



November 8, 2021

Mr. Harris Wildstein
Chair, Nominating Committee
Republic First Bancorp, Inc.
Two Liberty Place
50 S. 16th Street, Suite 2400
Philadelphia, PA 19102

Via email

Mr. Wildstein,

Driver Opportunity Partners I LP (together with its affiliates, including Driver Management Company, “Driver”) is a shareholder of Republic First Bancorp, Inc. (“FRBK”) and is extremely concerned by the prospect of a dilutive capital raise that will injure all existing shareholders. These concerns are magnified by the prospect that Vernon Hill, FRBK’s chairman and chief executive officer, may be a large buyer in any capital raise, which seems to present an obvious case of self-dealing.

According to FRBK’s proxy statement dated March 23, 2021, you are chair of the nominating and governance committee (the “Nominating Committee”) of the board of directors (the “Board”) of FRBK. Pursuant to the Nominating Committee Charter, the “primary purpose of” the Nominating Committee “is to *provide oversight on the broad range of issues surrounding the composition and operation of*” the Board.¹ Among the “Duties and Responsibilities” of the Nominating Committee is to “[c]onduct evaluations of the performance of the Board as a whole and the directors in such manner as the [Nominating] Committee deems appropriate and, through its chairperson, communicate this evaluation to the full Board.” In addition, the Nominating Committee Charter provides that:

The [Nominating] Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without having to seek approval by the Board or the Company’s management. Each [Nominating] Committee member shall have full access to all members of the Company’s management.

Bluntly speaking, the capital raise proposed by Mr. Hill will injure existing shareholders and only benefit Mr. Hill and his ego. To the extent that the Board is concerned about FRBK’s capital ratios, the Board should direct FRBK’s management to shrink the balance sheet by eliminating less profitable assets and liabilities. For the Board to contemplate the type of dilutive capital raise proposed by Mr. Hill suggests a profound failure of governance and oversight.

I am calling on you, in your capacity as Chair of the Nominating Committee, to immediately retain legal counsel and financial advisors and, in accordance with the duties of the Nominating Committee, exercise oversight of the *operation* of the Board and whether approving any dilutive capital raise—particularly one that Mr. Hill participates in—is in violation of the Board’s fiduciary duties.

Please distribute this letter to the other members of the Nominating Committee. Since it is not clear that my previous communications reached the Board (another issue that should be examined) please confirm both that you have received this letter and distributed it to the other members of the Nominating Committee.

Do not hesitate to contact me at 646-360-0791 or ac@drivermgmtco.com to discuss the matters referred to in this letter.

Driver Opportunity Partners I LP

By: Driver Management Company LLC, its general partner

Driver Management Company LLC

/s/ J. Abbott R. Cooper
Managing Member

¹ https://s26.q4cdn.com/813151955/files/doc_downloads/governance_docs/2021/2021-Nominating-Committee-Charter.pdf