

SOUTHERN MICHIGAN BANCORP, INC.

51 W Pearl St
Coldwater, MI 49036

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The annual meeting of shareholders of Southern Michigan Bancorp, Inc. will be held on Thursday, May 7, 2026, at 4:00 p.m. (local time) at the Dearth Community Center, located at the fairgrounds in Coldwater, Michigan.

The Board of Directors has called the annual meeting of shareholders for the following purposes:

- (1) Vote on the election of four directors;
- (2) Vote on a proposal to ratify the selection of CliftonLarsonAllen LLP as independent auditors for the year ending December 31, 2026.

We will also transact any other business that may properly come before the meeting.

Shareholders of record at the close of business on March 9, 2026, are entitled to notice of and to vote at the annual meeting and any adjournment of the meeting. We began sending and delivering the enclosed proxy statement and accompanying proxy to our shareholders on approximately March 26, 2026.

Date: March 26, 2026

By Order of the Board of Directors



John H. Castle
Chairman of the Board

It is important that your shares of Southern common stock be represented at the meeting. We urge you to sign and return the enclosed proxy as promptly as possible, whether or not you plan to attend the meeting.

SOUTHERN MICHIGAN BANCORP, INC.
51 West Pearl Street
Coldwater, Michigan 49036

PROXY STATEMENT

GENERAL INFORMATION

This proxy statement and the enclosed proxy are being furnished to you in connection with the solicitation of proxies by the Board of Directors of Southern Michigan Bancorp, Inc., a Michigan corporation (the “Company”), for use at the annual meeting of shareholders of the Company or any adjournment of the meeting. The annual meeting will be held on Thursday, May 7, 2026 at 4:00 p.m. (local time) at the Dearth Community Center, located at the fairgrounds in Coldwater, Michigan. We began sending and delivering this proxy statement and accompanying proxy to our shareholders on approximately March 26, 2026.

Purpose of the Meeting

The Board of Directors has called the annual meeting of shareholders for the following purposes:

- vote on the election of four directors (“Proposal 1”); and
- vote on a proposal to ratify the selection of CliftonLarsonAllen LLP as independent auditors for the year ending December 31, 2026 (“Proposal 2”).

In addition, any other business that properly comes before the meeting will be considered and voted on. As of the date of this proxy statement, we do not know of any other matters to be considered at the annual meeting.

Board Recommendation

Your Board of Directors recommends you vote FOR each nominee for director named in this proxy statement and FOR Proposal 2.

How to Vote Your Shares

You may vote at the annual meeting in person or by proxy if you were a shareholder of record of common stock of the Company on March 9, 2026. You are entitled to one vote per share of common stock of the Company that you own on each matter presented at the annual meeting. As of March 9, 2026, there were 4,660,441 shares of common stock of the Company, par value \$2.50 per share, issued and outstanding.

You can vote by proxy in one of the following ways:

1. *Via the internet* by visiting www.proxyvote.com.
2. *Via telephone* by calling the number on your proxy card or voting instruction form.
3. *Via mail* by marking, signing, dating, and mailing your proxy card or voting instruction form. No postage is required if mailed in the United States.

If you 1) submit a proxy by internet, telephone, or mail and 2) specify a choice, your shares will be voted as specified. If you do not specify a choice, your shares will be voted for the election of each nominee for director named in this proxy statement and for Proposal 2.

If any other matter is presented at the annual meeting, the individuals named in the enclosed proxy will vote your shares on those matters in their discretion.

You may revoke your proxy at any time before it is exercised by delivering written notice to Danice L. Chartrand, Secretary of the Company, signing and delivering a later-dated proxy, or attending and voting at the annual meeting.

Merely attending the annual meeting will not, by itself, revoke your proxy. Your last valid vote received before or at the annual meeting is the vote that will be counted.

If you hold your shares in "street name," which means your shares are registered in the name of a bank, broker, or other nominee (which we collectively refer to as your "broker"), your broker must vote your street name shares in the manner you direct if you provide your broker with proper and timely voting instructions. Please use the voting forms and instructions provided by your broker or its agent. These forms and instructions typically permit you to give voting instructions by telephone or internet if you wish. If you are a street name holder and want to change your vote, you must contact your broker. Please note that you may not vote shares held in street name at the annual meeting unless you request and receive a valid proxy from your broker.

Broker Discretionary Voting

If you do not provide your broker with voting instructions, then your broker has discretionary authority to vote your shares on certain "routine" matters. We expect Proposal 2 will be considered a routine matter and your broker will have discretionary authority to vote your shares on the proposal. The election of directors will not be considered a routine matter and your broker will not have discretionary authority to vote your shares. **It is important you promptly provide your broker with voting instructions if you want your shares voted on the election of directors.**

Broker Non-Votes

Generally, broker non-votes occur when shares held by a broker in street name for a beneficial owner are not voted with respect to a particular proposal because the broker has not received timely voting instructions from the beneficial owner and the broker lacks discretionary voting power to vote those shares. In these cases, the broker can register your shares as being present at the meeting for purposes of determining the presence of a quorum, but will not be able to vote on those matters for which specific instruction is required under the rules of the New York Stock Exchange.

