

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Amalgamated Bank**

(Name of Registrant as Specified In Its Charter)

\_\_\_\_\_  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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No fee required.

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(1) Title of each class of securities to which transaction applies:

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\_\_\_\_\_

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON APRIL 30, 2019

To the Stockholders of Amalgamated Bank:

You are cordially invited to attend the annual meeting of stockholders of Amalgamated Bank to be held at 12:00 p.m., Eastern Time, on April 30, 2019 at our principal executive office located at 275 Seventh Avenue, 14th floor conference room, New York, New York 10001, for the following purposes:

1. To elect 12 directors to our board of directors each to serve until the annual meeting of stockholders to be held in 2020 or until that person's successor is duly elected and qualified;
2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2019;
3. To approve a new equity incentive plan to be known as the "Amalgamated Bank 2019 Equity Incentive Plan";
4. To approve a stock repurchase program under which we can repurchase up to \$25.0 million of shares of our Class A common stock from time to time;
5. To conduct a non-binding, advisory vote on the compensation of the Bank's Named Executive Officers; and
6. To transact such other business as may properly come before the annual meeting or any adjournment of the meeting.

All holders of our Class A common stock, par value \$0.01 per share, of record as of March 11, 2019 are entitled to notice of and to vote at the annual meeting. Each share of our Class A common stock entitles the holder to one vote on all matters voted on at the meeting. The enclosed proxy statement provides you with detailed information regarding the business to be considered at the meeting. Your vote is important. We urge you to please vote your shares now whether or not you plan to attend the meeting. You may revoke your proxy at any time before the proxy is voted by following the procedures described in the enclosed proxy statement.

**Important Notice Regarding the Availability of Proxy Materials for the 2019 Annual Meeting.** This year, we are taking advantage of the rules of the Federal Deposit Insurance Corporation ("FDIC") and the Securities and Exchange Commission ("SEC") that allow us to furnish our proxy materials over the Internet. We are mailing to our stockholders a Notice of Internet Availability of Proxy Materials over the Internet, rather than mailing a full paper set of the materials. The Notice of Internet Availability of Proxy Materials contains instructions on how to access our proxy materials on the Internet, as well as instructions on obtaining a paper or email copy of the proxy materials. This process will reduce our costs to print and distribute our proxy materials, while also reducing our environmental impact.

Voting by the Internet is fast and convenient, and your vote is immediately confirmed and tabulated. If you request to receive a paper copy of the proxy materials, you may also vote by completing, signing, dating and returning the accompanying proxy card in the enclosed return envelope furnished for that purpose. By using the Internet, you help us reduce postage and proxy tabulation costs.

Your vote is important, and we appreciate the time and consideration that we are sure you will give it.

By Order of the Board of Directors,

/s/ Lynne P. Fox  
Lynne P. Fox, Chair of the Board of Directors

March 7, 2019

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**PRELIMINARY PROXY STATEMENT FOR  
THE ANNUAL MEETING OF STOCKHOLDERS  
OF AMALGAMATED BANK**

**To be held on April 30, 2019**

**GENERAL INFORMATION AND VOTING PROCEDURES**

The board of directors of Amalgamated Bank, “we,” “us,” “our,” or the “Bank,” is furnishing this proxy statement to solicit proxies for use at our annual meeting of stockholders to be held at 12:00 p.m., Eastern Time, at 275 Seventh Avenue, 14th floor conference room, New York, New York 10001 on April 30, 2019. The purposes of the annual meeting and the matters to be acted upon are set forth in the accompanying Notice of Annual Meeting of Stockholders and this proxy statement. If the meeting is adjourned, we may also use the proxy at any later meetings for the purposes stated in the Notice of Annual Meeting and this proxy statement.

**What items will be voted on at the annual meeting?**

Five matters are scheduled for a vote:

1. To elect 12 directors to our board of directors each to serve until the annual meeting of stockholders to be held in 2020 or until that person’s successor is duly elected and qualified;
2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2019;
3. To approve a new equity incentive plan to be known as the “Amalgamated Bank 2019 Equity Incentive Plan”;
4. To approve a stock repurchase program under which we can repurchase up to \$25.0 million of shares of our Class A common stock from time to time; and
5. To conduct a non-binding, advisory vote on the compensation of the Bank’s Named Executive Officers.

As of the date of this proxy statement, we are not aware of any other matters that will be presented for consideration at the annual meeting.

**How do your directors recommend that stockholders vote?**

The directors recommend that you vote:

1. **FOR** the election of 12 directors to our board of directors each to serve until the annual meeting of stockholders to be held in 2020 or until that person’s successor is duly elected and qualified;
2. **FOR** the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2019;
3. **FOR** approval of a new equity incentive plan to be known as the “Amalgamated Bank 2019 Equity Incentive Plan”;
4. **FOR** approval of a stock repurchase program under which we can repurchase up to \$25.0 million of shares of our Class A common stock from time to time; and
5. **FOR** the approval of the resolution related to compensation of the Bank’s Named Executive Officers.

## **Who is eligible to vote?**

Stockholders of record of our Class A common stock at the close of business on March 11, 2019 are entitled to be present and to vote at the annual meeting or any adjourned meeting. We anticipate that the Notice of Internet Availability of Proxy Materials will first be sent to stockholders on or about March 21, 2019. The proxy statement and the form of proxy relating to the annual meeting are first being made available to stockholders on or about March 20, 2019.

## **Why did I receive a Notice of Internet Availability of Proxy Materials instead of paper copies of the proxy materials?**

This year, pursuant to the FDIC and the SEC “Notice and Access” rules, we are furnishing our proxy materials to our stockholders over the Internet instead of mailing each of our stockholders paper copies of those materials. As a result, we will send our stockholders by mail a Notice of Internet Availability of Proxy Materials, which we refer to as the Notice, containing instructions on how to access our proxy materials over the Internet and how to vote.

*The Notice is not a ballot or proxy card and cannot be used to vote your shares of Class A common stock.* The Notice also tells you how to access your proxy card to vote on the Internet. If you received a Notice by mail and would like to receive a printed or email copy of the proxy materials, please follow the instructions included in the Notice. You will not receive paper copies of the proxy materials unless you request the materials by following the instructions on the Notice.

If you own shares of Class A common stock in more than one account—for example, in a joint account with your spouse and in your individual brokerage account—you may have received more than one Notice. To vote all of your shares of Class A common stock, please follow each of the separate proxy voting instructions that you received for your shares of Class A common stock held in each of your different accounts.

## **What are the rules for voting?**

As of the record date, we had [31,771,585] shares of Class A common stock outstanding and entitled to vote at the annual meeting. Each share of our Class A common stock entitles the holder to one vote on all matters voted on at the meeting. All of the shares of Class A common stock vote as a single class.

**If you hold shares in your own name**, you may vote by selecting any of the following options:

- *By Internet:* Go to [www.voteproxy.com](http://www.voteproxy.com) and follow the on-screen instructions.
- *By Mail:* If you request printed copies of the proxy materials to be sent to you by mail, complete the proxy card, date and sign it, and return it in the postage-paid envelope provided.
- *Vote in Person:* You may choose to vote in person at the meeting. We will distribute written ballots to any stockholder of record who wishes to vote at the meeting.

**If your shares are held in the name of a bank, broker or other holder of record**, you are considered the beneficial owner of shares held in “street name,” and you will receive instructions from such holder of record that you must follow for your shares to be voted. Please follow their instructions carefully. Also, please note that if the holder of record of your shares is a bank, broker or other nominee and you wish to vote in person at the annual meeting, you must request a legal proxy or broker’s proxy from your bank, broker or other nominee that holds your shares and present that proxy and proof of identification at the annual meeting.

Shares represented by signed proxies will be voted as instructed. If you sign the proxy but do not mark your vote, your shares will be voted as the directors have recommended. Voting results will be tabulated and certified by our transfer agent, American Stock Transfer & Trust Company, LLC.

As of the date of this proxy statement, we are not aware of any other matters to be presented or considered at the meeting, but your shares will be voted at the discretion of the proxies appointed by the board of directors on any of the following matters:

- any matter about which we did not receive written notice a reasonable time before we mailed these proxy materials to our stockholders; and
- matters incident to the conduct of the meeting.

If you hold your shares in street name, your brokerage firm may vote your shares under certain circumstances. Brokerage firms have authority under stock exchange rules to vote their customers' unvoted shares on certain "routine" matters. We expect that brokers will be allowed to exercise discretionary authority for beneficial owners who have not provided voting instructions ONLY with respect to Proposal Two—the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2019 but not with respect to any of the other proposals to be voted on at the annual meeting. **If you hold your shares in street name, please provide voting instructions to your bank, broker or other nominee so that your shares may be voted on all other proposals.**

### **What constitutes a quorum?**

Holders of a majority of our outstanding shares of Class A common stock as of the record date must be present at the meeting, either in person or by proxy, to hold the meeting and conduct business. This is called a quorum. In determining whether we have a quorum at the annual meeting for purposes of all matters to be voted on, all votes "for" or "against" and all votes to "abstain" will be counted. When a brokerage firm votes its customers' unvoted shares on routine matters, these shares are counted for purposes of establishing a quorum to conduct business at the meeting. If a brokerage firm indicates on a proxy that it does not have discretionary authority to vote certain shares on a particular matter, then those shares will be treated as "broker non-votes." Shares represented by broker non-votes will be counted in determining whether there is a quorum.

### **How are votes counted?**

- *Stockholder voting generally.* Each share of our Class A common stock entitles the holder to one vote on all matters voted on at the annual meeting.
- *Proposal One: Election of Directors.* Our directors will be elected by a majority of the votes cast by the holders of shares of our Class A common stock present in person or represented by proxy and entitled to vote at the annual meeting. There is no cumulative voting with respect to the election of directors.
- *Proposal Two: Ratification of the Appointment of KPMG LLP.* Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2019 requires the affirmative vote by a majority of the votes cast by the holders of shares of our Class A common stock present in person or represented by proxy and entitled to vote at the annual meeting.
- *Proposal Three: Approval of Amalgamated Bank 2019 Equity Incentive Plan.* Approval of the Amalgamated Bank 2019 Equity Incentive Plan requires the affirmative vote of the holders of a majority of the total votes cast.
- *Proposal Four: Approval of Stock Repurchase Program.* Approval of the stock repurchase program requires the affirmative vote of the holders of two-thirds of the outstanding shares of our Class A common stock entitled to vote at the annual meeting.
- *Proposal Five: Advisory Vote on the Compensation of Our Named Executive Officers.* Approval of the advisory vote on the compensation of our Named Executive Officers requires the affirmative vote by a majority of the votes cast by the holders of shares of our Class A common stock present in person or represented by proxy and entitled to vote at the annual meeting.

### **How are votes, abstentions and broker non-votes treated?**

With respect to each proposal, you may vote “FOR” or “AGAINST” the proposals, or you may “ABSTAIN” from voting on the proposals. Only “FOR” and “AGAINST” votes are counted for purposes of determining the votes cast in connection with each proposal. Broker non-votes and abstentions will have no effect on determining whether the affirmative vote constitutes a majority of the votes cast with respect to Proposals One, Two, Three and Five. However, a broker or other nominee may generally vote only on routine matters and therefore no broker non-votes are expected in connection with Proposal Two. Because approval of Proposal Four requires the affirmative vote of two-thirds of our shares of Class A common stock outstanding, broker non-votes and abstentions will have the effect of a vote AGAINST Proposal Four.

### **How can I revoke my proxy?**

If you are a stockholder of record (i.e., you hold your shares directly instead of through a brokerage account) and you change your mind after you return your proxy, you may revoke it and change your vote at any time before the polls close at the meeting. You may do this by:

- signing, dating and returning another proxy with a later date;
- submitting a proxy via the Internet with a later date; or
- voting in person at the meeting.

If you hold your shares through a brokerage account, you must contact your brokerage firm to revoke your proxy.

### **How will we solicit proxies, and who will pay for the cost of the solicitation?**

We will pay for the cost of this proxy solicitation. We do not intend to solicit proxies otherwise than by use of the mail or website posting, but certain of our directors, officers and other employees, without additional compensation, may solicit proxies personally or by telephone, facsimile or email on our behalf.

### **Who will count the vote?**

Under applicable law, a person, who is not an officer, director or employee of the Bank, must tabulate the votes and act as judge and inspector of election. At the meeting, the voting results will be tabulated and certified by our transfer agent, American Stock Transfer & Trust Company, LLC. A representative of American Stock Transfer & Trust Company, LLC shall sign an oath to faithfully execute with impartiality and in good faith the duties of inspector, which shall include determining the number of shares outstanding and the voting power of each, the shares represented at the meeting, the presence of a quorum and the validity and effect of the proxies.

### **How can a stockholder propose business to be brought before next year’s annual meeting?**

Any stockholder desiring to include a proposal pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 (the “Exchange Act”) in our 2020 proxy statement for action at our 2020 annual meeting must deliver the proposal to our executive offices no later than November 21, 2019, unless the date of our 2020 annual meeting is more than 30 days before or after April 30, 2020, in which case the proposal must be received a reasonable time before we begin to print and send our proxy materials. Only proper proposals that are timely received and in compliance with Rule 14a-8 will be included in our 2020 proxy statement.

Under our Amended and Restated Bylaws, which we refer to herein as our bylaws, stockholder proposals not intended for inclusion in our 2020 annual meeting proxy statement pursuant to Rule 14a-8 but intended to be raised at our 2020 annual meeting, including nominations for election of directors other than the board of directors’ nominees,



must be received no earlier than 120 days and no later than 90 days prior to the first anniversary of the 2019 annual meeting and must comply with the procedural, informational and other requirements outlined in our bylaws. To be timely for the 2020 annual meeting, a stockholder proposal must be delivered to the President of the Bank, at 275 Seventh Avenue, New York, New York 10001, no earlier than January 1, 2020 and no later than January 31, 2020.

For a complete description of the procedures and disclosure requirements to be complied with by stockholders in connection with submitting stockholder proposals, stockholders should refer to our bylaws.

## PROPOSAL ONE

### ELECTION OF DIRECTORS

#### Nominees for Election as Directors

Our bylaws provide for a board of directors consisting of not fewer than seven nor more than 21 individuals with the exact number to be fixed by the board of directors. Our board of directors has fixed the number of directors constituting the entire board at 12.

We entered into separate agreements with the following parties upon the consummation of our initial public offering on August 13, 2018:

- WLR Recovery Fund IV, L.P., WLR IV Parallel ESC, L.P., WLR Recovery Fund V, L.P., and WLR V Parallel ESC, L.P. (the “WL Ross Funds”);
- Yucaipa Corporate Initiatives Fund II, L.P. and Yucaipa Corporate Initiatives (Parallel) Fund II, L.P. (the “Yucaipa Funds” and, collectively with the WL Ross Funds, the “PE Investors”); and
- Workers United and numerous joint boards, locals or similar organizations authorized under the constitution of Workers United (the “Workers United Related Parties”).

Under these agreements, the PE Investors and the Workers United Related Parties have the right to designate representatives to our board of directors. For further detail on these director nomination rights, see “*Certain Relationships and Related Party Transactions.*”

The Workers United nominees to our board of directors are: Maryann Bruce, Patricia Diaz Dennis, Lynne P. Fox, Julie Kelly, and Edgar Romney Sr.

The Yucaipa Funds nominee to our board of directors is Stephen R. Sleigh.

The WL Ross Funds’ nomination right terminated on November 16, 2018, following the completion of an underwritten secondary public offering of shares of our Class A common stock sold by the WL Ross Funds, which caused the WL Ross Funds to own less than 5% of our Class A common stock.

#### Biographical Information for Each Nominee for Director

If elected, all nominees shall serve for a term commencing on the date of the annual meeting and continuing until the 2020 annual meeting of stockholders or until each person’s successor is duly elected and qualified. Each nominee has agreed to serve if elected. If any named nominee is unable to serve, proxies will be voted for the remaining named nominees. Information about each of the director nominees is provided below. Each director is currently serving as a director of the Bank.

***Lynne P. Fox***  
***Age 61***

***Director***

Lynne P. Fox has served as Chair of our board of directors since May 2016, and has been a member of our board of directors since February 2000. Ms. Fox is an attorney and is the elected President and Chair of the General Executive Board of Workers United, a position she has held since May 2016. Prior to that, she served as an Executive VP of Workers United from March 2009 to May 2016. She is also the elected Manager of the Philadelphia Joint Board of Workers United (and its predecessor labor organizations), a position she has held since December 1999. She is also an Executive Board member of the Service Employees International Union. She is responsible for overseeing a \$5 million budget, strategic planning, and for representing approximately 75,000 members in the U.S. and Canada. She has served as chief labor negotiator for over 100 collective bargaining agreements that, among other things, provide for health and pension benefits, and has responsibility for oversight of the investigation and processing of labor grievances. Ms. Fox serves as Chair of the Amalgamated Life Insurance Company, Chair of the Consolidated Retirement Fund, Chair of the Sidney Hillman Medical Center in Philadelphia, President of the Sidney Hillman

Medical Center Apartments for the Elderly, Inc. in Philadelphia and is a board member of the Philadelphia Airport Advisory Board. She previously was the Chair of the Investment Committee of the National Retirement Fund from 2016 to 2018. She is President of the Philadelphia Jewish Labor Committee, and Chair of the John Fox Scholarship Fund in Philadelphia. She also served as a board member for the State Employee Retirement System in Pennsylvania from 2006 to 2011, which is a \$28.3 billion fund. She also serves as Chair and trustee on various other insurance and employee benefit funds. Ms. Fox brings to the board an intimate understanding of the Bank's business, organization, and mission, as well as substantial leadership ability, board and management experience, all of which qualify her to serve on the board of directors.

***Donald E. Bouffard Jr.***  
***Age 74***

***Director***

Donald E. Bouffard has served on our board of directors since February 2012. Mr. Bouffard is a Certified Public Accountant who spent 34 years with Crowe LLP, a public accounting and consulting firm, until he retired in 2009. While at Crowe, he served as an external audit partner for 28 years in the Financial Institutions Group where he worked with more than 100 financial institution clients, both public and private, primarily serving as external auditor, but also providing services related to mergers and acquisitions, management succession planning, strategic planning and SEC reporting. Mr. Bouffard served on Crowe's Executive Committee for ten years. He currently serves on the board of directors and is Chair of the Audit Committee of Wilmington Savings Bank, Wilmington, Ohio, and previously served on the board of directors of the Notre Dame National Monogram Club and was Chair of the Boland-Brennan-Riehle Committee, which oversees a \$6 million scholarship fund for children of former Notre Dame athletes. Mr. Bouffard is a member of the American Institute of Certified Public Accountants, the Ohio Society of Certified Public Accountants, and he previously served as a member of the American Institute of Certified Public Accountants Savings and Loan Committee. Mr. Bouffard's leadership experience, accounting knowledge and business experience qualify him to serve on our board of directors and enhance his ability to contribute as a director.

***Maryann Bruce***  
***Age 58***

***Director***

Maryann Bruce joined our board of directors in August 2018, after a greater than 30-year career in the financial services industry. Ms. Bruce has been honored by Directors & Boards as one of 20 accomplished female board members in "Directors to Watch 2017." Ms. Bruce has also received accolades from US Banker, appearing on "The 25 Most Powerful Women in Banking" list. Formerly, Ms. Bruce was a PNC Funds Trustee serving on the Audit Committee, an independent director of the board of MBIA (NYSE: MBI) serving on the Audit & Compliance and Compensation & Governance Committees, an independent director and Chair of the Compensation Committee of Atlanta Life Financial Group and an Allianz Funds Trustee. Since October 2007, Ms. Bruce has been President of Turnberry Advisory Group, a private consulting firm. From December 2008 to July 2010, she was President of Aquila Distributors, Inc., a subsidiary of Aquila Investment Management LLC, a boutique asset manager. Prior to that, from September 1999 to June 2007, she was President of Evergreen Investments Services, Inc., an investment management and diversified financial services business and subsidiary of Wachovia (now Wells Fargo and Company). Ms. Bruce is also a founder of the National Association of Corporate Directors' Carolinas Chapter, where she serves as an Executive Committee member, Treasurer, and Chair of the Finance and Nominating Committees, as well as the Treasurer and Investment Committee Chair of the C200 Foundation Board. Ms. Bruce earned the CERT Certificate in Cybersecurity Oversight from the Software Engineering Institute of Carnegie Mellon University, demonstrating her commitment to advanced cybersecurity literacy. Ms. Bruce's extensive executive leadership and board experience in the financial services industry, as well as her functional expertise in strategy, sales, marketing, distribution, investment and risk management, regulatory oversight, and governance qualifies her to serve on our board of directors.

