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

FORM 8-K

CURRENT REPORT PURSUANT TO
SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 25, 2022

HANOVER BANCORP, INC.

(Exact name of registrant as specified in its charter)

New York	**001-41384**	**81-3324480**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**
80 East Jericho Turnpike, Mineola, New York		**11501**
(Address of principal executive offices)		**(Zip Code)**

Registrant's telephone number, including area code: (516) 548-8500

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common stock	HNVR	NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Exchange Agreement

On October 28, 2022, Hanover Bancorp, Inc. (the "Company") entered into an Exchange Agreement with (the "Exchange Agreement") with Castle Creek Capital Partners VIII, L.P. ("Castle Creek"). Castle Creek is an existing shareholder of the Company, which had an opportunity to purchase additional shares of the Company's common stock in a privately negotiated secondary transaction ("Additional Common Shares"). However, pursuant to applicable bank regulatory limitations, Castle Creek may not exceed 9.9% ownership of the Company's voting securities without seeking applicable regulatory approvals.

In order to facilitate the privately negotiated transaction without exceeding the 9.9% threshold, the Company agreed to: (i) file with the Secretary of State of the State of New York a Certificate of Amendment to the Company's Certificate of Incorporation (the "Amendment") designating the terms, conditions, rights and other preferences of that certain Series A Convertible Perpetual Preferred Stock ("Series A Preferred Stock"); and (ii) to enter into the Exchange Agreement, whereby the Company agreed to issue to the Castle Creek, in exchange for the Additional Common Shares, 150,000 shares of the Company's Series A Preferred Stock.

The Exchange Agreement contains representations, warranties and covenants of the Company and by Castle Creek that are customary in similar transactions.

The preferences, limitations, powers and relative rights of the Series A Preferred Stock are set forth in Amendment. The Amendment designated 150,000 authorized shares of Series A Preferred Stock, 150,000 of which were issued in connection with the consummation of the transactions contemplated by the Exchange Agreement.

As specified in the Amendment, the Series A Preferred Stock has the following terms:

Dividends: Holders of the Series A Preferred Stock will be entitled to receive dividends when, as and if declared by the Company's board of directors, in the same per share amount as paid on the number of shares of Common Stock into which each share of Series A Preferred Stock would be converted in accordance with the Amendment. No dividends will be payable on the Common Stock unless a dividend identical to that paid on the Common Stock is payable at the same time on the Series A Preferred Stock on an as-converted basis.

Conversion: Each share of Series A Preferred Stock will be convertible into 1 share of Common Stock upon transfer of such shares of Series A Preferred Stock to a non-affiliate of the holder in specified permitted transactions, or upon request of the Company provided that upon such conversion the holder, together with all affiliates of the holder, will not own or control in the aggregate more than nine point nine percent (9.9%) of the Common Stock

Priority: The Series A Preferred Stock ranks, as to payments of dividends and distribution of assets upon dissolution, liquidation or winding up of the Company, *pari passu* with the Common Stock pro rata on an as-converted basis.

Voting: The holders of shares of Series A Preferred Stock have no voting rights, except as may be required by law. If the holders of shares of Series A Preferred Stock are entitled by law to vote as a single class with the holders of outstanding shares of Common Stock, each share of Series A Preferred Stock shall be entitled to a number of votes equal to the number of shares of Common Stock into which such share may be converted.

Preemptive Rights: Holders of Series A Preferred Stock have no preemptive rights, except for any such rights that may be granted by way of separate contract or agreement to one or more holders of Series A Preferred Stock.

Redemption: The Series A Preferred Stock will not be redeemable by the Company or the holder.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is included as Exhibit 3.1 to this Current Report on Form 8-K and incorporated by reference herein.

Board Observer Rights

Contemporaneously with the execution of the Exchange Agreement, the Company and Castle Creek entered into a Board Observer Agreement, which provides that, for so long as Castle Creek, together with its affiliates, owns in the aggregate at least 4.9% of the outstanding shares of the Company's common stock, Castle Creek will be entitled to designate one representative to attend the meetings of the board of directors of the Company and its subsidiary bank in a non-voting, non-participating observer capacity.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth under Item 1.01 with respect to the issuance of Series A Preferred is incorporated by reference into this Item 3.02. The issuance of the Series A Preferred Stock was exclusively with an existing holder of the Company's securities , and no commission or other remuneration was paid for promotional activities in connection with the exchange.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

The information set forth under Item 1.01 with respect to the Amendment is incorporated by reference into this Item 5.03. The Amendment was effective upon filing with the New York Secretary of State on October 25, 2022.

Item 9.01. Financial Statements and Exhibits

ITEM 9.01 - FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

The following Exhibits are furnished as part of this report:

Exhibit Number	**Description**
Exhibit 3.1	Certificate of Amendment to Certificate of Incorporation designation the of Series A Convertible Perpetual Preferred Stock filed with the New York Secretary of State on October 25, 2022
Exhibit 10.1	Exchange Agreement
Exhibit 10.2	Board Observer Agreement
Exhibit 104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HANOVER BANCORP, INC.

Date: October 31, 2022

By: /s/ Lance P. Burke
Lance P. Burke
Executive Vice President & Chief Financial Officer
(Principal Financial Officer)

INDEX OF EXHIBITS

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CERTIFICATE OF AMENDMENT TO THE CERTIFICATE OF INCORPORATION

OF

HANOVER BANCORP, INC.

DESIGNATING THE

SERIES A CONVERTIBLE PERPETUAL PREFERRED STOCK

Under Section 805 of the New York Business Corporation Law

FIRST: The name of the Corporation is Hanover Bancorp, Inc.

SECOND: The date of filing of the certificate of incorporation with the Department of State is December 22, 2015.

THIRD: Article FOURTH of the Certificate of Incorporation is hereby amended to effect a change in the aggregate number of shares the corporation has the authority to issue. The corporation is currently authorized to issue shares of 17,000,000 shares are common stock, par value $0.01 per share (the "Common Stock"), and 15,000,000 shares are preferred stock, par value $0.01 per share (the "Preferred Stock"). Of the currently authorized Common Stock, 7,296,624 are issued and 9,703,376 shares are unissued, and this will not change as a result of the amendment. Of the currently authorized Preferred Stock, no shares are issued and 15,000,000 shares are unissued.

The Corporation will also create a new class of stock which will consist of 150,000 shares of Series A Preferred Stock, par value $0.01 per share. Therefore, 150,000 shares of preferred stock will be outstanding. Article FOURTH of the Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

> FOURTH: The shares are to be classified as preferred and common, of which 17,000,000 shares are common stock, par value $0.01 per share (the "Common Stock"), and 15,000,000 shares are preferred stock, par value $0.01 per share (the "Preferred Stock").
>
> The shares of Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation is authorized to establish from time to time, by resolution or resolutions, the number of shares to be included in each series and to fix and alter the rights, preferences, privileges and restrictions granted to and imposed upon any series thereof, and to fix the designation of any such series of Preferred Stock. The Board of Directors of the Corporation, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors of the Corporation originally fixing the number of shares constituting any series, may increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the original issue of shares of that series.
>
> A. **SERIES A CONVERTIBLE PERPETUAL PREFERRED STOCK**
>
> 1. Definitions.
>
> (a) "Affiliate" has the meaning set forth in 12 C.F.R. Section 225.2(a) or any successor provision.
>
> (b) "Board of Directors" means the board of directors of the Corporation.
>
> (c) A "business day" means any day other than a Saturday or a Sunday or a day on which banks in New York are authorized or required by law, executive order or regulation to close.
>
> (d) "Certificate" means a certificate representing one (1) or more shares of Series A Preferred Stock.
>
> (e) "Certificate of Incorporation" means the Certificate of Incorporation of the Corporation, as amended and in effect from time and time.

