

BEO BANCORP

P.O. Box 39 • Heppner, OR 97836 • Administrative Office: 250 NW Gale St. • Heppner, OR 97836 • Phone: (541) 676-0201

March 15, 2021

Dear Stockholder,

You are cordially invited to attend BEO Bancorp's Annual Meeting of Stockholders. The meeting will be held at the Gilliam and Bisbee Building located at 106 E May Street, Heppner, Oregon, on Tuesday, April 27, 2021 at 7:00 pm. The Annual Meeting will be held in person, subject to any Covid-19 related restrictions.

The Notice of Annual Meeting of Shareholders, Proxy Statement and proxy form are enclosed. Even if you plan to attend the Annual Meeting in person, it is important you return the enclosed proxy to ensure your shares are voted at the meeting. Please mark, date, sign and return your proxy promptly in the enclosed postage paid return envelope.

The directors, officers and employees of BEO Bancorp and Bank of Eastern Oregon look forward to seeing you at the Annual Meeting.

Sincerely,



Joe Gonzalez
Chairman of the Board



Jeff L. Bailey
President and CEO

BEO BANCORP
Heppner, Oregon 97836
(541) 676-0201

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held April 27, 2021

The annual meeting of shareholders of BEO Bancorp will be held at the Gilliam and Bisbee Building in Heppner, Oregon, on Tuesday, April 27, 2021 at 7:00 p.m. At the meeting we will ask you to:

1. Elect four (4) directors.
2. Transact such other business as may properly come before the annual meeting or any adjournments thereof.

If you were a shareholder of record at the close of business on March 1, 2021, you may vote at the annual meeting or any adjournments thereof.

Further information regarding voting rights and the business to be transacted at the annual meeting is given in the accompanying proxy statement. We appreciate your continued interest as a shareholder in the affairs of your company.

BY ORDER OF THE BOARD OF DIRECTORS

Jeff L Bailey, President

March 15, 2021
Heppner, Oregon

YOUR VOTE IS IMPORTANT

We cordially invite all shareholders to attend the annual meeting personally. Whether or not you are able to attend, please be sure to sign, date, and promptly return your proxy in the enclosed envelope.

REVOCABLE PROXY

**BEO Bancorp
Annual Meeting of Shareholders
April 27, 2021**

PROXY SOLICITED BY THE BOARD OF DIRECTORS

The undersigned acknowledges receipt of the Notice of Annual Meeting of Shareholders and the Board of Directors' Proxy Statement dated March 15, 2021, and hereby appoints Joel Peterson, George Koffler, Gary Neal, Robert Armstrong, Brad Anderson, Jeff Bailey, Joe Gonzalez, Jr., Gabrielle Molinari Homer and each of them, proxies with power of substitution to vote on behalf of the undersigned all shares of common stock of BEO Bancorp at the Annual Meeting to be held on April 27, 2021, and any adjournments thereof, with all powers the undersigned would possess if personally present, with respect to the following:

- | | | | | |
|----------------------------------|--------------------------|---|--------------------------|---|
| 1. <u>Election of directors:</u> | <input type="checkbox"/> | FOR all nominees listed below (except as marked to the contrary below). | <input type="checkbox"/> | WITHHOLD AUTHORITY to vote for all nominees listed below. |
|----------------------------------|--------------------------|---|--------------------------|---|

INSTRUCTIONS: To withhold authority to vote for any individual, strike a line through the nominee's name below.

Nominee for directors to serve three-year terms:

Gary Neal
Jeff Bailey
Joe Gonzalez, Jr
Gabrielle Molinari Homer

2. Other Matters. At the discretion of the proxy holder, on such other business as may properly come before the meeting and any adjournments thereof.

The shares represented by this proxy will be voted as specified above; but, if no specification is made, this proxy will be voted for the election of all nominees. Proxies may vote in their discretion as to other matters which may come before the meeting.

Number of Shares Held: _____

Dated: _____, 2021 _____

Please date and sign exactly as your name appears on your stock certificate(s) (which should be the same as the name on the address label on the envelope in which this proxy was sent to you), including designation as executor, trustee, etc., if applicable. A corporation must sign its name by the president or other authorized officer. All co-owners must sign.

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS OF BEO BANCORP MARCH 15, 2021

We are planning to hold our annual shareholders meeting at 7:00 p.m. on Tuesday, April 27, 2021, at The Gilliam and Bisbee Building in Heppner, Oregon. At the meeting, we will ask you to vote on (i) the election of four (4) directors.

We are sending you this proxy statement and the enclosed form of proxy to provide you with important information about the business to take place at the meeting. We are providing this information so that you will be fully informed when you vote your shares.

If you owned shares of common stock of record as of March 1, 2021 (the "Record Date"), you may vote at the annual meeting. To have a quorum to conduct business, a majority of the outstanding shares must be represented at the meeting, in person, or by proxy. An abstention from a given manner will not affect the presence of the shares for determination of the presence of a quorum.