***Patricia Diaz Dennis***  
***Age 72***

***Director***

Patricia Diaz Dennis joined our board of directors in August 2018. Ms. Diaz Dennis has decades of corporate experience, having served on the boards of CarrAmerica, Massachusetts Mutual Life Insurance Company, Citadel Communications Corporation, and Telemundo Group, among others. In 1995, she joined SBC Communications, Inc., the company that later became AT&T, as a Senior Vice President, serving in a variety of positions including General Counsel and Secretary of SBC West from May 2002 until August 2004, and Senior Vice President and Assistant

General Counsel of AT&T from August 2004 until she retired in November 2008. Before joining SBC, Ms. Diaz Dennis was appointed by two Presidents and confirmed by the U.S. Senate to three federal government positions. President Ronald Reagan named her to the National Labor Relations Board in 1983, and appointed her a commissioner of the Federal Communications Commission three years later. After becoming partner and communications group practice chair of Jones, Day, Reavis & Pogue, Ms. Diaz Dennis returned to public service in 1992, when President George H. W. Bush appointed her Assistant Secretary of State for Human Rights and Humanitarian Affairs. From 1993 until 1995, Ms. Diaz Dennis served as special counsel for communications matters to the law firm of Sullivan & Cromwell. The former Chair of the National Board of Directors of the Girl Scouts of the USA, Ms. Diaz Dennis has also served on the World Bank Sanctions Board and the NPR Board of Directors. She is currently a director of Entravision Communications Corporation (NYSE: EVC) and U.S. Steel (NYSE: X), sits on the advisory boards of the NHP Foundation, LBJ Family Wealth Advisors, The Global Fund, and WGU Texas, and is the Chair of the World Affairs Council of San Antonio. She is a member of the California, Texas, and District of Columbia bars, and is admitted to practice before the U.S. Supreme Court. Ms. Diaz Dennis brings to the board legal training, as well as substantial leadership ability and management experience, all of which qualify her to serve on our board of directors.

***Robert C. Dinerstein***  
***Age 76***

***Director***

Robert C. Dinerstein has served on our board of directors since August 2011. Mr. Dinerstein is Chair of Veracity Worldwide, a strategic risk assessment firm that advises companies doing business in emerging markets, a position he has held since October 2009. Before that, he was Chair of Crossbow Ventures, Inc., a venture capital firm, from 2005 until 2010. He also was a shareholder and served as global co-chair of the financial institutions practice at Greenberg Traurig, LLP, a full-service international law firm, from October 2006 until August 2008. Before that, he was a senior executive with UBS AG's Investment Bank, having served as Vice Chair-Americas, Global General Counsel and as a member of its Board and Management Committee, with responsibility for all legal, compliance and regulatory matters. While at UBS, Mr. Dinerstein also served on the boards of two of the bank's international mutual funds and as a trustee of its U.S. pension plan. He also represented UBS on the Executive Committee of the Institute of International Bankers. Before joining UBS, Mr. Dinerstein was Executive Vice President and General Counsel of Shearson Lehman Brothers and was also Vice President and General Counsel of Citicorp's Investment Bank. He previously served on the Board of Medarex, Inc., a Nasdaq listed biopharmaceutical company, and was chairman of its Nominating and Governance Committee and a member of its Audit and Compensation Committees. He is a member of the Council on Foreign Relations, the National Association of Corporate Directors, the Dean's Leadership Council of the Harvard Graduate School of Education and the boards of Sheltering Arms, a diversified social service organization, and the Connecticut Chapter of the Alzheimer's Association. He is also former Chairman of Everybody Wins, a literacy and mentoring organization, a board member of the Red Cross of Greater New York and of Phipps Houses, a leading developer of affordable housing and a member of the Advisory Board of School of International and Public Affairs of Florida International University. Mr. Dinerstein brings to the board an overall institutional knowledge of the Bank's business, banking industry expertise, legal training and leadership experience, all of which qualify him to serve on our board of directors.

***Mark A. Finser***  
***Age 59***

***Director***

Mark A. Finser was a founding member of New Resource Bank and served as its Chair until our acquisition of New Resource Bank in 2018. Mr. Finser started his career in social finance in 1984 as a founder of RSF Social Finance ("RSF"), an organization focused on developing innovative social finance tools to serve the unmet needs of clients and partners. He served as President and Chief Executive Officer of RSF until 2007, during which time he led the growth of the organization's assets to \$120 million. In 2007, he transitioned to Chairman of the Board of Trustees of RSF and served in that role until 2018. As an active member of the social finance community, Mr. Finser has served on several boards, including B Lab, Yggdrasil Land Foundation, and Gaia Herbs. Mr. Finser also works with high net worth individuals and families to develop a strategy to align financial resources with personal values. As part of this work, Mr. Finser serves as an independent trustee for families and multigenerational beneficiaries. Mr. Finser's extensive business experience, including his experience as a bank director, and knowledge of our mission and markets that we serve qualify him to serve on our board of directors and enhance his ability to contribute as a director.

***Julie Kelly***

***Director***

*Age 52*

Julie Kelly has served on our board of directors since April 2010. Ms. Kelly is the General Manager of the New York New Jersey Regional Joint Board of Workers United and an International Vice President and member of the General Executive Board of Workers United, positions she has held since 2010. She has worked in the labor movement since 1989 and has been with Workers United and its predecessor organizations in a number of capacities since 2000. Ms. Kelly is President of Local 169 Realty Corporation, President of the New York New Jersey Regional Joint Board Holding Company, Inc., a director of Amalgamated Life Insurance Company, and a trustee of the Amalgamated National Health Fund, Amalgamated Retail Fund, Consolidated Retirement Fund, the National Retirement Fund and the Union Health Center. She also served as former President of the Clothing Workers Center, a historic organization that has provided a home for tens of thousands of ACTWU workers for over a century. During her tenure as a director for almost nine years, Ms. Kelly has developed knowledge of the Bank's business, history, organization, mission, and executive management, which qualify her to serve on our board of directors and enhance her ability to contribute as a director.

***Keith Mestrich***  
*Age 52*

***President and Chief Executive Officer***  
***Director***

Keith Mestrich has served as our President and Chief Executive Officer and on our board of directors since 2014. Mr. Mestrich has over three decades of experience in banking and financial management, many of those positions assisting our core constituencies in labor, nonprofits, political organizations and issue-advocacy campaigns. Mr. Mestrich joined Amalgamated in 2012 and directed our Washington, D.C. operation where he built our presence in the nation's capital. Since his appointment as President and Chief Executive Officer in 2014, we returned to profitability, improved our credit quality, installed a new management team and significantly grew our core deposit base. Mr. Mestrich has spearheaded initiatives to underscore our mission, including support of a \$15 minimum wage (and raising our minimum wage to \$15 per hour), acceptance of IDNYC as a primary form of ID, and certification of the Bank as a B Corporation. In 2018, Mr. Mestrich guided our acquisition of San Francisco-based New Resource Bank, creating the nation's leading socially responsible banks. Before joining us, he served as the Chief Financial Officer and Deputy Chief of Staff for the Service Employee International Union from 2008 through 2012 and has extensive experience in the financial sector. Mr. Mestrich's experience in commercial and retail banking operations and management, credit administration, and product management provides the board of directors with significant expertise important to the oversight of the Bank and expansion into its target markets, all of which qualify him to serve on our board of directors.

***John McDonagh***  
*Age 68*

***Director***

John McDonagh has served on our board of directors since January 2013. Mr. McDonagh retired from JPMorgan Chase Bank N.A. (together with its predecessor organizations, "JPM") in February 2011 as a Managing Director of JPM's Global Special Credit Group, having served in various credit capacities at JPM over a career spanning approximately 38 years, including as a division executive for Chase Real Estate Department and as a director for Chase Bank of Florida. In his final position at JPM, which he occupied from 1998 until his retirement, Mr. McDonagh was responsible for, among other things, the restructuring of large corporate credits, usually over \$1.0 billion and involving borrowers in various industries. From 2009 until his retirement, Mr. McDonagh also served on JPM's bank-wide management Real Estate Committee. From 2003 through his retirement, he also served on the Management Committee responsible for reviewing the warehouse position of JPM's Commercial Mortgage Securitization Group. Before that, he served on JPM's Fund Performance Review Committee investigating performance of investments sold to pension funds from 1996 until 1998. Mr. McDonagh's extensive business and banking experience and knowledge of credit markets qualify him to serve on our board of directors and enhance his ability to contribute as a director.

***Robert G. Romasco***  
*Age 71*

***Director***

Robert G. Romasco has served on our board since September 2014. Mr. Romasco served as President, and chief volunteer spokesperson, of AARP from 2012 until 2014, and served on AARP's board of directors from 2006

until 2014, where he served as AARP's Secretary-Treasurer; Chair of the board's Audit & Finance Committee; and Chair of the National Policy Council. Before that, Mr. Romasco served as Senior Vice President of customer, distribution, and new business development for QVC, Inc. from November 2005 until June 2006. Before joining QVC, he served as Executive Vice President and Chief Marketing Officer of CIGNA Corp. where he was responsible for driving marketing and distribution leverage across four independent business units. Before CIGNA Corp. and QVC, Mr. Romasco served as Chief Executive Officer of J.C. Penney Direct Marketing Services, a \$1 billion insurance company serving the leading credit card firms; Senior Vice President of American Century Investments; Director of Strategic Customer Development for Corporate Decisions Inc.; and as Chief Financial Officer of Epsilon, a pioneer in the database marketing industry. Mr. Romasco has served on the advisory board of the Eugene Bay Foundation, which makes grants to community-building organizations in Philadelphia. He currently serves as an advisory board member of Eastwood, Inc., a privately held leader in direct marketed auto restoration components. Mr. Romasco's business experience provides him with an appreciation of markets that we serve, and his leadership experiences provide him with insights regarding product management and retail marketing, each of which qualify him to serve on our board of directors.

***Edgar Romney Sr.***  
***Age 76***

***Director***

Edgar Romney Sr. has served on our board of directors since July 1995. Mr. Romney Sr. briefly became President of Workers United upon its formation in March 2009 and has been its Secretary-Treasurer since July 2009. He is also a member of the General Executive Board of Workers United and Vice President of Service Employees International Union, positions he has held since September 2009. Mr. Romney Sr. joined the former International Ladies' Garment Workers' Union (ILGWU) in 1962 as a shipping clerk. He later became an Organizer and Business Agent with Local 99 ILGWU and, in 1976, was asked to serve as Director of Organization for the largest ILGWU affiliate – Local 23-25. Two years later, he was elected Assistant Manager of Local 23-25, and in 1983, became the local's Manager-Secretary and an ILGWU Vice President. Mr. Romney Sr. served as Manager-Secretary of Local 23-25 until 2004, when he became Manager of the New York Metropolitan Area Joint Board, formed by the consolidation of the five local unions that represent apparel workers in the New York area. In 1989, Mr. Romney Sr. was elected ILGWU Executive Vice President, becoming the first African-American to hold that position, and in 1995, he became Executive Vice President of UNITE – the union that grew out of the merger of the ILGWU and ACTWU. He was elected to the position of Secretary-Treasurer of UNITE in 2003. With the merger of UNITE and HERE in 2004, Mr. Romney Sr. became Executive Vice President of UNITE HERE, a position he held until the separation of UNITE and HERE in 2009. Mr. Romney Sr. also served as Secretary-Treasurer of the Change to Win Coalition from September 2003 until 2009. He continues to serve on numerous boards of directors and is Co-Chair of the Garment Industry Day Care Center of Chinatown; National Secretary of the A. Philip Randolph Institute; Vice President of IndustriALL and the New York State AFL-CIO; Secretary Treasurer of the Garment Industry Development Corporation; and an executive board member of the New York City Central Labor Council and the Workmen's Circle. Mr. Romney Sr. is also a director of Amalgamated Life Insurance Company, a board member of the Sidney Hillman Foundation, and a trustee of each of the Consolidated Retirement Fund and the National Retirement Fund. Mr. Romney Sr. is the father of Mr. Romney Jr., who is an Executive Vice President and our Northeast Regional Director. Mr. Romney Sr. brings to the board an intimate understanding of the Bank's business, mission and organization, as well as substantial leadership ability, all of which qualify him to serve on our board of directors.

***Stephen R. Sleigh***  
***Age 63***

***Director***

Stephen R. Sleigh has served on our board of directors since March 2015. In March 2015, he started a consulting business, Sleigh Strategy LLC, to provide strategic advice aligning business and workforce interests. Mr. Sleigh previously was the Director of the International Association of Machinists National Pension Fund from April 2011 to March 2015, and was the Director of Strategic Resources for the International Association of Machinists, a position he held from September 1994 until September 2006. He also served as a Partner at The Yucaipa Companies from September 2006 until March 2011. Before that, he worked as Research Director of the International Brotherhood of Teamsters and Deputy Director of the Center for Labor-Management Policy Studies. Mr. Sleigh is a current member and past President of the Labor and Employment Relations Association. He has served as a director of the Baltimore Branch of the Federal Reserve Bank of Richmond, appointed by the Federal Reserve Board of Governors. Mr. Sleigh is the author of two books, *On Deadline* (1998) and *Economic Restructuring and Emerging Patterns of Industrial*

Relations (1993). Mr. Sleigh serves as the director representative for the investment funds affiliated with The Yucaipa Companies, LLC, pursuant to such funds' contractual director nomination right. Mr. Sleigh brings to the board an overall institutional knowledge of the Bank's business, banking industry expertise, and leadership experience, all of which qualify him to serve on our board of directors.

**The board of directors recommends a vote FOR each of the above nominees.**

### **Biographical Information for Our Executive Officers Who are Not Directors**

Biographical information for each of our executive officers is provided below (other than Mr. Mestrich). Because Mr. Mestrich also serves on our board of directors, we have provided his biographical information above with our other directors.

***Andrew LaBenne***  
***Age 45***

***Senior Executive Vice President and  
Chief Financial Officer***

Andrew LaBenne has served as our Chief Financial Officer since April 2015, as a Senior Executive Vice President since April 2017, and as an Executive Vice President from April 2015 until April 2017. Before joining us, he served as Chief Financial Officer of Business Banking for JPMorgan Chase & Co. from August 2013 until April 2015. From 1996 until July 2013, Mr. LaBenne spent 17 years at Capital One Financial in various positions in operations, marketing and finance, including as Chief Financial Officer of Retail Banking and Chief Financial Officer of Commercial Banking. While at Capital One Financial, he played a key role in growing the institution's banking franchise through acquisitions and organic growth. He holds a bachelor's degree in engineering from the University of Michigan and an M.B.A. from the University of Virginia.

***Martin Murrell***  
***Age 56***

***Senior Executive Vice President and  
Chief Operating Officer***

Martin Murrell has served as our Chief Operating Officer and as our Senior Executive Vice President, Consumer Banking since April 2017. He joined Amalgamated in our Washington D.C. office in April 2016 as our Executive Vice President and Head of Consumer Banking. Mr. Murrell has over 15 years of experience in the design, implementation and management of consumer digital financial services. From November 2007 until April 2016, Mr. Murrell held various positions at American Express, including Head of Direct Deposits—where he was responsible for launching and leading the personal savings direct deposit business, VP Strategic Planning Group, and Vice President of Enterprise Strategic Initiatives. Before his time at American Express, he was a Vice President with Capital One Financial, where he launched its first online direct savings product, led an internal team focused on enhancing customer experience, and developed a number of secure consumer online payment systems. Mr. Murrell holds a Ph.D. in Nuclear Physics from The Queen's College, University of Oxford, and a bachelor's degree in Physics from the University of Durham.

***Sam Brown***  
***Age 37***

***Executive Vice President,  
Director of Commercial Banking***

Sam Brown joined us as Executive Vice President, Business Development in December 2014. In December 2015, Mr. Brown became our Executive Vice President, Director of Commercial Banking. Prior to joining us, Mr. Brown serves as Director of the White House Business Council in the White House's Office of Public Engagement, a position he held from 2013 to 2014. As President Barack H. Obama's liaison to the private sector, Mr. Brown worked on economic policies to help America's working families and businesses succeed. Before leading the Business Council, Mr. Brown held various positions between 2007 and 2012 serving President Obama. Mr. Brown also served as the founding Chief Operating Officer of Organizing for Action and Finance Chief of Staff for the Obama-Biden 2012 campaign. Mr. Brown holds a bachelor's degree from University of Southern California.

***Jason Darby***  
***Age 47***

***Executive Vice President and  
Chief Accounting Officer***

Jason Darby has served as our Chief Accounting Officer and Controller and as Executive Vice President since February 2018, and previously served as our Controller and Senior Vice President from July 2015 until February 2018. Before that, he served as Managing Director of Commercial Business Banking for Capital One Financial from July 2012 until June 2015. From 1993 until June 2012, Mr. Darby was an Executive Vice President in charge of sales and marketing at Esquire Bank and, before that, he spent nine years at North Fork Bank/Capital One Financial in various positions in operations and finance. Additionally, Mr. Darby spent five years at KPMG and two years at American Express. Mr. Darby is a licensed CPA in New York and holds a bachelor's degree in accounting from St. Bonaventure University as well as an M.B.A. from the University of Pittsburgh.

***Mark Pappas***  
***Age 59***

***Executive Vice President and  
Chief Risk Officer***

Mark Pappas joined us in August 2015 as our Chief Audit Executive. In April 2018, we appointed him as our Chief Risk Officer. Before joining us, Mr. Pappas held various roles at Morgan Stanley in Internal Audit and Finance Risk executive leadership, which included developing and implementing the global, firm-wide Sarbanes-Oxley compliance program, over an 11-year period from August of 2004 to July 2015. Before that, Mr. Pappas held senior audit leadership positions at international and national banks, including Credit Suisse, Standard Chartered, Bankers Trust and Credit Agricole. He is a past President of the Securities Industry & Financial Markets Association (SIFMA) Internal Auditors Division. Mr. Pappas is also a Certified Public Accountant and earned a Master of Business Administration degree in Finance from Fordham University and a Bachelor of Arts degree in Accounting and Information Systems from Queens College.

***James Paul***  
***Age 75***

***Executive Vice President and  
Chief Administrative Officer***

James Paul joined us in September 2011 as Senior Advisor to the Chief Executive Officer. We appointed him Chief of Staff in July 2014 and Executive Vice President, Chief Administrative Officer in April 2018. Before joining us in 2011, he served as Chief Operating Officer for Ullico Inc., a labor owned insurance and financial services company and before that, Mr. Paul served as President of the Graphics Division of Chyron Corporation, a publicly traded international manufacturer of video broadcast equipment. He came to both Ullico and Chyron as the senior human resource executive and was later promoted to general management. Before that, he served as Senior Vice President, Human Resources for TETE-TV, a joint venture of Bell Atlantic NYNEX, Pacific Telesis and Creative Artists Agency that was created to drive the partners' entry into the interactive entertainment and information markets. Mr. Paul holds a Bachelor's Degree in Psychology from Princeton University and a Master's Degree in Industrial and Labor Relations from Cornell University.

***Arthur Prusan***  
***Age 52***

***Executive Vice President and  
Chief Credit Risk Officer***

Arthur Prusan has served as our Chief Credit Risk Officer since April 2018. Before that, he served as our Senior Vice President, Head of Credit Operations, and as a Commercial & Industrial Senior Credit Officer from 2012 until April 2018. Before joining us, Mr. Prusan served as Chief Administrative Officer for Global Business Services Americas at Deutsche Bank. Mr. Prusan began his career at GE Capital in 1989, working in various business units where he led pricing and deal structuring for leases and loans. After his time at GE Capital, Mr. Prusan managed pricing and sales contracts at IPC, a telecom technology company that serves the financial services industry. Mr. Prusan has previously worked at Goldman Sachs and UBS in various finance, administrative, business management, and operations positions. Mr. Prusan earned his MBA from Northwestern Kellogg School of Management and his Bachelor of Arts in Applied Math and Economics from Yale University.

***Deborah Silodor***  
***Age 59***

***Executive Vice President and  
General Counsel***

Deborah Silodor has served as our Executive Vice President and General Counsel since 2015. Before that she served as our Deputy General Counsel from February 2009 until January 2015, and as our Assistant General Counsel from June 2007 until February 2009. Before joining us, she served as counsel in the law firm of Lowenstein



Sandler in New Jersey from June 1999 until June 2007, where she specialized in commercial litigation. Earlier in her career, Ms. Silodor served as an enforcement attorney with the Office of Thrift Supervision. She holds a bachelor's degree in History from Georgetown University and a J.D. degree from New York University School of Law.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information about the beneficial ownership of our Class A common stock as of March 11, 2019, the record date:

- each person known to us to be the beneficial owner of more than 5% of our Class A common stock;
- each Named Executive Officer;
- each of our directors; and
- all of our executive officers and directors as a group.

