties) will be terminated effective immediately prior to the Effective Time (or such later date as requested by Purchaser in writing or as may be required to comply with any applicable advance notice or other requirements contained in such plans) and shall arrange for termination of all corresponding insurance policies, service agreements and related arrangements effective on the same date to the extent not prohibited by the terms of such arrangements or applicable law. Notwithstanding the foregoing, no coverage of any of the Continuing Employees or their dependents shall terminate under any of the Company s health and welfare plans prior to the time such Continuing Employees or their dependents, as applicable, become eligible to participate in the health plans, programs and benefits common to all employees of Purchaser and its Subsidiaries and their dependents and, consequently, no Continuing Employee shall experience a gap in coverage. Continuing Employees who become covered under health plans, programs and benefits of Purchaser or any of its Subsidiaries shall receive credit for any co-payments and deductibles paid under the Company s health plan for the plan year in which coverage commences under Purchaser s health plan and shall not be subject to any pre-existing conditions under any such plans. Terminated Company

employees and qualified beneficiaries will have the right to continued coverage under group health plans of Purchaser in accordance with COBRA.

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(c) Purchaser shall cause each Purchaser Benefit Plan in which Continuing Employees are eligible to participate to take into account for purposes of eligibility and vesting (but not benefit accrual under the Purchaser 401(k) Plan for 2018 employer contributions) under the Purchaser Benefit Plans the service of such employees with Company to the same extent as such service was credited for such purpose by Company; *provided, however,* that such service shall not be recognized: (i) to the extent that such recognition would result in a duplication of benefits under any of the Purchaser Benefit Plans or (ii) to the extent, at the sole discretion of Purchaser, the cash value of unused paid time-off is paid to Continuing Employees at the Effective Time. The value of each Company employee s unused paid time-off is set forth in the Company s Disclosure Letter. This Agreement shall not be construed to limit the ability of Purchaser to terminate the employment of any Company employee or to review any employee benefit plan or program from time to time and to make such changes (including terminating any such plan or program) as Purchaser deems appropriate.

(d) The Company shall take all necessary and appropriate actions to cause the Company 401(k) Plan to be frozen as to future contributions effective immediately prior to the Effective Time and Purchaser shall take all necessary and appropriate actions to allow the Continuing Employees to participate in Purchaser s 401(k) Plan on the first day immediately following the Effective Time. Alternatively, if requested in writing by Purchaser no later than thirty (30) days prior to Closing, the Company will also take all necessary steps to terminate the Company 401(k) Plan immediately prior to the Effective Time, subject to the occurrence of the Effective Time, and if further requested, shall prepare and submit a request to the IRS for a favorable determination letter on termination. If Purchaser requests that the Company apply for a favorable determination letter, then prior to the Effective Time, Company shall take all such actions as are necessary (determined in consultation with Purchaser) to submit the application for favorable determination letter in advance of the Effective Time, and following the Effective Time, Purchaser shall use its best efforts in good faith to obtain such favorable determination letter as promptly as possible (including, but not limited to, making such changes to the Company 401(k) Plan as may be required by the IRS as a condition to its issuance of a favorable determination letter). Prior to the Effective Time, the Company, and following the Effective Time, Purchaser, will adopt such amendments to the Company 401(k) Plan to effect the provisions of this *Section 5.11(d)*. In the event Purchaser requests the Company to submit an application to the IRS for a determination letter, Company 401(k) Plan participants who are terminated at or after the Closing, but prior to the receipt of the IRS determination letter, may elect to receive a distribution from the Company 401(k) Plan upon termination of their employment. Purchaser shall take any and all actions as may be required to permit Continuing Employees to roll over their account balances in the Company s 401(k) Plan into Purchaser s 401(k) Plan.

(e) Purchaser agrees that each full-time Company employee who is involuntarily terminated by Purchaser (other than for Cause as determined by Purchaser) within six months following the Effective Time and who is not covered by a separate severance, change in control or employment agreement shall, upon executing an appropriate release in the form reasonably determined by Purchaser, receive a severance payment equal to two weeks of base pay (at the rate in effect on the termination date) for each year of service at the Company, with a minimum equal to four weeks of base pay and a maximum equal to fifty-two (52) weeks, as determined in accordance with Purchaser s severance policy. For purposes of calculating the number of years of service, fractional years of service shall be rounded up or down to the nearest full month. For purposes of calculating base pay, Company employees who are paid on an hourly basis shall be deemed to have a base pay equal to the employee s average weekly compensation over the two months prior to the termination date; provided that, in no event shall an employee s base pay for this purpose be less than the employee s base pay with the Company as in effect immediately prior to Closing. For employees whose compensation is determined in whole or in part on the basis of commission income, base pay shall include base salary or total hourly wages paid plus commissions earned during the most recent twelve (12) months ended as of the date of termination of employment. Purchaser will offer INB employees whose jobs are eliminated as a result of the Bank Merger priority in applying for open positions within Purchaser and First Interstate Bank. Any employee of the Company who has or is a party to any employment agreement, severance agreement, change in control agreement or any other agreement or arrangement that provides for any payment that may be triggered by a termination, including

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a termination following the Merger, shall not receive the severance benefits as provided in this Section but will receive the payment specified in such agreement or arrangement.

(f) Purchaser shall honor all obligations under the employment or change in control agreements, the INB Supplemental Executive Retirement Plan Agreement (the SERP) and the INB Executive Deferred Compensation Plan, each as set forth in the Company s Disclosure Letter, except to the extent any such agreement is superseded as of, or following, the Effective Time. Purchaser specifically agrees to assume the SERP and the timing and amount of the payments thereunder will continue to be made in accordance with Section 2.1 of the SERP. For purposes of clarity, it is understood that neither Buyer nor Buyer Bank will terminate the SERP in accordance with Section 8.3 of the SERP and the parties will not accelerate the timing of the payments thereunder.

(g) Purchaser shall establish a retention bonus pool in the amount as provided in Purchaser Disclosure Letter for employees of the Company and its Subsidiaries jointly designated in writing by Purchaser and the Company (other than employees of the Company who are subject to employment contracts or other contracts providing for severance) to help retain key employees; provided, that any retention bonus pool payment is not considered an excess parachute payment within the meaning of Section 280G of the IRC or results in any other adverse tax consequence to the Purchaser. The amount and payment date of the retention bonus for each such employee shall be jointly determined in writing by Purchaser and the Company, but in the aggregate shall equal the amount provided in Purchaser Disclosure Letter assuming all such key employees remain with the Purchaser or the Surviving Corporation or an Affiliate to such date or are involuntarily terminated without cause prior to that date.

(h) Concurrently with the execution of this Agreement, Purchaser, First Interstate Bank, Company and INB shall enter into settlement agreements with each of Russell A. Lee and Holly A. Poquette to be effective as of the Effective Time, and Purchaser and First Interstate Bank shall enter into a consulting and non-competition agreement with Russell A. Lee to be effective as of the Effective Time, each as provided in Purchaser Disclosure Letter.

(i) Purchaser shall provide all employees of the Company and its Subsidiaries whose employment was terminated other than for cause, disability or retirement at or following the Effective Time, and who so desires, job counseling and outplacement assistance services, in which it shall assist such employees in locating new employment and shall notify all such employees who want to be so notified of opportunities for positions with Purchaser or any of its Subsidiaries for which Purchaser reasonably believes such persons are qualified and shall consider any application for such positions submitted by such persons, provided, however, that any decision to offer employment to any such person shall be made in the sole discretion of Purchaser.