(f) "Common Stock" means the voting common stock of the Corporation, $0.01 par value per share.

(g) "Corporation" means Hanover Bancorp, Inc., a New York corporation.

(h) "Dividends" has the meaning set forth in Section 3.

(i) "Exchange Agent" means Computershare Trust Company, N.A., solely in its capacity as transfer and exchange agent for the Corporation, or any successor transfer and exchange agent for the Corporation.

(j) "Liquidation Distribution" has the meaning set forth in Section 4(b).

(k) "Permissible Transfer" means a transfer by the holder of Series A Preferred Stock (i) to the Corporation; (ii) in a widely distributed public offering of Common Stock or Series A Preferred Stock; (iii) that is part of an offering that is not a widely distributed public offering of Common Stock or Series A Preferred Stock but is one in which no one transferee (or group of associated transferees) acquires the right to receive two percent (2%) or more of any class of the Voting Securities of the Corporation then outstanding (including pursuant to a related series of transfers); (iv) that is part of a transfer of Common Stock or Series A Preferred Stock to an underwriter for the purpose of conducting a widely distributed public offering; or (v) to a transferee that controls more than fifty percent (50%) of the Voting Securities of the Corporation without giving effect to such transfer.

(l) "Person" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, or any other form of entity not specifically listed herein.

(m) "Series A Preferred Stock" has the meaning set forth in Section 2.

(n) "Voting Security" has the meaning set forth in 12 C.F.R. Section 225.2(q) or any successor provision.

2. Designation; Number of Shares. The series of shares of Preferred Stock hereby authorized shall be designated the "Series A Convertible Perpetual Preferred Stock". The number of authorized shares of the Series A Preferred Stock shall be 150,000 shares. The Series A Preferred Stock shall have a par value of $0.01 per share. Each share of Series A Preferred Stock has the designations, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or terms or conditions of redemption as described herein. Each share of Series A Preferred Stock is identical in all respects to every other share of Series A Preferred Stock.

3. Dividends. The Series A Preferred Stock will rank *pari passu* with the Common Stock with respect to the payment of dividends or distributions, whether payable in cash, securities, options or other property, and with respect to issuance, grant or sale of any rights to purchase stock, warrants, securities or other property (collectively, the "Dividends") on a pro rata basis with the Common Stock determined on an as-converted basis assuming all shares had been converted pursuant to Section 5 as of immediately prior to the record date of the applicable Dividend (or if no record date is fixed, the date as of which the record holders of Common Stock entitled to such Dividends are to be determined). Accordingly, the holders of record of Series A Preferred Stock will be entitled to receive as, when, and if declared by the Board of Directors, Dividends in the same per share amount as paid on the number of shares of Common Stock with respect to the number of shares of Common Stock into which the shares of Series A Preferred Stock would be converted, and no Dividends will be payable on the Common Stock or any other class or series of capital stock ranking with respect to Dividends *pari passu* with the Common Stock unless a Dividend identical to that paid on the Common Stock is payable at the same time on the Series A Preferred Stock in an amount per share of Series A Preferred Stock equal to the product of (a) the per share Dividend declared and paid in respect of each share of Common Stock and (b) the number of shares of Common Stock into which such share of Series A Preferred Stock is then convertible (without regard to any limitations on conversion of the Series A Preferred Stock); *provided, however*, that if a stock Dividend is declared on Common Stock payable solely in Common Stock, the holders of Series A Preferred Stock will be entitled to a stock Dividend payable solely in shares of Series A Preferred Stock in the same ratio as the number of shares of Common Stock received by the holders of Common Stock. Dividends that are payable on Series A Preferred Stock will be payable to the holders of record of Series A Preferred Stock as they appear on the stock register of the Corporation on the applicable record date, as determined by the Board of Directors, which record date will be the same as the record date for the equivalent Dividend of the Common Stock. In the event that the Board of Directors does not declare or pay any Dividends with respect to shares of Common Stock, then the holders of Series A Preferred Stock will have no right to receive any Dividends.

4. Liquidation.

(a) Rank. The Series A Preferred Stock will, with respect to rights upon liquidation, winding up and dissolution, rank (i) subordinate and junior in right of payment to all other securities of the Corporation which, by their respective terms, are senior to the Series A Preferred Stock or the Common Stock, and (ii) *pari passu* with the Common Stock pro rata on an as-converted basis. Not in limitation of anything contained herein, and for purposes of clarity, the Series A Preferred Stock is subordinated to the general creditors and subordinated debt holders of the Company, and the depositors of the Company's bank subsidiaries, in any receivership, insolvency, liquidation or similar proceeding.

(b) Liquidation Distributions. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series A Preferred Stock will be entitled to receive, for each share of Series A Preferred Stock, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, subject to the rights of any Persons to whom the Series A Preferred Stock is subordinate, a distribution ("Liquidation Distribution") equal to (i) any authorized and declared, but unpaid, Dividends with respect to such share of Series A Preferred Stock at the time of such liquidation, dissolution or winding up, and (ii) the amount the holder of such share of Series A Preferred Stock would receive in respect of such share if such share had been converted into shares of Common Stock at the then applicable conversion rate at the time of such liquidation, dissolution or winding up (assuming the conversion of all shares of Series A Preferred Stock at such time, without regard to any limitations on conversion of the Series A Preferred Stock). All Liquidation Distributions to the holders of the Series A Preferred Stock and Common Stock set forth in clause (ii) above will be made pro rata to the holders thereof.

(c) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 4, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series A Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or property) of all or substantially all of the assets of the Corporation, will not constitute a liquidation, dissolution or winding up of the Corporation.

5. Conversion.

(a) General

(i) A holder of Series A Preferred Stock shall be permitted to convert, or upon the written request of the Corporation shall convert, shares of Series A Preferred Stock into shares of Common Stock at any time or from time to time, provided that upon such conversion the holder, together with all Affiliates of the holder, will not own or control in the aggregate more than nine point nine percent (9.9%) of the Common Stock (or of any class of Voting Securities issued by the Corporation), excluding for the purpose of this calculation any reduction in ownership resulting from transfers by such holder of Voting Securities of the Corporation (which, for the avoidance of doubt, does not include Series A Preferred Stock), provided further that the right to convert under this Section 5(a)(i) shall not be available to a transferee of shares of Series A Preferred Stock with respect to a transfer other than a Permissible Transfer. In any such conversion, each share of Series A Preferred Stock will convert initially into one share of Common Stock, subject to adjustment as provided in Section 6 below .

(ii) Each share of Series A Preferred Stock will automatically convert into shares of Common Stock, without any further action on the part of any holder, subject to adjustment as provided in Section 6, below, on the date a holder of Series A Preferred Stock transfers any shares of Series A Preferred Stock to a non-Affiliate of the holder in a Permissible Transfer.