Unless otherwise noted in the footnotes below, the address of each beneficial owner listed in the table is c/o Amalgamated Bank, 275 Seventh Avenue, New York, New York 10001. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the tables below have sole voting and investment power with respect to all shares of our Class A common stock that they beneficially own, subject to applicable community property laws. We have based our calculation of the percentage of beneficial ownership on [31,771,585] shares of Class A common stock outstanding as of March 11, 2019.

In computing the number of shares of Class A common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of our Class A common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of March 11, 2019. We, however, did not deem these shares outstanding for the purpose of computing the percentage ownership of any other person.

<b>Name of Beneficial Owner</b>	<b>Shares of Class A Common Stock Beneficially Owned</b>	
	<b>Number<sup>(1)</sup></b>	<b>Percentage</b>
<b><i>Named Executive Officers and Directors</i></b>		
Keith Mestrich <sup>(2)</sup>	478,172	1.48
Andrew LaBenne <sup>(3)</sup>	363,144	1.13
Martin Murrell <sup>(4)</sup>	89,618	*
Lynne P. Fox <sup>(5)</sup>	18,244	*
Donald E. Bouffard Jr. <sup>(6)</sup>	24,844	*
Maryann Bruce	1,000	*
Patricia Diaz Dennis	1,103	*
Robert C. Dinerstein <sup>(7)</sup>	24,644	*
Mark A. Finser	30,840	*
Julie Kelly <sup>(8)</sup>	14,511	*
John McDonagh <sup>(9)</sup>	26,644	*
Robert G. Romasco <sup>(10)</sup>	25,144	*
Edgar Romney Sr. <sup>(11)</sup>	17,211	*
Stephen R. Sleigh <sup>(12)</sup>	15,211	*
All directors and executive officers as a group (20 persons)	1,547,367	4.65
<b><i>Greater than 5% Stockholders</i></b>		
Workers United Related Parties <sup>(13)</sup>	12,693,603	39.95
Investment funds affiliated with The Yucaipa Companies, LLC <sup>(14)</sup>	3,794,980	11.94
Goldman Sachs Asset Management <sup>(15)</sup>	2,052,036	6.5

\* Represents less than 1% of total outstanding shares, including exercisable options.

- (1) For purposes of the tabular disclosure above, all fractional shares have been rounded down to the nearest whole share, based on total shares owned by each record holder.

- (2) Includes currently exercisable options to purchase 477,072 shares of Class A common stock.
- (3) Includes currently exercisable options to purchase 360,644 shares of Class A common stock.
- (4) Includes currently exercisable options to purchase 89,318 shares of Class A common stock.
- (5) Includes currently exercisable options to purchase 16,944 shares of Class A common stock.
- (6) Includes currently exercisable options to purchase 23,644 shares of Class A common stock.
- (7) Includes currently exercisable options to purchase 23,644 shares of Class A common stock.
- (8) Includes currently exercisable options to purchase 14,211 shares of Class A common stock. Director Kelly disclaims beneficial ownership for 300 shares of Class A common stock owned by her spouse.
- (9) Includes currently exercisable options to purchase 23,644 shares of Class A common stock.
- (10) Includes currently exercisable options to purchase 23,644 shares of Class A common stock.
- (11) Includes currently exercisable options to purchase 14,211 shares of Class A common stock.
- (12) Includes currently exercisable options to purchase 14,211 shares of Class A common stock.
- (13) Workers United is a registered bank holding company. The Workers United Related Parties, which includes Workers United and certain joint boards, locals or similar organizations authorized under the constitution of Workers United, entered into an Ownership Agreement among themselves, pursuant to which they agreed not to transfer any of their Class A common stock unless the transfer complies with the 2018 Investor Rights Agreement. Pursuant to the Ownership Agreement, the Workers United Related Parties also agreed that, before offering any of their Class A common stock to an unaffiliated third party, they will first offer the other Workers United Related Parties the opportunity to purchase such shares. See "*Certain Relationships and Related Party Transactions.*"
- (14) Includes Yucaipa Corporate Initiatives Fund II, L.P., and Yucaipa Corporate Initiatives (Parallel) Fund II, L.P., which are both private equity funds affiliated with The Yucaipa Companies, LLC. Ronald W. Burkle indirectly controls both Yucaipa Corporate Initiatives Fund II, L.P. and Yucaipa Corporate Initiatives (Parallel) Fund II, L.P. and their general partner. As a result, Mr. Burkle may be deemed to have voting and dispositive power with respect to the shares of Class A common stock owned by Yucaipa Corporate Initiatives Fund II, L.P. and Yucaipa Corporate Initiatives (Parallel) Fund II, L.P. and therefore may be deemed to be the beneficial owner of such shares; however, Mr. Burkle disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address for Yucaipa Corporate Initiatives Fund II, L.P. and Yucaipa Corporate Initiatives (Parallel) Fund II, L.P. is 9130 W. Sunset Blvd., Los Angeles, California 90069.
- (15) Based solely on a Schedule 13G filed with the SEC on February 13, 2019. The shares are beneficially owned by Goldman Sachs Asset Management, L.P. and its affiliate, GS Investment Strategies, LLC (together, "Goldman Sachs Asset Management"). The address of Goldman Sachs Asset Management is 200 West Street, New York, NY 10282.

## CORPORATE GOVERNANCE

### Introduction

Our directors meet regularly to review our operations and discuss our business plans and strategies. Our full board of directors met 10 times in 2018. During 2018, each director attended at least 75% of the aggregate of the total number of board meetings and the total number of meetings held by the committees of the board on which he or she served. At our 2018 annual meeting, the last annual meeting prior to our initial public offering, we had one director out of the 15 then serving directors attend our annual meeting. Now that we are a public reporting company, we expect each director to attend our annual meeting of stockholders, although we recognize that conflicts may occasionally arise that will prevent a director from attending an annual meeting.

### Director Independence

Under the rules of Nasdaq, independent directors must constitute a majority of a listed company's board of directors within 12 months after its initial public offering. A director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director.

Upon consummation of our initial public offering in August 2018, we restructured our board of directors and reduced the size of the board from 16 to 13 members consisting of Mr. Mestrich (our President and Chief Executive Officer), Mr. Finser (the former chair of New Resource Bank's board of directors), five directors (Ms. Fox, Ms. Kelly, and Mr. Romney Sr. and two independent directors, Ms. Bruce and Ms. Diaz Dennis) designated by Workers United, one director designated by the WL Ross Funds (Stephen J. Toy), one director designated by the Yucaipa Funds (Mr. Sleight), and our other four existing independent directors—Mr. Bouffard, Mr. Dinerstein, Mr. McDonagh, and Mr. Romasco. On November 16, 2018, the WL Ross Funds completed an underwritten secondary public offering of shares of our Class A common stock, which caused the WL Ross Funds to own less than 5% of our Class A common stock. Accordingly, on November 16, 2018, Mr. Toy, the director representative for the WL Ross Funds, resigned from our board of directors. Thereafter, we reduced the size of our board to 12 members.

Our board of directors has evaluated the independence of each director nominee based upon the rules of Nasdaq and has determined that each of Mr. Bouffard, Ms. Bruce, Ms. Diaz Dennis, Mr. Dinerstein, Mr. Finser, Mr. McDonagh, Mr. Romasco, and Mr. Sleight is an independent director.

As part of this evaluation, our board of directors considered the current and prior relationships that each independent director has with our Bank and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our shares by each independent director, and the matters discussed under "*Certain Relationships and Related Party Transactions.*"

Our board of directors determined that the following directors are not independent: Mr. Mestrich (our President and Chief Executive Officer), Ms. Fox, Ms. Kelly, and Mr. Romney Sr.

### Family Relationships

Edgar Romney Sr. one of our directors, is the father of Edgar Romney Jr., an Executive Vice President and Northeast Regional Director of the Bank. Mr. Romney Jr. previously served as Executive Vice President and Chief Risk Officer.

### Meetings and Committees of the Board of Directors

Our board of directors has established standing committees in connection with the discharge of its responsibilities. These committees include, among others, the Audit Committee, Compensation Committee, Governance and Nominating Committee, Credit Committee, Compliance and Operational Risk Committee, and Trust Committee. Our board of directors also may establish such other committees as it deems appropriate, in accordance with applicable law and regulations and our corporate governance documents. The composition and responsibilities of each committee are described below. Members will serve on these committees so long as they are a member of the board of directors until their resignation or until otherwise determined by our board of directors.

<b>Director</b>	<b>Executive</b>	<b>Audit</b>	<b>Compensation</b>	<b>Governance and Nominating</b>	<b>Compliance and Operational Risk</b>	<b>Trust</b>	<b>Credit Policy</b>
Keith Mestrich	•						
Lynne P. Fox	• Chair						
Donald E. Bouffard Jr.	•	• Chair		•			
Maryann Bruce		•			•		
Patricia Diaz Dennis	•		• Chair	•			
Robert C. Dinerstein	•	•			• Chair		
Mark A. Finser				•		•	
Julie Kelly					•	•	
John McDonagh	•		•				• Chair
Robert G. Romasco	•		•	• Chair			
Edgar Romney Sr.	•					• Chair	•
Stephen R. Sleigh						•	•

### ***Audit Committee***

Our Audit Committee consists of Mr. Bouffard, Ms. Bruce, and Mr. Dinerstein, with Mr. Bouffard serving as Chair of the Audit Committee. The Audit Committee met nine times during the 2018 fiscal year. Our Audit Committee performs the duties required of audit committees under 12 C.F.R. § 363.5 for insured depository institutions. Our Audit Committee has responsibility for, among other things:

- selecting and hiring our independent registered public accounting firm, and approving the audit and non-audit services to be performed by our independent registered public accounting firm;
- evaluating the qualifications, performance and independence of our independent registered public accounting firm;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;
- reviewing the adequacy and effectiveness of our internal control policies and procedures;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing with management and the independent registered public accounting firm our interim and year-end operating results; and
- preparing the Audit Committee report required by the Exchange Act rules to be included in our annual proxy statement.

The rules of Nasdaq require our Audit Committee to be composed entirely of independent directors, subject to certain limited exceptions. Applicable FDIC regulations also require that our Audit Committee be composed of “outside directors who are independent of management.” Our board of directors has affirmatively determined that each of the members of our Audit Committee meet the definition of “independent directors” and “outside directors” under the rules of Nasdaq and FDIC regulations, respectively. In addition, as a bank with more than \$3 billion in assets, under applicable FDIC regulations, our Audit Committee includes members with banking or related financial management expertise, has access to its own outside counsel, and does not include any large customers of the Bank. Our board of directors also has determined that Mr. Bouffard qualifies as an “audit committee financial expert” as defined by Exchange Act rules.

Our board of directors has adopted a written charter for our Audit Committee, which is available on our website, [www.amalgamatedbank.com](http://www.amalgamatedbank.com), under the “Investor Relations” tab.

### ***Compensation Committee***

Our Compensation Committee consists of Ms. Diaz Dennis, Mr. McDonagh, and Mr. Romasco, with Ms. Diaz Dennis serving as Chair of the Committee. The Compensation Committee met 12 times during the 2018 fiscal year. The Compensation Committee is responsible for, among other things:

- reviewing and approving compensation of our executive officers including salary, long-term incentives, cash incentives, bonuses, perquisites, equity incentives, severance arrangements, retirement benefits and other related benefits and benefit plans;
- reviewing and recommending compensation policies and practices for our employees and considering whether risks arise from such policies and practices;
- evaluating the compensation of our directors;
- reviewing and discussing annually with management any executive compensation disclosure required by Exchange Act rules; and
- administering, reviewing and making recommendations with respect to our equity or long term compensation plans.

The Compensation Committee may form and delegate authority to subcommittees as appropriate, including, but not limited to, a subcommittee composed of one or more members of the board of directors or officers of the Bank to grant stock awards under the Bank's equity or long term incentive plans to persons who are not then subject to Section 16 of the Exchange Act. Delegation by the Compensation Committee to any subcommittee shall not limit or restrict the Compensation Committee on any matter so delegated, and, unless the Compensation Committee alters or terminates such delegation, any action by the Compensation Committee on any matter so delegated shall not limit or restrict future action by such subcommittee on such matters.

Our board of directors has evaluated the independence of the members of our Compensation Committee and has determined that each member of our Compensation Committee meets the definition of an "independent director" under Nasdaq standards. Each member of our Compensation Committee also satisfies the independence requirements and additional independence criteria under Rule 10C-1 under the Exchange Act, and qualifies as a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act.

Our board of directors has adopted a written charter for our Compensation Committee, which is available on our website, [www.amalgamatedbank.com](http://www.amalgamatedbank.com), under the "Investor Relations" tab.

#### *Role of Compensation Consultants*

Our Compensation Committee retains, at the Bank's expense, independent consultants to assist it in executive compensation matters. During 2018, the Compensation Committee met with such consultant numerous times during 2018 in and out of the presence of management, to review findings based on market research and considers those findings in determining and adjusting our executive compensation program. Our Compensation Committee switched its compensation consultant mid-year, resulting in two different compensation consultants advising the Compensation Committee at different times during 2018.

From November 2017 until October 2018, our Compensation Committee retained Meridian Compensation Partners, LLC ("Meridian") as its independent consultant on executive compensation for part of 2018, after considering Meridian's independence from our management and members of our Compensation Committee and the following compensation consultant traits:

- effective past performance;
- familiarity with our executive compensation program and the programs of our compensation peer group;
- a comprehensive range of services associated strictly with executive compensation;
- no conflicts of interest; and

- maintenance of policies and procedures that prevent conflicts of interest.

In 2018, Meridian assisted in reviewing our executive compensation program and providing comparative market data and trends on compensation practices and programs based on an analysis of our peer companies. Representatives of Meridian participated in all regular meetings of the Compensation Committee held during this period, including executive sessions without management.

After the Bank became public in August 2018, the Compensation Committee ended its engagement of Meridian and retained Semler Brossy Consulting Group LLC (“SBCG”) to assist it in executive compensation matters. The engagement of SBCG took effect in October 2018. SBCG reports directly to the Compensation Committee and does not have any other consulting engagements with management or the Bank. In considering SBCG, the Compensation Committee assessed SBCG’s independence in light of the FDIC rules and Nasdaq listing standards and determined that no conflict of interest or independence concerns exist.

With respect to Chief Executive Officer compensation, SBCG provided, and continues to provide, an independent recommendation to the Compensation Committee, in the form of a range of possible outcomes, for the Compensation Committee’s consideration. In developing its recommendation, SBCG relies on its understanding of the Bank’s business and compensation programs and SBCG’s independent research and analysis. SBCG does not meet with our Chief Executive Officer with respect to Chief Executive Officer compensation. SBCG also provides an independent assessment of the Chief Executive Officer’s recommendations on Named Executive Officer compensation to the Compensation Committee.

#### ***Governance and Nominating Committee***

Our Governance and Nominating Committee consists of Mr. Romasco, Mr. Bouffard, Ms. Diaz Dennis, and Mr. Finser, with Mr. Romasco serving as Chair of the Committee. The Governance and Nominating Committee met six times during the 2018 fiscal year. The Governance and Nominating Committee is responsible for, among other things:

- assisting our board of directors in identifying individuals qualified to become directors and recommending director nominees for each annual or special meeting of stockholders or for any vacancies or newly created directorships that may occur between such meetings to the board of directors;
- reviewing periodically the governance principles adopted by the board of directors and developing and recommending governance principles applicable to our board of directors;
- making recommendations to the board of directors as to determinations of director independence;
- overseeing the evaluation of our board of directors; and
- recommending members for each board committee of our board of directors.

Our board of directors has evaluated the independence of the members of our Governance and Nominating Committee and has determined that each member of the Governance and Nominating Committee is “independent” under Nasdaq standards.

Our board of directors has adopted a written charter for our Corporate Governance and Nominating Committee, which is available on our website, [www.amalgamatedbank.com](http://www.amalgamatedbank.com), under the “Investor Relations” tab.

#### ***Credit Policy Committee***

Our Credit Policy Committee consists of Mr. McDonagh, and Mr. Romney Sr., with Mr. McDonagh serving as Chair of the Committee. The Credit Policy Committee is responsible for, among other things:

- assisting the board of directors in fulfilling its oversight responsibilities;
- reviewing and approving credits above board-specified dollar limits;
- monitoring the performance and quality of our credit portfolio;

- overseeing the administration and effectiveness of, and compliance with, our credit policies; and
- reviewing and assessing the adequacy of the allowance for loan and lease losses.

### ***Compliance and Operational Risk Committee***

Our Compliance and Operational Risk Committee consists of Mr. Dinerstein, Ms. Bruce, and Ms. Kelly, with Mr. Dinerstein serving as Chair of the Committee. The Compliance and Operational Risk Committee is responsible for, among other things:

- overseeing our risk management framework, including policies and practices relating to the identification, measurement, monitoring and controlling our principal business risks;
- ensuring that our risk management framework is commensurate with its structure, risk profile, complexity, activities and size; and
- providing an open forum for communications between management, third parties and our board of directors to discuss risk and risk management.

### ***Trust Committee***

Our Trust Committee consists of Mr. Romney Sr., Mr. Finser, and Ms. Kelly, with Mr. Romney Sr. serving as Chair of the Trust Committee. The Trust Committee is responsible for, among other things:

- assisting the board of directors in fulfilling its oversight responsibilities;
- ensuring that trust management is operating the department in a manner that is consistent with the FDIC's Statement of Principles of Trust Department Management;
- conducting periodic, comprehensive reviews of each trust department account;
- providing written policies that address important trust department activities, including account reviews, deviations from approved criteria, and internal and external audit procedures; and
- reviewing and assessing reports from supervisory agencies and trust management.

### **Nominations of Directors**

The Governance and Nominating Committee serves to identify, screen, recruit and nominate candidates to our board of directors. The committee charter requires the committee to review potential candidates for the board, including any nominees submitted by stockholders in accordance with our bylaws. The committee evaluated each nominee recommended for election as a director in these proxy materials. In evaluating candidates proposed by stockholders, the committee will follow the same process and apply the same criteria as it does for candidates identified by the committee or the board of directors.

When considering a potential candidate for nomination, the Governance and Nominating Committee will consider the skills and background that the Bank requires and that the person possesses, diversity of the board and the ability of the person to devote the necessary time to serve as a director. The Governance and Nominating Committee has established the following minimum qualifications for service on our board of directors:

- the highest ethics, integrity and values;
- a strong personal and professional reputation;
- professional experience that adds to the mix of the board as a whole;
- the ability to exercise sound, independent business judgment;
- freedom from conflicts of interest;



- demonstrated leadership skills;
- the willingness and ability to devote the time necessary to perform the duties and responsibilities of a director;
- relevant expertise and experience, and the ability to offer advice and guidance to our Chief Executive Officer based on that expertise and experience; and
- understanding of and alignment with the Bank’s mission.

In considering whether to recommend any particular candidate for inclusion in the board’s slate of recommended director nominees, the Governance and Nominating Committee also considers the following criteria, among others:

- whether the candidate possesses the qualities described above;
- whether the candidate qualifies as an independent director under our guidelines;
- the candidate’s management experience in complex organizations and experience with complex business problems;
- the candidate’s other commitments, such as employment and other board positions;
- the likelihood of obtaining regulatory approval of the candidate, if required;
- whether the candidate would qualify under our guidelines for membership on the Audit Committee, the Compensation Committee or the Governance and Nominating Committee; and
- whether the candidate complies with any minimum qualifications or restrictions set forth in our bylaws.

The Governance and Nominating Committee does not assign specific weights to particular criteria, and no particular criterion is a prerequisite for each prospective nominee. We recognize that a board made up of highly qualified directors from diverse backgrounds benefits from the contribution of different perspectives and experiences to board discussions and decisions, promoting better corporate governance. Therefore, the committee assesses nominees based on merit, having regard to those competencies, expertise, skills, background and other qualities identified from time to time by the board as being important in fostering a diverse and inclusive, culture which solicits multiple perspectives and views. In connection with our initial public offering in August 2018, we hired an executive search firm, Allegis Partners, to assist in identifying and evaluating candidates to serve as independent directors on our board of directors.

