# <u>PROSPECTUS</u>

## TRUIST FINANCIAL CORPORATION
## EMPLOYEE STOCK PURCHASE PLAN

65,000,000 Shares
Common Stock, par value $5.00

Truist Financial Corporation. a North Carolina corporation (the "***Company***" or "***Truist***"), is offering shares of its Common Stock, par value $5.00 (the "***Common Stock***") to employees of the Company and its Participating Subsidiaries pursuant to the terms and conditions of the Employee Stock Purchase Plan (the "***Plan***"), as described herein. This prospectus contains information that is current and effective as of January 1, 2025.

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*").**

## INTRODUCTION

This document relates to shares of Common Stock of Truist Financial Corporation ("***Truist***" or the "***Company***") offered to eligible employees (also referred to as teammates) of the Company and its Participating Subsidiaries under the Truist Financial Corporation 2022 Employee Stock Purchase Plan (the "***Plan***").

This summary and prospectus sets forth in question and answer format the major features of the Plan and the principal rights and benefits available to participating teammates. This document is only intended to be a summary of the Plan. Some rules are described in abbreviated form and others are not mentioned at all. If there is any ambiguity in this summary and prospectus or if there is any conflict between this summary and prospectus and the Plan text, then the Plan text will govern. Capitalized terms used but not defined in this summary and prospectus have the meanings assigned to them in the Plan.

## PART A

## QUESTIONS AND ANSWERS ABOUT THE PLAN

### 1. What is the purpose of the Plan?

The Plan was adopted to provide eligible employees with a convenient means of acquiring an equity interest in the Company through payroll deductions. The Plan accomplishes this purpose by permitting eligible employees to purchase from the Company shares of Common Stock of the Company at a discounted purchase price. The Company intends that this Plan qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code of 1986, as amended (the "***Code***"), although the Company makes no representations to maintain such qualification.

The Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended, nor is it the kind of plan described in and meeting the requirements of Section 401(a) of the Code. No participant may assign, transfer, pledge or otherwise dispose of the funds credited to his or her account or assign his or benefit under the Plan except by will or the laws of descent and distribution. Furthermore, no person has or may create a lien on any funds, securities, or other property held under the Plan.

The principal features of the Plan are summarized below, but the summary is qualified by reference to the Plan itself, a copy of which is available on the SEC website. Additional copies may be obtained from the Plan Administrator at the address listed under Part C. Should there be a conflict between this prospectus and the Plan, the Plan will control.

You should be aware that there are risks involved in purchasing shares of Truist Financial Corporation Common Stock. Neither the Company nor any of its officers or directors is making a recommendation that you should participate in the Plan or otherwise purchase shares. You should carefully review your financial objectives and other investments and consult your financial advisor before enrolling in the Plan. You should also carefully review this summary and prospectus and the information incorporated by reference herein prior to making a decision to participate in the Plan. (See Part C - Availability of Additional Information.)

### 2. When was the Plan adopted?

The Plan was adopted by the Company's Board of Directors (the "***Board***") on February 22, 2022 and approved by shareholders on April 26, 2022. The Plan became effective on April 26, 2022. The Plan will continue until the earliest to occur of its termination by the Board or ten years from the April 26, 2022 date of approval of the Plan by the shareholders.

### 3. How is the Plan administered?

This Plan is administered by the Compensation and Human Capital Committee of the Board (the "***Committee***") and any delegate of the Committee (collectively, the "***Plan Administrator***"). Subject to the provisions of the Plan and the Code, all questions of interpretation or application of the Plan will be determined by the Plan Administrator, and such decisions will be final and binding upon all participants. The Company will bear all expenses in connection with administration of the Plan.

### 4. How many Shares may be issued under the Plan?

A total of 65 million shares of Common Stock is reserved for purchase and issuance under the Plan. This share reserve is subject to adjustment in the event of a stock split, stock dividend or other similar change in the common stock or the capital structure of Truist. There is no evergreen provision, meaning the Plan share limit will not increase without shareholder approval.

### 5. Who is eligible to participate in the Plan?

U.S. Teammates of the Company and Participating Subsidiaries (i) with 12 months of service, and (ii) who are scheduled to work 20 hours or more per week are eligible to participate in the Plan.

Teammates who are officers subject to Section 16 of the Securities Exchange Act of 1934, as amended, non-employee directors, and holders of five percent (5%) or more of the total combined voting power or value of all classes of stock of Truist or any of its subsidiaries are not eligible to participate in the Plan.