Quorum

A majority of shares entitled to vote at the annual meeting must be present or represented at the meeting to constitute a quorum. If you submit a proxy or attend the meeting in person, your shares will count towards establishing a quorum, even if you withhold voting authority or abstain from voting on some or all of the matters introduced at the meeting. Abstentions and broker non-votes also will count towards establishing a quorum.

Required Vote

Election of Directors: A plurality of the shares voting at the meeting is required to elect directors. This means that, if there are more nominees than positions to be filled, the nominees who receive the most votes will be elected to the open director positions. Abstentions, broker non-votes, and other shares not voted in person or by proxy will not be included in the vote count.

Ratification of Independent Auditors: Proposal 2 will be approved if a majority of the shares voted on the proposal at the meeting are voted in favor of the proposal. Abstentions and other shares not voted on Proposal 2 in person or by proxy will not be included in the vote count.

Other Matters: As of the date of this proxy statement, we do not know of any other matters to be presented at the meeting. Generally, any other proposal to be voted on at the meeting would be approved if a majority of the shares voted on the proposal at the meeting are voted in favor of the proposal. Abstentions, broker non-votes, and other shares not voted on the proposal in person or by proxy would not be included in the vote count.

The signing of a proxy does not preclude you from attending the annual meeting and voting in person. You are encouraged to promptly complete, date, and sign the enclosed proxy and return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

Who Will Solicit Proxies

Directors, officers, and employees of the Company will solicit proxies on behalf of the Company by mail, in person, or by telephone. These individuals will not receive additional compensation for soliciting proxies. The Company will request brokers, custodians, nominees, and other fiduciaries to forward proxy materials to beneficial owners of common stock shares of the Company held of record by such parties and will reimburse them for their reasonable charges and out-of-pocket expenses in connection with forwarding proxy materials to beneficial owners. The Company will pay all costs of soliciting proxies.

Adjournment of the Meeting

Whether or not a quorum is present, the meeting may be adjourned by a majority vote of the shares present at the meeting in person or by proxy.

The Company's Bylaws permit the chairman of the meeting to adjourn the meeting if a quorum is not present, if disorder arises, if he declares the polls to be closed on all matters then before the meeting, or if he determines no further matters may properly come before the meeting.

PROPOSAL 1 - ELECTION OF DIRECTORS

The Company's Board of Directors is currently divided into three classes. One class is elected each year for a three-year term. The Board of Directors has nominated four individuals for election as directors to serve a three-year term ending at the 2029 annual meeting of shareholders. All of the nominees currently serve as directors. If any of the nominees are unable or unwilling to serve as a director, your proxy will be voted for the election of the person nominated by the Board of Directors in substitution, if any. The Company has no reason to believe any nominee of the Board of Directors is unable or unwilling to serve as a director, if elected.

The following table lists the names of the nominees and the other current directors in conjunction with their ages as of December 31, 2025, their principal occupations, and the year in which each became a director.

Name of Director	Age	Principal Occupation(s)	Year First Became a Director of the Company
<i>Nominees of the Board of Directors for Election at the 2026 Annual Meeting:</i>			
John H. Castle	68	Chairman of the Board of the Company and Southern Michigan Bank & Trust	2002
Charles J. S. Clark	55	President – Clark Logic	2014
Brian P. McConnell	63	President & COO – Burr Oak Tool, Inc.	2007
John R. Waldron	56	President and CEO of the Company and Southern Michigan Bank & Trust	2023
<i>Directors Whose Terms Continue Until the 2027 Annual Meeting:</i>			
Travis L. Hampton	47	President and CEO – Value Max Products	2022
Nolan E. Hooker	73	President – Best American Car Washes	1991
Andrew R. Mercer	53	President – R.W. Mercer Co.	2022
<i>Directors Whose Terms Continue Until the 2028 Annual Meeting:</i>			
Melissa J. Bauer	48	Co-founder and Co-owner of B & M Crop Consulting	2022
Stacey Hamlin	52	Business Manager – Jeffrey N Hamlin DMD, PC	2019
Kurt G. Miller	69	Vice Chairman of the Board of the Company and Southern Michigan Bank & Trust	2002

Your board of directors recommends you vote FOR each nominee for director named in this proxy statement.