(iii) To effect any permitted conversion under Section 5(a)(i) or Section 5(a)(ii), the holder shall surrender the certificate or certificates evidencing such shares of Series A Preferred Stock, duly endorsed, at the registered office of the Corporation, and provide written instructions to the Corporation as to the number of whole shares for which such conversion shall be effected, together with any appropriate documentation that may be reasonably required by the Corporation. Upon the surrender of such certificate(s), the Corporation will issue and deliver to such holder (in the case of a conversion under Section 5(a)(i)) or such holder's transferee (in the case of a conversion under Section 5(a)(ii)) a certificate or certificates for the number of shares of Common Stock into which the Series A Preferred Stock has been converted and, in the event that such conversion is with respect to some, but not all, of the holder's shares of Series A Preferred Stock, the Corporation shall deliver to such holder a certificate or certificate(s) representing the number of shares of Series A Preferred Stock that were not converted to Common Stock or Non-Voting Common Stock.

(iv) All shares of Common Stock delivered upon conversion of the Series A Preferred Stock shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests, charges and other encumbrances.

(b) Reservation of Shares Issuable Upon Conversion. The Corporation will at all times reserve and keep available out of its authorized but unissued Common Stock solely for the purpose of effecting the conversion of the Series A Preferred Stock such number of shares of Common Stock as will from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock; and if at any time the number of shares of authorized but unissued Common Stock will not be sufficient to effect the conversion of all then outstanding Series A Preferred Stock, the Corporation will take such action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Common Stock to such number of shares as will be sufficient for such purpose.

(d) No Impairment. The Corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such actions as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series A Preferred Stock against impairment.

(e) Compliance with Law. Prior to the delivery of any securities that the Corporation shall be obligated to deliver upon conversion of the Series A Preferred Stock, the Corporation shall use its reasonable best efforts to comply with any federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

(f) Listing. The Corporation hereby covenants and agrees that, if at any time the Common Stock shall be traded on any national securities exchange, the Corporation will, if permitted by the rules of such exchange, list and keep listed, so long as the Common Stock shall be so listed on such exchange, all the Common Stock issuable upon conversion of the Series A Preferred Stock; provided, however, that if the rules of such exchange require the Corporation to defer the listing of such Common Stock until the first conversion of Series A Preferred Stock into Common Stock in accordance with the provisions hereof, the Corporation covenants to list such Common Stock issuable upon conversion of the Series A Preferred Stock in accordance with the requirements of such exchange at such time.

6. Adjustments.

(a) Combinations or Divisions of Common Stock. In the event that the Corporation at any time or from time to time will effect a division of the Common Stock into a greater number of shares (by stock split, reclassification or otherwise other than by payment of a Dividend in Common Stock or in any right to acquire the Common Stock), or in the event the outstanding Common Stock will be combined or consolidated, by reclassification, reverse stock split or otherwise, into a lesser number of shares of the Common Stock, then the dividend, liquidation, and conversion rights of each share of Series A Preferred Stock in effect immediately prior to such event will, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

(b) Reclassification, Exchange or Substitution. If the Common Stock is changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a division or combination of shares provided for in Section 6(a) above), (1) the conversion ratio then in effect will, concurrently with the effectiveness of such transaction, be adjusted so that each share of the Series A Preferred Stock will be convertible into, in lieu of the number of shares of Common Stock which the holders of the Series A Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equal to the product of (i) the number of shares of such other class or classes of stock that a holder of a share of Common Stock would be entitled to receive in such transaction and (ii) the number of shares of Common Stock into which such share of Series A Preferred Stock is then convertible (without regard to any limitations on conversion of the Series A Preferred Stock) immediately before that transaction and (2) the Dividend and Liquidation Distribution rights then in effect will, concurrently with the effectiveness of such transaction, be adjusted so that each share of Series A Preferred Stock will be entitled to a Dividend and Liquidation Distribution right, in lieu of with respect to the number of shares of Common Stock which the holders of the Series A Preferred Stock would otherwise have been entitled to receive, with respect to a number of shares of such other class or classes of stock equal to the product of (i) the number of shares of such other class or classes of stock that a holder of a share of Common Stock would be entitled to receive in such transaction and (ii) the number of shares of Common Stock into which such share of Series A Preferred Stock is then convertible (without regard to any limitations on conversion of the Series A Preferred Stock) immediately before that transaction.

(c) Certificates as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 6, the Corporation at its expense will promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate executed by the Corporation's President (or other appropriate officer) setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation will, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, and (ii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series A Preferred Stock.

7. Reorganization, Mergers, Consolidations or Sales of Assets. If at any time or from time to time there will be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares otherwise provided for in Section 6) or a merger or consolidation of the Corporation with or into another corporation, or the sale of all or substantially all the Corporation's properties and assets to any other Person, then, as a part of such reorganization, merger, consolidation or sale, provision will be made so that the holders of the Series A Preferred Stock will thereafter be entitled to receive upon conversion of the Series A Preferred Stock, the number of shares of stock or other securities or property of the Corporation, or of the successor company resulting from such merger or consolidation or sale, to which a holder of that number of shares of Common Stock deliverable upon conversion of the Series A Preferred Stock would have been entitled to receive on such capital reorganization, merger, consolidation or sale (without regard to any limitations on conversion of the Series A Preferred Stock).

8. Redemption. Except to the extent a liquidation under Section 4 may be deemed to be a redemption, the Series A Preferred Stock will not be redeemable at the option of the Corporation or any holder of Series A Preferred Stock at any time. Notwithstanding the foregoing, the Corporation will not be prohibited from repurchasing or otherwise acquiring shares of Series A Preferred Stock in voluntary transactions with the holders thereof, subject to compliance with any applicable legal or regulatory requirements, including applicable regulatory capital requirements. Any shares of Series A Preferred Stock repurchased or otherwise acquired may be cancelled by the Corporation and thereafter be reissued as shares of any series of preferred stock of the Corporation.

9. Voting Rights. The holders of Series A Preferred Stock will not have any voting rights, except as may otherwise from time to time be required by law. If the holders of Series A Preferred Stock shall be entitled by law to vote as a single class with the holders of outstanding shares of Common Stock, with respect to any and all matters presented to the shareholders of the Corporation for their action or consideration (by vote or written consent), each share of Series A Preferred Stock shall be entitled to a number of votes equal to the number of shares of Common Stock into which such share is convertible pursuant to Section 5.

10. Protective Provisions. So long as any shares of Series A Preferred Stock are issued and outstanding, the Corporation will not (including by means of merger, consolidation or otherwise), except as otherwise required herein, without obtaining the approval (by vote or written consent) of the holders of a majority of the issued and outstanding shares of Series A Preferred Stock, (a) alter or change the rights, preferences, privileges or restrictions provided for the benefit of the holders of the Series A Preferred Stock so as to affect them adversely, (b) increase or decrease the authorized number of shares of Series A Preferred Stock or (c) enter into any agreement, merger or business consolidation, or engage in any other transaction, or take any action that would have the effect of adversely changing any preference or any relative or other right provided for the benefit of the holders of the Series A Preferred Stock. In the event that the Corporation offers to repurchase shares of Common Stock directly from the holders thereof other than as part of a publicly announced stock repurchase program, the Corporation shall offer to repurchase shares of Series A Preferred Stock pro rata based upon the number of shares of Common Stock such holders would be entitled to receive if such shares were converted into shares of Common Stock immediately prior to such repurchase.

11. Notices. All notices required or permitted to be given by the Corporation with respect to the Series A Preferred Stock shall be in writing, and if delivered by first class United States mail, postage prepaid, to the holders of the Series A Preferred Stock at their last addresses as they shall appear upon the books of the Corporation, shall be conclusively presumed to have been duly given, whether or not the holder actually receives such notice; provided, however, that failure to duly give such notice by mail, or any defect in such notice, to the holders of any stock designated for repurchase, shall not affect the validity of the proceedings for the repurchase of any other shares of Series A Preferred Stock, or of any other matter required to be presented for the approval of the holders of the Series A Preferred Stock.