In addition to the qualification criteria above, the Governance and Nominating Committee also takes into account whether a potential director nominee qualifies as an “audit committee financial expert” as that term is defined by the Exchange Act rules, and whether the potential director nominee would qualify as an “independent” director under the listing standards of Nasdaq and Exchange Act Rule 10A-3, if applicable.

For a stockholder to nominate a director candidate, the stockholder must comply with the advance notice provisions and other requirements of our bylaws. Each notice must state, among other things:

- as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made
  - the name and address of the stockholder who intends to make the nomination and of such beneficial owner, if any;

- the class or series and number of shares of the Bank which are, directly or indirectly, owned beneficially and of record by such stockholder and such beneficial owner,
  - any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Bank or with a value derived in whole or in part from the value of any class or series of shares of the Bank, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Bank or otherwise directly or indirectly owned beneficially by such stockholder or such beneficial owner and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Bank,
  - any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or such beneficial owner has a right to vote any shares of any security of the Bank,
  - any short interest in any security of the Bank,
  - any rights to dividends on the shares of the Bank owned beneficially by such stockholder or such beneficial owner that are separated or separable from the underlying shares of the Bank,
  - any proportionate interest in shares of the Bank or derivative instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or such beneficial owner is a general partner or, directly or indirectly, beneficially owns an interest in a general partner,
  - any performance-related fees (other than an asset-based fee) that such stockholder or such beneficial owner is entitled to, based on any increase or decrease in the value of shares of the Bank or derivative instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's or such beneficial owner's immediate family sharing the same household (which information shall be supplemented by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date),
  - any pending or threatened legal proceeding in which such stockholder or such beneficial owner is a party or participant involving the Bank or any of its officers or directors, or any affiliate of the Bank,
  - any other material relationship between such stockholder or such beneficial owner, on the one hand, and the Bank, any affiliate of the Bank or any principal competitor of the Bank, on the other hand, and
  - to the extent known to such stockholder or such beneficial owner, the name(s) of any other stockholder(s) of the Bank (whether holders of record or beneficial owners) that support the business that the stockholder proposes to bring before the meeting or the nominees whom the stockholder proposes to nominate for election or reelection to the Board, as applicable;
- a representation of such stockholder and such beneficial owner, if any, that such person (or a qualified representative thereof) intends to appear in person at the meeting, and
  - any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

In addition to the information required above, each notice must also state, among other things, as to each person, if any, whom the stockholder proposes to nominate for election or reelection to the board of directors:

- all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), and
- a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and

associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the “registrant” for purposes of such rule and the nominee were a director or executive officer of such registrant.

For a complete description of the procedures and disclosure requirements to be complied with by stockholders in connection with submitting director nominations, stockholders should refer to our bylaws.

## **Leadership Structure**

Our board of directors meets at least six times a year and our Executive Committee meets during the months when the board of directors does not meet.

Pursuant to the Investor Rights Agreement, dated August 13, 2018, by and among the Bank and the Workers United Related Parties, the Bank agreed that for so long as the Workers United Related Parties collectively continue to hold 20% of the total voting power of all then-outstanding voting securities of the Bank, the Bank and each of the Workers United Related Parties shall take all requisite corporate action within its control as is reasonably necessary to ensure that the Chair of the board of directors is a director designated by Workers United. Currently, Workers United has designated Ms. Fox as the Chair.

In order to provide for a greater role for the independent directors in the oversight of the Bank, we have also appointed a Lead Independent Director, Mr. Romasco. In this role, he may call and preside over executive sessions of the independent directors without management present, as he deems necessary. The other duties of the lead director will continue to evolve. We recognize that different board leadership structures may be appropriate for companies in different situations. We will continue to reexamine our corporate governance policies and leadership structures on an ongoing basis to ensure that they continue to meet our needs.

## **Board’s Role in Risk Oversight**

Our Audit Committee is responsible for overseeing our risk management processes relating to: (1) financial reporting risk and internal controls; (2) oversight of the internal audit process and legal compliance; (3) regulatory compliance; and (4) policies and procedures as they relate to our Code of Business Conduct and Ethics, conflicts of interest and complaints regarding accounting and audit matters. The Audit Committee receives reports from management at least quarterly regarding our assessment of risks in its areas of review and the adequacy and effectiveness of internal control systems and operational risk (including compliance and legal risk). Our Chief Audit Executive reports to the Audit Committee and meets with the committee on a quarterly basis in executive sessions to discuss any potential risk or control issues involving management. The Audit Committee reports regularly to the full board, which also considers our entire risk profile.

Our Compensation Committee provides oversight of incentive compensation plans and risk related to compensation. Our Compliance and Operational Risk Committee is responsible for overseeing our risk management framework, including policies and practices relating to the identification, measurement, monitoring and controlling our principal business risks and ensuring that our risk management framework is commensurate with its structure, risk profile, complexity, activities and size. Our Compliance and Operational Risk Committee works directly with our Chief Risk Officer and oversees and reviews our overall enterprise risk management program and the alignment of the Bank’s risk profile with its strategic plan, goals and objectives. The enterprise risk management program currently reviews risk in numerous areas within the Bank, including credit, market, liquidity, reputation, operations and technology, compliance and legal, and strategic. The Compliance and Operational Risk Committee reviews management reports regarding specifically identified risks and makes recommendations to the board with respect to specifically identified material risks that it identifies.

The full board receives reports from management, the Compliance and Operational Risk Committee and the Audit Committee. It reviews certain committee actions and focuses on the most significant risks facing the Bank and the Bank’s general risk management strategy and also ensures that risks we undertake are consistent with board policy. While the board of directors oversees our risk management, management is responsible for the day-to-day risk

management processes. We believe this division of responsibility is the most effective approach for addressing the risks facing the Bank and that our board leadership structure supports this approach.

### **Code of Business Conduct and Ethics**

Our board of directors has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors. The full text of our Code of Business Conduct and Ethics, and any amendments thereto, are (or will be in the case of any amendments) available on our website, [www.amalgamatedbank.com](http://www.amalgamatedbank.com), under the “Investor Relations” tab.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who own beneficially more than 10% of our outstanding common stock to file with the FDIC initial reports of ownership and reports of changes in their ownership of our common stock. Directors, executive officers and greater than 10% stockholders are required by FDIC regulations to furnish us with copies of the forms they file.

Based solely on review of the copies of such reports furnished to the Bank and written representations that no other reports were required during the fiscal year ended December 31, 2018, all Section 16(a) filing requirements applicable to its executive officers, directors and greater than 10% beneficial owners were met, except (i) Mr. Darby, Executive Vice President and Chief Accounting Officer, inadvertently neglected to report a purchase of the Bank’s Class A common stock made during fiscal year 2018, which error has since been corrected in a Form 5 filed on February 14, 2019; (ii) Ms. Diaz Dennis, a director of the Bank, inadvertently neglected to report a dividend reinvestment of the Bank’s Class A common stock made during fiscal year 2018, which error has since been corrected in a Form 5 filed on February 14, 2019; and (iii) each of Mr. Paul, Executive Vice President and Chief Administrative Officer, and Ms. Silodor, Executive Vice President and General Counsel, due to a clerical error, incorrectly reported his or her beneficial ownership in a Form 3 filed on August 8, 2018, and that error has since been corrected in a Form 5 filed on February 14, 2019.

### **Communications with the Board of Directors**

The board of directors has established a process for stockholders to send communications to the board of directors. Stockholders may communicate with the board as a group or individually by writing to: Amalgamated Bank, 275 Seventh Avenue, New York, New York 10001, Attention: Corporate Secretary. The board has instructed the Corporate Secretary to forward all such communications promptly to the board.

### **Report of the Audit Committee**

The Audit Committee operates under a written charter that is reviewed at least annually and approved by our board of directors. The Audit Committee is responsible for the following:

- providing oversight of the independent audit process and our independent auditors;
- reviewing our financial statements and other material financial disclosures and discussing them with management and our independent auditors;
- reviewing and discussing with management and our independent auditors the adequacy and effectiveness of our internal accounting and disclosure controls and procedures;
- pre-approving the audit and non-audit services performed by our independent auditor to assure that the provision of such services does not impair our auditor’s independence;
- reviewing the qualifications and independence of the Bank’s internal auditor; and
- providing oversight of the performance of our internal audit function managed by our Chief Audit Executive.

The Audit Committee has reviewed and discussed with management and with KPMG, LLP, the Bank’s independent registered public accounting firm, the Bank’s audited financial statements and other material financial disclosures for the year ended December 31, 2018. In addition, the Audit Committee has discussed with KPMG the

matters that independent registered public accounting firms must communicate to audit committees under applicable PCAOB standards, as well as Auditing Standard No. 16, “Communications with Audit Committees”.

The Audit Committee has also discussed and confirmed with KPMG its independence from our Bank, and received all required written disclosures and correspondence required by the PCAOB Ethics and Independence requirements. The Audit Committee has evaluated and concluded any non-audit services provided by KPMG to our Bank do not impair KPMG’s independence.

Based on the reviews and discussions described above, the Audit Committee recommended to our board of directors that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, for filing with the FDIC. A copy of our Annual Report on Form 10-K is part of the Annual Report to Stockholders included with these proxy materials.

The report of the Audit Committee is included herein at the direction of its members: Mr. Donald Bouffard, Chair, Ms. Maryann Bruce, and Mr. Robert Dinerstein.

The Audit Committee’s report shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Exchange Act, except to the extent that we specifically incorporate the information contained in the report by reference, and it shall not be deemed filed under such acts.

## DIRECTOR AND EXECUTIVE OFFICER COMPENSATION

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. These include, but are not limited to reduced disclosure obligations regarding executive compensation in our proxy statements, including the requirement to include a specific form of Compensation Discussion and Analysis, as well as exemptions from the requirement to obtain stockholder approval of any golden parachute payments not previously approved. We have elected to comply with the scaled disclosure requirements applicable to emerging growth companies; however, we have agreed voluntarily to provide stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this proxy statement.

### Compensation of Executive Officers

Our “Named Executive Officers” are the individuals who served as our principal executive officer and our two other most highly compensated executive officers who were serving as executive officers at the end of 2018. Our Named Executive Officers as of December 31, 2018 are noted in the following table, along with their positions:

Name	Title
Keith Mestrich	President and Chief Executive Officer
Andrew LaBenne	Senior Executive Vice President and Chief Financial Officer
Martin Murrell	Senior Executive Vice President and Chief Operating Officer

### Summary Compensation Table

The following table sets forth information concerning all compensation awarded to, earned by or paid to our Named Executive Officers for all services rendered in all capacities to us and our subsidiaries for the year ended December 31, 2018 and 2017.

	Year	Salary (\$)	Bonus (\$) <sup>(1)</sup>	Stock Awards (\$)	SARs Awards (\$)	Non- Equity Incentive Plan Compen- sation (\$)	Nonqualified Deferred Compensatio n Earnings (\$)	All Other Compen- sation (\$)	Total (\$)
<b>Keith Mestrich</b> .....	2018	682,020	910,450	—	531,981 <sup>(2)</sup>	—	—	—	2,124,451
President and Chief Executive Officer	2017	571,731	550,000	—	475,504 <sup>(3)</sup>	—	—	70,000 <sup>(4)</sup>	1,667,235
<b>Andrew LaBenne</b>	2018	400,000	425,000	—	193,494 <sup>(2)</sup>	—	—	—	1,018,494
Senior Executive Vice President and Chief Financial Officer	2017	400,000	275,000	—	380,420 <sup>(3)</sup>	—	—	—	1,055,420
<b>Martin Murrell</b>	2018	350,000	287,500	—	145,139 <sup>(2)</sup>	—	—	—	782,639
Senior Executive Vice President and Chief Operating Officer	2017	336,539	225,000	—	142,696 <sup>(3)</sup>	—	—	—	704,235

- (1) These amounts reflect annual incentive payments determined by our Compensation Committee based on the achievement of certain performance criteria and performance of the individual. See “Annual Cash Incentive Payments” below for a description of how our Compensation Committee determined the incentive payments awarded to Mr. Mestrich, Mr. LaBenne, and Mr. Murrell. With respect to Mr. Murrell, his 2017 amount includes

\$50,000 related to the remainder of his sign-on bonus, which was paid on the one-year anniversary of the start date of his employment under the terms of his offer letter described below.

- (2) Represents the grant date fair value of stock appreciation rights, or SARs, awarded in 2018, as determined in accordance with ASC Topic 718. Although the table above indicates the full grant date value of the awards granted in 2018, the SARs (which were converted to stock options on July 26, 2018) vest over a three-year period. See “*Long-Term Incentive Plan*” below for a description of the terms of the grants of stock appreciation rights shown in this column.
- (3) Represents the grant date fair value of stock appreciation rights, or SARs, awarded in 2017, as determined in accordance with ASC Topic 718. Although the table above indicates the full grant date value of the awards granted in 2017, the SARs (which were converted to stock options on July 26, 2018) vest over a three-year period. See “*Long-Term Incentive Plan*” below for a description of the terms of the grants of stock appreciation rights shown in this column.
- (4) Represents payment of a housing allowance.

### **Employment Agreement with Keith Mestrich**

We entered into an amended and restated employment agreement with Mr. Mestrich on July 5, 2017, but effective as of July 1, 2017, to serve as our President and Chief Executive Officer. Mr. Mestrich’s employment agreement has a term that expires on June 30, 2020 (which can be extended by Mr. Mestrich until September 30, 2020). Under the employment agreement, Mr. Mestrich will receive an annual base salary of \$695,000 through June 30, 2019, which will then increase to \$720,000 on July 1, 2019.

In addition to his base salary, Mr. Mestrich is eligible to receive an annual incentive payment for each fiscal year, specified as a percentage of his base salary, based on the achievement of multiple specific annual quantitative and qualitative performance metrics established by the board (or a committee thereof). Under his employment agreement, he is entitled to an annual target incentive of 64.2% of his base salary in 2017, 65.5% of his base salary in 2018, and 66.7% of his base salary in 2019 and thereafter, which we refer to herein as his “Annual Bonus Target.” Mr. Mestrich is also entitled to incentive compensation pursuant to other long term incentive plans if adopted by the board. Mr. Mestrich’s employment agreement entitles him to participate in all of our employee benefit plans and programs, which are generally available to our other senior executives.

We may terminate Mr. Mestrich’s employment with or without cause, and Mr. Mestrich may terminate his employment with or without good reason. Mr. Mestrich is also eligible for certain severance benefits upon a change in control. Further detail on our severance obligations to Mr. Mestrich, including the definitions of “cause,” “good reason” and “change in control,” are set forth below under the heading “*Potential Payments Upon Termination or Change in Control.*”

Mr. Mestrich’s employment agreement contains provisions that prohibit the disclosure of our confidential information during the term of the agreement and at any time thereafter. In addition, his agreement also includes non-solicitation and non-competition provisions that generally preclude Mr. Mestrich, for a period of one year following the termination of the agreement for any reason, or during the severance period described below, if longer, from directly or indirectly, (a) soliciting our customers, suppliers or current employees, and (b) organizing, establishing, owning, operating, managing, controlling, engaging in, participating in, investing in or permitting his name to be used by, consulting or advising or rendering services for, or otherwise engaging in a business providing financial products or services to Taft-Hartley Act employee benefit plans, labor unions, employee benefit plans associated with labor unions or other entities affiliated with labor unions, subject to certain conditions and exceptions.

### **Offer Letter with Andrew LaBenne**

In 2015, Mr. LaBenne entered into an offer letter with us to serve as our Executive Vice President and Chief Financial Officer. In April 2017, Mr. LaBenne was promoted to serve as Senior Executive Vice President while remaining the Chief Financial Officer.

Although there is no employment agreement between us and Mr. LaBenne, under the offer letter, Mr. LaBenne:

- receives an annual base salary of \$400,000;

- is eligible to participate in our annual incentive plan, with an annual target incentive of 50% of his base salary;
- is eligible to participate in our long-term incentive plan; and
- is entitled to participate in our comprehensive benefits programs.

### **Offer Letter with Martin Murrell**

In 2016, Mr. Murrell entered into an offer letter with us to serve as our Executive Vice President of Consumer Banking. In April 2017, Mr. Murrell was promoted to serve as Senior Executive Vice President and Chief Operating Officer.

Although there is no employment agreement between us and Mr. Murrell, under the 2016 offer letter, Mr. Murrell:

- received an initial annual base salary of \$300,000, which was increased from \$300,000 to \$350,000 upon his promotion;
- is eligible to participate in our annual incentive plan, with an annual target incentive of 50% of his base salary;
- is eligible to participate in our long-term incentive plan;
- is entitled to participate in our comprehensive benefits programs; and
- was eligible for a signing bonus of \$100,000, payable in two installments of \$50,000—one within 30-days of his start date and one upon the completion of his first year of employment in April 2017.

### **Long-Term Incentives**

#### ***Long-Term Incentive Plan***

Our Compensation Committee has approved the Amalgamated Bank Long-Term Incentive Plan to provide incentives and awards to certain select employees and directors. The long-term incentive plan is administered by our Compensation Committee, which has sole authority to determine, among other matters, participants in the plan and awards under the plan. Under the long-term incentive plan, the Compensation Committee may grant stock appreciation rights (or SARs) to any participant, to be evidenced by a separate award agreement, as set forth more fully below. Under the long-term incentive plan, we may only grant SARs or cash incentive awards. Our board of directors has adopted and intends to implement, subject to required stockholder approval pursuant to Proposal Three herein, a new long-term equity incentive plan, which will provide for the grant of certain equity awards.

As of June 30, 2018, there were a total of 2,342,000 SARs outstanding, with strike prices ranging from \$11.00 (the 2015 SARS awards) to \$14.65 (the 2018 SARS awards). On July 26, 2018, we converted each of the outstanding SARs into nonqualified stock option awards (issued outside of the long-term incentive plan) on a one-for-one basis, at the same strike price, on substantially the same terms, and on the same vesting schedule as the original SARs award. Following the conversion of the 2,342,000 SARs outstanding on July 26, 2018, we reserved for issuance 2,342,000 shares of our Class A common stock issuable upon the exercise of the options. The conversion allowed us to transition from a liability, cash settled accounting expense that required a quarterly update (a variable expense) to a more standard equity settled accounting expense (a fixed expense). We have changed the classification from a liability to stockholders' equity. The converted stock options are governed by individual option agreements issued outside of the long-term incentive plan.

The following is a summary of the current long-term incentive plan. Please refer to Proposal Three herein for the proposed new long-term equity incentive plan.

*Grants.* At the sole discretion of the Compensation Committee, any SAR may be exercisable, in whole or in part, immediately upon the grant thereof, or only after the occurrence of a specific event, or only in installments, which



installments may vary.

*Terms.* Each award agreement must specify a term at the end of which the SAR will expire, subject to early termination. No SAR can have a term that exceeds ten years from the grant date, and the SAR may only be exercised when the fair market value of a share of our common stock exceeds the exercise price of the SAR.

*Exercise.* The per share exercise price of a SAR will be determined by the Compensation Committee and must be no less than 100% of the fair market value of a share of our common stock on the date of grant. The Compensation Committee will determine the time, circumstances and conditions under which a SAR is exercisable.

*Payment.* Upon the exercise of a SAR, the participant will receive a cash payment of an amount determined by multiplying (i) the excess of the fair market value of a share of our common stock on the date of exercise over the exercise price of the share, by (ii) the number of shares of our common stock with respect to which the SAR has been exercised, subject to certain limitations.

*Effect of Termination of Service.* Unless the award agreement specifies otherwise, the following provisions will apply to SARs:

- *Disability.* If a participant's service with us is terminated because of disability, the participant can exercise all vested SARs up to the earlier of the expiration of the term of such SAR or three years following such termination, and all unvested SARs will continue to vest according to the vesting schedule in the award agreement and can be exercised, once vested, up to three years from the vesting date.
- *Retirement.* If a participant retires after age 65, the participant can exercise the SAR up to the earlier of the expiration of the term of such SAR or within three years following such termination, provided the participant was entitled to exercise the SAR on the date of termination.
- *Death.* If a participant dies, all unvested SARs will immediately vest and can be exercised within one year following the participant's death by such participant's estate.
- *Cause.* If the Compensation Committee determines that a participant is terminated for cause, all SARs will be immediately terminated.
- *Termination other than for Disability, Retirement, Death or Cause.* The participant will have the right to exercise a SAR up to the earlier of the expiration of the term of such SAR or three months following such termination, provided the participant was entitled to exercise the SAR on the date of termination.
- *Limitations on Repricing.* Except in limited circumstances related to a change in capitalization or change in control, the terms of outstanding awards may not be amended to reduce the exercise price of an outstanding SAR or cancel outstanding SARs in exchange for cash, other awards, or SARs with an exercise price that is less than the exercise price of the original SAR, without stockholder approval.