5.12 Indemnification.

(a) From and after the Effective Time, Purchaser shall indemnify and hold harmless each of the current or former directors, officers or employees of the Company or any of its Subsidiaries (each, an **Indemnified Party**), and any person who becomes an Indemnified Party between the date hereof and the Effective Time, against any costs or expenses (including reasonable attorneys fees and expenses), judgments, fines, losses, claims, damages or liabilities and amounts paid in settlement incurred in connection with any actual or threatened claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of matters existing or occurring at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time, based in whole or in part on, or arising in whole or in part out of, or pertaining to (i) the fact that he or she is or was a director, officer or employee of the Company, any of its Subsidiaries or any of their respective predecessors or was prior to the Effective Time serving at the request of any such party as a director, officer, employee, trustee or partner of another corporation, partnership, trust, joint venture, employee benefit plan or other entity or (ii) any matters arising in connection with the transactions contemplated by this Agreement, to the fullest extent such Person would have been indemnified or have

the right to advancement of

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expenses pursuant to the Company s Articles of Incorporation and Bylaws as in effect on the date of this Agreement and as permitted by applicable law, and Purchaser and the Surviving Corporation shall also advance expenses as incurred to the fullest extent permitted under applicable law, *provided* that the Person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined by a court of competent jurisdiction that such Person is not entitled to indemnification.

(b) Any Indemnified Party wishing to claim indemnification under *Section 5.12(a)*, upon learning of any action, suit, proceeding or investigation described above, shall promptly notify Purchaser thereof. Any failure to so notify shall not affect the obligations of Purchaser under *Section 5.12(a)* unless and to the extent that Purchaser is actually prejudiced as a result of such failure.

(c) For a period of six (6) years following the Effective Time, Purchaser shall maintain in effect the Company s current directors and officers liability insurance covering each Person currently covered by the Company s directors and officers liability insurance policy with respect to claims against such Persons arising from facts or events occurring at or prior to the Effective Time; *provided, however*, that in no event shall Purchaser be required to expend in the aggregate pursuant to this *Section 5.12(c)* more than 200% of the annual premium currently paid by the Company for such insurance and, if Purchaser is unable to maintain such policy as a result of this proviso, Purchaser shall obtain as much comparable insurance as is available by payment of such time; *provided further*, that Purchaser may (i) request that the Company obtain an extended reporting period endorsement under the Company s existing directors and officers liability insurance policy or (ii) substitute therefor tail policies the material terms of which, including coverage and amount, are no less favorable in any material respect to such Person than the Company s existing insurance policies as of the date hereof.

(d) If Purchaser or any of its successors or assigns (i) consolidates with or merges into any other person or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) liquidates, dissolves, transfers or conveys all or substantially all of its properties and assets to any person or entity, then, and in each such case, to the extent necessary, proper provision shall be made so that such successor and assign of Purchaser and its successors and assigns assume the obligations set forth in this *Section 5.12*.

(e) The provisions of this *Section 5.12* are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party and his or her representatives.

(f) Any indemnification payments made pursuant to this *Section 5.12* are subject to and conditioned upon their compliance with Section 18(k) of the Federal Deposit Insurance Act (12 U.S.C. 1828(k)) and the regulations promulgated thereunder by the Federal Deposit Insurance Corporation (12 C.F.R. Part 359).

5.13 Stockholder Litigation. The Company shall give Purchaser the opportunity to participate at Purchaser s own expense in the defense or settlement of any stockholder litigation against the Company and/or its directors relating to the transactions contemplated by this Agreement, and no such settlement shall be agreed to without Purchaser s prior written consent (such consent not to be unreasonably withheld or delayed).

5.14 Disclosure Supplements. From time to time prior to the Effective Time, the Company and Purchaser will promptly supplement or amend their respective Disclosure Letters delivered in connection herewith with respect to any matter hereafter arising that, if existing, occurring or known at the date of this Agreement, would have been required to be set forth or described in such Disclosure Letters or that is necessary to correct any information in such Disclosure Letters that has been rendered materially inaccurate thereby. No supplement or amendment to such Disclosure Letters shall have any effect for the purpose of determining satisfaction of the conditions set forth in Article VI.

5.15 Assumption of Northwest Bancorporation Capital Trust I Preferred Securities. Purchaser agrees that, effective with the Effective Time, it shall assume the Northwest Bancorporation Capital Trust I trust preferred securities, and all of the Company obligations under the related indentures, and shall take all actions

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necessary or appropriate in accordance therewith, including, if requested by the trustee, execution of a supplemental indenture and other appropriate documents or certificates.

ARTICLE VI

CONDITIONS TO CONSUMMATION

6.1 Conditions to Each Party s Obligations. The respective obligations of each party to effect the Merger shall be subject to the satisfaction of the following conditions:

(a) *Stockholder Approval*. This Agreement shall have been approved by the requisite vote of the Company s stockholders in accordance with applicable laws and regulations.

(b) *Regulatory Approvals*. All approvals, consents or waivers of any Governmental Entity required to permit consummation of the transactions contemplated by this Agreement, including the Merger and the Bank Merger, shall have been obtained and shall remain in full force and effect, and all statutory waiting periods shall have expired or been terminated.

(c) *No Injunctions or Restraints; Illegality*. No party hereto shall be subject to any order, decree or injunction of a court or agency of competent jurisdiction that enjoins or prohibits the consummation of the Merger or the Bank Merger and no Governmental Entity shall have instituted any proceeding for the purpose of enjoining or prohibiting the consummation of the Merger, the Bank Merger or any transactions contemplated by this Agreement. No statute, rule or regulation shall have been enacted, entered, promulgated or enforced by any Governmental Entity that prohibits or makes illegal consummation of the Merger or the Bank Merger.

(d) *Third Party Consents*. Purchaser and the Company shall have obtained the consent or approval of each Person (other than the governmental approvals or consents referred to in *Section 6.1(b)*) whose consent or approval shall be required to consummate the transactions contemplated by this Agreement, except those for which failure to obtain such consents and approvals would not, individually or in the aggregate, have a Material Adverse Effect on Purchaser (after giving effect to the consummation of the transactions contemplated hereby).

(e) *Registration Statement; Blue Sky Laws*. The Registration Statement shall have been declared effective by the SEC and no proceedings shall be pending or threatened by the SEC to suspend the effectiveness of the Registration Statement, and Purchaser shall have received all required approvals by state securities or blue sky authorities with respect to the transactions contemplated by this Agreement.

(f) *Nasdaq.* Purchaser shall have filed with The Nasdaq Stock Market LLC a notification form or application, as applicable, for the listing of all shares of Purchaser Common Stock to be delivered as Merger Consideration, and The Nasdaq Stock Market LLC shall not have objected to the listing of such shares of Purchaser Common Stock.

(g) *Tax Opinion*. Purchaser and the Company shall have received written opinions of Luse Gorman, PC and Witherspoon Kelley, respectively, dated as of the Closing Date, in form and substance customary in transactions of the type contemplated hereby, and reasonably satisfactory to Purchaser and the Company, as the case may be, substantially to the effect that on the basis of the facts, representations and assumptions set forth in such opinions, which are consistent with the state of facts existing at the Effective Time, (i) the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the IRC and (ii) Purchaser and the Company will each be a party to that reorganization within the meaning of Section 368(b) of the IRC. Such opinions may be based on, in addition to the review of such matters of fact and law as counsel considers appropriate,

representations contained in certificates of officers of Purchaser, the Company and others.

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6.2 Conditions to the Obligations of Purchaser. The obligations of Purchaser to effect the Merger shall be further subject to the satisfaction of the following additional conditions, any one or more of which may be waived by Purchaser:

(a) *The Company s Representations and Warranties*. Subject to the standard set forth in *Section 3.1*, each of the representations and warranties of the Company contained in this Agreement and in any certificate or other writing delivered by the Company pursuant hereto shall be true and correct at and as of the Closing Date as though made at and as of the Closing Date, except that those representations and warranties that address matters only as of a particular date need only be true and correct as of such date.