12. Record Holders. To the fullest extent permitted by law, the Corporation will be entitled to recognize the record holder of any share of Series A Preferred Stock as the true and lawful owner thereof for all purposes and will not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other Person, whether or not it will have express or other notice thereof.

13. Term. The Series A Preferred Stock shall have perpetual term unless converted in accordance with Section 5.

14. No Preemptive Rights. The holders of Series A Preferred Stock are not entitled to any preemptive or preferential right to purchase or subscribe for any capital stock, obligations, warrants or other securities or rights of the Corporation, except for any such rights that may be granted by way of separate contract or agreement to one or more holders of Series A Preferred Stock.

15. Replacement Certificates. In the event that any Certificate will 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, if required by the Corporation, the posting by such Person of a bond in such amount as the Corporation may determine is necessary as indemnity against any claim that may be made against it with respect to such Certificate, the Corporation or the Exchange Agent, as applicable, will deliver in exchange for such lost, stolen or destroyed Certificate a replacement Certificate.

16. Other Rights. The shares of Series A Preferred Stock have no preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or rights, other than as set forth herein or as provided by applicable law.

17. General Provisions. In addition to the above provisions with respect to the Series A Preferred Stock, such Series A Preferred Stock shall be subject to, and entitled to the benefits of, the provisions set forth in the Corporation's Certificate of Incorporation with respect to preferred stock generally.

[Remainder of Page Intentionally Blank]

FOURTH: The certificate of amendment was authorized by the vote of the board of directors followed in accordance with Section 502(d) of the Business Corporation Law of the State of New York..

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be duly executed by an authorized officer this 17th day of October, 2022.

HANOVER BANCORP, INC.

By: /s/ Michael P. Puorro
Name: Michael P. Puorro
Title: Chairman and Chief Executive Officer

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF

HANOVER BANCORP, INC.
(Insert Name of Domestic Corporation)

Under Section 805 of the Business Corporation Law

Filer's Name: Windels Marx Lane & Mittendorf, LLP

Address: 156 West 56th Street, New York, NY 10019

Exhibit 10.1

EXCHANGE AGREEMENT

by and between

HANOVER BANCORP, INC.

and

CASTLE CREEK CAPITAL PARTNERS VIII, LP

Dated as of October 28, 2022

This EXCHANGE AGREEMENT is made and entered into as of October 28, 2022 (this "Agreement") by and between Hanover Bancorp, Inc., a New York corporation (the "Company"), and Castle Creek Capital Partners VIII, LP, a Delaware limited partnership (the "Investor").

RECITALS

A. The Investor is, as of the date hereof, the record and beneficial owner of 700,750 shares (the "Investor Common Shares") of the Company's common stock (the "Common Shares").

B. The Investor desires to purchase an additional 150,000 Common Shares in a private secondary market transaction (the "Purchase");

C. The Company and the Investor desire to exchange (the "Exchange") 150,000 of the Investor Common Shares (the "Exchanged Shares") for shares of the Company's Series A Preferred Stock, par value $0.01 per share (the "Series A Preferred Shares"), on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

ARTICLE I

THE CLOSING; CONDITIONS TO THE CLOSING

Section 1.1 The Closing.

(a) The closing of the Exchange (the "Closing") will take place remotely via the electronic exchange of documents and signature pages, as the parties may agree. The Closing shall take place on the date hereof; provided, however, that the conditions set forth in Sections 1.1(c), (d) and (e) shall have been satisfied or waived, or at such other place, time and date as shall be agreed between the Company and the Investor. The time and date on which the Closing occurs is referred to in this Agreement as the "Closing Date."

(b) Subject to the fulfillment or waiver of the conditions to the Closing in this Section 1.1, at the Closing (i) the Company will or will cause the transfer agent for the Series A Preferred Shares (as applicable) to register the Series A Preferred Shares in the name of the Investor and deliver or cause to be delivered reasonably satisfactory evidence of such registration to the Investor and (ii) the Investor will deliver the certificate(s) or book-entry shares representing the Exchanged Shares to the Company.

(c) The respective obligations of each of the Investor and the Company to consummate the Exchange are subject to the fulfillment (or waiver by the Company and the Investor, as applicable) prior to the Closing of the conditions that (i) any approvals, non-objections or authorizations of all United States and other governmental, regulatory or judicial authorities (collectively, "Governmental Entities") required for the consummation of the Exchange shall have been obtained or made in form and substance reasonably satisfactory to each party and shall be in full force and effect and all waiting periods required by United States and other applicable law, if any, shall have expired and (ii) no provision of any applicable United States or other law and no judgment, injunction, order or decree of any Governmental Entity shall prohibit consummation of the Exchange as contemplated by this Agreement or impose material limits on the ability of any party to this Agreement to consummate the transactions contemplated by this Agreement.

(d) The obligation of the Investor to consummate the Exchange is also subject to the fulfillment (or waiver by the Investor) at or prior to the Closing of each of the following conditions:

(i) (A) the representations and warranties of the Company set forth in Article IV of this Agreement shall be true and correct in all material respects as though made on and as of the date of this Agreement and as of the Closing Date (other than representations and warranties that by their terms speak as of another date, which representations and warranties shall be true and correct in all material respects as of such other date) and (B) the Company shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing;

(ii) the Investor shall have received a certificate signed on behalf of the Company by an executive officer certifying to the effect that the conditions set forth in Section 1.1(d)(i) have been satisfied; and

(iii) the Company shall have delivered evidence in book-entry form, evidencing the issuance of the Series A Preferred Shares to the Investor.

(e) The obligation of the Company to consummate the Exchange is also subject to the satisfaction or waiver, at or prior to the Closing, of the following conditions:

(i) (A) the representations and warranties of the Investor set forth in Article V of this Agreement shall be true and correct in all material respects as though made on and as of the date of this Agreement and as of the Closing Date (other than representations and warranties that by their terms speak as of another date, which representations and warranties shall be true and correct in all material respects as of such other date) and (B) the Investor shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing; and

(ii) the Company shall have received a certificate signed on behalf of the Investor by an executive officer or principal certifying to the effect that the conditions set forth in Section 1.1(e)(i) have been satisfied.

Section 1.2 **Interpretation**. When a reference is made in this Agreement to "Recitals," "Articles," "Sections," "Schedules" such reference shall be to a Recital, Article or Section of, or Schedule to, this Agreement, unless otherwise indicated.. The terms defined in the singular have a comparable meaning when used in the plural, and vice versa. References to "herein," "hereof," "hereunder" and the like refer to this Agreement as a whole and not to any particular section or provision, unless the context requires otherwise. The headings contained in this Agreement are for reference purposes only and are not part 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." No rule of construction against the draftsperson shall be applied in connection with the interpretation or enforcement of this Agreement, as this Agreement is the product of negotiation between sophisticated parties advised by counsel. All references to "$" or "dollars" mean the lawful currency of the United States of America. Except as expressly stated in this Agreement, all references to any statute, rule or regulation are to the statute, rule or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, include any rules and regulations promulgated under the statute) and to any section of any statute, rule or regulation include any successor to the section. References to a "business day" shall mean any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

ARTICLE II

EXCHANGE

Section 2.1 **Exchange**. On the terms and subject to the conditions set forth in this Agreement, upon the Closing (i) the Company agrees to issue to the Investor, in exchange for the 150,000 Exchanged Shares, 150,000 Series A Preferred Shares, and (ii) the Investor agrees to deliver to the Company certificate(s) or book-entry shares representing the Exchanged Shares.