"***Participating Subsidiaries***" - a list of Participating Subsidiaries is available upon request.

**6. How do I become a participant?**

An eligible teammate may become a participant in the Plan by enrolling through the Company's stock plan administrator, Fidelity NetBenefits® ("***Fidelity***"), before the next Offering Period or such other time as specified by the Plan Administrator. You will be able to choose the rate of your deductions and shares will automatically be purchased for you on each Purchase Date using your accumulated payroll deductions.

Once you enroll for an Offering Period, you will automatically be re-enrolled for subsequent offering periods at the same payroll deduction percentage, unless (i) a withdrawal notice is delivered to the Plan Administrator at least one (1) week (or such other time as may be specified by the Plan Administrator and communicated to Eligible Employees) prior to the beginning date of the immediately succeeding Offering Period for which you desires to withdraw from participation, (ii) you timely submit a new participation agreement authorizing a new rate of payroll deductions, or (iii) you terminate employment or otherwise become ineligible to participate in the Plan.

**7. If I become a participant, what choices do I have regarding my participation in the Plan?**

As a Plan participant, your principal choices will include determining the amount of your payroll deductions, and whether or not to withdraw from your participation.

**8. What are the Offering Periods, Offering Dates, and Enrollment Windows?**

The Plan provides for "***Offering Periods***" during which eligible employees may participate in the Plan. The first trading day (i.e., the day on which shares of Common Stock are traded on the New York Stock Exchange) of each Offering Period is the "***Offering Date***." Each Offering Period will have a duration of six (6) months and will commence on January 1 and July 1 of each year.

The Plan's Enrollment Window is the period of time before each Offering Period under which eligible employees are allowed to elect to participate in the Plan. The Enrollment Windows will generally occur between June 1st to June 15th and December 1st to December 15th of each calendar year.

The Committee has the discretion to change the Offering Periods, Offering Dates, and the Enrollment Windows, including the duration of each, without shareholder approval if such change is announced prior to the relevant Offering Period to be affected or prior to such other time period as specified by the Committee.

**9. What is the Purchase Date?**

The last trading day of each Offering Period is the "***Purchase Date***" and will generally occur on June 30 and December 31 of each year. In accordance with the instructions, you provide and the terms of the Plan, the Company will make payroll deductions from your paychecks during each Offering Period and those deductions will be used to automatically purchase shares of Common Stock for you on each applicable Purchase Date.

The Committee has the discretion to change the Purchase Date without shareholder approval if such change is announced prior to the relevant Offering Period to be affected or prior to such other time period as specified by the Committee.

**10. What is the discounted purchase price?**

Shares will be purchased under the Plan at 90% of the "***fair market value***" of a share of Common Stock on the applicable Purchase Date in an Offering Period. The fair market value of a share will be the closing sales price of the Common Stock as quoted on the New York Stock Exchange on the Purchase Date or as otherwise set forth in the Plan.

**11. How is the discounted purchase price calculated?**

To illustrate the calculation of the discounted purchase price, assume that you participate in a Purchase Period which begins on January 1 and ends June 30. Assume that the discounted purchase price is 90% of the "***fair market value***" of a Share on the applicable Purchase Date in the Offering Period and that the closing sales price of the Company's Common Stock as quoted on the New York Stock Exchange is $80.00 per share on June 30. The discounted purchase price would be calculated as follows:

| Fair Market Value on Purchase Date | Your Purchase Price | Your Discount |
|---|---|---|
| $80.00 | $72.00<br>(90% of $80.00) | $8.00<br>($80.00 - $72.00) |

**THIS EXAMPLE ONLY EXPLAINS HOW THE DISCOUNTED PURCHASE PRICE IS CALCULATED. IT DOES NOT CONSTITUTE ANY REPRESENTATION AS TO WHETHER THE MARKET PRICE OF THE COMPANY'S SHARES WILL ACHIEVE ANY PARTICULAR PRICE OR WILL RISE OR FALL DURING ANY OFFERING PERIOD.**

**12. How much can I invest through the Plan?**

The purchase price of the shares of Common Stock is paid using your accumulated payroll deductions during each Offering Period. You may elect to authorize payroll deductions in ½ % increments from a minimum of 1% to a maximum amount set by the Plan Administrator, currently 15%, of your "***compensation***," subject to certain limitations described below.