### **Incentive Plan Compensation**

On April 26, 2018, our Compensation Committee adopted the Amalgamated Bank 2018 Annual Incentive Plan, effective January 1, 2018, referred to herein as the "incentive plan," which is intended to, among other things, align participants with our strategic plan and critical performance goals while ensuring incentives are appropriately risk-balanced. The incentive plan generally includes all employees other than employees who are part time (less than 20 hours), not covered by a collective bargaining agreement or sales commissioned. To be eligible to receive an award, each participant must be employed by the Bank at the time the incentive plan payment is made (except where the participant retired, died or became disabled). Payment generally occurs within two weeks after approval of our audited results. Each award is subject to the forfeiture and claw back provisions of our Policy on Sound Executive Compensation. The Compensation Committee has the final authority to determine the amount of any awards with the exception of our Chief Executive Officer's award, which the Compensation Committee recommends to our board of directors for final approval.

Under the incentive plan, at the beginning of 2018, the Compensation Committee set an individual target award, expressed as a percent of base salary, for each participant based on the participant's job title and responsibilities. The sum of the target awards, otherwise referred to as the target incentive pool, totaled approximately \$7.0 million at the beginning of 2018. The Named Executive Officers' target awards were set at the following percentages of base salary: Mr. Mestrich, 65.5% of base salary; Mr. LaBenne, 50% of base salary; and Mr. Murrell, 50% of base salary.

Under the incentive plan, the Compensation Committee had the authority at year-end to adjust the target incentive pool by a factor of zero to 2.0 based on the overall performance of the Bank and to increase or decrease any individual target award from no award to two times the initial target award. In making its determination on whether to increase the target incentive pool, the Compensation Committee was to base its analysis of the Bank's performance on a combination of financial and non-financial measurements. The financial performance measures for 2018 included a pre-tax operating income of \$40.0 million, return on average assets of 65 basis points, return on average equity of 7.0%, loan growth of \$435 million, deposit growth of \$300 million and an efficiency ratio of 72%. The non-financial measures included a qualitative assessment of our acquisition of New Resource Bank (which closed in May 2018), our initial public offering (which launched in August 2018), the management of our human resources, demonstrable support of our values-based mission, and the achievement of quarterly administrative goals. The Compensation Committee exercised this authority and, based on its analysis of the Bank's performance, increased the target incentive pool to approximately \$8.0 million at the end of 2018.

### ***2018 Annual Incentive Awards***

Individual awards were to be adjusted at year-end, based on individual performance, to a final award percentage ranging from zero to 2 times the target award. The Compensation Committee evaluated each Named Executive Officer's performance in 2018 to determine actual incentives awarded under the incentive plan. Based on this review, the Compensation Committee awarded the following incentive payments to our Named Executive Officers:

- Mr. Mestrich received a cash incentive award of 131% of his base salary of \$695,000, or \$910,450;
- Mr. LaBenne received a cash incentive award of 100% of his base salary of \$400,000, or \$400,000; and
- Mr. Murrell received a cash incentive award of 75% of his base salary of \$350,000, or \$262,500.

In reviewing Mr. Mestrich's individual performance goals and determining the amount of his cash incentive award, the Compensation Committee noted Mr. Mestrich's 2018 achievements included, among other things, exceeding core earnings projections by more than 25%, reducing our efficiency ratio by 11.6%, which was 3.5% better than target, successful integration of New Resource Bank, which we acquired in 2018, a successful initial public offering in August 2018, maintaining a high standard of regulatory compliance, deepening our brand recognition, and building a strong and focused team.

In reviewing Mr. LaBenne's individual performance goals and determining the amount of his cash incentive award, the Compensation Committee noted Mr. LaBenne's 2018 achievements included, among other things, assuring completion of our objectives on operational effectiveness and efficiency, obtaining balance sheet optimization by effectively managing our interest rate risk and ensuring adequate liquidity and capital, successful integration of New Resource Bank, which we acquired in 2018, and a successful initial public offering in August 2018.

In reviewing Mr. Murrell's individual performance goals and determining the amount of his cash incentive award, the Compensation Committee noted Mr. Murrell's 2018 achievements included, among other things, continuing development and effective implementation of our centralized product development initiatives, continuing to move the branch network to profitability, maintaining deposit base stability, maintaining a high standard of compliance and risk management, maintaining our existing level of customer support, successful integration of New Resource Bank, which we acquired in 2018, and a successful initial public offering in August 2018.

### ***Additional 2018 Bonus***

In addition to the award under the incentive plan, the Compensation Committee determined it advisable and

in the best interest of the Bank to award each of Mr. LaBenne and Mr. Murrell a \$25,000 bonus for their respective efforts in a successful initial public offering.

### Outstanding Equity Awards at 2018 Fiscal Year-End

The following table provides a summary of equity awards outstanding as of December 31, 2018 for the Named Executive Officers.

Name	Stock Option Awards <sup>(1)(2)</sup>				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Options Exercise Price (\$)	Options Expiration Date
Keith Mestrich .....	175,020 <sup>(3)</sup>	—	—	11.00	1/1/2025
	107,020	53,500 <sup>(4)</sup>	—	12.00	1/1/2026
	46,680	93,340 <sup>(5)</sup>	—	13.75	1/1/2027
	—	144,560 <sup>(6)</sup>	—	14.65	1/1/2028
Andrew LaBenne .....	140,020 <sup>(3)</sup>	—	—	11.00	1/1/2025
	85,620	42,800 <sup>(4)</sup>	—	12.00	1/1/2026
	37,340	74,680 <sup>(5)</sup>	—	13.75	1/1/2027
	—	52,580 <sup>(6)</sup>	—	14.65	1/1/2028
Martin Murrell .....	—	—	—	—	—
	32,120	16,040 <sup>(4)</sup>	—	12.00	1/1/2026
	14,020	28,000 <sup>(5)</sup>	—	13.75	1/1/2027
	—	39,440 <sup>(6)</sup>	—	14.65	1/1/2028

- (1) On July 26, 2018, we converted each of the outstanding SARs into nonqualified stock option awards on a one-for-one basis, at the same strike price, on substantially the same terms, and on the same vesting schedule as the original SARs award. Following the conversion of the 2,342,000 SARs outstanding on July 26, 2018, the Bank has reserved for issuance 2,342,000 shares of our Class A common stock issuable upon the exercise of the options.
- (2) Stock option amounts reflect the 20-for-1 stock split in the form of a 100% stock dividend paid on July 27, 2018 to stockholders of record as of the close of business on July 9, 2018.
- (3) Represents option awards that vested at a rate of one-third on the first, second and third anniversary of the grant date of January 1, 2015.
- (4) Represents option awards that vest at a rate of one-third on the first, second and third anniversary of the grant date of January 1, 2016.
- (5) Represents option awards that vest at a rate of one-third on the first, second and third anniversary of the grant date of January 1, 2017.
- (6) Represents option awards that vest at a rate of one-third on the first, second and third anniversary of the grant date of January 1, 2018.

## **Potential Payments Upon Termination or Change in Control**

### ***Change in Control Plan***

We believe that reasonable and appropriate change in control benefits are necessary in order to be competitive in our executive attraction and retention efforts. Therefore, in July 2018, the Compensation Committee of our board of directors adopted a Change in Control Plan that provides severance and change in control benefits to the participants. Upon (i) an involuntary termination without cause, or (ii) the participant's resignation for good reason, either of which occur within 90 days prior to or within 12 months following a change in control, participants in our Change in Control Plan will be entitled to receive the sum of (x) the participant's accrued annual base salary, (y) the participant's accrued target bonus (which shall be pro-rated based on the portion of the bonus period prior to the change in control date), and (z) a lump sum cash payment equal to 12 months' base salary plus the participant's prior average three-years' bonus. Participants are further eligible to receive (i) a payout of accrued vacation, (ii) continued COBRA health benefits at active employee rates for the shorter of 12 months or the applicable COBRA period, and (iii) full vesting of any unvested equity award granted prior to such termination.

The participants of the Change in Control Plan are the following officers:

- Chief Financial Officer
- Chief Operating Officer
- General Counsel
- Chief Risk Officer
- Director of Commercial Banking
- Chief Administrative Officer
- Executive Vice President, Bank Operations
- Chief Accounting Officer
- Executive Vice President, Treasurer
- Chief Information Officer
- Chief Credit Risk Officer

### ***Change in Control under Mr. Mestrich's Employment Agreement***

Mr. Mestrich's employment agreement provides that his employment may be terminated:

- by us for cause (as defined below) on written notice;
- by us because of his poor performance on written notice;
- by him without good reason (as defined below) on 45-days advance written notice;
- upon his death or disability;
- by him for good reason (as defined below) with prior written notice; and
- by us without cause (as defined below).

Under his employment agreement, he is entitled to certain severance payments upon termination in certain circumstances as outlined below.

### ***Termination Without Cause by Amalgamated Bank or for Good Reason by Mr. Mestrich***

If Mr. Mestrich's employment is terminated without cause by us (other than in connection with a change in control, discussed below) or for good reason by him, he is entitled to receive, beginning on the 60th day after such termination, and subject to his execution of a valid release agreement, an amount equal to the sum of (i)(a) 18-months of his base salary as in effect on the date of such termination, minus (b) \$180,000, and (ii) his Annual Bonus Target as in effect for the year of termination, payable in equal monthly installments over a period of 18 months.

For purposes of his employment agreement, "cause" is generally defined to mean the occurrence of any one or more of the following events:

- his conviction of a felony or any crime involving dishonesty or theft;
- conduct in connection with his employment that is fraudulent, unlawful or grossly negligent;
- his willful misconduct;
- his material breach of his obligations under his employment agreement;
- any act of dishonesty by him that results or is intended to result in personal gain or enrichment at our expense; or
- his willful failure to comply with a material policy of the Bank.

For purposes of his employment agreement, “good reason” is generally defined to mean the occurrence of any one or more of the following events:

- a reduction in his base salary;
- a substantial diminution in his duties or responsibilities;
- our breach of any material covenant or obligation under his employment agreement; or
- the relocation of his principal work location to a location outside of New York county.

#### *Change in Control*

For purposes of Mr. Mestrich’s employment agreement, a “change in control” means the consummation of a transaction or series of related transactions that results in (i) a person or group (other than Workers United) becoming the beneficial owner, directly or indirectly, of more than 50% of the combined voting power of our securities, or (ii) the transfer or disposition of all or substantially all of our business and assets (whether by sale of assets, merger or otherwise).

If we terminate Mr. Mestrich without cause within 12 months following a change in control or within 90-days before a change in control, and Mr. Mestrich can reasonably demonstrate that such termination was at the request of the eventual acquirer in connection with a change in control, he is entitled to receive, beginning on the 60th day after such termination, and subject to his execution of a valid release agreement, an amount equal to the sum of (i)(a) 24-months of his base salary as in effect on the date of such termination, minus (b) \$240,000, and (ii) two times his Annual Bonus Target as in effect for the year of termination, payable in equal monthly installments over a period of 24 months.

#### **Compensation of Directors for Fiscal Year 2018**

As of the date of this proxy statement, each non-employee director receives an annual cash retainer as compensation for his or her services as a member of the Board of Directors as follows:

- \$54,000 for our board chair;
- \$54,000 for each director that is not appointed by either the Workers United Related Parties or our PE Investors; and
- \$30,000 for each director that is appointed by either the Workers United Related Parties or our PE Investors.

In addition, the chairs of our board committees also receive an additional cash retainer of \$12,000. We pay each director their applicable annual fee in monthly installments. Our directors also participate in our long-term incentive plan and will be eligible to participate in the Amalgamated 2019 Equity Incentive Plan if approved by the stockholders. We do not pay our “inside” employee-director, Mr. Mestrich, any additional compensation for his services as a director.

The following table provides the compensation paid to our non-employee directors for the year ended

December 31, 2018.

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards (\$)</b>	<b>Option Awards (\$)<sup>(1)</sup></b>	<b>Non-Equity Incentive Plan Compensation (\$)</b>	<b>Nonqualified Deferred Compensation Earnings (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Lynne P. Fox.....	66,000	—	24,206	—	—	—	90,206
Gary J. Bonadonna <sup>(2)</sup> .....	24,500	—	14,612	—	—	—	39,112
Donald E. Bouffard Jr. ....	66,000	—	24,206	—	—	—	90,206
Clayola Brown <sup>(2)</sup> .....	24,500	—	14,612	—	—	—	39,112
Maryann Bruce <sup>(2)</sup> .....	18,000	—	—	—	—	—	18,000
Patricia Diaz Dennis <sup>(2)</sup> .....	22,000	—	—	—	—	—	22,000
Robert C. Dinerstein.....	66,000	—	24,206	—	—	—	90,206
Mark A. Finser <sup>(3)</sup> .....	31,500	—	—	—	—	—	31,500
Kathy Hanshew <sup>(2)(4)</sup> .....	12,500	—	—	—	—	—	12,500
Julie Kelly.....	30,000	—	14,612	—	—	—	44,612
Wilfredo Larancuent <sup>(2)</sup> .....	17,500	—	14,612	—	—	—	32,112
John McDonagh.....	66,000	—	24,206	—	—	—	90,206
David Melman <sup>(2)</sup> .....	17,500	—	14,612	—	—	—	32,112
Robert G. Romasco.....	66,000	—	24,206	—	—	—	90,206
Edgar Romney Sr.....	30,000	—	14,612	—	—	—	44,612
Stephen R. Sleigh <sup>(5)</sup> .....	30,000	—	14,612	—	—	—	44,612
Stephen J. Toy <sup>(6)</sup> .....	25,000	—	14,612	—	—	—	39,612

- (1) Represents the grant date fair value of stock appreciation rights, or SARs, awarded in the first quarter of 2018 and converted to options on July 26, 2018, as determined in accordance with ASC Topic 718. Although the table above indicates the full grant date value of the awards granted in 2018, the options vest over a three-year period. See “*Long-Term Incentive Plan*” above for a description of the terms of the grants of stock appreciation rights shown in this column. As of December 31, 2018, the aggregate number of outstanding options (whether vested or unvested) held by each director was as follows: Ms. Fox (23,660), Mr. Bouffard (30,360), Ms. Bruce (no options outstanding), Ms. Diaz Dennis (no options outstanding), Mr. Dinerstein (30,360), Mr. Finser (no options outstanding), Ms. Kelly (18,260), Mr. McDonagh (30,360), Mr. Romasco (30,360), Mr. Romney Sr. (18,260), and Mr. Sleigh (18,260).
- (2) To allow for a reduction in the size of the board of directors and to make room for two additional independent directors, Mr. Bonadonna, Ms. Brown, Ms. Hanshew, Mr. Larancuent, and Mr. Melman stepped down from the board upon consummation of our initial public offering in August 2018. Ms. Bruce and Ms. Diaz Dennis were appointed as directors in August 2018.
- (3) Mr. Finser was appointed as a director in May 2018 following the consummation of the New Resource Bank acquisition.
- (4) Ms. Hanshew was appointed as a director in February 2018, but stepped down in August 2018 in connection with our initial public offering.
- (5) Mr. Sleigh’s cash fees were paid to Yucaipa Corporate Initiatives Fund II, LP.
- (6) On November 16, 2018, the WL Ross Funds completed an underwritten secondary public offering of shares of our Class A common stock, which caused the WL Ross Funds to own less than 5% of our Class A common stock. Accordingly, on November 16, 2018, Mr. Toy, the director representative for the WL Ross Funds, resigned from our board of directors.

In addition to the compensation described above, non-employee directors are reimbursed for reasonable business expenses relating to their attendance at meetings of our board of directors, including expenses relating to lodging, meals and transportation to and from the meetings.

## **CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

In addition to the director and executive officer compensation arrangements discussed above, the following is a summary of material provisions of various transactions we have entered into with our executive officers, directors, certain 5% or greater stockholders and entities affiliated with them since January 1, 2018. We believe the terms and conditions set forth in such agreements are reasonable and customary for transactions of this type.

### **Policies and Procedures Regarding Related Person Transactions**

Transactions by us with related persons are subject to a formal written policy, as well as regulatory requirements and restrictions. These requirements and restrictions include Sections 23A and 23B of the Federal Reserve Act and the Federal Reserve's Regulation W (which govern certain transactions by the Bank with its affiliates) and the Federal Reserve's Regulation O (which governs certain loans by the Bank to its executive officers, directors, and principal stockholders). We have adopted policies to comply with these regulatory requirements and restrictions.

### **Arrangements with the WL Ross Funds and the Yucaipa Funds**

On September 23, 2011, as amended on April 11, 2012, we entered into a Securities Purchase Agreement with WLR Recovery Fund IV, L.P., WLR IV Parallel ESC, L.P., WLR Recovery Fund V, L.P., and WLR V Parallel ESC, L.P., whereby the WL Ross Funds purchased, for aggregate cash consideration of \$50 million, 262,609 shares of our Class A common stock. WL Ross Funds beneficially owned 4.73% of our outstanding common stock as of December 31, 2018. Additionally on September 23, 2011, as amended on April 11, 2012, we entered into a Securities Purchase Agreement with Yucaipa Corporate Initiatives Fund II, L.P. and Yucaipa Corporate Initiatives (Parallel) Fund II, L.P., whereby the Yucaipa Funds purchased, for aggregate cash consideration of \$49.9 million, 262,084 shares of our common stock. The Yucaipa Funds beneficially owned 11.94% of our outstanding common stock as of December 31, 2018.

### **Registration Rights Agreement**

In connection with the 2012 amendments to the Securities Purchase Agreements with the PE Investors, we entered into a registration rights agreement, dated April 11, 2012, for the benefit of the PE Investors with respect to our Class A common stock sold to the PE Investors in the private placement. Under the terms of the registration rights agreement, the PE Investors can demand registration of their shares (a "Demand Registration") under certain circumstances, although we do not have to effect any Demand Registration: (i) unless the anticipated aggregate offering price, net any underwriting discounts or commission, is at least \$10 million; (ii) within 90 days after the effective date of a previous Demand Registration or a previous registration under which the demanding PE Investor had piggyback rights; or (iii) if we have previously received a Demand Registration from another PE Investor, or we have filed a registration statement pursuant to another section of the registration rights agreement, and in either case, the effectiveness of the applicable registration statement is still pending and being diligently pursued. Further, we may postpone any Demand Registration for up to 120 days the filing or the effectiveness of a registration statement for a Demand Registration if the board determines such postponement is necessary to avoid premature disclosure of a material matter required to be disclosed in the prospectus associated with the registration statement. Each of WL Ross Funds and the Yucaipa Funds also have piggyback registration rights under the registration rights agreement when either the Bank or the other investor initiates a registered offering.

The Bank's obligations under the registration rights agreement will terminate when all of the Class A common stock subject to the registration rights agreement is sold. The various provisions of the registration rights agreement contemplate that the Bank's stock would be registered under the Securities Act of 1933 (the "Securities Act"). The parties to the registration rights agreement have acknowledged that the Bank's stock is exempt from registration under the Securities Act. The registration rights agreement provides that its provisions shall be interpreted in a manner that is consistent with the intent of the registration rights agreement and provides that the terms "SEC" and the "Securities Act" shall refer in such case to the applicable federal or state governmental authority and applicable laws, respectively.

### **Side Letter Agreements with PE Investors**

In connection with the 2012 amendments to the Securities Purchase Agreements with the PE Investors, we entered into an investor rights agreement with the PE Investors and certain key holders, including the Workers United Related Parties (the “2012 Investor Rights Agreement”). The 2012 Investor Rights Agreement terminated upon the closing of our initial public offering in August 2018. In connection with the termination of the 2012 Investor Rights Agreement, we entered into a Side Letter Agreement with each of the PE Investors (the “Side Letter Agreements”).

The following is a summary of certain provisions of the Side Letter Agreements. For more detail, you should refer to the Side Letter Agreements.