(b) *Performance of the Company s Obligations*. The Company shall have performed in all material respects all obligations and covenants required to be performed by it under this Agreement at or prior to the Effective Time.

(c) *Officers Certificate*. Purchaser shall have received a certificate signed by the chief executive officer and the chief financial or principal accounting officer of the Company to the effect that the conditions set forth in *Sections 6.2(a)* and *(b)* have been satisfied.

(d) *No Material Adverse Effect*. Since the date of this Agreement, there shall not have occurred any Material Adverse Effect with respect to the Company.

(e) *Burdensome Condition*. None of the approvals, consents or waivers of any Governmental Entity required to permit consummation of the transactions contemplated by this Agreement shall contain any condition or requirement that would so materially and adversely impact the economic or business benefits to Purchaser of the transactions contemplated hereby that, had such condition or requirement been known, Purchaser would not, in its reasonable judgment, have entered into this Agreement.

(f) *Dissenting Shares*. As of immediately prior to the Effective Time, not more than 10.0% of the issued and outstanding shares of Company Common Stock shall have perfected their right to dissent under the WBCA in accordance with *Section 2.6* herein.

6.3 Conditions to the Obligations of the Company. The obligations of the Company to effect the Merger shall be further subject to the satisfaction of the following additional conditions, any one or more of which may be waived by the Company:

(a) *Purchaser s Representations and Warranties*. Subject to the standard set forth in *Section 3.1*, each of the representations and warranties of Purchaser contained in this Agreement and in any certificate or other writing delivered by Purchaser pursuant hereto shall be true and correct at and as of the Closing Date as though made at and as of the Closing Date, except that those representations and warranties that address matters only as of a particular date need only be true and correct as of such date.

(b) *Performance of Purchaser s Obligations*. Purchaser shall have performed in all material respects all obligations and covenants required to be performed by it under this Agreement at or prior to the Effective Time.

(c) *Officers Certificate*. The Company shall have received a certificate signed by the chief executive officer and the chief financial or principal accounting officer of Purchaser to the effect that the conditions set forth in *Sections 6.3(a)* and *(b)* have been satisfied.

(d) *No Material Adverse Effect.* Since the date of this Agreement, there shall not have occurred any Material Adverse Effect with respect to Purchaser.

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ARTICLE VII

TERMINATION

7.1 Termination. This Agreement may be terminated, and the Merger abandoned, at any time prior to the Effective Time, by action taken or authorized by the Board of Directors of the terminating party, either before or after any requisite stockholder approval:

(a) by the mutual written consent of Purchaser and the Company; or

(b) by either Purchaser or the Company, in the event of the failure of the Company s stockholders to approve the Agreement at the Company Stockholder Meeting; *provided*, *however*, that the Company shall only be entitled to terminate the Agreement pursuant to this clause if it has complied in all material respects with its obligations under *Section 5.8* (subject to *Section 5.8(b));*

(c) by either Purchaser or the Company, if either (i) any approval, consent or waiver of a Governmental Entity required to permit consummation of the transactions contemplated by this Agreement shall have been denied and such denial has become final and non-appealable or (ii) any court or other Governmental Entity of competent jurisdiction shall have issued a final, unappealable order enjoining or otherwise prohibiting consummation of the transactions contemplated by this Agreement;

(d) by either Purchaser or the Company, if the Merger is not consummated by January 31, 2019, unless the failure to so consummate by such time is due to the failure of the party seeking to terminate this Agreement to perform or observe the covenants and agreements of such party set forth herein;

(e) by either Purchaser or the Company (provided that the party seeking termination is not then in material breach of any representation, warranty, covenant or other agreement contained herein), in the event of a breach of any covenant or agreement on the part of the other party set forth in this Agreement, or if any representation or warranty of the other party shall have become untrue, in either case such that the conditions set forth in *Sections 6.2(a)* and *(b)* or *Sections 6.3(a)* and *(b)*, as the case may be, would not be satisfied and such breach or untrue representation or warranty has not been or cannot be cured within thirty (30) days following written notice to the party committing such breach or making such untrue representation or warranty;

(f) by Purchaser, if (i) the Company shall have breached its obligations under *Section 5.1* or *Section 5.8* in any material respect or (ii) if the Board of Directors of the Company does not publicly recommend in the Proxy Statement-Prospectus that stockholders approve and adopt this Agreement or if, after recommending in the Proxy Statement-Prospectus that stockholders approve and adopt this Agreement, the Board of Directors effects a Change of Recommendation;

(g) by the Company, at any time prior to the adoption and approval of this Agreement by the Company s stockholders, to enter into an agreement with respect to a Superior Proposal, but only if (i) the Company s Board of Directors has determined in good faith based on the advice of legal counsel that failure to take such action would cause the Board of Directors to violate its fiduciary duties under applicable law, and (ii) the Company has not breached its obligations under *Section 5.1.*

(h) by the Company, at any time during the five-day period commencing with the Determination Date, if both of the following conditions are satisfied:

(i) The number obtained by dividing the Average Closing Price by the Starting Price (the **Purchaser Ratio**) shall be less than 0.80; and

(ii) (x) the Purchaser Ratio shall be less than (y) the number obtained by dividing the Index Ratio (each as defined below) and subtracting 0.20 from the quotient in this clause (ii) (y);

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subject, however, to the following three sentences. If the Company elects to exercise its termination right pursuant to this *Section 7.1(h)*, it shall give written notice to Purchaser (provided that such notice of election to terminate may be withdrawn at any time within the aforementioned five-day period). During the five-day period commencing with its receipt of such notice, Purchaser shall have the option to increase the consideration to be received by the holders of Company Common Stock, Company Options and Company Warrants hereunder, by adjusting the Exchange Ratio (calculated to the nearest one ten-thousandth) to equal a quotient of (A) the product of the Starting Price, 0.80 and the Exchange Ratio, divided by (B) the Average Closing Price. If Purchaser so elects within such five-day period, it shall give prompt written notice to the Company of such election and the revised Exchange Ratio, whereupon no termination shall have occurred pursuant to this *Section 7.1(h)* and this Agreement shall remain in effect in accordance with its terms (except as the Exchange Ratio shall have been so modified).

For purposes of this *Section 7.1(h)* the following terms shall have the meanings indicated:

Final Index Price shall mean the average of the Index Prices for the twenty (20) consecutive full trading days ending on the Determination Date.

Index Price shall mean $113.13, which is the closing price on the Starting Date for the KBW Regional Banking Index.

Index Ratio shall mean the Final Index Price divided by the Index Price.

Starting Date shall mean the third trading day prior to the date of the first public announcement of entry into this Agreement.

Starting Price shall mean $40.00, which is the closing price of a share of Purchaser Common Stock on The Nasdaq Stock Market, LLC (as reported in The Wall Street Journal, or if not reported therein, in another authoritative source) on the Starting Date.

7.2 Termination Fee; Expenses.

(a) In the event of termination of this Agreement by the Company pursuant to *Section 7.1(g)*, the Company shall make payment to Purchaser of a termination fee of $5,076,204.

(b) In the event of termination of this Agreement by Purchaser pursuant to *Section 7.1(f)*, so long as at the time of such termination Purchaser is not in material breach of any representation, warranty or material covenant contained herein, the Company shall make payment to Purchaser of a termination fee of $5,076,204.