The Board of Directors is soliciting proxies to be used at the meeting. You do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign, and return the enclosed proxy.

If you are the record holder of your shares, you may revoke your proxy at any time before the vote is taken at the meeting. You may revoke your proxy by submitting a proxy bearing a later date or by notifying the secretary of BEO Bancorp (personally, in writing, or by mail) of your wish to revoke your proxy. You may also revoke your proxy by oral request if you are present at the meeting, unless you are not the shareholder of record. If you are the beneficial owner of shares, but the shares are held of record by a nominee holder, such as a bank or broker, i.e., in "street name," you must contact the nominee holder to change your vote or revoke your proxy. If your shares are held in street name, you will not be able to vote your shares at the meeting.

You may still attend the meeting even if you have submitted a proxy. You should be aware that simply attending the meeting will not, of itself, revoke a proxy.

We are paying the entire cost of solicitation of proxies, including expenses incurred by banks, brokers, and other nominees in forwarding soliciting materials to their principals and obtaining authorization for the execution of proxies.

Business of the Meeting

Agenda Item 1 - Election of Directors

At the meeting, you will be asked to vote on the election of four (4) directors. Directors are elected by a plurality of votes, which means that nominees receiving the most votes are elected, regardless of how many votes they receive. You may not cumulate votes in the election of directors. Rather, each shareholder may cast votes for each of the open positions equal to the number of shares held.

The Board of Directors is nominating Gary Neal, Jeff Bailey, Joe Gonzalez, Jr., and Gabrielle Molinari Homer for election to serve a three-year term. Gary Neal, Jeff Bailey, and Joe Gonzalez, Jr. are currently serving terms previously elected by shareholders.

If you submit a completed proxy, the individuals named as proxy holders will vote your shares as you instruct. If you do not specify your choices, then the persons named in the proxy will vote for the election of the nominees listed above.

If any one of the nominees is not available for election, your shares will be voted for a substitute member chosen by the Board of Directors. We believe all nominees will be available for election. The Board of Directors recommends a vote FOR the election of all nominees.

Information about our Directors

The following table shows information about each director and each nominee for director as of the Record Date. Nominees are indicated by an asterisk (*).

| Name | Age | Position | Principal Occupation for Last Five Years | Year Elected/ Appointed as Director | Year Term Expires |
|---------------------------|-----|--------------------------|--|-------------------------------------|-------------------|
| Joel Peterson | 64 | Director | Farmer | 1993 | 2022 |
| George Koffler | 69 | Director | Retired | 1993 | 2023 |
| *Gary Neal | 68 | Director | Retired | 1999 | 2021 |
| *Jeff Bailey | 55 | Director, CEO, President | Banker | 2008 | 2021 |
| Robert Armstrong | 61 | Director | Accountant | 2004 | 2022 |
| Brad Anderson | 56 | Director | Farmer | 2004 | 2023 |
| *Joe Gonzalez, Jr. | 67 | Director | President/CEO Of Electric Company | 2015 | 2021 |
| *Gabrielle Molinari Homer | 54 | Director | Controller/ Beef Operation | 2020 | 2021 |

Executive Officers of the Company

The executive officers of BEO Bancorp are Jeff Bailey, President and Mark Lemmon, Secretary. The executive officers of the Bank of Eastern Oregon are Jeff Bailey, President and Chief Executive Officer; Gary Prophter, Executive Vice President; Mark Lemmon, Executive Vice President and Chief Financial Officer; Becky Kindle, Executive Vice President and Chief Operations Officer. Executive officers serve at the discretion of the Board of Directors.

Transactions with Management

From time to time, some of the directors and officers of the Bank, members of their immediate families, and firms and corporations with whom they are associated, do business with us. Generally, this business involves ordinary banking transactions, such as borrowings and investments in time deposits. We make these transactions in the ordinary course of business, on substantially the same terms, including interest rates paid or charged and collateral required, as those prevailing at the time for comparable transactions with unaffiliated persons. Loans to directors and executive officers do not involve more than the normal risk of collectability or have other features that would not be advantageous to the bank. As of December 31, 2020, the aggregate outstanding amount of all loans to executive officers and directors was \$1,048,913.26 which represented 2.51% of BEO Bancorp's consolidated shareholders' equity at that date. All of these loans are currently in good standing and are being paid in accordance with their terms.

Required Vote

Assuming the existence of a quorum, the four (4) director nominees receiving the most votes will be elected, even if the number of votes is less than a majority of the votes cast or present.

Voting at the Annual Meeting

Who may vote

If you were a shareholder of record of BEO Bancorp as of the close of business on the Record Date, you are entitled to vote at the meeting. If your shares are held in "street name," you must give voting instructions to your broker or nominee holder of the form they provide. If your shares are held in street name, you will not be permitted to vote your shares at the annual meeting.