Pursuant to the Side Letter Agreements, so long as a PE Investor and its affiliates own a number of shares representing 5.0% of our Class A common stock then outstanding, we shall take all requisite corporate action to effect the nomination of one director designated by such PE Investor (an “Investor Nominee”); provided, however, that in the event that such PE Investor no longer owns 5% of our Class A common stock at any time, such PE Investor shall notify us and use its best efforts to have the Investor Nominee immediately resign. The PE Investor who has the right to designate the Investor Nominee shall have the exclusive right to nominate the replacement for an Investor Nominee upon the death, disability, resignation, retirement, disqualification, or removal of the Investor Nominee or otherwise, except in the event that such vacancy is created because the PE Investor no longer owns 5.0% of our Class A common stock then outstanding. On November 16, 2018, the WL Ross Funds completed an underwritten secondary public offering of shares of our Class A common stock, which caused the WL Ross Funds to own less than 5% of our Class A common stock. Accordingly, on November 16, 2018, Mr. Toy, the director representative for the WL Ross Funds, resigned from our board of directors.

Pursuant to the Side Letter Agreements, we are required to reimburse any Investor Nominee for expenses incurred by such Investor Nominee in connection with his or her attendance at regular or special meetings of our board, our board committees, the board of one of our subsidiaries, or a committee of the board of one of our subsidiaries. The Side Letter Agreements provide the PE Investors with certain information rights, including audited annual financial statements, unaudited quarterly financial statements, business plans, budgets, projections, and other financial and operating information reports we prepare in the ordinary course of business. Additionally, the Side Letter Agreements provide that we shall maintain directors’ and officers’ liability insurance and fiduciary liability insurance for each Investor Nominee and each Investor Nominee shall have the right to enter into an indemnification agreement with us.

Each PE Investor is subject to certain confidentiality obligations under the Side Letter Agreements and is entitled to pursue business ventures similar or dissimilar to the business of the Bank and its subsidiaries, even if competitive with the business of the Bank and that shall not be deemed wrongful or improper. However, the PE Investors will be subject to the following policy: a business or corporate opportunity offered to any person who is a director but not an officer of the Bank and who is a director, officer, employee, partner, member or stockholder of a PE Investor or one of its affiliates shall belong to the Bank only if such opportunity is expressly offered to such person in his or her capacity as a director of the Bank, and otherwise shall belong to the PE Investor. Neither the PE Investor nor Investor Nominee will be obligated to refer or present any particular business opportunity to the Bank even if such opportunity is relevant to the Bank or its business. No act or omission by a PE Investor or any of its affiliates in accordance with this policy will be considered contrary to (i) any fiduciary duty that a PE Investor or any of its affiliates may owe to the Bank or to any other stockholder by reason of the PE Investor being a stockholder of the Bank, or (ii) any fiduciary duty a director nominated by a PE Investor who is also a director, officer or employee of the PE Investor or any of its affiliates may owe to the Bank or any of its stockholders.

WL Ross Funds’ rights and obligations under the Side Letter Agreement terminated on November 16, 2018 due to its no longer holding the minimum investment amount and, accordingly, the Yucaipa Funds remain the sole PE Investor subsequent to that date.

### **Arrangements with Workers United**

In connection with our initial public offering and the negotiation of the 2018 Investor Rights Agreement (defined below), the Bank agreed to pay costs and expenses, including legal fees and expenses, incurred by Workers United. During 2018, the Bank paid offering related expenses to counsel for Workers United of approximately



\$315,217 and to a consultant of Workers United of approximately \$202,165. On November 8, 2018, Workers United reimbursed the Bank for these costs and expenses. The Bank has not paid any additional offering related expenses on behalf of Workers United.

### **Investor Rights Agreement with Workers United**

The previous investor rights agreement entered into with certain parties including the Workers United Related Parties terminated by its terms upon consummation of our initial public offering in August 2018. To provide for certain agreements with respect to the corporate governance and certain other matters related to the Bank, upon the closing of our initial public offering, we entered into an investor rights agreement (the “2018 Investor Rights Agreement”) with the Workers United Related Parties. In addition, the Bank has other banking relationships with Workers United and, as of December 31, 2018, Workers United had \$120.9 million of deposits with the Bank.

The following is a summary of certain provisions of the 2018 Investor Rights Agreement. For more detail, you should refer to 2018 Investor Rights Agreement.

Pursuant to the 2018 Investor Rights Agreement, so long as the Workers United Related Parties, together with its affiliates and permitted transferees, owns a number of that shares that represent: (i) 10% of the total voting power, the board of directors must have exactly 13 members unless a waiver is granted (which such waiver has been granted with respect to our current 12-member board of directors); and (ii) 20% of the total voting power, the Workers United Related Parties shall have the right to designate the Chair of the board of directors. Additionally, so long as the Workers United Related Parties, together with its affiliates and permitted transferees, owns a number of shares that represents: (i) at least 20% of the total voting power, then the Workers United Related Parties shall have the right to nominate five board members, two of which must be “independent” in accordance with the rules of the Nasdaq and applicable law (an “Independent Nominee”); (ii) between 15% and 19.9% of the total voting power, then the Workers United Related Parties shall have the right to nominate four board members, two of which must be Independent Nominees; (iii) between 10% and 14.9% of the total voting power, then the Workers United Related Parties shall have the right to nominate three board members, one of which must be an Independent Nominee; and (iv) between 5% and 9.9% of the total voting power, then the Workers United Related Parties shall have the right to nominate two board members, one of which must be an Independent Nominee. Pursuant to the 2018 Investors Rights Agreement, we shall take all requisite corporate action to effect the nomination of each director named by the Workers United Related Parties. In the event that a Workers United Related Parties nominee resigns as a result of a decrease in its total voting power, the board of directors shall elect an Independent Nominee to fill the vacancy thereby created. If a Workers United Related Parties nominee resigns for any reason other than as a result of a decrease in the total voting power of the Workers United Related Parties, then the Workers United Related Parties shall have the exclusive right to replace such board member.

Furthermore, the board of directors will be required to have an Executive Committee, an Audit Committee, a Compensation Committee, a Governance and Nominating Committee, a Credit/Enterprise Risk Committee, and a Trust Committee (each, a “Designated Committee”) at all times. Subject to applicable law, regulations and regulatory guidance, if the Workers United Related Parties are entitled to designate two Independent Nominees, then at least one of the Independent Nominees shall serve on each of the Audit Committee, the Compensation Committee, and the Governance and Nominating Committee; provided, however, that, in the event the Workers United Related Parties are only entitled to designate one Independent Nominee, that Independent Nominee shall serve on at least two of the Designated Committees. In any event, a board member designated by the Workers United Related Parties shall chair the Trust Committee. In addition, pursuant to the 2018 Investor Rights Agreement, the Chair of the board (who may be a Workers United Related Parties nominee) shall be the Chair of the Executive Committee.

Pursuant to the 2018 Investor Rights Agreement, the Workers United Related Parties: (i) entered into an agreement with the underwriters of our initial public offering pursuant to which the Workers United Related Parties agreed not to sell or transfer any share of Class A common stock for 180 days following the closing of our initial public offering on August 13, 2018 without the prior written consent of the underwriters; and (ii) agreed not to sell or transfer any share of Class A common stock for a one-year period following the closing of the initial public offering on August 13, 2018 without our written consent. Following the restrictive periods above, the Workers United Related Parties, together with its affiliates and other permitted transferees, may sell their shares privately or to the public in accordance with the limitations comparable to those imposed upon resales by affiliates of a non-bank issuer under

Rule 144 promulgated under the Securities Act. Accordingly, beginning in mid-August 2019, the Workers United Related Parties will be entitled to sell a number of shares of Class A common stock within any three-month period that does not exceed the greater of:

- 1.0% of the number of shares of our Class A common stock then outstanding, which currently equals approximately 317,715 shares;
- the average weekly trading volume in our common stock during the four calendar weeks preceding the date of the sale; provided, however, that the Workers United Related Parties may exceed this volume limitation with the consent of the Bank, which shall not be unreasonably withheld; and
- Sales by the Workers United Related Parties will also be subject to manner of sale provisions comparable to those imposed by Rule 144.

Under the terms of the 2018 Investor Rights Agreement, at any time following the date that is six months after the closing of our initial public offering on August 13, 2018, the Workers United Related Parties can demand that we prepare an offering circular for an underwritten public offering within 30 days of the Workers United Related Parties' written notice stating its intent to conduct such public offering for all or part of its shares of Class A common stock (a "Demand Offering"). The Workers United Related Parties will be entitled to one Demand Offering in any 90-day period. However, the 2018 Investor Rights Agreement provides that we do not have to effect any Demand Offering unless the anticipated aggregate offering price, net any underwriting discounts or commission, is at least \$50 million. Further, we may postpone any Demand Offering for up to 120 days if the board of directors determines such postponement is necessary to avoid premature disclosure of a material matter required to be disclosed in the offering circular, except that we cannot postpone any Demand Offering unless we concurrently (A) require the suspension of sales in the open market by our senior executives and directors in accordance with our insider trading policy and (B) refrain from any public offering and open market purchases during the postponement. If we do postpone the delivery of an offering circular, the Workers United Related Parties shall be entitled to withdraw its request, in which case the offering will not count as one of the permitted Demand Offerings. We must provide written notice to the Workers United Related Parties of any postponement of the delivery of an offering circular.

In the event that the Bank proposes to effect an underwritten offering of its Class A common stock for itself or any other stockholder, the Workers United Related Parties will also have the rights under the 2018 Investor Rights Agreement to participate in that underwritten offering. We are generally responsible for all offering fees and expenses of a Demand Offering or an offering in which the Workers United Related Parties participate, including reimbursement of reasonable attorneys' fees to the Workers United Related Parties, but not including any underwriting discounts or commissions or transfer taxes attributable to the sale of Class A common stock in such an offering. The demand and piggyback participation rights granted to the Workers United Related Parties under the 2018 Investor Rights Agreement are intended to be equivalent to those granted to the PE Investors under their existing registration rights agreement.

Additionally, in the event that we prepare an offering circular for the sale of the Workers United Related Parties' Class A Common stock in accordance with the provisions described in the preceding paragraphs, we must indemnify the Workers United Related Parties and its officers, directors, employees, and affiliates from claims, damages, liabilities, and expenses that arise out of or are based upon any untrue statement or alleged untrue statement in that offering circular, any omission or alleged omission of a material fact required to be stated therein or necessary to make statements therein not misleading in that offering circular, or any violation of the Exchange Act or "blue sky" laws, except insofar and to the extent as the same are made in reliance and in conformity with information relating to the Workers United Related Parties furnished in writing to us by the Workers United Related Parties expressly for use therein. In the event the Workers United Related Parties provide information and affidavits that we request for use in connection with that offering circular, the Workers United Related Parties must indemnify us and our officers, directors, employees, and affiliates from claims, damages, liabilities, and expenses that arise out of or are based upon any untrue statement or alleged untrue statement in our offering circular, any omission or alleged omission of a material fact required to be stated therein or necessary to make statements therein not misleading in our offering circular, or any violation of the Exchange Act or "blue sky" laws, but only to the extent that the same are made in reliance and in conformity with information relating to the Workers United Related Parties furnished in writing to us by the Workers United Related Parties expressly for use therein.

The Workers United Related Parties entered into an Ownership Agreement among themselves (the “Ownership Agreement”), pursuant to which they agreed not to transfer any of their Class A common stock unless the transfer complies with the 2018 Investor Rights Agreement. Pursuant to the Ownership Agreement, the Workers United Related Parties also agreed that, before offering any of their Class A common stock to an unaffiliated third party, they will first offer the other Workers United Related Parties the opportunity to purchase such shares.

### **Interests of Certain Directors in the Consolidated Retirement Plan**

Workers United, several of its affiliates, and the Bank are participating employers in the Consolidated Retirement Fund (the “CRF”), an ERISA multiemployer plan. Under our bylaws, any decision by the Bank to withdraw, in a complete or partial withdrawal, from the CRF, or to amend its participation in the CRF in a manner materially detrimental to its participants, shall require approval by not less than two thirds of the disinterested board members with such vote to be held at a board meeting at which all board members are given notice and an opportunity to participate in the discussion. In making such decision, the directors shall take into account each of the factors set forth in Section 7015(2) of the New York Banking Law and that the Bank is committed, as part of its mission and marketing efforts, to progressive pay policies for its employees. Each of the following Bank directors is a participant under the CRF and, therefore, directly benefits from the Bank’s participation in the CRF: Ms. Fox, Ms. Kelly, Mr. Mestrich, and Mr. Romney Sr. In addition, Ms. Fox (as Chair), Mr. Romney Sr., and Mr. Mestrich, also serve as trustees of the CRF. The Amalgamated Life Insurance Company is the other principal participant in the CRF. Ms. Fox, Ms. Kelly, and Mr. Romney Sr. are board members of The Amalgamated Life Insurance Company. In order to mitigate any potential conflict of interest between their positions as board members and participants in the CRF, these individuals would not be considered disinterested and therefore would not vote on any decision by the Bank to withdraw, in a complete or partial withdrawal, from the CRF, or to amend its participation in the CRF in a manner materially detrimental to its participants.

## PROPOSAL TWO

### RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

#### Our Independent Registered Public Accounting Firm

Our Audit Committee has appointed KPMG LLP as our independent registered public accounting firm to audit the consolidated financial statements of the Bank for the year ending December 31, 2019 and to prepare a report on this audit. A representative of KPMG LLP is expected to be present at the annual meeting and will be available to respond to appropriate questions. The representative will also have an opportunity to make a statement if he or she desires to do so.

We are asking our stockholders to ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2019. Although the ratification is not required by our bylaws or other governing documents, the board is submitting the selection of KPMG LLP to our stockholders for ratification as a matter of good corporate practice. Even if the stockholders do ratify the appointment, our Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it believes that such a change would be in the best interest of the Bank and our stockholders.

#### THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2019.

#### Audit and Related Fees

Our independent auditors for the year ended December 31, 2018 were KPMG LLP. The following table shows the fees payable in the years ended December 31, 2018 and 2017 to KPMG LLP:

	2018 <sup>(1)</sup>	2017 <sup>(1)</sup>
Audit Fees	\$ 875,000	\$ 945,000
Audit-Related Fees	949,000	134,000
Tax Fees	—	—
All Other Fees	116,500	76,500
<b>Total</b>	<b>\$ 1,940,500</b>	<b>\$ 1,155,500</b>

- (1) Excludes audit services and tax services provided to certain Amalgamated funds within our trust business, which are not consolidated with our financial statements.

*Audit Fees.* This category includes the aggregate fees billed for professional services rendered by the independent auditors during our 2018 and 2017 fiscal years for the audit of our consolidated annual financial statements and the review of our quarterly financial statements.

*Audit-Related Fees.* This category includes the aggregate fees billed for non-audit services, exclusive of the fees disclosed relating to audit fees, during the fiscal years ended December 31, 2018 and 2017. These services in 2018 principally include the costs associated with work performed in relation to our public offerings, acquisition of New Resource Bank, and audit of our service organization controls.

*Tax Fees.* This category includes the aggregate fees billed for services related to corporate tax compliance, as well as counsel and advisory services.

*All Other Fees.* All other fees for December 31, 2018 and 2017 include work related to our benefit plans and our Department of Housing and Urban Development (HUD) loans.

### **Pre-Approval Policy**

Our Audit Committee's pre-approval guidelines with respect to pre-approval of audit and non-audit services are summarized below.

*General.* The Audit Committee is required to pre-approve all audit and non-audit services performed by the independent auditor to assure that the provision of such services does not impair the auditor's independence. The independent auditors provide the Audit Committee with an annual engagement letter outlining the scope of the audit and permissible non-audit services proposed for the fiscal year, along with a fee proposal. The scope and fee proposal is reviewed with the internal auditor, the Audit Committee chair, and, when appropriate, our management for their input (but not their approval). Once approved by the Audit Committee, the services outlined in the engagement letter will have specific approval. All other audit and permissible non-audit services that have not been approved in connection with the independent auditor's engagement letter for the applicable year must be specifically pre-approved by the Audit Committee under the same process as noted above, where practicable. The independent auditors shall not perform any prohibited non-audit services described in Section 10A(g) of the Exchange Act. The Audit Committee must specifically pre-approve any proposed services that exceed pre-approved cost levels.

*Tax Services.* The Audit Committee believes that the independent auditor can provide tax services to us, such as tax compliance, tax planning and tax advice, without impairing the auditor's independence. The Audit Committee will not permit the retention of the independent auditor in connection with a transaction initially recommended by the independent auditor, the purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations.

## PROPOSAL THREE

### APPROVAL OF ADOPTION OF THE AMALGAMATED BANK 2019 EQUITY INCENTIVE PLAN

#### Introduction

We are submitting for approval by the Bank's stockholders at the annual meeting the adoption of the Amalgamated Bank 2019 Equity Incentive Plan (the "Equity Plan"). The Equity Plan's purpose is to secure and retain the services of eligible employees, directors and consultants; provide incentives for such persons to exert maximum efforts for the success of the Bank and our subsidiaries, and provide a means by which the eligible recipients may benefit from increases in value of our Class A common stock.

#### Background

At its meeting on March 6, 2019, our board of directors approved the adoption of the new Equity Plan, contingent upon obtaining the approval of the Bank's stockholders within 12 months thereof. No shares will be issued under the Equity Plan until the date that the Equity Plan has been approved by the affirmative vote of the holders of a majority of the total votes cast on this proposal.

Prior to the adoption of the new Equity Plan, we maintained an incentive plan, which provided for the issuance of SARs and cash. On July 26, 2018, we converted each of the outstanding SARs into nonqualified stock option awards on a one-for-one basis, at the same strike price, on the same terms, and on same vesting schedule as the original SARs award. Following the conversion of the 2,342,000 SARs outstanding on July 26, 2018, we reserved for issuance 2,342,000 shares of our Class A common stock issuable upon the exercise of the options. We currently have outstanding nonqualified stock option awards granted to employees of the Bank which entitle them to purchase a total of 2,304,698 shares of our Class A common stock.

Upon obtaining stockholder approval of the new Equity Plan, no further awards will be issued under the prior incentive plan and such plan will be terminated.

#### Description of the Equity Plan

The description of the Equity Plan below is a summary and is qualified in its entirety by reference to the provisions of the Equity Plan, which is attached as Appendix A to this Proxy Statement.

**Administration.** Our Compensation Committee will administer the Equity Plan, and determine eligibility for and the terms and conditions of awards, all in accordance with the Equity Plan. The Compensation Committee will have, among its powers, the power to construe and interpret the Equity Plan and all awards granted under the Equity Plan. The Compensation Committee may delegate to one or more officers of the Bank its power to make awards to non-officer employees, subject to maximum share and dollar limits to be specified by the Compensation Committee.

**Number of Shares Authorized.** The shares authorized for issuance under the Equity Plan are 1,250,000 shares of our Class A common stock. Generally, shares that have not been delivered because they were forfeited or cancelled or the award was settled in cash, and that have not been applied to pay taxes, may again be issued pursuant to new awards. The board of directors must (and in certain other cases may) equitably adjust awards and the shares available under the Equity Plan in the event of certain corporate restructurings and other corporate events, including but not limited to recapitalization, reorganization, stock split, or stock dividend.

**Eligibility.** Employees, directors and consultants are eligible to receive awards. As of the Equity Plan's effective date, we expect that approximately 64 persons will be eligible to participate in the Equity Plan, including 50 officers of the Bank and no non-officer employees of the Bank, three external consultants, and 11 non-employee directors. A non-employee director may not receive awards under the Equity Plan during any single fiscal year that, when combined with such director's cash fees (other than dividend equivalents paid on prior year's awards), exceed \$500,000 in total value.

**Types of Awards.** The Equity Plan provides for the award of restricted stock and restricted stock units (“RSUs”). Awards are memorialized in an award agreement and are subject to the conditions, restrictions and contingencies specified by the Compensation Committee in such agreement (and the Equity Plan).

**Restricted Stock.** A restricted stock award is a grant of shares subject to restrictions specified by the Compensation Committee that generally lapse over time or upon satisfaction of specified performance criteria. Unless otherwise provided in the award agreement, a participant granted a restricted stock award has no stockholder rights, such as voting or cash dividend rights, until vesting of the restricted stock.

**Restricted Stock Unit Awards.** A RSU represents the right to receive a grant of stock (or its cash value) upon vesting of the award. Vesting may be based on the lapse of time or satisfaction of specified performance criteria. Unless otherwise provided in the award agreement, a participant granted a RSU award has no stockholder rights, such as voting or cash dividend rights, until issuance of the stock.

**Forfeiture & Transferability.** Unless provided otherwise in the award agreement, all unvested awards are forfeited upon separation from service. Awards, including the vested portion thereof, may be subject to certain forfeiture and clawback rights in the event the participant separates from service for cause, pursuant to a clawback policy that the Bank is required to adopt under applicable listing standards or law, in the event that the Participant commits certain ethical violations or other bad risk behaviors, if the Bank experiences regulatory or capital issues, and as specified in the award agreement by the compensation committee. Awards are transferable only by will or by the laws of descent and distribution.