(c) If (i) this Agreement is terminated (A) by either party pursuant to *Section 7.1(b)* or (B) by Purchaser pursuant to *Section 7.1(e)* and the breach giving rise to such termination was knowing or intentional, and (ii) at the time of such termination Purchaser is not in material breach of any representation, warranty or material covenant contained herein, and (iii) prior to the Company Stockholder Meeting (in the case of termination pursuant to *Section 7.1(b)*) or the date of termination (in the case of termination pursuant to *Section 7.1(e)*), an Acquisition Proposal has been publicly announced, disclosed or communicated and (iv) within twelve (12) months of such termination the Company shall consummate or enter into any agreement with respect to the Acquisition Proposal set forth in clause (iii) of this *Section 7.2(c)*, then the Company shall make payment to Purchaser of a termination fee of $5,076,204.

(d) The fee payable pursuant to *Section 7.2(a) or (b)* shall be made by wire transfer of immediately available funds at the time of termination. Any fee payable pursuant to *Section 7.2(c)* shall be made by wire transfer of immediately

available funds within two (2) Business Days after notice of demand for payment. The Company and Purchaser acknowledge that the agreements contained in this *Section 7.2* are an integral part of the

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transactions contemplated by this Agreement, and that, without these agreements, Purchaser would not enter into this Agreement. The amount payable by the Company pursuant to *Sections 7.2(a), (b) or (c)* constitutes liquidated damages and not a penalty and shall be the sole remedy of Purchaser in the event of termination of this Agreement on the bases specified in such sections.

7.3 Effect of Termination. In the event of termination of this Agreement by either Purchaser or the Company as provided in *Section 7.1*, this Agreement shall forthwith become void and, subject to *Section 7.2*, have no effect, and there shall be no liability on the part of any party hereto or their respective officers and directors, except that (i) *Sections 5.3(c)*, *7.2* and *8.6*, shall survive any termination of this Agreement, and (ii) notwithstanding anything to the contrary contained in this Agreement, no party shall be relieved or released from any liabilities or damages arising out of its fraud or willful and material breach of any provision of this Agreement.

ARTICLE VIII

CERTAIN OTHER MATTERS

8.1 Interpretation. When a reference is made in this Agreement to Sections or Exhibits such reference shall be to a Section of, or Exhibit to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for ease of reference only and shall not affect the meaning or interpretation of this Agreement. Whenever the words include, includes or including are used in this Agreement, they shall be deemed followed by the words without limitation. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Any reference to gender in this Agreement shall be deemed to include any other gender.

8.2 Survival. Only those agreements and covenants of the parties that are by their terms applicable in whole or in part after the Effective Time, including *Section 5.12* of this Agreement, shall survive the Effective Time. All other representations, warranties, agreements and covenants shall be deemed to be conditions of the Agreement and shall not survive the Effective Time.

8.3 Waiver; Amendment. Prior to the Effective Time, any provision of this Agreement may be: (i) waived in writing by the party benefited by the provision or (ii) amended or modified at any time (including the structure of the transaction) by an agreement in writing between the parties hereto except that, after the vote by the stockholders of the Company, no amendment or modification may be made that would reduce the amount or alter or change the kind of consideration to be received by holders of Company Common Stock or that would contravene any provision of the MBCA or the applicable state and federal banking laws, rules and regulations.

8.4 Counterparts. This Agreement may be executed in counterparts each of which shall be deemed to constitute an original, but all of which together shall constitute one and the same instrument. A facsimile or other electronic copy of a signature page shall be deemed to be an original signature page.

8.5 Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of Montana, without regard to conflicts of laws principles.

8.6 Expenses. Each party hereto will bear all expenses incurred by it in connection with this Agreement and the transactions contemplated hereby.

8.7 Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be deemed given if delivered personally, sent via facsimile (with confirmation), by email, by registered or certified mail (return receipt requested) or by commercial overnight delivery service, or delivered by an

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express courier (with confirmation) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to Purchaser, to:

First Interstate BancSystem, Inc.

401 North 31st Street

Billings, Montana 59116

Facsimile: (406) 255-5350

Attention: Kevin P. Riley

President and Chief Executive Officer

Email: Kevin.Riley@fib.com

With copies to:

First Interstate BancSystem, Inc.

401 North 31st Street

Billings, Montana 59116

Facsimile: (406) 255-5350

Attention: Kirk D. Jensen

General Counsel

Email: Kirk.Jensen@fib.com

Luse Gorman, PC

5335 Wisconsin Avenue, NW, Suite 780

Washington, DC 20015

Facsimile: (202) 362-2902

Attention: Scott A. Brown

Lawrence M.F. Spaccasi

Email: sbrown@luselaw.com

lspaccasi@luselaw.com

If to the Company, to:

Northwest Bancorporation, Inc.

421 W. Riverside Avenue, Suite 113

Spokane, Washington 99201

Facsimile: (509) 850-3524

Attention: Russell A. Lee

President and Chief Executive Officer

Email: ralee@inb.com

With copies to:

Witherspoon Kelley

422 W. Riverside Avenue, Suite 1100

Spokane, Washington 99201

Facsimile: (509) 458-2728

Attention: Richard A. Repp

Email: rar@witherspoonkelley.com

8.8 Entire Agreement; etc. This Agreement, together with the Exhibits and Disclosure Letters hereto, represents the entire understanding of the parties hereto with reference to the transactions contemplated hereby

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and supersedes any and all other oral or written agreements heretofore made. Except for *Section 5.12*, which confers rights on the parties described therein, nothing in this Agreement is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement, including the right to rely upon the representations and warranties set forth herein. The representations and warranties in this Agreement are the product of negotiations among the parties hereto and are for the sole benefit of the parties. Any inaccuracies in such representations and warranties are subject to waiver by the parties hereto in accordance herewith without notice or liability to any other person. In some instances, the representations and warranties in this Agreement may represent an allocation among the parties hereto of risks associated with particular matters regardless of the Knowledge of any of the parties hereto. Consequently, Persons other than the parties may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

8.9 Successors and Assigns; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that this Agreement may not be assigned by either party hereto without the prior written consent of the other party.

8.10 Severability. If any one or more provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, by any court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement and the parties shall use their reasonable efforts to substitute a valid, legal and enforceable provision which, insofar as practical, implements the purposes and intents of this Agreement.

8.11 Specific Performance. The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and, accordingly, that the parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof (including the parties obligation to consummate the Merger), in addition to any other remedy to which they are entitled at law or in equity. Each of the parties hereby further waives (a) any defense in any action for specific performance that a remedy at law would be adequate and (b) any requirement under any law to post security or a bond as a prerequisite to obtaining equitable relief.

8.12 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AT THE TIME OF INSTITUTION OF THE APPLICABLE LITIGATION, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.12.

8.13 Delivery by Facsimile or Electronic Transmission. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments or waivers hereto or thereto, to the extent signed and delivered by means of a facsimile machine or by e-mail delivery of a .pdf format data file, shall be treated in all

manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in Person. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or e-mail delivery of a

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.pdf format data file to deliver a signature to this Agreement or any amendment hereto or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or e-mail delivery of a .pdf format data file as a defense to the formation of a contract and each party hereto forever waives any such defense.

[*Signature page follows*]

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In Witness Whereof, the parties hereto have caused this Agreement and Plan of Merger to be executed by their duly authorized officers as of the date first above written.

First Interstate BancSystem, Inc.

By: /s/ Kevin P. Riley
Kevin P. Riley
President and Chief Executive Officer

Northwest Bancorporation, Inc.

By: /s/ Russell A. Lee
Russell A. Lee
President and Chief Executive Officer

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Annex B

Chapter 23B.13 RCW

DISSENTERS RIGHTS

RCW 23B.13.010

Definitions.