PROPOSAL 2 – RATIFICATION OF INDEPENDENT AUDITORS

CliftonLarsonAllen LLP conducted an independent audit of the consolidated financial statements of the Company for the year ended December 31, 2025. The Audit Committee of the Board of Directors has selected CliftonLarsonAllen LLP to act as the Company's independent auditors for the year ending December 31, 2026.

This selection is being submitted to shareholders for ratification. While ratification is not required, the Company believes this is an important corporate decision in which shareholders should participate. If the shareholders do not ratify the selection of CliftonLarsonAllen LLP to act as the Company's independent auditors for the year ending December 31, 2026, the Audit Committee will consider a change in independent auditors for the next year.

Your Board of Directors recommends you vote FOR Proposal 2.

STOCK OWNERSHIP BY MANAGEMENT

The following table presents, as of December 31, 2025, the total number and percentage of Company common stock shares that are beneficially owned by each director, executive officer, and all directors and executive officers of the Company as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)			Total Beneficial Ownership	Percent of Class(5)
	Sole Voting and Dispositive Power(2)	Shared Voting or Dispositive Power(3)	Stock Options (4)		
Eric M. Anglin	31,534	-	12,400	43,934	*
Melissa J. Bauer	3,616	-	1,000	4,616	*
John H. Castle	28,963	4,809	27,000	60,772	1.31%
Charles J. S. Clark	66,391	-	2,500	68,891	1.49%
Nicholas M. Grabowski	56,679	-	30,600	87,279	1.88%
Stacey Hamlin	4,292	-	2,100	6,392	*
Travis L. Hampton	3,582	-	1,000	4,582	*
Nolan E. Hooker	13,176	12,172	2,500	27,848	*
Aaron L. Lewis	13,017	-	600	13,617	*
Brian P. McConnell	11,810	-	2,500	14,310	*
Andrew R. Mercer	9,881	-	-	9,881	*
Kurt G. Miller	25,933	-	15,200	41,133	*
Kevin A. Twardy	10,800	-	-	10,800	*
John R. Waldron	39,093	-	10,800	49,893	1.08%
Totals	318,767	16,981	108,200	443,948	9.38%

- (1) The number of shares stated is based on information furnished by each person listed and includes shares owned of record by that person and shares that are considered to be otherwise beneficially owned by that person. Voting power includes the power to vote or direct the voting of the security. Dispositive power includes the power to dispose or direct the disposition of the security. A person will also be considered the beneficial owner of a security if the person has a right to acquire beneficial ownership of the security within 60 days, such as through the exercise of a stock option. Shares held in fiduciary capacities by the Company are not included in shares beneficially owned by individuals unless otherwise indicated. The directors and officers of the Company may, by reason of their positions, be in a position to influence the voting or disposition of shares held in trust by the Company to some degree but disclaim beneficial ownership of these shares. The Company and Southern Michigan Bank & Trust disclaim beneficial ownership of shares held by Southern Michigan Bank & Trust in fiduciary capacities.
 - (2) Includes restricted stock shares: 900 shares for Messrs. Clark, Hooker, and McConnell and Ms. Hamlin; 720 for Ms. Bauer and Mr. Hampton; 540 shares for Mr. Mercer; 23,200 shares for Mr. Waldron; 19,606 shares for Mr. Castle; 18,058 shares for Mr. Miller; 18,926 shares for Mr. Grabowski; 17,458 shares for Mr. Anglin; 11,520 shares for Mr. Lewis; and 10,800 shares for Mr. Twardy.
 - (3) The number of shares shown in this column includes shares over which the listed person is legally entitled to share voting or dispositive power by reason of joint ownership, trust, or other contract or property right, and shares held by spouses and children over whom the listed person may have substantial influence by reason of relationship.
 - (4) The stock options included in this column are only those options that are exercisable within 60 days from December 31, 2025. Options that vest at later dates are not reported in this table.
 - (5) Based on a total of 4,623,734 issued and outstanding shares as of December 31, 2025, plus the number of shares subject to stock options that are currently exercisable or that will be exercisable by holders of such stock options within 60 days from December 31, 2025.
- (*) Less than one percent (1%).

SHAREHOLDER COMMUNICATIONS

Shareholders who wish to send communications to the Company's Board of Directors may do so by sending them to Danice L. Chartrand, the Secretary of the Company, at the address that appears on the first page of this proxy statement. Communications may be addressed either to individual directors or the entire Board of Directors. The Secretary has the discretion to screen and not forward to directors any communications that the Secretary determines in her discretion are communications unrelated to the business or governance of the Company and its subsidiaries, including, without limitation, commercial solicitations and offensive, obscene, or otherwise inappropriate communications. The Secretary will, however, compile all shareholder communications that are not forwarded, and the communications will be available to any director.

By Order of the Board of Directors



Danice L. Chartrand
Secretary

SOUTHERN MICHIGAN
BANCORP, INC.

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Coldwater, MI 49036

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