Voting by proxy

You do not have to attend the meeting. You may vote your shares by proxy if you wish. You may mark the enclosed proxy card to indicate your vote on the matters presented at the meeting, and the individuals whose names appear on the proxy card will vote your shares as you instruct.

If you submit a proxy with no instructions, the named proxy holders will vote your shares in favor of the nominees for directors. In addition, the named proxy holders will vote in their discretion on such matters that may be considered at the shareholders' meeting. The Board of Directors has named Joel Peterson, George Koffler, Gary Neal, Robert Armstrong, Brad Anderson, Jeff Bailey, Joe Gonzalez, Jr., and Gabrielle Molinari Homer as the proxy holders. Their names appear on the proxy form accompanying this proxy statement. You may name another person to act as your proxy if you wish, but it is not necessary to do so.

Revoking a proxy

You may revoke your proxy at any time before the vote is taken at the meeting by submitting a proxy bearing a later date or by notifying the secretary of BEO Bancorp

(personally, in writing, or by mail) of your wish to revoke your proxy. You may also revoke your proxy by oral request if you are present at the meeting.

If you are the beneficial owner of shares, but your shares are held of record by a bank, broker, or other nominee holder, i.e., in "street name," you may only revoke your proxy by notifying the record holder in writing of your intention to revoke in accordance with that party's requirements. If your shares are held in street name, you may NOT revoke your proxy by oral request at the meeting. You should contact your bank or broker if you have any questions regarding revoking your proxy.

You may still attend the meeting even if you have submitted a proxy. You should be aware that simply attending the meeting will not, of itself, revoke a proxy.

Please complete, date, and sign the accompanying proxy and return it promptly to us in the enclosed envelope, even if you plan to attend the meeting.

Number of shares that may vote

The authorized capital stock of BEO Bancorp consists of 500,000 shares of preferred stock and 3,000,000 shares of common stock. As of the Record Date, there were 1,204,323 shares of common stock outstanding and entitled to vote at the meeting. There were no shares of preferred stock outstanding as of that date.

How we determine a quorum

Shareholders holding at least a majority of the outstanding shares of common stock must either attend the meeting or submit proxies to have a quorum. If you come to the meeting or submit a proxy, but you abstain from voting on a given matter, we will still count your shares as present for determining the existence of a quorum.

How we count votes

The named proxy holders will vote your shares as you instruct on your proxy. Except as described below, we will not count abstentions or broker non-votes for or against a matter submitted to a vote of shareholders. Each share is entitled to one vote.

A broker non-vote occurs when a broker or other nominee holder, such as a bank, submits a proxy representing shares that another person actually owns and that person has not given voting instructions to the broker or other nominee. On some matters, such as the election of directors, a broker or other nominee can vote those shares without instructions from the beneficial owner. On other matters, a broker may only vote those shares if the beneficial owner gives the broker voting instructions. We will count broker non-votes as present for establishing the existence of a quorum.

Counting votes in the election of directors

Directors are elected by a plurality of votes, which means that the nominees who receive the most votes will be elected, regardless of how many votes each nominee gets. You may not accumulate your votes in electing directors; but rather, you may vote the total number of shares you own for each open director position. Broker non-votes and abstentions will have no effect on the election of directors.

What if I do not mark my proxy?

If you submit a signed proxy without giving voting instructions, the named proxies will vote your shares in their discretion. Those individuals named on the enclosed proxy form intend to vote for the Board of Directors' nominees for director. If you do not sign your proxy, we will not count you as present for determining the existence of a quorum and we will not count your votes.

How many shares do directors and officers own?

As of March 1, 2021, we have 451 shareholders of record. Directors and executive officers of BEO Bancorp beneficially owned 91,864 shares, including Gary Neal 8,610 shares, Joel Peterson 30,435 shares, Robert Armstrong 1,906 shares, Brad Anderson 12,755 shares, George Koffler 7,521 shares, Jeff Bailey 15,620 shares, Joe Gonzalez, Jr 8,522 shares, Gabrielle Homer zero shares, Mark Lemmon 3,793 shares, Gary Propheter 2,702 shares and Becky Kindle zero shares. Of the shares issued and outstanding as of March 1, 2021, 130,577.5 shares were held by our Employee Stock Ownership Plan, or ESOP. Shares owned by directors, executive officers, and the ESOP constitutes 18.47% percent of the total shares outstanding and entitled to be voted at the meeting. We anticipate all directors and executive officers will vote for the Board's nominees for directors, although they are not obligated to do so.

Annual Reports and Financial Statements

We are enclosing with this proxy statement a copy of our Annual Report to Shareholders for the year ended December 31, 2020. You may obtain additional copies of the Annual Report by writing to Mark Lemmon, Corporate Secretary, at the address indicated above. The Annual Report is not part of the proxy solicitation materials.

March 15, 2021.

By Order of the Board of Directors

Jeff L Bailey
President and Chief Executive Officer

Note: **Your vote is important. Please send in your proxy immediately, using the envelope provided.**