**Change in Control.** Unless the award agreement provides otherwise, upon a change in control of the Bank the compensation committee may arrange for the successor to assume or continue the Equity Plan or substitute similar awards and assume any reacquisition or repurchase rights, in which case if a participant involuntarily terminates service for reasons other than cause, death or disability or resigns for good reason (each, as defined in the Equity Plan) within one year following such Change in Control, the award will vest based on the compensation committee’s determination of actual performance measured, and Performance Measures (as defined in the Equity Plan) adjusted, as of the most recently-completed fiscal quarter. If no such assumption/continuation or substitution occurs, then the Committee must accelerate the vesting of time-based awards and modify performance-based awards to vest based upon the compensation committee’s determination of actual performance measured, and Performance Measures adjusted, and/or prorated targets as of immediately prior to such Change in Control. In both cases, if actual performance cannot be determined, prorated awards will be paid based on target achievement of Performance Measures and subject to proration. The compensation committee need not take the same action with respect to all awards.

**Amendment & Termination.** The Equity Plan terminates 10 years after its effective date or its earlier termination by our board of directors or the date all authorized shares have been purchased or granted.

Our board of directors may at any time amend the Equity Plan, except that no amendment may materially impair an existing award without the participant’s consent unless required by applicable law. Under Nasdaq rules, we must seek additional stockholder approval if we materially amend, as outlined in the Nasdaq rules, the Equity Plan. In addition, if stockholder approval or regulatory approval is required by applicable law or rules, no amendment will be effective until such required stockholder approval or regulatory approval is obtained.

## **U.S. Federal Income Tax Consequences**

The following summary of the federal income tax consequences relating to the Equity Plan is based on present U.S. federal tax laws and regulations. We cannot assure you that the laws and regulations will not change in the future and affect the tax consequences of the matters discussed in this section. This summary is not intended to be exhaustive and does not discuss the tax consequences of a participant’s death or the provisions of any income tax laws of any municipality, state or foreign country in which a participant may reside.

**Restricted Stock.** A participant awarded restricted stock will not recognize income at the time of the award, unless he specifically makes an election to do so under Code Section 83(b) within thirty days of such award. Unless the participant makes such an election, he will be taxed, at ordinary income tax rates and subject to employment taxes,

when the restrictions on the shares lapse, based on the FMV of the shares, reduced by the amount he paid for the stock. Upon the disposition of the shares, the participant will realize a capital gain or loss (depending upon how long the shares are held after the restrictions lapse). If the participant made a timely election under Code Section 83(b), he will be taxed, at ordinary income tax rates and subject to employment taxes, on the date of grant on the FMV of the shares (even if subject to forfeiture) and, upon the later disposition of the shares any gain is taxable at the capital gains rate (depending on how long the shares are held after date of grant). The Bank will generally be entitled to a corresponding tax deduction at the time income is recognized by the participant.

***Restricted Stock Units.*** A participant awarded RSUs generally will not recognize income at the time of the award. Upon delivery of the shares due upon settlement of the RSU, the participant will realize ordinary income and be subject to employment taxes in an amount equal to the FMV of the shares distributed. The Bank will generally be entitled to a corresponding tax deduction at the time income is recognized by the participant. When the participant later disposes of his shares, the difference between the amount realized on sale and the amount recognized upon settlement of the RSU will be a capital gain or loss (which will be long-term or short-term depending upon how long the shares are held).

***Loss of Deductions/Tax Penalties.*** Code Section 280G may limit the deductibility of certain payments that are contingent upon a change of control if the total amount of such payments equals or exceeds three times the individual's "base amount" (i.e., generally, annualized five-year W-2 compensation). In addition, the affected individual must pay a 20% excise tax (in addition to income tax) if the Code Section 280G limit is exceeded. If payment or settlement of an award is accelerated upon a change of control, a portion of such payment attributable to the value of the acceleration is considered a payment that is contingent upon a change of control.

In addition, Code Section 409A applies to any award that constitutes nonqualified deferred compensation, and imposes a 20% excise tax on the participant, in addition to current income inclusion and interest at the underpayment rate plus 1%. While most awards under the Equity Plan are anticipated to be exempt from the requirements of Code Section 409A, awards not exempt are intended to comply with Code Section 409A.

### **Future Awards**

Subject to the terms and provisions of the Equity Plan, the individuals that receive awards and the terms and conditions of such awards are determined at the discretion of the Compensation Committee. The Compensation Committee has not yet made any determination as to which awards will be made under the Equity Plan, or the value of awards to be made to any eligible individual, and therefore, it is not possible to determine for any persons or groups the benefits or amounts that will be received in the future under the Equity Plan.

### **Interests of Certain Persons in Proposal**

Our Named Executive Officers and non-employee directors are or will be eligible to receive awards under the Equity Plan.

### **Vote Required and Board of Directors' Recommendation**

To approve the Equity Plan, the Nasdaq rules require the affirmative vote of the holders of a majority of the total votes cast. Abstentions and broker non-votes will not be counted as a vote "for" or "against" the Equity Plan and will not be counted in determining the number of votes cast on this Proposal Three.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THIS PROPOSAL.**



## PROPOSAL FOUR

### APPROVAL OF ADOPTION OF STOCK REPURCHASE PLAN

On January 31, 2019, the board of directors of the Bank approved, subject to regulatory and stockholder approval, a program pursuant to which the Bank is authorized to repurchase, from the Bank's stockholders from time to time, shares of the Bank's common stock in an aggregate purchase amount of up to \$25.0 million (the "Stock Repurchase Program").

The corporate purpose of the Stock Repurchase Program is to provide for treasury shares available for use in connection with awards under the Amalgamated Bank 2019 Equity Incentive Plan. Shares repurchased under the Stock Repurchase Program may also be held in treasury for other future uses (although no such uses have been identified at this time). We further believe that the Stock Repurchase Program will reduce the costs associated with stockholder communications and meetings by reducing the number of stockholders and eliminate any future obligation to pay dividends on the repurchased shares. We will not hold treasury stock on speculation about changes in its value.

Applicable New York Banking Law requires that the Stock Repurchase Program be approved by the holders of two-thirds of our outstanding capital stock.

The Stock Repurchase Program is also subject to approval of the New York State Department of Financial Services ("NYDFS") and the FDIC. We have received approval from the FDIC. If this Proposal Four is approved, we intend to submit an application to NYDFS seeking final approval of the Stock Repurchase Program. We will not be able to make any repurchases under the Stock Repurchase Program unless and until such application is approved. Implementation of the Stock Repurchase Program is subject to any limitations imposed in connection with obtaining the regulatory approvals described above and to market conditions. Once commenced, we may terminate the Stock Repurchase Program at any time.

As of December 31, 2018, our Tier 1 Leverage Ratio was 8.86%, its Common Equity Tier One (CET1) Ratio was 13.22%, its Tier 1 Risk-Based Capital Ratio was 13.22% and its Total Risk-Adjusted Capital Ratio was 14.46%, all of which are significantly above FDIC "Well Capitalized" standards. In its application to the FDIC to approve the Stock Repurchase Program, the Bank certified to the FDIC that it will maintain itself as a "well capitalized" institution both before and after each repurchase of stock made pursuant to the Stock Repurchase Program.

#### **Required Vote**

Approval of this Proposal Four requires the affirmative vote of the holders of two-thirds of the outstanding shares of our Class A common stock. If you fail to vote, mark "ABSTAIN" on your proxy card, or fail to instruct your bank or broker with respect to this Proposal Four, it will have the same effect as a vote "AGAINST" the proposal.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" APPROVAL OF THE STOCK REPURCHASE PROGRAM.**

## **PROPOSAL FIVE**

### **ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION**

Under the SEC rules adopted under the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Jumpstart Our Business Startups Act, we, as an “emerging growth company,” are not required, but have agreed voluntarily, to provide stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with the applicable compensation disclosure rules of the FDIC and the SEC.

As described in greater detail under the heading “Director and Executive Officer Compensation,” we seek to align the interests of our Named Executive Officers with the interests of our stockholders. Our compensation programs are designed to reward our Named Executive Officers for the achievement of strategic and operational goals and the achievement of increased stockholder value, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking. We believe our compensation policies and procedures are competitive, focused on pay for performance principles and strongly aligned with the interest of the Bank’s stockholders. We also believe that the Bank and its stockholders benefit from responsive corporate governance policies and constructive and consistent dialogue. The proposal, commonly known as a “Say-on-Pay” proposal, gives you as a stockholder the opportunity to express your views regarding the compensation of the Named Executive Officers by voting to approve or not approve such compensation as described in this proxy statement.

This vote is advisory, which means that it is not binding on the Bank, our board of directors or our Compensation Committee. The vote on this resolution is not intended to address any specific element of compensation, but rather relates to the overall compensation of our Named Executive Officers, as described in this proxy statement in accordance with the applicable compensation disclosure rules of the SEC.

**THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” THE APPROVAL OF THE RESOLUTION RELATED TO COMPENSATION OF NAMED EXECUTIVE OFFICERS.**

**OUR 2018 ANNUAL REPORT ON FORM 10-K**

Included with these proxy materials is a copy of our 2018 Annual Report on Form 10-K without exhibits, as filed with the FDIC. We will furnish to each person whose proxy is solicited, on the written request of that person, a copy of the exhibits to that annual report for a charge of ten cents per page. We will also mail to you without charge, upon request, a copy of any document specifically referenced or incorporated by reference in this proxy statement. Please direct your request to Amalgamated Bank, 275 Seventh Avenue, New York, New York 10001, Attention: Corporate Secretary or by calling (212) 895-4490.

## PROPOSED STOCKHOLDER RESOLUTIONS

*Upon approval of a majority of the votes cast by the holders of shares of stock present in person or represented by proxy and entitled to vote, the following resolutions of the stockholders shall be passed:*

BE IT RESOLVED, that the following persons be, and they hereby are, elected to serve as members of the Board of Directors of the Bank, to serve until their successors are elected and qualified or until their earlier death, resignation or removal:

Lynne P. Fox  
Donald E. Bouffard Jr.  
Maryann Bruce  
Patricia Diaz Dennis  
Robert C. Dinerstein  
Mark A. Finser  
Julie Kelly  
John McDonagh  
Keith Mestrich  
Robert G. Romasco  
Edgar Romney Sr.  
Stephen R. Sleigh; and

BE IT RESOLVED, that the stockholders of Amalgamated Bank hereby ratify the appointment of KPMG LLP as the Bank's independent registered public accounting firm for 2019.

BE IT RESOLVED, that the stockholders of Amalgamated Bank hereby approve the adoption of the Amalgamated Bank 2019 Equity Incentive Plan reflected in the form attached to this proxy statement as Appendix A, and hereby request the Board of Directors to take all actions necessary to effect the adoption of such plan.

*Upon approval of the stock repurchase plan by the affirmative vote of holders of at least 66 2/3% of all outstanding shares entitled to vote, the following resolutions of the stockholders shall be passed:*

BE IT RESOLVED, that the stockholders of Amalgamated Bank hereby approve the adoption of the stock repurchase plan, and hereby request the Board of Directors to take all actions necessary to effect the adoption of such plan, including the submission of the plan to the Superintendent of the New York State Department of Financial Services for final approval.

*The Board of Directors asks our stockholders to vote in favor of the following resolution:*

BE IT RESOLVED, that the compensation paid to the Bank's Named Executive Officers, as disclosed in the Bank's proxy statement for the 2019 annual meeting of stockholders pursuant to the applicable compensation disclosure rules of the FDIC and the SEC is hereby APPROVED.

BY ORDER OF THE BOARD OF DIRECTORS,

---

Lynne P. Fox  
Chair

[FORM OF PRELIMINARY PROXY CARD]

**Proxy Solicited by the Board of Directors for the Annual Meeting of Stockholders  
April 30, 2019 at 12:00 p.m.**

The undersigned does hereby constitute and appoint Richard D. Smith and Kay A. Gordon, and each of them, attorneys with the full power of substitution to each, for and in the name of the undersigned to vote all shares of Class A common stock of Amalgamated Bank (the "Bank") held of record on March 11, 2019 by the undersigned, at the 2019 Annual Meeting of Stockholders, to be held at the Bank at 275 Seventh Avenue, 14th floor conference room, New York, New York 10001, on April 30, 2019, at 12:00 p.m. and at any adjournment of the meeting, for the purposes more fully described in the accompanying Notice of Annual Meeting of Stockholders, with all the powers the undersigned would possess if personally present. The signing stockholder acknowledges receipt of the Notice of Annual Meeting and Proxy Statement and directs the proxies to vote as follows on the matters described in the accompanying Notice of Annual Meeting and Proxy Statement and otherwise in their discretion on any other business that may properly come before, and matters incident to the conduct of, the meeting or any adjournment of it, as provided in the Proxy Statement.

Only holders of record on March 11, 2019 of Class A common stock are entitled to vote on the matters described in the accompanying Notice of Annual Meeting and Proxy Statement.

Any of the said attorneys who may be present and acting at the meeting shall have and may exercise all the powers of all said attorneys hereunder.

The undersigned instructs such proxies to vote as specified below with the understanding that, unless a contrary choice is specified, this proxy will be voted "FOR" the proposals listed below:

**FOR**

**1. PROPOSAL ONE: ELECTION OF DIRECTORS:**

Vote "for" all directors

OR vote "for" or "against" or "abstain" as to specific directors:

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Election of Lynne Fox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Donald Bouffard Jr.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Maryann Bruce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Patricia Diaz Dennis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Robert Dinerstein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Mark A. Finser	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Julie Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of John McDonagh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Election of Keith Mestrich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Robert Romasco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Edgar Romney Sr.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Election of Stephen R. Sleight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. PROPOSAL TWO AS DESCRIBED IN THE PROXY STATEMENT:**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
To ratify appointment of KPMG LLP as the bank's independent registered public accounting firm.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**3. PROPOSAL THREE AS DESCRIBED IN THE PROXY STATEMENT:**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
To approve a new long-term incentive plan to be known as the "Amalgamated Bank 2019 Long-Term Incentive Plan."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**4. PROPOSAL FOUR AS DESCRIBED IN THE PROXY STATEMENT:**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
To approve a stock repurchase program under which we can repurchase up to \$25.0 million of shares of our Class A common stock, from time to time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**5. PROPOSAL FIVE AS DESCRIBED IN THE PROXY STATEMENT:**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
To approve the compensation of our Named Executive Officers as disclosed in the proxy statement (this is a non-binding, advisory vote).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This proxy may be revoked at the pleasure of the stockholder executing it at any time before the authority granted hereby is exercised in accordance with Section 6009 of the New York Banking Law.

Please date, sign your name exactly as it appears on your stock certificate(s), and print your name under your signature.

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

**AMALGAMATED BANK 2019 EQUITY INCENTIVE PLAN**

ADOPTED BY THE BOARD OF DIRECTORS: MARCH 7, 2019  
APPROVED BY THE STOCKHOLDERS: \_\_\_\_\_, 2019  
IPO EFFECTIVE DATE: August 13, 2018

**1. GENERAL**

(a) **Purpose.** The Plan, through the grant of Awards, is intended to help the Bank secure and retain the services of eligible Award recipients, provide incentives for such persons to exert maximum efforts for the success of the Bank and its Subsidiaries, and provide a means by which the eligible recipients may benefit from increases in value of the Common Stock.

(b) **Compliance with Applicable Laws.** The Plan is subject to any applicable provisions of the New York Banking Law or the regulations of the New York State Banking Board, and any other applicable law or regulation.

(c) **Eligible Award Recipients.** Employees, Directors and Consultants are eligible to receive Awards under the Plan.

(d) **Available Awards.** The Plan provides for the grant of Restricted Stock Awards, and Restricted Stock Unit Awards.

(e) **Effective Date.** The Plan will not become effective until the date that the Plan has been approved by the Board. The effectiveness of the Plan shall be subject to approval by the holders of a majority of the outstanding shares of capital stock of the Bank within 12 months before or after the date the Plan is adopted by the Board. Such approval shall be obtained in the manner and to the degree required under applicable laws. No Shares may be delivered to any Participant under the Plan unless and until such shareholder approval is obtained. If such shareholder approval is not obtained, all Awards made hereunder shall be null and void.

(f) **Duration.** The Plan shall remain in effect until the earliest of (i) the date the Board terminates the Plan pursuant to Section 10, (ii) the Plan's automatic termination as set forth in Section 10, or (iii) the date that all Shares authorized for issuance under the Plan shall have been purchased or granted according to the Plan's provisions.

**2. ADMINISTRATION.**

(a) **Administration by Committee.** The Plan shall be administered by the Compensation Committee of the Board. The Committee shall be composed solely of three or more Non-Employee Directors, in accordance with Rule 16b-3 and shall act only by a majority of its members then in office (*provided* that with respect to the grant of any Award to a Committee member, such member shall recuse himself or herself from any such vote).

(b) **Powers of Committee.** Except for those powers expressly reserved for the Board in the Plan document, the Committee will have the power, subject to and within the limitations of the express provisions of the Plan:

(i) To determine who will be granted Awards and the terms of such Awards (subject to the recusal obligations described in (a) above). The provisions of each Award need not be identical.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Awards. The Committee, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it deems necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which an Award may vest (or the time at which cash or shares of Common Stock may be issued in settlement thereof).

(v) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards in accordance with the Plan, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Committee discretion; *provided, however*, that a Participant's rights under any then-outstanding Award will not be materially impaired by any such amendment unless such Participant consents in writing. Notwithstanding the foregoing, (A) a Participant's rights will not be deemed to have been materially impaired by any such amendment if the Committee, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights, and (B) subject to the limitations of applicable law, if any, the Committee may amend the terms of any Award without the affected Participant's consent (1) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code; or (2) to comply with applicable laws or listing requirements.

(vi) To effect, with the consent of any adversely affected Participant and in accordance with the Plan, the cancellation of any outstanding Award and the grant in substitution therefor of a new Award and/or other valuable consideration determined by the Committee, in its sole discretion.

(vii) Generally, to exercise such powers and to perform such acts as the Committee deems necessary or expedient to promote the best interests of the Bank and that are not in conflict with the provisions of the Plan or Awards.

(c) **Delegation to an Officer.** The Committee may delegate to one or more Officers the authority to do one or both of the following with respect to Awards: (i) designate, to the extent permitted by applicable law, Employees who are not Officers to be recipients of Awards and the terms of such Awards, and (ii) determine the number of shares of Common Stock (if applicable) to be subject to such Awards granted to such Employees; *provided, however*, that the Committee approval of such delegation will specify the total number of shares of Common Stock and total dollar amount of cash that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the form of Award Agreement most recently approved for use by the Committee, unless otherwise provided in the resolutions approving the delegation authority.

(d) **Effect of Committee's Decision.** All determinations, interpretations and constructions made by the Committee will not be subject to review by any person and will be final, binding and conclusive on all persons.



### 3. SHARES SUBJECT TO THE PLAN.

(a) **Share Reserve.** Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate number of Shares of Common Stock that may be issued pursuant to Awards will not exceed 1,250,000 Shares (the “*Share Reserve*”), *plus* the number of Shares that revert to the Plan as described in Section 3(b) below, as such Shares become available from time to time.

For clarity, the Share Reserve in this Section 3(a) is a limitation on the number of Shares of Common Stock that may be issued pursuant to the Plan. As a single Share may be subject to grant more than once (e.g., if a Share subject to an Award is forfeited, it may be made subject to grant again as provided in Section 3(b) below), the Share Reserve is not a limit on the number of Awards that can be granted. Shares may be issued in connection with a merger or acquisition as permitted by NASDAQ Listing Rule 5635(c) and other applicable law and rules, and such issuance will not reduce the number of Shares available for issuance under the Plan.

(b) **Reversion of Shares to the Share Reserve.** If an Award or any portion thereof (i) expires or otherwise terminates without all of the Shares covered by such Award having been issued, or (ii) is settled in cash (*i.e.*, the Participant receives cash rather than Common Stock), such expiration, termination or settlement will not reduce (or otherwise offset) the number of Shares of Common Stock that may be available for issuance under the Plan. If any Shares of Common Stock issued pursuant to an Award are forfeited back to or repurchased by the Bank because of the failure to meet a contingency or condition required to vest such Shares in the Participant, then the Shares that are forfeited or repurchased will revert to and again become available for issuance under the Plan. In addition, in the case of any Award granted in substitution for an award of a company or business acquired by the Bank or a Subsidiary, Shares issued or issuable in connection with such substitute Award shall not be counted against the number of Shares reserved under the Plan, but shall be available under the Plan by virtue of the Bank’s assumption of the plan or arrangement of the acquired company or business. All Shares of Restricted Stock which vest, and all Shares issued in settlement of a Restricted Stock Unit, or withheld for payment of any tax imposed upon the settlement of the Award, shall reduce the total number of Shares available under the Plan and shall not again be available for the grant of any Award hereunder.