For purposes of the Plan, "***compensation***" is your cash compensation earned for your services as an employee (base pay, overtime, commissions and bonuses). However, compensation does not include non-cash compensation under our long-term incentive plan (RSUs, stock options, etc.).

**13. Are there any limitations on the amount I can invest?**

By law, you may not purchase a number of shares of Common Stock under the Plan which (together with all rights to purchase stock under all similar stock purchase plans of the Company or any subsidiary) in fair market value, as determined as of the Offering Date of the Offering Period in which you are participating, for each calendar year exceeds $25,000 year in which you participate in the Plan. The Company may suspend your payroll deductions as necessary to enforce this limit.

**14. How do I calculate the contribution maximum?**

While $25,000 per year is the statutory maximum, the highest amount you can actually contribute to purchase shares is less than that because the calculation of the maximum is based on the undiscounted purchase price at the start of the offering period (i.e. it does not matter that the purchase-price calculation is based on the ending-date price). Example:

- The fair market value of the shares at the start of the Offering Period is $15 per share.
- The fair market value of the shares is $12 on the purchase date.
- Your purchase price is $10.80 (after the 10% discount).
- The maximum number of shares you can buy is 1,666 ($25,000 divided by $15).

**15. Will participation in the Plan affect my ability to contribute to an individual retirement account (IRA) or an employer-sponsored retirement plan?**

Because the Plan is not an IRA or a tax-qualified retirement plan, your participation in it will not affect your ability to contribute to an IRA or an employer-sponsored retirement plan.

**16. Can I participate other than by payroll deduction?**

Participation is only by payroll deduction subject to the Plan Administrator's compliance with applicable law.

**17. If I enroll, when do my payroll deductions begin?**

Your payroll deductions will begin on the first payday following the Offering Date of the Offering Period in which you are enrolled or at such other time as specified by the Plan Administrator.

**18. What happens to my payroll deductions?**

The amount you have authorized will be deducted from each paycheck and credited to a non-interest bearing book entry account with the Company. The Company may use the amounts deducted from your paychecks for general corporate purposes, and those amounts may be commingled with the Company's general assets. On each Purchase Date, the amount deducted will be used to purchase shares of Common Stock. The Company will pay the administrative costs relating to the Plan, so the full amount of your payroll deductions will be applied to the purchase of shares of Common Stock.

Any accumulated amount remaining in your account because of the mandatory $25,000 limitation (see Question 13) or any other applicable limitation under the Plan, will be refunded to you without interest as soon as reasonably practicable and you will be unable to participate in the plan for the remainder of the calendar year.

**19. Can I change the level of my payroll deductions?**

You cannot increase or decrease your contribution rate after the enrollment window closes. However, you can elect to withdraw from the ESPP during the Offering Period by completing a withdrawal election with Fidelity (see Question 21).

**20. How long will my payroll deduction authorization remain in effect?**

Your most recent payroll deduction authorization will continue in effect as long as the Plan remains in effect unless (i) you withdraw from participating in the Plan, (ii) you become ineligible to participate, or (iii) your employment is terminated. You will be automatically re-enrolled in the Plan at the end of each Offering Period at your current participation level as long as the Plan remains in effect and you remain eligible for participation.

**21. How do I withdraw from the Plan and have my money refunded?**

You may withdraw from the Plan by completing and delivering a withdrawal notice through Fidelity at least fifteen (15) days prior to the Purchase Date. If your withdrawal notice is received prior to the deadline, any accumulated payroll deductions credited to your account will be refunded to you without interest as soon as possible. You may not withdraw less than all of your payroll deductions. If your withdrawal notice is received after the deadline specified by the Plan Administrator, any accumulated payroll deductions credited to your account will not be refunded and will be used to purchase shares of Common Stock on the next Purchase Date. After you withdraw from the Plan, you may not re-enroll in the same Offering Period. However, you may participate in the next or any subsequent Offering Period by re-enrolling on a timely basis.

**22. If I withdraw, can I rejoin the Plan later?**

If you voluntarily withdraw from the Plan, you may, if you are still an eligible employee, resume your participation in the Plan for any subsequent Offering Period by timely re-enrolling in the Plan through Fidelity or as specified by the Plan Administrator.