As used in this chapter:

(1) Corporation means the issuer of the shares held by a dissenter before the corporate action, or the surviving or acquiring corporation by merger or share exchange of that issuer.

(2) Dissenter means a shareholder who is entitled to dissent from corporate action under RCW 23B.13.020 and who exercises that right when and in the manner required by RCW 23B.13.200 through 23B.13.280.

(3) Fair value, with respect to a dissenter s shares, means the value of the shares immediately before the effective date of the corporate action to which the dissenter objects, excluding any appreciation or depreciation in anticipation of the corporate action unless exclusion would be inequitable.

(4) Interest means interest from the effective date of the corporate action until the date of payment, at the average rate currently paid by the corporation on its principal bank loans or, if none, at a rate that is fair and equitable under all the circumstances.

(5) Record shareholder means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

(6) Beneficial shareholder means the person who is a beneficial owner of shares held in a voting trust or by a nominee as the record shareholder.

(7) Shareholder means the record shareholder or the beneficial shareholder.

RCW 23B.13.020

Right to dissent.

(1) A shareholder is entitled to dissent from, and obtain payment of the fair value of the shareholder s shares in the event of, any of the following corporate actions:

(a) A plan of merger, which has become effective, to which the corporation is a party (i) if shareholder approval was required for the merger by RCW 23B.11.030, 23B.11.080, or the articles of incorporation, and the shareholder was entitled to vote on the merger, or (ii) if the corporation was a subsidiary and the plan of merger provided for the merger of the subsidiary with its parent under RCW 23B.11.040;

(b) A plan of share exchange, which has become effective, to which the corporation is a party as the corporation whose shares have been acquired, if the shareholder was entitled to vote on the plan;

(c) A sale, lease, exchange, or other disposition, which has become effective, of all, or substantially all, of the property and assets of the corporation other than in the usual and regular course of business, if the shareholder was entitled to vote on the sale, lease, exchange, or other disposition, including a disposition in dissolution, but not including a disposition pursuant to court order or a disposition for cash pursuant to a plan by

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which all or substantially all of the net proceeds of the disposition will be distributed to the shareholders within one year after the date of the disposition;

(d) An amendment of the articles of incorporation, whether or not the shareholder was entitled to vote on the amendment, if the amendment effects a redemption or cancellation of all of the shareholder s shares in exchange for cash or other consideration other than shares of the corporation;

(e) Any action described in RCW 23B.25.120;

(f) Any corporate action approved pursuant to a shareholder vote to the extent the articles of incorporation, bylaws, or a resolution of the board of directors provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares; or

(g) A plan of entity conversion in the case of a conversion of a domestic corporation to a foreign corporation, which has become effective, to which the domestic corporation is a party as the converting entity, if: (i) The shareholder was entitled to vote on the plan; and (ii) the shareholder does not receive shares in the surviving entity that have terms as favorable to the shareholder in all material respects and that represent at least the same percentage interest of the total voting rights of the outstanding shares of the surviving entity as the shares held by the shareholder before the conversion.

(2) A shareholder entitled to dissent and obtain payment for the shareholder s shares under this chapter may not challenge the corporate action creating the shareholder s entitlement unless the action fails to comply with the procedural requirements imposed by this title, RCW 25.10.831 through 25.10.886, the articles of incorporation, or the bylaws, or is fraudulent with respect to the shareholder or the corporation.

(3) The right of a dissenting shareholder to obtain payment of the fair value of the shareholder s shares shall terminate upon the occurrence of any one of the following events:

(a) The proposed corporate action is abandoned or rescinded;

(b) A court having jurisdiction permanently enjoins or sets aside the corporate action; or

RCW 23B.13.030

Dissent by nominees and beneficial owners.

(1) A record shareholder may assert dissenters rights as to fewer than all the shares registered in the shareholder s name only if the shareholder dissents with respect to all shares beneficially owned by any one person and delivers to the corporation a notice of the name and address of each person on whose behalf the shareholder asserts dissenters rights. The rights of a partial dissenter under this subsection are determined as if the shares as to which the dissenter dissents and the dissenter s other shares were registered in the names of different shareholders.

(2) A beneficial shareholder may assert dissenters rights as to shares held on the beneficial shareholder s behalf only if:

(a) The beneficial shareholder submits to the corporation the record shareholder s consent to the dissent not later than the time the beneficial shareholder asserts dissenters rights, which consent shall be set forth either (i) in a record or (ii) if the corporation has designated an address, location, or system to which the consent may be electronically transmitted and the consent is electronically transmitted to the designated address, location, or system, in an

electronically transmitted record; and

(b) The beneficial shareholder does so with respect to all shares of which such shareholder is the beneficial shareholder or over which such shareholder has power to direct the vote.

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RCW 23B.13.200

Notice of dissenters rights.

(1) If proposed corporate action creating dissenters rights under RCW 23B.13.020 is submitted for approval by a vote at a shareholders meeting, the meeting notice must state that shareholders are or may be entitled to assert dissenters rights under this chapter and be accompanied by a copy of this chapter.

(2) If corporate action creating dissenters rights under RCW 23B.13.020 is submitted for approval without a vote of shareholders in accordance with RCW 23B.07.040, the shareholder consent described in RCW 23B.07.040(1)(b) and the notice described in RCW 23B.07.040(3)(a) must include a statement that shareholders are or may be entitled to assert dissenters rights under this chapter and be accompanied by a copy of this chapter.

RCW 23B.13.210

Notice of intent to demand payment.

(1) If proposed corporate action creating dissenters rights under RCW 23B.13.020 is submitted to a vote at a shareholders meeting, a shareholder who wishes to assert dissenters rights must (a) deliver to the corporation before the vote is taken notice of the shareholder s intent to demand payment for the shareholder s shares if the proposed corporate action is effected, and (b) not vote such shares in favor of the proposed corporate action.

(2) If proposed corporate action creating dissenters rights under RCW 23B.13.020 is submitted for approval without a vote of shareholders in accordance with RCW 23B.07.040, a shareholder who wishes to assert dissenters rights must not execute the consent or otherwise vote such shares in favor of the proposed corporate action.

(3) A shareholder who does not satisfy the requirements of subsection (1) or (2) of this section is not entitled to payment for the shareholder s shares under this chapter.

RCW 23B.13.220

Dissenters rights Notice.

(1) If proposed corporate action creating dissenters rights under RCW 23B.13.020 is approved at a shareholders meeting, the corporation shall within ten days after the effective date of the corporate action deliver to all shareholders who satisfied the requirements of RCW 23B.13.210(1) a notice in compliance with subsection (5) of this section.

(2) If proposed corporate action creating dissenters rights under RCW 23B.13.020 is approved without a vote of shareholders in accordance with RCW 23B.07.040, the notice delivered pursuant to RCW 23B.07.040(3)(b) to shareholders who satisfied the requirements of RCW 23B.13.210(2) shall comply with subsection (5) of this section.

(3) In the case of proposed corporate action creating dissenters rights under RCW 23B.13.020(1)(a)(ii), the corporation shall within ten days after the effective date of the corporate action deliver to all shareholders of the subsidiary other than the parent a notice in compliance with subsection (5) of this section.

(4) In the case of proposed corporate action creating dissenters rights under RCW 23B.13.020(1)(d) that, pursuant to RCW 23B.10.020(4)(b), is not required to be approved by the shareholders of the corporation, the corporation shall within ten days after the effective date of the corporate action deliver to all shareholders entitled to dissent under

RCW 23B.13.020(1)(d) a notice in compliance with subsection (5) of this section.