Section 2.2 **Exchange Documentation**. Settlement of the Exchange will take place on the Closing Date, at which time the Investor will cause delivery of the Exchanged Shares to the Company or its designated agent and the Company will cause delivery of the Series A Preferred Shares to the Investor.

Section 2.3 **Status of Preferred Shares after Closing**. The Exchanged Shares exchanged for the Series A Preferred Shares pursuant to this Article II are being reacquired by the Company and shall have the status of authorized but unissued Common Shares and may be issued or reissued.

Section 2.4 **Securities Act Exemption**. The Exchange is being effected pursuant to an exemption from registration under the Securities Act, including but not limited to Section 3(a)(9) thereof.

ARTICLE III

RIGHT OF FIRST OFFER

Section 3.1 **Definitions.** With respect to this Article III, the following capitalized terms shall have the meaning therein set forth:

(a) "**Company Notice**" means written notice from the Company notifying the selling Investor that the Company intends to exercise its Right of First Offer as to some or all of the Subject Shares with respect to any Proposed Transfer.

(b) "**Proposed Transfer**" means any assignment, sale, offer to sell, pledge, mortgage, hypothecation, encumbrance, disposition of or any other like transfer or encumbering of any Subject Shares (or any interest therein) proposed by the Investor.

(c) "**Proposed Transfer Notice**" means written notice from the Investor setting forth the terms and conditions of a Proposed Transfer.

(d) "**Right of First Offer**" means the right, but not an obligation, of the Company, or its permitted transferees or assigns, to purchase some or all of the Subject Shares with respect to a Proposed Transfer, at the price set forth in the Proposed Transfer Notice.

(e) **"Subject Shares"** means the Series A Preferred Shares and the Common Shares into which they may be converted pursuant to their terms.

Section 3.2 **Grant**. Subject to the terms set forth herein, in the event the Investor proposes to undertake a Proposed Transfer, the Investor must comply with the terms of Section 3.2 hereof.

Section 3.2 **Notice and Exercise**. The Investor, upon proposing to make a Proposed Transfer must deliver a Proposed Transfer Notice to the Company not later than thirty (30) days prior to the commencement of such Proposed Transfer. Such Proposed Transfer Notice shall contain the price at which the Investor is willing to undertake the Proposed Transfer and the number of Subject Shares the Investor is willing to sell as part of the Proposed Transfer. The Company shall then have the right, but not the obligation, to purchase some or all of the Subject Shares that are the subject of the Proposed Transfer Notice. To exercise its Right of First Offer and purchase all or any part of the Subject Shares listed in the Proposed Transfer Notice, the Company must deliver a Company Notice to the Investor within ten (10) days after delivery of the Proposed Transfer Notice stating the number of Subject Shares the Company is willing to purchase. If the Company does not exercise its Right of First Offer within the time allowed under this Subsection for such exercise, elects to purchase some, but not all, of the Subject Shares which are the subject of the Proposed Transfer Notice, or fails to purchase the Subject Shares which are the subject of the Company Notice in accordance with this subsection, the Investor shall be free, following the expiration of such time for exercise or such failure to purchase pursuant to any exercise, to sell the Subject Shares specified in such Proposed Transfer Notice, or those Subject Shares specified in the Proposed Transfer Notice which are not accepted for purchase by the Company in the Company Notice, on terms no less favorable to the Investor than the terms specified in such Proposed Transfer Notice. Investor shall promptly disclose in writing to the Company the price at which any such Subject Shares were ultimately sold. Any Proposed Transfer by the Investor that would be on terms less favorable to the Investor than the terms specified in the Proposed Transfer Notice shall be subject to Section 3.2 and require a new Proposed Transfer Notice before the Proposed Transfer can be undertaken.

Section 3.3 **Consideration; Closing**. If the consideration proposed to be paid for the Subject Shares is in property, services or other non-cash consideration, the fair market value of the consideration shall be as determined reasonably and in good faith by the Company's Board of Directors and as set forth in the Company Notice. If the Company cannot for any reason pay for the Subject Shares in the same form of non-cash consideration, the Company may pay the cash value equivalent thereof, as determined reasonably and in good faith by the Board of Directors and as set forth in the Company Notice. The closing of the purchase of Subject Shares by the Company shall take place, and all payments from the Company shall have been delivered to the Investor, by the later of (i) the date specified in the Proposed Transfer Notice as the intended date of the Proposed Transfer and (ii) thirty (30) days after delivery of the Proposed Transfer Notice.

Section 3.4 Effect of Failure to Comply.

(a) Transfer Void; Equitable Relief. Any Proposed Transfer not made in compliance with the requirements of this Article III shall be null and void ab initio, shall not be recorded on the books of the Company or its transfer agent and shall not be recognized by the Company. Each party hereto acknowledges and agrees that any breach of this Article III would result in substantial harm to the other party hereto for which monetary damages alone could not adequately compensate. Therefore, the parties hereto unconditionally and irrevocably agree that any non-breaching party hereto shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity (including, without limitation, seeking specific performance or the rescission of purchases, sales and other transfers of Subject Shares not made in strict compliance with this Agreement).

(b) Violation of First Offer Right. If the Investor becomes obligated to sell any Subject Shares to the Company under this Agreement and fails to deliver such Subject Shares in accordance with the terms of this Agreement, the Company may, at its option, in addition to all other remedies it may have, send to the Investor the purchase price for such Subject Shares as is herein specified and transfer to the name of the Company on the Company's books any certificates, instruments, or book entry representing the Subject Shares to be sold.

Section 3.5 Prohibited Transferees. Notwithstanding the foregoing, the Holder shall not transfer any Exchange Shares to any entity which, in the reasonable determination of the Company's Board of Directors, directly or indirectly competes with the Company or its subsidiaries.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Investor as of the date hereof and as of the Closing Date:

Section 4.1 Existence and Power.

(a) Organization, Authority and Significant Subsidiaries. The Company is duly organized, validly existing and in good standing under the laws of the State of New York and has all necessary power and authority to own, operate and lease its properties and to carry on its business in all material respects as it is being currently conducted, and except as has not and would not in the reasonable judgment of the Company be expected to be material to the Company or any of its Subsidiaries, has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification. Each subsidiary of the Company that is a "significant subsidiary" within the meaning of Rule 1-02(w) of Regulation S-X under the Securities Act of 1933, as amended (each, a "Subsidiary"), including, without limitation, Hanover Community Bank, has been duly organized and is validly existing in good standing under the laws of its jurisdiction of organization. The certificate of incorporation and bylaws of the Company, copies of which have been available to the Investor prior to the date hereof, are true, complete and correct copies of such documents as in full force and effect as of the date hereof.

(b) Capitalization. The authorized capital stock of the Company consists of 32,000,000 shares, of which (i) 17,000,000 shares are designated as Common Shares, of which 7,285,648 shares are issued and outstanding as of the date hereof (the "Capitalization Date") and (ii) 15,000,000 shares are designated as preferred shares, of which (A) 150,000 were designated as the "SERIES A CONVERTIBLE PERPETUAL PREFERRED STOCK" and none of which were issued and outstanding as of the Capitalization Date. The outstanding shares of capital stock of the Company have been duly authorized and are validly issued and outstanding, fully paid and non-assessable, and subject to no preemptive rights (and were not issued in violation of any preemptive rights), and have been issued in compliance with applicable securities laws. As of the date hereof, the Company does not have outstanding any securities or other obligations providing the holder the right to acquire Common Shares or Series A Preferred Shares that are not reserved for issuance, and the Company has not made any other commitment to authorize, issue or sell any Common Shares or Series A Preferred Shares except pursuant to this Agreement or pursuant to equity awards outstanding.