**23. How many shares of Common Stock will my payroll deductions purchase?**

On each Purchase Date, the Company will purchase for you the number of shares of Common Stock that is equal to the amount of your payroll deductions during the Purchase Period, divided by the discounted purchase price, subject to the limitations discussed above (see Question 13). If you are limited in the number of shares of Common Stock you can purchase, any amount remaining in your account will be refunded to you without interest after the end of the Purchase Period.

**24. Will the Company withhold taxes when shares of Common Stock are purchased for me under the Plan?**

Your payroll deductions are made after the Company has deducted the appropriate withholding for taxes. Consequently, the same amount of tax would be withheld from your compensation whether or not you participate in the Plan and no additional tax withholding will be made when shares of Common Stock are purchased (unless you are a non-U.S. tax resident and are subject to tax at purchase of the shares of Common Stock in your country). U.S. employees (citizens and residents) may owe taxes on subsequent sales or certain other dispositions of the purchased shares of Common Stock. U.S. employees should read the discussion of the tax consequences of participating in the Plan below. All participants in the Plan should seek advice from their financial and tax advisors.

**25. When will I receive shares of Common Stock purchased for my account?**

Fidelity will administer the issuance of shares of Common Stock under the Plan. As soon as practicable after the Purchase Date, the shares of Common Stock that you purchase will be credited to an individual account established to hold your shares purchased under the Plan. You will not receive a stock certificate for the shares.

**26. After becoming a shareholder, can I vote my shares of Common Stock?**

When you buy shares of Common Stock through the Plan, you become a shareholder of the Company after the shares have been issued to you and you would have the same rights as any other shareholder of the Company.

**27. Will I be entitled to receive any dividends and the benefits of stock splits?**

After the shares of Common Stock have been issued to you, you would have the same rights as any other shareholder of the Company and will be entitled to receive any cash or stock dividends paid, or stock splits effected, by the Company. However, any additional shares resulting from a stock split or stock dividend would be subject to the same sale or transfer restrictions applicable, if any, to the original shares of Common Stock purchased under the Plan.

**28. What happens to my rights under the Plan in the event of changes in the Company's capitalization?**

In the event that the outstanding shares of Common Stock are hereafter increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of Truist by reason of a recapitalization, reclassification, reorganization, merger, consolidation, stock split, reverse stock split, spin-off, combination, repurchase, or exchange of shares of Common Stock, or other securities of Truist, or other change in Truist's structure affecting the Common Stock occurs, an appropriate adjustment shall be made by the Plan Administrator to the number and kind of shares available for the granting of purchase rights, or as to which outstanding purchase rights shall be exercisable, and to the purchase price.

Subject to any required action by the shareholders of Truist, if Truist shall be a party to any reorganization involving merger or consolidation with respect to which Truist will not be the surviving entity or acquisition of substantially all of the stock or assets of Truist, the Plan Administrator in its discretion (a) may declare the Plan's termination in the same manner as if the Board had terminated the Plan, or (b) may declare that any purchase rights granted hereunder shall pertain to and apply with appropriate adjustment as determined by the Plan Administrator to the securities of the resulting or acquiring corporation to which a holder of the number of shares of Common Stock subject to such rights would have been entitled in such transaction.

The grant of purchase rights pursuant to the Plan shall not affect in any way the right or power of Truist to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell, or transfer all or any part of its business or assets.

**29. When may I sell my purchased shares of Common Stock?**

The Plan does not impose any specific restrictions on your ability to resell the shares of Common Stock that you purchase under the Plan. Even though the Plan itself does not impose resale restrictions on shares purchased under the Plan, you are *always* subject to restrictions on resale imposed by federal securities laws prohibiting "insider trading" and, in particular, Truist's policy prohibiting insider trading. Fidelity will also restrict trades by all participants during company-wide blackout windows.

The tax treatment of your sale may vary depending on how long you hold the shares of Common Stock before selling them. See "Federal Income Taxes for U.S. Participants" below for general information about the U.S. federal income tax implications of the sale of shares of Common Stock purchased under the Plan.

**30. How do I sell my shares of Common Stock?**

You can sell your shares directly out of your Plan account into the public market through Fidelity. You should talk with a tax advisor BEFORE you sell your shares so that you understand the tax consequences the sale will have for you.

Note that there are no teammate commissions/trading fees for the purchase of shares. For the sale of shares, there are no commission/trading fees if the shares are sold on-line though Fidelity NetBenefits. However, if the shares are sold through a Fidelity phone team representative, there is a commission/trading fee of $32.95.