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(5) Any notice under subsection (1), (2), (3), or (4) of this section must:

(a) State where the payment demand must be sent and where and when certificates for certificated shares must be deposited;

(b) Inform holders of uncertificated shares to what extent transfer of the shares will be restricted after the payment demand is received;

(c) Supply a form for demanding payment that includes the date of the first announcement to news media or to shareholders of the terms of the proposed corporate action and requires that the person asserting dissenters rights certify whether or not the person acquired beneficial ownership of the shares before that date;

(d) Set a date by which the corporation must receive the payment demand, which date may not be fewer than thirty nor more than sixty days after the date the notice in subsection (1), (2), (3), or (4) of this section is delivered; and

(e) Be accompanied by a copy of this chapter.

RCW 23B.13.230

Duty to demand payment.

(1) A shareholder sent a notice described in RCW 23B.13.220 must demand payment, certify whether the shareholder acquired beneficial ownership of the shares before the date required to be set forth in the notice pursuant to RCW 23B.13.220(5)(c), and deposit the shareholder s certificates, all in accordance with the terms of the notice.

(2) The shareholder who demands payment and deposits the shareholder s share certificates under subsection (1) of this section retains all other rights of a shareholder until the proposed corporate action is effected.

(3) A shareholder who does not demand payment or deposit the shareholder s share certificates where required, each by the date set in the notice, is not entitled to payment for the shareholder s shares under this chapter.

RCW 23B.13.240

Share restrictions.

(1) The corporation may restrict the transfer of uncertificated shares from the date the demand for payment under RCW 23B.13.230 is received until the proposed corporate action is effected or the restriction is released under RCW 23B.13.260.

(2) The person for whom dissenters rights are asserted as to uncertificated shares retains all other rights of a shareholder until the effective date of the proposed corporate action.

RCW 23B.13.250

Payment.

(1) Except as provided in RCW 23B.13.270, within thirty days of the later of the effective date of the proposed corporate action, or the date the payment demand is received, the corporation shall pay each dissenter who complied

with RCW 23B.13.230 the amount the corporation estimates to be the fair value of the shareholder s shares, plus accrued interest.

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(2) The payment must be accompanied by:

(a) The corporation s balance sheet as of the end of a fiscal year ending not more than sixteen months before the date of payment, an income statement for that year, a statement of changes in shareholders equity for that year, and the latest available interim financial statements, if any;

(b) An explanation of how the corporation estimated the fair value of the shares;

(c) An explanation of how the interest was calculated;

(d) A statement of the dissenter s right to demand payment under RCW 23B.13.280; and

(e) A copy of this chapter.

RCW 23B.13.260

Failure to take corporate action.

(1) If the corporation does not effect the proposed corporate action within sixty days after the date set for demanding payment and depositing share certificates, the corporation shall return the deposited certificates and release any transfer restrictions imposed on uncertificated shares.

(2) If after returning deposited certificates and releasing transfer restrictions, the corporation wishes to effect the proposed corporate action, it must send a new dissenters notice under RCW 23B.13.220 and repeat the payment demand procedure.

RCW 23B.13.270

After-acquired shares.

(1) A corporation may elect to withhold payment required by RCW 23B.13.250 from a dissenter unless the dissenter was the beneficial owner of the shares before the date set forth in the dissenters notice as the date of the first announcement to news media or to shareholders of the terms of the proposed corporate action.

(2) To the extent the corporation elects to withhold payment under subsection (1) of this section, after the effective date of the proposed corporate action, it shall estimate the fair value of the shares, plus accrued interest, and shall pay this amount to each dissenter who agrees to accept it in full satisfaction of the dissenter s demand. The corporation shall send with its offer an explanation of how it estimated the fair value of the shares, an explanation of how the interest was calculated, and a statement of the dissenter s right to demand payment under RCW 23B.13.280.

RCW 23B.13.280

Procedure if shareholder dissatisfied with payment or offer.

(1) A dissenter may deliver a notice to the corporation informing the corporation of the dissenter s own estimate of the fair value of the dissenter s shares and amount of interest due, and demand payment of the dissenter s estimate, less any payment under RCW 23B.13.250, or reject the corporation s offer under RCW 23B.13.270 and demand payment of the dissenter s estimate of the fair value of the dissenter s shares and interest due, if:

(a) The dissenter believes that the amount paid under RCW 23B.13.250 or offered under RCW 23B.13.270 is less than the fair value of the dissenter s shares or that the interest due is incorrectly calculated;

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(b) The corporation fails to make payment under RCW 23B.13.250 within sixty days after the date set for demanding payment; or

(c) The corporation does not effect the proposed corporate action and does not return the deposited certificates or release the transfer restrictions imposed on uncertificated shares within sixty days after the date set for demanding payment.

(2) A dissenter waives the right to demand payment under this section unless the dissenter notifies the corporation of the dissenter s demand under subsection (1) of this section within thirty days after the corporation made or offered payment for the dissenter s shares.

RCW 23B.13.300

Court action.

(1) If a demand for payment under RCW 23B.13.280 remains unsettled, the corporation shall commence a proceeding within sixty days after receiving the payment demand and petition the court to determine the fair value of the shares and accrued interest. If the corporation does not commence the proceeding within the sixty-day period, it shall pay each dissenter whose demand remains unsettled the amount demanded.

(2) The corporation shall commence the proceeding in the superior court of the county where a corporation s principal office, or, if none in this state, its registered office, is located. If the corporation is a foreign corporation without a registered office in this state, it shall commence the proceeding in the county in this state where the registered office of the domestic corporation merged with or whose shares were acquired by the foreign corporation was located.

(3) The corporation shall make all dissenters, whether or not residents of this state, whose demands remain unsettled, parties to the proceeding as in an action against their shares and all parties must be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law.

(4) The corporation may join as a party to the proceeding any shareholder who claims to be a dissenter but who has not, in the opinion of the corporation, complied with the provisions of this chapter. If the court determines that such shareholder has not complied with the provisions of this chapter, the shareholder shall be dismissed as a party.

(5) The jurisdiction of the court in which the proceeding is commenced under subsection (2) of this section is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend decision on the question of fair value. The appraisers have the powers described in the order appointing them, or in any amendment to it. The dissenters are entitled to the same discovery rights as parties in other civil proceedings.

(6) Each dissenter made a party to the proceeding is entitled to judgment (a) for the amount, if any, by which the court finds the fair value of the dissenter s shares, plus interest, exceeds the amount paid by the corporation, or (b) for the fair value, plus accrued interest, of the dissenter s after-acquired shares for which the corporation elected to withhold payment under RCW 23B.13.270.

RCW 23B.13.310

Court costs and counsel fees.

(1) The court in a proceeding commenced under RCW 23B.13.300 shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall assess the costs against the corporation, except that the court may assess the costs against all or some of the dissenters, in amounts the court finds equitable, to the extent the court finds the dissenters acted arbitrarily, vexatiously, or not in good faith in demanding payment under RCW 23B.13.280.

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(2) The court may also assess the fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable:

(a) Against the corporation and in favor of any or all dissenters if the court finds the corporation did not substantially comply with the requirements of RCW 23B.13.200 through 23B.13.280; or

(b) Against either the corporation or a dissenter, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by chapter 23B.13 RCW.

(3) If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated, and that the fees for those services should not be assessed against the corporation, the court may award to these counsel reasonable fees to be paid out of the amounts awarded the dissenters who were benefited.

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Annex C

April 25, 2018

Board of Directors

Northwest Bancorporation, Inc.