Section 4.2 **Authorization and Enforceability**.

(a) The Company has the corporate power and authority to execute and deliver this Agreement and to carry out its obligations hereunder, which includes the issuance of the Series A Preferred Shares .

(b) The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company, and no further approval or authorization is required on the part of the Company. This Agreement is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity) (the "Bankruptcy Exceptions").

Section 4.3 **Series A Preferred Shares** . The Series A Preferred Shares have been duly and validly authorized by all necessary action, and, when issued and delivered pursuant to this Agreement, such Series A Preferred Shares will be duly and validly issued and fully paid and non-assessable free and clear of any liens or encumbrances, will not be issued in violation of any preemptive rights, and will not subject the holder thereof to personal liability.

Section 4.4 **Non-Contravention**.

(a) The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby, and compliance by the Company with the provisions hereof, will not (i) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration of, or result in the creation of, any lien, security interest, charge or encumbrance upon any of the properties or assets of the Company or any Company Subsidiary under any of the terms, conditions or provisions of (A) its organizational documents or (B) any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which the Company or any Company Subsidiary is a party or by which it or any Company Subsidiary may be bound, or to which the Company or any Company Subsidiary or any of the properties or assets of the Company or any Company Subsidiary may be subject, or (ii) subject to compliance with the statutes and regulations referred to in the next paragraph, violate any statute, rule or regulation or any judgment, ruling, order, writ, injunction or decree applicable to the Company or any Company Subsidiary or any of their respective properties or assets except, in the case of clauses (i)(B) and (ii), for those occurrences that, individually or in the aggregate, would not reasonably be expected to be material to the Company or any of its Subsidiaries.

(b) Other than the filing of any current report on Form 8-K required to be filed with the Securities and Exchange Commission ("SEC"), such filings and approvals as are required to be made or obtained under any state "blue sky" laws, and such consents and approvals that have been made or obtained, no notice to, filing with or review by, or authorization, consent or approval of, any Governmental Entity is required to be made or obtained by the Company in connection with the consummation by the Company of the Exchange except for any such notices, filings, reviews, authorizations, consents and approvals the failure of which to make or obtain would not, individually or in the aggregate, reasonably be expected to be material to the Company.

Section 4.5 **Anti-Takeover Provisions**. The consummation of the transactions contemplated by this Agreement will not be subject to any "moratorium," "control share," "fair price," "interested stockholder" or other anti- takeover laws and regulations of the State of New York.

Section 4.6 **No Material Adverse Effect**. With the exception of any impacts that may result from the current coronavirus (COVID-19) pandemic, since August 12, 2022, no fact, circumstance, event, change, occurrence, condition or development has occurred that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect upon the Company, its results of operations or prospects.

Section 4.7 **Offering of Securities**. Neither the Company nor any person acting on its behalf has taken any action (including any offering of any securities of the Company under circumstances which would require the integration of such offering with the issuance of the Series A Preferred Shares under the Securities Act and the rules and regulations of the SEC promulgated thereunder), which would reasonably be expected to subject the issuance of the Series A Preferred Shares to the Investor pursuant to this Agreement to the registration requirements of the Securities Act.

Section 4.8 **Brokers and Finders**. No broker, finder or investment banker is entitled to any financial advisory, brokerage, finder's or other fee or commission in connection with this Agreement or the transactions contemplated hereby based upon arrangements made by or on behalf of the Company or any Subsidiary for which the Investor could have any liability.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF INVESTOR

The Investor represents and warrants to the Company as of the date hereof and as of the Closing Date:

Section 5.1 **Organization; Authority**. The Investor is an entity, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder. The execution, delivery and performance by the Investor of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Investor, and no further approval or authorization is required on the part of the Investor. This Agreement has been duly and validly executed and delivered by the Investor. Assuming due authorization, execution and delivery by Company, this Agreement constitutes the legal, valid and binding obligation of the Investor, enforceable against the Investor in accordance with its terms and conditions, except as enforceability may be limited by the Bankruptcy Exception.

Section 5.2 **Non Contravention**.

(a) The execution, delivery and performance by the Investor of this Agreement and the consummation of the transactions contemplated hereby, and compliance by the Investor with the provisions hereof, will not (i) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration of, or result in the creation of, any lien, security interest, charge or encumbrance upon any of the properties or assets of the Investor under any of the terms, conditions or provisions of (A) its organizational documents or (B) any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which the Investor is a party or by which it may be bound, or to which the Investor or any of the properties or assets of the Investor may be subject, or (ii) violate any statute, rule or regulation or any judgment, ruling, order, writ, injunction or decree applicable to the Investor or any of its properties or assets except, in the case of clauses (i)(B) and (ii), for those occurrences that, individually or in the aggregate, have not had and would not reasonably be expected to have a material adverse effect on the ability of the Investor to consummate the transactions contemplated by this Agreement.

(b) Other than such consents and approvals that have been made or obtained, no notice to, filing with or review by, or authorization, consent or approval of, any governmental entity is required to be made or obtained by the Investor in connection with the consummation by the Investor of the Exchange.

ARTICLE VI

COVENANTS

Section 6.1 **Commercially Reasonable Efforts**. Subject to the terms and conditions of this Agreement, each of the parties will use its commercially reasonable efforts in good faith to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or desirable, or advisable under applicable law, so as to permit consummation of the Exchange, as promptly as practicable and otherwise to enable consummation of the transactions contemplated hereby and shall use commercially reasonable efforts to cooperate with the other party to that end.

Section 6.2 **Certain Notifications Until Closing**. From the date hereof until the Closing, the Company shall promptly notify the Investor of (a) any fact, event or circumstance of which it is aware and which would reasonably be likely to cause any representation or warranty of the Company contained in this Agreement to be untrue or inaccurate in any material respect or to cause any covenant or agreement of the Company contained in this Agreement not to be complied with or satisfied in any material respect, (b) any action or proceeding pending or, to the knowledge of such party, threatened against such party that questions or might question the validity of this Agreement or seeks to enjoin or otherwise restrain the transactions contemplated hereby, and (c) with respect to the Company, any fact, circumstance, event, change, occurrence, condition or development of which the Company is aware and which, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect; provided, however, that delivery of any notice pursuant to this Section 6.2 shall not limit or affect any rights of or remedies available to the Investor.

ARTICLE VII

ADDITIONAL AGREEMENTS

Section 7.1 **Unregistered Series A Preferred Shares** . The Investor acknowledges that the Series A Preferred Shares have not been registered under the Securities Act or under any state securities laws. The Investor is acquiring the Series A Preferred Shares pursuant to an exemption from registration under the Securities Act, including but not limited to Section 3(a)(9) thereof.

Section 7.2 **Legend**. The Investor and the Company agree that all certificates or other instruments representing the Series A Preferred Shares will not bear a legend other than a legend referencing the provisions of Article III hereof.