**31. What restrictions apply if I am a Section 16 Insider?**

Section 16(b) of the Securities Exchange Act of 1934 (the "***Exchange Act***") allows the Company to recover any profit realized by a Section 16 Insider from any purchase and sale, or sale and purchase, of shares made within a period of less than six months (such transactions occurring within six (6) months of each other are referred to as "short-swing" transactions). A "***Section 16 Insider***" is generally an executive officer or director of the Company or a shareholder who beneficially owns more than 10% of the Company's outstanding securities. Employees who are Section 16 Insiders are not eligible employees entitled to participate in the Plan. However, an eligible employee could become a Section 16 Insider and cease to be an eligible employee.

The Securities and Exchange Commission (the "***SEC***") has issued rules under Section 16(b) of the Exchange Act which govern the short-swing liability treatment of certain transactions effected by a Section 16 Insider, including transactions arising under employee stock purchase plans like the Plan and the shares issued under such plans. If you are a Section 16 Insider, you will want to receive advice with regard to the Section 16(b) implications of any transaction you propose to engage in involving shares.

In addition, Section 16(a) of the Exchange Act requires Section 16 Insiders to report with the SEC their transactions involving shares of common stock, typically within two business days of such transaction. While the Company will generally assist Section 16 Insiders with such filings, they remain responsible for such filings and could face personal liability if such filings are not timely and accurately made.

**32. What restrictions apply if I am an affiliate?**

In general, affiliates of the Company include executive officers and other persons with power to manage and direct the policies of the Company, relatives of these persons and trusts, estates, corporations or other entities controlled by any of these persons or their relatives.

Affiliates of the Company are obligated to sell their shares of Common Stock in compliance with SEC Rule 144. This rule requires that the Company be current in its periodic SEC filing requirements at the time of any such sale, that these sales be effected in "***brokers' transactions***," as defined in the rule, and that a written notice of each sale be filed with the SEC at the time of sale. The rule also limits the number of shares which may be sold in any three-month period by the affiliate (and persons and entities whose shares are deemed owned by the affiliate) to the greater of (a) 1% of the outstanding shares of Common Stock or (b) the average weekly reported volume of trading in such shares during the four calendar weeks preceding the filing of the required notice of proposed sale.

**33. Are there any restrictions on resale that apply even if I am not an affiliate or Section 16 Insider?**

Your purchases and sales of shares of Common Stock are subject to Rule 10b-5 under the Exchange Act, which makes it unlawful to trade when you are in possession of material information about the Company that is not yet known to the general public.

In addition, your transactions in shares of Common Stock must comply with the Company's Insider Trading Policy. If there are any conflicts between this section of this prospectus and the Company's Insider Trading Policy, the then-current Insider Trading Policy shall govern. Please refer to the Company's Insider Trading Policy for a description of these restrictions in greater detail.

**34. Should I be concerned about taxes?**

If you are a U.S. citizen or resident, you should read below the summary of the general federal tax rules applicable when you buy or sell shares of Common Stock purchased under the Plan. This discussion deals only with general rules and typical situations and may not cover your special circumstances. If you are not a U.S. citizen or resident, you should contact both your tax and financial planning advisors regarding the tax consequences in your country. YOU SHOULD CONSULT YOUR TAX AND FINANCIAL PLANNING ADVISORS REGARDING YOUR SPECIFIC CIRCUMSTANCES.

**35. What happens if I leave my employment?**

Participation in the Plan does not give you any rights to remain employed by the Company or any of its subsidiaries. If your active employment with the Company or a Participating Subsidiary terminates for any reason (including retirement or death) or if you become otherwise ineligible to participate in the Plan, your participation will immediately be discontinued. Funds credited to your bookkeeping account, if any, will be refunded to you (or to your beneficiary or personal representative) without interest (unless required by local law). Any shares of Common Stock acquired through your participation in prior Purchase Periods would not be affected by your withdrawal from the Plan and would be yours to hold or sell as you choose. For purposes of the Plan, certain approved leaves of absence will not render you ineligible if lasting less than three (3) months or if reemployment at the end of the leave is guaranteed.

**36. Can I assign or transfer my rights under the Plan?**

The right to participate in the Plan is yours alone and may not be assigned or transferred to anyone else.

**37. Will I receive summaries of my Plan account?**

Notifications on purchases and account balance information will be available through Fidelity NetBenefits. You will also receive a Purchase Email Alert and a transaction confirmation.