421 West Riverside Avenue

Spokane, WA 99201

Members of the Board:

We understand that Northwest Bancorporation, Inc. (the Company) proposes to enter into an Agreement and Plan of Merger (the Agreement) with First Interstate BancSystem, Inc. (Parent), pursuant to which, among other things, the Company will merge with and into the Parent (the Transaction) and each outstanding share of the common stock of the Company (the Company Common Stock) will be converted into the right to receive 0.516 shares of common stock of Parent (the Exchange Ratio). You have advised us that the Transaction will qualify as a tax-free reorganization for U.S. federal income tax purposes. The Exchange Ratio is subject to adjustments pursuant to Section 7.1(h) of the Agreement, as to which adjustments we express no opinion. The terms and conditions of the Transaction are more fully set forth in the Agreement.

Capitalized terms used herein without definition have the respective meanings ascribed to them in the Agreement.

You have requested our opinion as to the fairness, from a financial point of view, to the holders of the Company Common Stock (other than the Excluded Holders) of the Exchange Ratio to be paid to such holders in the proposed Transaction.

In connection with preparing our opinion, we have reviewed, among other things:

(i) a draft of the Agreement, dated April 25, 2018;

(ii) certain financial statements and other historical financial and business information about the Parent and the Company made available to us from published sources and/or from the internal records of the Parent and the Company that we deemed relevant;

(iii) certain publicly available analyst earnings estimates for Parent for the years ending December 31, 2018 and December 31, 2019 and estimated long-term growth rate for the years thereafter, in each case as discussed with, and confirmed by, senior management of the Company and Parent;

(iv) financial projections for the Company for the years ending December 31, 2018 and December 31, 2019 and estimated long term growth rate for the years thereafter, in each case as discussed with, and confirmed by, senior management of the Company;

(v) the current market environment generally and the banking environment in particular;

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(vi) the financial terms of certain other transactions in the financial institutions industry, to the extent publicly available;

(vii) the market and trading characteristics of public companies and public bank holding companies in particular;

(viii) the relative contributions of the Parent and Company to the combined company;

(ix) the pro forma financial impact of the Transaction, taking into consideration the amounts and timing of the transaction costs and cost savings;

(x) the net present value of the Company with consideration of projected financial results;

(xi) the net present value of Parent with consideration of projected financial results; and

(xii) such other financial studies, analyses and investigations and financial, economic and market criteria and other information as we considered relevant including discussions with management and other representatives and advisors of the Parent and the Company concerning the business, financial condition, results of operations and prospects of the Parent and the Company.

In arriving at our opinion, we have, with your consent, assumed and relied upon the accuracy and completeness of all information that was publicly available or supplied or otherwise made available to, discussed with or reviewed by or for us. We have not independently verified (nor have we assumed responsibility for independently verifying) such information or its accuracy or completeness. We have not undertaken or been provided with any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of the Company, and we did not make an independent appraisal or analysis of the Company with respect to the Transaction. In addition, we have not assumed any obligation to conduct, nor have we conducted, any physical inspection of the properties or facilities of the Company, and have not been provided with any reports of such physical inspections. We have assumed that there has been no material change in the Company s business, assets, financial condition, results of operations, cash flows or prospects since the date of the most recent financial statements provided to us, and that neither the Company nor Parent is party to any material pending transaction, including without limitation any financing, recapitalization, acquisition or merger, divestiture or spin-off, other than the Transaction.

With respect to the financial forecasts and other analyses (including information relating to certain pro forma financial effects of, and strategic implications and operational benefits anticipated to result from, the Transaction) provided to or otherwise reviewed by or for or discussed with us, we have been advised by management of the Company, and have assumed with your consent, that such forecasts and other analyses were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of management of the Company as to the future financial performance of the Company and the other matters covered thereby, and that the financial results (including the potential strategic implications and operational benefits anticipated to result from the Transaction) reflected in such forecasts and analyses will be realized in the amounts and at the times projected. We assume no responsibility for and express no opinion as to these forecasts and analyses or the assumptions on which they were based. We have relied on the assurances of management of the Company that they are not aware of any facts or circumstances that

would make any of such information, forecasts or analyses inaccurate or misleading.

We are not experts in the evaluation of loan and lease portfolios, classified loans or other real estate owned or in assessing the adequacy of the allowance for loan losses with respect thereto, and we did not make an independent evaluation or appraisal thereof, or of any other specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of the Company or Parent or any of their respective subsidiaries. We have not reviewed any individual loan or credit files relating to the Company or Parent. We have assumed, with your consent, that the respective allowances for loan and lease losses for both the Company and Parent are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. We did not make an independent evaluation of the quality of the Company s or Parent s deposit base, nor have we independently

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evaluated potential deposit concentrations or the deposit composition of the Company or Parent. We did not make an independent evaluation of the quality of the Company s or Parent s investment securities portfolio, nor have we independently evaluated potential concentrations in the investment securities portfolio of the Company or Parent.

We have assumed that all of the representations and warranties contained in the Agreement and all related agreements are true and correct in all respects material to our analysis, and that the Transaction will be consummated in accordance with the terms of the Agreement, without waiver, modification or amendment of any term, condition or covenant thereof the effect of which would be in any respect material to our analysis. We also have assumed that all material governmental, regulatory or other consents, approvals, and waivers necessary for the consummation of the Transaction will be obtained without any material adverse effect on the Company or the contemplated benefits of the Transaction. Further, we have assumed that the executed Agreement will not differ in any material respect from the draft Agreement, dated April 25, 2018, reviewed by us.

We have assumed in all respects material to our analysis that the Company will remain as a going concern for all periods relevant to our analysis. We express no opinion regarding the liquidation value of the Company or any other entity.

Our opinion is limited to the fairness, from a financial point of view, of the Exchange Ratio to be paid to the holders of the Company Common Stock (other than the Excluded Holders) in the proposed Transaction. We do not express any view on, and our opinion does not address, any other term or aspect of the Agreement or Transaction (including, without limitation, the form or structure of the Transaction) or any term or aspect of any other agreement or instrument contemplated by the Agreement or entered into in connection with the Transaction, including the fairness of the Transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors or other constituencies of the Company, or as to the underlying decision by the Company to engage in the Transaction. Furthermore, we express no opinion with respect to the amount or nature of any compensation to any officers, directors or employees of the Company, or any class of such persons, relative to the Exchange Ratio to be paid to the holders of the Company Common Stock in the Transaction, or with respect to the fairness of any such compensation. Our opinion does not take into account individual circumstances of specific holders with respect to control, voting or other rights which may distinguish such holders.

We express no view as to, and our opinion does not address, the relative merits of the Transaction as compared to any alternative business transactions or strategies, or whether such alternative transactions or strategies could be achieved or are available. In addition, our opinion does not address any legal, regulatory, tax or accounting matters, as to which we understand that the Company obtained such advice as it deemed necessary from qualified professionals.

We do not express any opinion as to the value of any asset of the Company whether at current market prices or in the future, or as to the price at which the Company or its assets could be sold in the future. We also express no opinion as to the price at which the Company Common Stock or Parent will trade following announcement of the Transaction or at any future time.

We have not evaluated the solvency or fair value of the Company under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. This opinion is not a solvency opinion and does not in any way address the solvency or financial condition of the Parent. We are not expressing any opinion as to the impact of the Transaction on the solvency or viability of the Company or Parent or the ability of the Company or Parent to pay their respective obligations when they come due.

We have acted as the Company s financial advisor in connection with the Transaction and will receive a fee for our services, a portion of which is payable upon the rendering of this opinion and a significant portion of which is

contingent upon consummation of the Transaction. In addition, the Company has agreed to reimburse our reasonable expenses and indemnify us against certain liabilities arising out of our engagement.

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During the two years preceding the date of this letter, we have provided investment banking and other financial services to the Company for which we have received customary compensation. Such services during such period have included serving as the Company s financial advisor for its acquisition of CenterPointe Community Bank in 2017.