Section 7.3 **Certain Transactions**. The Company will not merge or consolidate with, or sell, transfer or lease all or substantially all of its property or assets to, any other party unless the successor, transferee or lessee party (or its ultimate parent entity), as the case may be (if not the Company), assumes the due and punctual performance and observance of each and every covenant, agreement and condition of this Agreement to be performed and observed by the Company.

Section 7.4 **Transfer of Series A Preferred Shares** . Subject to Article III and compliance with applicable securities laws, the Investor shall be permitted to transfer, sell, assign or otherwise dispose of ("Transfer") all or a portion of the Series A Preferred Shares at any time, and the Company shall take all steps as may be reasonably requested by the Investor to facilitate the Transfer of the Series A Preferred Shares .

ARTICLE VIII

MISCELLANEOUS

Section 8.1 **Termination**. This Agreement may be terminated at any time prior to the Closing:

(a) by either the Investor or the Company if the Closing shall not have occurred by December 31, 2022; provided, however, that in the event the Closing has not occurred by such date, the parties will consult in good faith to determine whether to extend the term of this Agreement, it being understood that the parties shall be required to consult only until the fifth day after such date and not be under any obligation to extend the term of this Agreement thereafter; provided, further, that the right to terminate this Agreement under this Section 8.1(a) shall not be available to any party whose breach of any representation or warranty or failure to perform any obligation under this Agreement shall have caused or resulted in the failure of the Closing to occur on or prior to such date;

(b) by either the Investor or the Company in the event that any governmental entity shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement (or if any such governmental entity informs the Investor or the Company that it intends to disapprove any notice or application required to be filed by such party in order to consummate the transactions contemplated by this Agreement) and such order, decree, ruling or other action shall have become final and non-appealable; or

(c) by the mutual written consent of the Investor and the Company.

In the event of termination of this Agreement as provided in this Section 8.1, this Agreement shall forthwith become void and there shall be no liability on the part of either party hereto except that nothing herein shall relieve either party from liability for fraud, willful misconduct or any breach of this Agreement.

Section 8.2 **Survival of Representations and Warranties**. The representations and warranties of the Company and the Investor made herein or in any certificates delivered in connection with the Closing shall not survive the Closing.

Section 8.3 **Amendment**. No amendment of any provision of this Agreement will be effective unless made in writing and signed by an officer or a duly authorized representative of each of the Company and the Investor. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative of any rights or remedies provided by law.

Section 8.4 **Waiver of Conditions**. The conditions to each party's obligation to consummate the Exchange are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable Law. No waiver will be effective unless it is in a writing signed by a duly authorized officer of the waiving party that makes express reference to the provision or provisions subject to such waiver.

Section 8.5 **Governing Law; Submission to Jurisdiction, etc**. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each party agrees that all proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, employees or agents) shall be resolved in the New York courts. Each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of the New York courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of this Agreement), and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such New York court, or that such proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

Section 8.6 **Notices**. Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail (provided the sender receives a machine-generated confirmation of successful facsimile transmission or e-mail notification or confirmation of receipt of an e-mail transmission) at the facsimile number or e-mail address specified in this Section 8.6 prior to 5:00 p.m., Eastern time, on a Business Day, (b) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or e-mail at the facsimile number or e-mail address specified in this Section 8.6 on a day that is not a Business Day or later than 5:00 p.m., Eastern time, on any Business Day, (c) if sent by U.S. nationally recognized overnight courier service with next day delivery specified (receipt requested) the Business Day following delivery to such courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. All notices hereunder shall be delivered as set forth below or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

If to the Company:

Hanover Bancorp, Inc.
80 East Jericho Turnpike
Mineola, NY 11501
Attention: Michael P. Puorro
Facsimile:
Email: mpuorro@hanoverbank.com

With a copy to:

Windels Marx Lane & Mittendorf, LLP
120 Albany Street Plaza FL 6
New Brunswick NJ 08901
Attention: Robert A. Schwartz
Facsimile: (732) 846-8877
Email: rschwartz@windelsmarx.com

If to the Investor:

Castle Creek Capital Partners VIII, LP
c/o Castle Creek Capital LLC
6051 El Tordo, P.O. Box 1329
Rancho Santa Fe, California 92067
Attention: Tony Scavuzzo, Principal
Telephone: (858) 756-8300
Facsimile: (858) 756-8301
Email: tscavuzzo@castlecreek.com

With a copy to:

Sidley Austin LLP
1999 Avenue of the Stars, 17th Floor
Los Angeles, CA 90067
Attention: Vijay S. Sekhon, Esq.
Telephone: (310) 595-9507
Facsimile: (310) 595-9501
Email: vsekhon@sidley.com

Section 8.7 **Assignment**. Neither this Agreement nor any right, remedy, obligation nor liability arising hereunder or by reason hereof shall be assignable by any party hereto without the prior written consent of each other party, and any attempt to assign any right, remedy, obligation or liability hereunder without such consent shall be void, except an assignment, in the case of a Business Combination, where such party is not the surviving entity, or a sale of substantially all of its assets, to the entity which is the survivor of such Business Combination or the purchaser in such sale subject to compliance with Section 7.3. The term "Business Combination" means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Company's stockholders.

Section 8.8 **Severability**. If any provision of this Agreement, or the application thereof to any person or circumstance, is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties.

Section 8.9 **No Third-Party Beneficiaries**. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person or entity other than the Company and the Investor any benefit, right or remedies.

Section 8.10 **Entire Agreement, etc**. This Agreement (including the Schedules hereto) constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, between the parties, with respect to the subject matter hereof. For the avoidance of doubt, the Purchase Agreement shall remain in full force and effect, but shall be deemed amended hereby, and any provisions in this Agreement that supplement, duplicate or contradict any provision of the Purchase Agreement shall be deemed to supersede the corresponding provision of the Purchase Agreement from and after the effective date hereof.

Section 8.11 **Counterparts and Facsimile**. For the convenience of the parties hereto, this Agreement may be executed in any number of separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts will together constitute the same agreement. Executed signature pages to this Agreement may be delivered by electronic transmission or facsimile and such electronic transmissions and facsimiles will be deemed as sufficient as if actual signature pages had been delivered.

Section 8.12 **Specific Performance**. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms. It is accordingly agreed that the parties shall be entitled (without the necessity of posting a bond) to specific performance of the terms hereof, this being in addition to any other remedies to which they are entitled at law or equity.

Section 8.13 **Expenses**. Except as otherwise expressly provided in this Agreement, all costs and expenses incurred in connection with this Agreement will be borne and paid by the party incurring the expense.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Hanover Bancorp, Inc.

By: */s/ Michael P. Puorro*
Name: Michael P. Puorro
Title: Chairman and Chief Executive Officer

CASTLE CREEK CAPITAL PARTNERS VIII, LP

By: */s/ Tony Scavuzzo*
Name: Tony Scavuzzo
Title: Principal

[Signature Page to Exchange Agreement}

Exhibit 10.2

BOARD OBSERVATION AGREEMENT

This **BOARD OBSERVATION AGREEMENT** (this "Agreement"), dated October 28, 2022, is entered into by and between **CASTLE CREEK CAPITAL PARTNERS VIII, L.P.** (the "Holder"), and **HANOVER BANCORP, INC**. a New York corporation (the "Company"). Each of the Holder and the Company are referred to in this Agreement individually as a "Party" and collectively as the "Parties." Capitalized terms used but not defined in this Agreement shall have the meaning given to such terms in the Exchange Agreement (as defined below).