**38. Will I receive information provided to shareholders?**

You will receive annual reports, proxy statements, and other material sent by the Company to its shareholders.

**39. Who elects the Board and the Committee?**

The members of the Board are elected at the Company's annual meeting of shareholders and serve until the expiration of their term or until their successors are duly elected and qualified, or until their earlier resignation, removal or other disqualification for service. The shareholders may remove members of the Board from office by following certain voting procedures set forth in the Company's bylaws, certificate of incorporation, and applicable corporate law. The members of the Committee are chosen by the full Board and serve until their successors are appointed and qualified, or until their earlier resignation or removal. Any delegate of the Committee is chosen by the Committee and serves until resignation or removal.

**40. How are disputes concerning the Plan resolved?**

Subject to the provisions of the Plan and the Code, the Plan Administrator has the authority to construe and interpret any of the provisions of the Plan and any purchase rights granted thereunder. Such interpretations are binding on the Company and on you. The Plan Administrator can be contacted by writing to the Plan Administrator at the address provided under Part C.

**41. Can the Plan be amended or terminated?**

The Board may amend or terminate the Plan at any time subject to certain limitations described in the Plan. Certain amendments require shareholder approval. These types of amendments include an increase in the number of shares of Common Stock that are authorized under the Plan or changes in the designation of employees (or class of employees) eligible for participation in the Plan.

**42. What does the Company contribute to the Plan?**

The Company is giving you the opportunity to purchase shares of Common Stock at a discount. The Company is also bearing all costs of administering the Plan.

**43. Can I get additional information about the Plan?**

The questions and answers contained in this document are simply meant to be a guide to the principal terms of the Plan and are qualified in their entirety by the express provisions of the Plan. You may contact the Plan Administrator with any specific questions you may have regarding the Plan and your individual participation, or to request a report summarizing the status of your account.

**44. Is the Plan subject to ERISA provisions?**

The Plan is not subject to any provisions of the Employee Retirement Income Security Act of 1974, as amended, and is not qualified under Section 401(a) of the Code.

## PART B

## FEDERAL INCOME TAX CONSEQUENCES FOR U.S. PARTICIPANTS

THE FOLLOWING DESCRIPTION OF UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS BASED UPON EXISTING STATUTES, REGULATIONS, AND INTERPRETATIONS. THE APPLICABLE RULES ARE COMPLEX AND MAY CHANGE, AND INCOME TAX CONSEQUENCES MAY VARY DEPENDING UPON AN INDIVIDUAL'S PARTICULAR CIRCUMSTANCES. EACH PARTICIPANT SHOULD THEREFORE CONSULT HIS OR HER OWN TAX ADVISOR CONCERNING HIS OR HER PARTICIPATION IN THE PLAN. THIS PROSPECTUS DOES NOT DESCRIBE STATE OR LOCAL TAX CONSEQUENCES OR TAX CONSEQUENCES FOR PARTICIPANTS IN COUNTRIES OTHER THAN THE UNITED STATES. UNLESS OTHERWISE INDICATED, THE ANSWERS BELOW REFER TO THE TAX CONSEQUENCES OF PARTICIPATION IN A TAX QUALIFIED STOCK PURCHASE PLAN UNDER SECTION 423 OF THE CODE AND TO INDIVIDUAL PARTICIPANTS THAT ARE UNITED STATES CITIZENS OR RESIDENTS AND HOLD SHARES AS A CAPITAL ASSET (GENERALLY, PROPERTY HELD FOR INVESTMENT) FOR UNITED STATES FEDERAL INCOME TAX PURPOSES.

**T1. Will the receipt of a purchase right or the purchase of shares of Common Stock on my behalf under the Plan result in taxable income?**

The Plan generally is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code. Under a Section 423 purchase plan, no taxable income is recognized by the participant either upon receipt of the purchase right at the start date of the Offering Period or upon the actual purchase of shares on the Purchase Date.

**T2. When will I be subject to U.S. federal income tax on the purchased shares?**

Generally, as a participant in a Code Section 423 qualified employee stock purchase plan you will recognize income in the year in which you dispose of the purchased shares of Common Stock or in which you die. Generally, a transfer of legal title, whether by sale, exchange or gift is a disposition that generates taxable income. However, a transfer to your spouse or a transfer into joint ownership if you remain one of the joint owners or a transfer into your brokerage account is not a taxable disposition. If you do not provide information to the Company showing that a transfer of legal title is not a taxable disposition, the Company will treat any transfer as taxable.