In the ordinary course of our business, D.A. Davidson & Co. and its affiliates may actively trade or hold securities of the Company or Parent for our own accounts or for the accounts of our customers and, accordingly, may at any time hold long or short positions in such securities. We may seek to provide investment banking or other financial services to the Company or Parent in the future for which we would expect to receive compensation.

This fairness opinion was reviewed and approved by a D.A. Davidson & Co. Fairness Opinion Committee.

It is understood that this letter is for the information of the Board of Directors of the Company in connection with and for the purposes of its consideration of the Transaction. This opinion is not intended to be and does not constitute a recommendation as to how the shareholders of the Company should vote or act with respect to the Transaction or any matter relating thereto.

This opinion is for the information of the Board of Directors of the Company and shall not be disclosed, referred to, published or otherwise used (in whole or in part), nor shall any public references to us be made, without our prior written consent, except that a copy of this opinion may be included in its entirety in any regulatory filing that the Company is required to make in connection with the Transaction if such inclusion is required by applicable law.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Exchange Ratio to be paid to the holders of the Company Common Stock (other than the Excluded Holders) in the Transaction is fair, from a financial point of view, to such holders.

Very truly yours,

D.A. Davidson & Co.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

Sections 35-1-451 through 35-1-459 of the Montana Business Corporation Act (the MBCA) provide that a corporation may indemnify its directors and officers. In general, the MBCA provides that a corporation must indemnify a director or officer who is wholly successful, on the merits or otherwise, in his or her defense of a proceeding to which he or she is a party because of his or her status as a director or officer of the corporation, against reasonable expenses incurred by the director in connection with the proceeding, unless limited by the articles of incorporation. Pursuant to the MBCA, a corporation may indemnify a director or officer if it is determined that the director or officer engaged in good faith and meets certain standards of conduct. A corporation may not indemnify a director or officer under the MBCA when a director or officer is adjudged liable to the corporation, or when such person is adjudged liable on the basis that personal benefit was improperly received. The MBCA also permits a director or officer of a corporation who is a party to a proceeding to apply to the courts for indemnification or advancement of expenses, unless the articles of incorporation provide otherwise and the court may order indemnification or advancement of expenses under certain circumstances.

First Interstate s articles provide for the indemnification of directors and officers to the fullest extent permitted by Montana law. First Interstate s bylaws also provide for the indemnification of directors and officers, including (i) the mandatory indemnification of a director or officer who was wholly successful, on the merits or otherwise, in the defense of any proceeding, (ii) the mandatory indemnification of a director or officer if a determination has been made that such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal proceeding, with no reasonable cause to believe such person s conduct was unlawful, (iii) for the reimbursement of reasonable expenses incurred by a director or officer who is party to a proceeding in advance of final disposition of the proceeding, if the standards have been met as set forth in the bylaws. First Interstate has also obtained officers and directors liability insurance, which insures against liabilities that officers and directors may, in such capacities, incur. Section 35-1-458 of the MBCA provides that a corporation may purchase and maintain insurance on behalf of a director or officer of the corporation against liability asserted against or incurred by such director or officer while serving at the request of the corporation in such capacity, or arising from the individual s status as a director or officer, whether or not the corporation would have power to indemnify the individual against the same liability under the MBCA.

The foregoing is only a general summary of certain aspects of Montana law and the First Interstate amended and restated articles of incorporation and bylaws dealing with indemnification of directors and officers, and does not purport to be complete. It is qualified in its entirety by reference to the detailed provisions of those sections of the MBCA referenced above and the First Interstate amended and restated articles of incorporation and bylaws.

Item 21. Exhibits and Financial Statement Schedules

The exhibits and financial statements filed as part of this registration statement are as follows:

Exhibits

2.1	Agreement and Plan of Merger, dated April 25, 2018, by and between First Interstate BancSystem, Inc. and Northwest Bancorporation, Inc. (attached as Annex A to the proxy statement/prospectus contained in this registration statement*)
3.1	Second Amended and Restated Articles of Incorporation of First Interstate BancSystem, Inc. (incorporated by reference to Exhibit 3.1 to First Interstate s Quarterly Report on Form 10-Q filed on August 9, 2017 (File No. 001-34653))

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Exhibits

3.2	Third Amended and Restated Bylaws of First Interstate BancSystem, Inc. (incorporated by reference to Exhibit 3.1 to First Interstate s Quarterly Report on Form 10-Q filed on August 9, 2017 (File No. 001-34653))
5.1	Opinion of Kirk D. Jensen as to the legality of the securities being issued (1)
8.1	Opinion of Luse Gorman, PC as to certain tax matters
8.2	Opinion of Witherspoon Kelley as to certain tax matters
10.1	Form of Northwest Voting Agreement (incorporated by reference to Exhibit A of the Agreement and Plan of Merger, dated April 25, 2018, filed as Exhibit 2.1 to First Interstate s Current Report on Form 8-K filed on April 25, 2018 (File No. 001-34653))
21	Subsidiaries of First Interstate BancSystem, Inc. (incorporated by reference to Exhibit 21.1 to First Interstate s Annual Report on Form 10-K filed on February 28, 2018 (File No. 001-34653))
23.1	Consent of RSM US LLP
23.2	Consent of Kirk D. Jensen (set forth in Exhibit 5.1) (1)
23.3	Consent of Luse Gorman, PC (set forth in Exhibit 8.1)
23.4	Consent of Witherspoon Kelley (set forth in Exhibit 8.2)
24	Power of attorney (set forth on the signature pages to this registration statement) (1)
99.1	Form of proxy card of Northwest (1)
99.2	Consent of D.A. Davidson & Co.

* Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. First Interstate BancSystem, Inc. agrees to furnish supplementally a copy of any omitted attachment to the Securities and Exchange Commission on a confidential basis upon request.

(1) Previously filed.

Item 22. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933; (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement (notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement); and (iii) to include any material information with respect to the plan of distribution not previously

disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

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(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant s annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(5) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the registrant undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(6) That every prospectus (i) that is filed pursuant to paragraph (5) above, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment has become effective, and that for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(7) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(8) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of, and included in, this registration statement when it became effective.

(9) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Billings, State of Montana, on July 2, 2018.

FIRST INTERSTATE BANCSYSTEM, INC.

By: /s/ Kevin P. Riley
Kevin P. Riley
President, Chief Executive Officer and Director
(Duly Authorized Representative)

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ Kevin P. Riley Kevin P. Riley	President, Chief Executive Officer and Director (Principal Executive Officer)	July 2, 2018
/s/ Marcy D. Mutch Marcy D. Mutch	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	July 2, 2018
* James R. Scott	Chairman of the Board	
* Steven J. Corning	Director	
* Dana L. Crandall	Director	
* William B. Ebzery	Director	
*	Director	

Charles E. Hart, M.D., M.S.

*	Director

Jon M. Heyneman, Jr.

*	Director

David L. Jahnke

*	Director

Dennis L. Johnson

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Signatures	Title	Date
*	Director	
Ross E. Leckie		
*	Director	
Patricia L. Moss		
*	Director	
James R. Scott, Jr.		
*	Director	
Jonathan R. Scott		
*	Director	
Teresa A. Taylor		
	Director	
Peter I. Wold		

* Pursuant to a Power of Attorney contained in the signature page to the Registration Statement on Form S-4 of First Interstate BancSystem filed on June 8, 2018.

By: /s/ Kevin P. Riley — July 2, 2018
Kevin P. Riley
Attorney-in-fact

By: /s/ Marcy D. Mutch — July 2, 2018
Marcy D. Mutch
Attorney-in-fact