WHEREAS, pursuant to applicable bank regulatory limitations, Castle Creek may not exceed 9.9% ownership of the Company's voting securities (the "Threshold") without seeking applicable regulatory approvals;

WHEREAS, concurrently with the execution of this Agreement, and in order to facilitate a privately negotiated purchase of the Company's capital stock by the Holder without exceeding the Threshold, the Company agreed to enter into an Exchange Agreement (the "Exchange Agreement"), whereby the Company will issue to the Holder, in exchange certain shares of the Company's Common Stock, shares of the Company's Series A Convertible Perpetual Preferred Stock ("Series A Preferred Stock");

WHEREAS, in connection with the consummation of the transactions contemplated by the Exchange Agreement (the "Closing"), the Holder and the Company wish to set forth certain understandings among the Parties, including with respect to certain corporate governance matters.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

Article I. BOARD OBSERVER

Section 1.01 The Company hereby agrees that, from and after the Closing, for so long as Holder and its affiliates in the aggregate are the beneficial owners of at least four and nine-tenths percent (4.9%) of the Company's common stock then outstanding (the "Minimum Ownership Interest") the Company shall invite a person designated by Holder (the "Observer") to attend meetings of the Boards of Directors (the "Boards") of the Company and its wholly owned subsidiary Hanover Community Bank (the "Bank"), as applicable, in a nonvoting, nonparticipating observer capacity. The designation of the Observer by the Holder must be reasonably acceptable to the Company. Company hereby agrees that the designation of any of Michael Thaden or any Principal or Managing Principal of the Holder as the Observer will be deemed acceptable to the Company. The Observer shall not have any right to vote on any matter presented to the Boards, or any committee thereof. The Company shall give the Observer written notice of each meeting of the Boards at the same time and in the same manner as the members of the Boards, shall provide the Observer with all written materials and other information given to members of the Boards at the same time such materials and information are given to such members (provided, however, that the Observer shall not be provided any confidential supervisory information) and shall permit the Observer to attend as an observer at all meetings thereof. In the event the Company, or the Bank proposes to take any action by written consent in lieu of a meeting, the Company or the Bank shall give written notice thereof to the Observer prior to the effective date of such consent describing the nature and substance of such action and including the proposed text of such written consents. Notwithstanding anything to the contrary contained in this Section 1.01, (i) the Observer may be excluded from executive sessions comprised solely of independent directors, (ii) the Company, Bank and the Boards, shall have the right to withhold any information and to exclude the Observer from any meeting or portion thereof if doing so is, in the advice of counsel, (A) necessary to protect the attorney-client privilege between such party and counsel, or (B) necessary to avoid a violation of any applicable Law or any fiduciary requirements under applicable Law, provided that the Company or the Bank, as applicable, shall use commercially reasonable efforts to provide such information to the Observer in a manner that does not compromise or violate (as applicable) such attorney-client privilege, fiduciary requirements or applicable Law. If Holder no longer has a Minimum Ownership Interest, Holder will have no further rights under this Section 1.01.

Section 1.02 Notwithstanding anything to the contrary contained in this Article I, the Boards may exclude the Observer from portions of meetings of the Boards to the extent that the Boards will be discussing (i) any matters directly related to Holder, or (ii) any exam or other confidential correspondence with the Federal Reserve, the FDIC or the New York State Department of Financial Services, in each case to the extent required by applicable law or regulation as reasonably determined by the Company's legal counsel.

Section 1.03 Holder covenants and agrees to hold any information obtained from its Observer in confidence, and to cause its Observer to agree to hold in confidence and to act in a fiduciary manner with respect to all information provided to such Observer, in each case except to the extent that such information (i) was previously known by or in the possession of such party on a nonconfidential basis, (ii) is or becomes in the public domain through no fault of such party, (iii) is later lawfully acquired from other sources by the party to which it was furnished or (iv) is independently developed by such party without the use of such information; provided, however, that the foregoing will not prohibit the Observer from sharing any information with the Holder. Each of the parties to this Agreement hereby acknowledges that they are aware, and will ensure that their representatives and affiliates are aware, that the United States securities laws prohibit any person who has material non-public information about a company from purchasing or selling securities of such company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities, and in furtherance thereof the Holder will, and the Holder will cause the Observer to, comply with the Company's Insider Trading Policy.

Article II. MISCELLANEOUS

Section 2.01 **Execution in Counterparts**. This Agreement may be executed in any number of counterparts and by different Parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same agreement.

Section 2.02 **Binding Effect**. This Agreement shall be binding upon the Company, the Holder and their respective successors and permitted assigns. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any Person other than the Parties to this Agreement and their respective successors and permitted assigns.

Section 2.03 **Assignment**. This Agreement and the rights and obligations hereunder may not be assigned by any Party without the prior written consent of the other Parties; provided, however, that the Holder may assign this Agreement and its rights hereunder to any of its Affiliates who have agreed in writing, in form and substance reasonably satisfactory to the Company, to be bound by the terms of this Agreement; provided further, that no such assignment shall relieve the Holder of its obligations under this Agreement.

Section 2.04 **Amendment; Termination**. This Agreement may not be amended or modified without the written consent of each Party, nor shall any waiver be effective against any Party unless in writing and executed by such Party. This Agreement shall terminate automatically without any action by either Party at such time as Holder (together with its affiliates) ceases to holder the Minimum Ownership Interest; provided, however, that Section 1.04 and Section 2.02 through Section 2.07 shall survive the termination of this Agreement.

Section 2.05 **Severability**. If any provision of this Agreement shall be declared void or unenforceable by any judicial or administrative authority, the validity of any other provision and of the entire Agreement shall not be affected thereby.

Section 2.06 **Governing Law; Submission to Jurisdiction**. This Agreement and any claim, controversy or dispute arising under or related in any way to this Agreement, the relationship of the Parties, the transactions leading to this Agreement or contemplated hereby and/or the interpretation and/or enforcement of the respective rights and duties of the Parties hereunder or related in any way to the foregoing shall be governed in all respects, including as to validity, interpretation and effect, by the laws of the State of New York, without giving effect to any principles or rules of conflict of laws (whether of the State of New York or any other jurisdiction), to the extent such principles would permit or require the application of the laws of another jurisdiction. Each of the Parties submits to the exclusive jurisdiction of the Courts of the State of New York and the appellate courts having jurisdiction of appeals in such court in any action or proceeding arising out of or relating to this Agreement (whether in contract or in tort or otherwise), agrees that all claims in respect of such action or proceeding may be heard and determined in such courts, submits to the personal jurisdiction in such courts and agrees not to bring any such action or proceeding arising out of or relating to this Agreement in any other court. Each of the Parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other party with respect thereto. Each Party agrees that a final, non-appealable judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law and irrevocably agrees to be bound by any such final judgment from which no appeal may be taken or is available in connection with this Agreement. Nothing in this Section 2.07, however, shall affect the right of any party to serve legal process in any other manner permitted by law.

Section 2.07 **WAIVER OF JURY TRIAL**. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO OR THE NEGOTIATION, EXECUTION OR PERFORMANCE HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. THE PARTIES TO THIS AGREEMENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto execute this Agreement, effective as of the date first above written.

[*Signature Page to Board Observation Agreement*]

HANOVER BANCORP, INC.	**CASTLE CREEK CAPITAL PARTNERS VIII, L.P.**
/s/ Michael P. Puorro By:_____	*/s/ Tony Scavuzzo* By:_____
Michael P. Puorro Name:_____	Tony Scavuzzo Name:_____
Chairman & CEO Title:_____	Managing Principal Title:_____