**T3. Will the Company withhold money when I exercise a purchase right?**

Share purchases under the Plan are made with after-tax dollars which means that the Company will first withhold all applicable taxes from payroll amounts that you are having withheld to purchase shares of Common Stock. Under current U.S. tax law, there is no tax reporting or additional tax withholding required in connection with your purchase of shares. However, the Company is required to report certain information regarding your share purchases to the IRS (see Question T8). You will have taxable income when you later dispose of the shares or die (as described below), and the Company will report that income on a Form W-2.

**T4. How is my U.S. federal income tax liability determined when I sell my shares of Common Stock?**

Your U.S. federal income tax liability will depend on whether you make a qualifying or disqualifying disposition of the purchased shares. A qualifying disposition will occur if the sale or other disposition of those shares occurs after you have held the shares for (i) more than two (2) years after the Offering Date and (ii) more than one year after the Purchase Date (see Question T5). A disqualifying disposition is any sale or other disposition before either of these two holding periods is satisfied (see Question T6).

**T5. What if I make a qualifying disposition?**

You will recognize ordinary income in the year of the qualifying disposition equal to the lesser of (i) 10% of the fair market value of the shares at the beginning of the Offering Period during which your shares were purchased or (ii) the amount by which the fair market value of the shares on the date of the qualifying disposition exceeds the purchase price paid for your shares. Any additional gain recognized upon a qualifying disposition will be capital gain. If the fair market value of the shares on the date of the qualifying disposition is less than the purchase price you paid for the shares, there will be no ordinary income, and any loss recognized will be a capital loss for the difference between the disposition price and the purchase price.

**EXAMPLE**: Assume that on the first day of the Offering Period, the fair market value of the shares was $75.00 per share. Also assume that on the Purchase Date, when the fair market value was $80.00 per share, shares were purchased under the Plan at a price of $72.00 per share (i.e., a 10% discount from the Purchase Date) and that more than one year after the Purchase Date and more than two years after the Offering Date, you sold the shares for $85.00 per share in a qualifying disposition. The income tax treatment of your $13.00 profit per share ($85.00 selling price - $72.00 purchase price) would be as follows:

**Ordinary Income Per Share**: $7.50 per share, based on the lower of (a) the 10% discount to the $75.00 fair market value on the Offering Date (i.e., $7.50) or (b) the excess of the $85.00 per share selling price over the $72.00 purchase price (i.e., $13.00).

**Long-Term Capital Gain Per Share**: $5.50 per share, based on the difference between the $85.00 per share selling price and $79.50 ($72.00 purchase price plus $7.50 in ordinary income previously recognized). Since the shares were held for more than one year from the Purchase Date, the additional gain will be taxed at long-term capital gain rates.

If the fair market value of the shares declines to $72.00 per share between the Purchase Date and the day you sell the shares, you would recognize no ordinary income (and no capital gain or loss). If the fair market value of the shares declines to $70.00 per share between the Purchase Date and the day you sell the shares, you would recognize no ordinary income and $2.00 of long-term capital loss.

**T6. What if I make a disqualifying disposition?**

You will recognize ordinary income in the year of the disqualifying disposition equal to the excess of (i) the fair market value of the shares on the Purchase Date over (ii) the purchase price paid for your shares. Any additional gain recognized upon the disqualifying disposition will be capital gain, which will be long-term if your shares are held for more than one year. Any loss recognized upon a disqualifying disposition will be a capital loss, which will be long-term if your shares are held for more than one year.

The amount of ordinary income you recognize upon a disqualifying disposition will be reported by the Company on your W-2 wage statement for the year of such disposition. At present, as described in Question T3 withholding taxes are not imposed on a disqualifying disposition. If such taxes are imposed in the future, the Company will collect the taxes from your wages or through your separate payment.

**EXAMPLE**: Assume that on the first day of the Offering Period, the fair market value of the shares was $75.00 per share. Also assume that on the Purchase Date, when the fair market value was $80.00 per share, shares were purchased under the Plan at a price of $72.00 per share (i.e., a 10% discount from the Purchase Date) and that within one year after the Purchase Date, you sold the shares for $85.00 per share in a disqualifying disposition. The income tax treatment of your $13.00 per share profit ($85.00 selling price - $72.00 purchase price) will be as follows:

**Ordinary Income Per Share:** $8.00 per share, based on the difference between the $80.00 fair market value on the Purchase Date and the $72.00 per share purchase price.

**Short-Term Capital Gain Per Share**: $5.00 per share, based on the difference between the $85.00 per share selling price and the $80.00 fair market value on the Purchase Date. Since the shares were held for less than one year from the purchase date, this additional gain will be taxed at short-term capital gain rates.

If fair market value of the shares declines to $79.00 per share between the Purchase Date and the day you sell, you would still recognize ordinary income of $8.00 per share ($80.00 less $72.00), and you would have a capital loss of $1.00 per share (calculated by subtracting the $79.00 Sales Price from the $80.00 Fair Market Value on Purchase Date). If the fair market value of the shares declines to $72.00 per share between the Purchase Date and the day you sell, you would still recognize ordinary income of $8.00 per share ($80.00 less $72.00), and you would have a capital loss of $8.00 per share (calculated by subtracting the $72.00 Sales Price from the $80.00 Fair Market Value on Purchase Date).

**PRICES USED FOR EXAMPLES ARE FOR ILLUSTRATIVE PURPOSES ONLY**

### T7. What if I die before disposing of my shares of Common Stock?

With a purchase price discount rate of 10%, the personal representative of your estate or your heirs, as applicable, must report, as ordinary income in the year of your death, the lesser of (i) the amount by which the fair market value of the shares on the date of your death exceeds the purchase price paid for your shares or (ii) 10% of the fair market value of the shares on the start date of the Offering Period during which your shares were purchased.

If, however, the shares are disposed of in the year of your death, the amount of ordinary income under the qualifying disposition rules realized by the estate or your heirs, as applicable, must be reported on your Form W-2.

### T8. Will the details of my share purchases be reported to the IRS?

Yes, the Company is required to report certain information to the IRS and to the participants in a Section 423 purchase plan on an IRS Form 3922. If you participated in the Plan, you will receive a Form 3922 by January 31 of the year following your year of participation. The information provided on the Form 3922 contains details for your purchases under the Plan in the prior year, including but not limited to the number of shares purchased, the date of purchase, the fair market value per share on the date of the purchase, the purchase price per share that you paid and the fair market value per share on the first day of the Offering Period for that purchase. You will need this information when you complete your income tax return for the calendar year in which you sell or otherwise dispose of the shares from your Plan purchase.

**Each prospective participant should seek advice based on its particular circumstances from an independent tax advisor.**

## PART C

## AVAILABILITY OF ADDITIONAL INFORMATION

The Company filed a registration statement on Form S-8 ("***Registration Statement***") with the Securities and Exchange Commission ("***SEC***") with respect to the shares of Common Stock issuable pursuant to the Plan.

The SEC allows the Company to "incorporate by reference" the information it files with the SEC, which means that the Company can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information filed with the SEC will update and supersede this information. The Company incorporates by reference the documents listed below:

(a) Current Report on Form 8-K filed with the SEC on May 20, 2022; and

(d) The description of the shares of Common Stock of the Company contained in the Company's registration statement on filed with the SEC under Section 12 of the Exchange Act, including any amendment or report filed for the purpose of updating such description.

In addition, all documents subsequently filed by the Company pursuant to Section 13(a), 13(c), 14 and 15(d) of the Exchange Act are deemed to be incorporated by reference into the Registration Statement from the date of filing of such documents. All documents incorporated by reference in the Registration Statement are also incorporated herein by reference. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as modified or superseded, to constitute a part of this prospectus.

The Company will provide to you, upon written or oral request and without charge: (1) a copy of any document incorporated by reference in the Registration Statement (excluding exhibits to any such documents unless such exhibits are specifically referred to in the Registration Statement); (2) a copy of the Company's most recent Annual Report to Stockholders (or such alternative document as Rule 428(b)(2) under the Securities Act permits); (3) copies of all reports, proxy statements and other communications distributed by the Company to its stockholders generally; and (4) copies of all documents that constitute a part of the prospectus required to be delivered to each Plan participant.

Please direct all requests to:

ESPP Plan Administrator
214 N TRYON ST FL 45
CHARLOTTE, NC 28202-1078

The SEC makes all electronic filings of periodic reports and registration statements publicly available on the Internet generally 24 hours after the date of filing. The SEC's Internet address is: https://www.sec.gov/