(c) **Limitation on Grants to Non-Employee Directors.** The maximum number of Shares subject to Awards granted under this Plan or under any other equity plan maintained by the Bank during a single fiscal year to any Non-Employee Director (other than a director not on the Board at the time of the grant), taken together with any cash fees paid to such Non-Employee Director during the fiscal year, will not exceed \$500,000, in total value (calculating the value of any such Awards based on the grant date fair value of such Awards for financial reporting purposes and excluding, for this purpose, the value of any dividend equivalent payments paid pursuant to any Award granted in a previous fiscal year).

(d) **Source of Shares.** The stock issuable under the Plan will be Shares of authorized but unissued or reacquired Common Stock, including Shares repurchased by the Bank on the open market or otherwise.

4. **ELIGIBILITY AND PARTICIPATION.** Awards may be granted to Employees, Directors or Consultants.

5. **RESTRICTED STOCK AWARDS.** Each Restricted Stock Award shall be evidenced by an Award Agreement in such form and containing such terms and conditions as the Committee deems appropriate. To the extent consistent with the Bank’s bylaws, at the Committee’s election, Shares may be held in book entry form subject to the Bank’s instructions until any restrictions relating to the Restricted Stock Award lapse; or evidenced by a certificate, which certificate will be held in such form and manner as

determined by the Committee. The terms and conditions of Award Agreements evidencing Restricted Stock Awards may change from time to time, and the terms and conditions of separate Award Agreements need not be identical. Each Award Agreement will conform to (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

(a) **Consideration.** A Restricted Stock Award may be awarded in consideration for (i) cash, check, bank draft or money order payable to the Bank, (ii) past services to the Bank or one or more of its Subsidiaries, or (iii) any other form of legal consideration (including future services) that may be acceptable to the Committee, in its sole discretion, and permissible under applicable law.

(b) **Vesting.** Shares awarded under the Restricted Stock Award may be subject to forfeiture to the Bank in accordance with a vesting schedule to be determined by the Committee; *provided, however* that no Restricted Stock Award shall vest prior to one (1) year after its date of grant except upon a Change in Control as described in Section 9(c) or, if specifically referenced in the Award Agreement, upon death or Disability. Vesting may occur in periodic installments that may or may not be equal and may be based on the satisfaction of Performance Measures or other criteria as the Committee may deem appropriate. The vesting provisions of individual Restricted Stock Awards may vary.

(c) **Separation from Service.** Except as otherwise provided in the applicable Award Agreement or Section 9(c) below, if a Participant Separates from Service (other than for Cause), the Restricted Stock Award shall terminate immediately and the Participant shall forfeit the portion of the Shares held by the Participant that have not vested as of such date of Separation from Service. The portion of the Shares that have already vested as of such date of Separation from Service shall remain subject to any Bank repurchase rights set forth in the applicable Award Agreement.

(d) **Termination for Cause.** Except as explicitly provided otherwise in a Participant's Award Agreement, if a Participant Separates from Service for Cause or Cause is thereafter determined by the Committee to exist, the Restricted Stock Award will terminate immediately upon such Participant's Separation from Service (or, if earlier, the Bank's notice of such Separation from Service for Cause) and the Bank shall have the right to repurchase any or all Shares that have already vested as of the date of such Separation from Service or notice thereof, as applicable, for the lesser of their Fair Market Value or \$0.01 per Share, and if any such Shares have been transferred, sold or otherwise assigned by the Participant (or are otherwise not available for repurchase by the Bank), the Participant will immediately repay the gross proceeds back to the Bank.

(e) **Transferability.** Rights to acquire Shares under a Restricted Stock Award will be transferable by the Participant only upon such terms and conditions as are set forth in the Award Agreement, as the Committee will determine in its sole discretion, so long as such Shares remain subject to the terms of the Award Agreement.

(f) **Dividends.** Unless specifically provided in the applicable Award Agreement, the Participant shall have no rights to dividends on the portion of his/her Restricted Stock Award that have not yet vested as of the applicable record date. To the extent that the applicable Award Agreement provides for a right to dividends paid on Shares of restricted stock that have not yet vested, such dividends will be subject to the same vesting and forfeiture restrictions as apply to the Shares subject to the Restricted Stock Award to which they relate, and shall be paid to the Participant within 30 days following the date the underlying Share vests in full. The Participant shall be entitled to interest or earnings on such dividends only to the extent specifically provided in the applicable Award Agreement.

**6. RSU AWARDS.** Each RSU Award will be evidenced by an Award Agreement in such form and containing such terms and conditions as the Committee will deem appropriate. The terms and conditions of

RSU Awards may change from time to time, and the terms and conditions of separate RSU Awards need not be identical. Each Award Agreement evidencing an RSU Award will conform to (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) the substance of each of the following provisions:

**(a) Consideration.** At the time of grant of a RSU Award, the Committee will determine the consideration, if any, to be paid by the Participant upon delivery of each Share subject to the RSU Award. The consideration to be paid (if any) by the Participant for each Share subject to a RSU Award may be paid in any form of legal consideration that may be acceptable to the Committee, in its sole discretion, and permissible under applicable law.

**(b) Vesting.** At the time of the grant of a RSU Award, the Committee may impose such restrictions on or conditions to the vesting of the RSU Award as it, in its sole discretion, deems appropriate. Vesting may occur in periodic installments that may or may not be equal and may be based on the satisfaction of Performance Measures or other criteria as the Committee may deem appropriate. The vesting provisions of individual RSU Awards may vary; *provided, however* that no Restricted Stock Award shall vest prior to one (1) year after its date of grant except upon a Change in Control as described in Section 9(c) or, if specifically referenced in the Award Agreement, upon death or Disability.

**(c) Separation from Service.** Except as otherwise provided in the applicable Award Agreement or Section 9(c) below, if a Participant Separates from Service (other than for Cause), the RSU Award shall terminate immediately and the Participant shall forfeit any right to the RSU Award that has not yet vested as of such date of Separation from Service.

**(d) Separation from Service for Cause.** Except as explicitly provided otherwise in a Participant's Award Agreement, if a Participant Separates from Service for Cause or Cause is thereafter determined by the Committee to exist, the RSU Award will terminate immediately upon such Participant's Separation from Service (or, if earlier, the Bank's notice of such Separation from Service for Cause) and the Participant shall have no further rights with respect thereto. To the extent that any Shares have already been issued to the Participant pursuant to the RSU Award as of the date of such Separation from Service or notice thereof, as applicable, the Bank shall have the right to repurchase any or all such Shares for the lesser of their Fair Market Value or \$0.01 per Share, and if any such Shares have been transferred, sold or otherwise assigned by the Participant (or are otherwise not available for repurchase by the Bank), the Participant will immediately repay the gross proceeds back to the Bank.

**(e) Payment.** An RSU Award may be settled by the delivery of Shares, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Committee and contained in the RSU Award Agreement. At the time of the grant of a RSU Award, the Committee, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the Shares (or their cash equivalent) subject to a RSU Award, and any dividend equivalents thereon, to a time after the vesting of such RSU Award; *provided*, that any such delay shall be structured in good faith to exempt such delayed payment from, or be compliant with, Code Section 409A.

**(f) Dividend Equivalents.** Unless specifically provided in the applicable Award Agreement, the Participant shall have no rights to dividends unless and until Shares are issued to the Participant upon vesting of his/her RSU Award. To the extent that the applicable Award Agreement provides for a right to dividend equivalents credited in respect of Shares covered by the RSU Award, such dividend equivalents may be converted into additional Shares covered by the RSU Award, at the sole discretion of and in such manner as determined by the Committee. Any dividend equivalents on the RSU Award, and any additional Shares into which such dividend equivalents are converted pursuant to the foregoing sentence, will be subject to all of the same terms and conditions of the underlying Award Agreement to which they relate

and any such cash dividend equivalents shall be paid to the Participant within 30 days following the date the underlying Share vests in full. The Participant shall be entitled to interest or earnings on such dividend equivalents only to the extent specifically provided in the applicable Award Agreement.

(g) **Transferability.** Rights to acquire Shares under the Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Award Agreement, as the Committee will determine in its sole discretion, so long as such Shares remain subject to the terms of the Award Agreement.

## 7. COVENANTS OF THE BANK.

(a) **Availability of Shares.** The Bank will keep available at all times the number of Shares reasonably required to satisfy then-outstanding Awards.

(b) **Securities Law Compliance.** The Bank will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell Shares upon exercise of the Awards; *provided, however*, that this undertaking will not require the Bank to register under the Securities Act of 1933, as amended, the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Bank is unable to obtain from any such regulatory commission or agency the authority that counsel for the Bank deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Bank will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities law.

(c) **No Obligation to Notify or Minimize Taxes.** The Bank will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising any Award. Furthermore, the Bank will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Bank has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award. Notwithstanding anything in this Plan or the applicable Award Agreement to the contrary, neither the Bank nor any other person or entity guarantees, warrants or otherwise represents that an Award made under this Plan will produce any favorable or desired tax or other result; and any statement, inference or other communication to the contrary (under this Plan, the applicable Award Agreement or otherwise) is and shall be subject to the provisions and qualifications and disclaimer of this sentence. The Participant shall be solely and exclusively responsible for any and all such results.

## 8. MISCELLANEOUS.

(a) **Corporate Action Constituting Grant of Awards.** Corporate action constituting a grant by the Bank of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Committee, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Committee consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of Shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the papering of the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

**(b) Stockholder Rights.** No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Shares subject to an Award unless and until (i) such Participant has satisfied all requirements for the issuance of Shares under the Award pursuant to its terms, and (ii) the issuance of the Common Stock subject to such Award has been entered into the books and records of the Bank (or its transfer agent).

**(c) No Employment or Other Service Rights.** Nothing in the Plan, any Award Agreement or any other instrument executed under the Plan or in connection with any Award granted pursuant to the Plan will confer upon any Participant any right to continue to serve the Bank or a Subsidiary in the capacity in effect at the time the Award was granted or will affect the right of the Bank or any of its Subsidiaries to terminate the employment of an Employee or the service of a Consultant or Director with or without notice and with or without cause.

**(d) Change in Time Commitment.** In the event a Participant's regular level of time commitment in the performance of his or her services for the Bank and its Subsidiaries is reduced (for example, and without limitation, if the Participant is an Employee of the Bank and the Employee has a change in status from full-time to part-time or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Committee has the right in its sole discretion to (i) make a corresponding reduction in the number of Shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

**(e) Investment Assurances.** The Bank may require a Participant, as a condition of acquiring Common Stock under any Award, (i) to give written assurances satisfactory to the Bank as to the Participant's knowledge and experience in financial and business matters, to employ a purchaser representative reasonably satisfactory to the Bank who is knowledgeable and experienced in financial and business matters, and that such Participant is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award; and (ii) to give written assurances satisfactory to the Bank stating that the Participant is acquiring Common Stock subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if a determination is made by counsel for the Bank that such requirement need not be met in the circumstances under the then applicable securities laws. The Bank may, upon advice of counsel to the Bank, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

**(f) Withholding Obligations.** Except where otherwise approved by the Committee with respect to an Award, and unless the Participant elects to make a direct payment to the Bank, the Bank shall withhold Shares that would otherwise be acquired on vesting or settlement of an Award (valued at their Fair Market Value as of such withholding date) equal to the minimum statutory Federal, State and local taxes, domestic or foreign, required by law or regulation to be withheld in the applicable jurisdiction with respect to such taxable event under the Plan; *provided* that the Bank may choose to allow the Participant to elect to have up to the maximum amount permitted by law or regulation withheld. Only whole Shares shall be withheld (rounded down so as not to exceed such limit). Any remaining amount determined by the Bank to be due shall be withheld from other compensation due to the Participant by the Bank or its Subsidiaries or by the Participant remitting payment to the Bank of such amount. Regardless of whether the Bank withholds with respect to any Award, or the method used, the Participant shall retain sole responsibility for all taxes due in connection with his or her Award.

**(g) Electronic Delivery.** Any reference herein to a “written” agreement or document will include any agreement or document delivered electronically, filed publicly with the FDIC’s Securities Exchange Act Filings System (or any successor website thereto) or posted on the Bank’s intranet (or other shared electronic medium controlled by the Bank to which the Participant has access).

**(h) Deferrals.** To the extent permitted by applicable law, the Committee, in its sole discretion, (i) may determine that the delivery of Common Stock or the payment of cash, upon the vesting or settlement of all or a portion of any Award, may be deferred, (ii) may establish programs and procedures for deferral elections to be made by Participants, (iii) may make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant’s Separation from Service, and (iv) may implement such other terms and conditions that are consistent with the provisions of the Plan and in accordance with applicable law. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Committee may provide for distributions while a Participant is still an employee or otherwise providing services to the Bank.

**(i) Compliance with Section 409A of the Code.** Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, compliant with Section 409A of the Code. If the Committee determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if a Participant holding an Award that constitutes “deferred compensation” under Section 409A of the Code is a “specified employee” for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a “separation from service” (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such Participant’s “separation from service” (as defined in Section 409A of the Code without regard to alternative definitions thereunder) or, if earlier, the date of the Participant’s death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

**(j) Clawback/Recovery.** All Awards granted under the Plan will be subject to clawback, recovery, or recoupment, as determined by the Committee in its sole discretion, including but not limited to a reacquisition right in respect of previously acquired Shares or other cash or property, (i) as provided in the Bank’s Policy on Sound Executive Compensation and any other compensation clawback or forfeiture policy implemented by the Bank from time to time and applicable to all officers of the Bank on the same terms and conditions, including without limitation, any such policy adopted to comply with the requirements of applicable law or the rules and regulations of any stock exchange applicable to the Bank, (ii) as is required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, New York Banking Law, federal banking law or other applicable law, (iii) as provided in the applicable Award Agreement, (iv) to the extent that the Committee determines that the Participant has been involved in the altering, inflating, and/or inappropriate manipulation of performance/financial results or any other infraction of recognized ethical business standards, or that the Participant has willfully engaged in any activity injurious to the Bank, or the Participant’s Separation from Service with the Bank or its Subsidiaries is for Cause, and/or (v) in instances of regulatory or capital issues and bad risk behavior (i.e., significant negative individual actions such as violations of risk policies). No recovery of compensation under this Section will be an event giving

rise to a right to resign for “good reason” or “constructive termination” (or similar term) under any agreement with the Bank or any of its Subsidiaries.

## **9. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.**

(a) **Capitalization Adjustments.** In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust, as applicable: (i) the class(es) and maximum number of Shares subject to the Plan, (ii) the class(es) and maximum number of Shares that may be awarded to any person, and (iii) the class(es) and number of Shares and purchase price per Share subject to outstanding Awards; *provided, however*, that the number of Shares subject to any Award shall always be a whole number (rounding downward so that any fractional Shares are disregarded). The Board’s determination will be final, binding and conclusive.

(b) **Dissolution or Liquidation.** Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Bank, all outstanding Awards (other than Awards consisting of vested and outstanding Shares of Common Stock not subject to a forfeiture condition or the Bank’s right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and any Shares subject to the Bank’s repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Bank notwithstanding the fact that the holder of such Award is still employed or in service; *provided, however*, that the Board may, in its sole discretion, cause some or all Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) **Change in Control.** The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided in the Award Agreement. In the event of a Change in Control, notwithstanding any other provision of the Plan, the Committee will take either of the following actions with respect to Awards, contingent upon the closing or completion of the Change in Control:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation’s parent bank) to assume or continue the Award or to substitute a similar award for the Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Bank pursuant to the Change in Control), and to assume any reacquisition or repurchase rights held by the Bank in respect of Common Stock issued pursuant to an Award, in which case if the Participant incurs a Qualifying Termination within one year following such Change in Control, the Award will vest based on the Committee’s determination of actual performance measured, and Performance Measures adjusted, as of the most recently-completed fiscal quarter. If actual performance cannot be determined, prorated Awards will be paid based on target achievement of Performance Measures, subject to proration based on the number of whole months that the Participant worked during the Performance Period as a percentage of the total Performance Period; or.

(ii) accelerate the time-based vesting, in whole or in part, of any Award to a date immediately prior to the effective time of such Change in Control, and provide for the vesting of performance-based award based on the Committee’s determination of actual performance measured, and Performance Measures adjusted, and/or prorated targets as of immediately prior to such Change in Control. If actual performance cannot be determined, prorated Awards will be paid based on target achievement of Performance Measures, subject to proration based on the number of whole months that the Participant worked during the Performance Period and prior to such Change in Control as a percentage of the total Performance Period.

The Committee need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Committee may take different actions with respect to the vested and unvested portions of an Award. References in this Section to “corporation” shall include any form of entity.

#### **10. AMENDMENT & TERMINATION OF THE PLAN.**

The Board may waive, change or amend the Plan, at any time, in any respect the Board deems necessary or advisable, subject only to the limitations, if any, of applicable law; *provided, however*, that the approval of the holders of a majority of the Bank’s outstanding capital stock shall be required for any amendment that would require an amendment of the Bank’s organization certificate and to the extent required by any applicable law or listing requirement. Except as otherwise provided in the Plan or an Award Agreement or to the extent required by an applicable law or listing requirement, no amendment of the Plan will materially impair a Participant’s rights under a then-outstanding Award without the Participant’s written consent.

Unless earlier terminated by the Board, the Plan shall automatically terminate on, and no Awards may be granted 10 years after its Effective Date; *provided, however*, no termination of the Plan, other than to the extent that the Board determines is necessary or advisable to comply with applicable U.S. or foreign laws, shall adversely affect in any material way any Award previously granted under the Plan, without the written (or electronic) consent of the Participant holding such Award. No Awards may be granted under the Plan after the Plan is terminated.

#### **11. CHOICE OF LAW.**

The law of the State of New York will govern all questions concerning the construction, validity and interpretation of this Plan and all payments hereunder, without regard to that state’s conflict of laws rules.

#### **12. SUCCESSORS.**

All obligations of the Bank under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Bank, whether the existence of such successor is the result of a direct or indirect merger, consolidation, purchase of all or substantially all of the business and/or assets of the Bank or otherwise. In the event that a transaction is undertaken for the principal purpose of restructuring the capital of the Bank as a subsidiary of a bank holding company, subject to any approvals of the shareholders of such bank holding company and the Superintendent of the New York State Department of Financial Services that may be required, the Plan shall automatically transfer to such bank holding company and the shares of common stock of the bank holding company shall be substituted for shares of the Bank under outstanding Awards.

#### **13. SEVERABILITY.**

Each provision in this Plan is severable, and if any provision is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

#### **14. DEFINITIONS.**

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:



- (a) “**Award**” means a grant of a Restricted Stock Award or RSU Award under the Plan.
- (b) “**Award Agreement**” means a written (or electronic) document setting forth the terms and provisions applicable to an Award granted to the Participant under the Plan, which need not be executed unless required by the Committee, and is a condition to the grant of an Award hereunder.
- (c) “**Bank**” means Amalgamated Bank, a New York state-chartered bank and trust company.
- (d) “**Board**” means the Board of Directors of the Bank.
- (e) “**Capital Stock**” means each and every class of common stock of the Bank, regardless of the number of votes per Share.
- (f) “**Capitalization Adjustment**” means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Award after the Effective Date without the receipt of consideration by the Bank through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Bank will not be treated as a Capitalization Adjustment.
- (g) “**Cause**” shall have the meaning set forth in the Participant’s employment agreement with the Bank or one of its Subsidiaries; or if no such definition exists at the time in question, unless otherwise provided in the applicable Award Agreement, means, with respect to a Participant, the occurrence of any of the following events: (i) the Participant’s willful failure to substantially perform his or her duties and responsibilities to the Bank or any Subsidiary or affiliate or deliberate violation of a material Bank, Subsidiary or affiliate policy; (ii) the Participant’s commission of any material act or acts of fraud, embezzlement, dishonesty, or other willful misconduct; (iii) the Participant’s material unauthorized use or disclosure of any proprietary information or trade secrets of the Bank or any Subsidiary or affiliate or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Bank; or (iv) the Participant’s willful and material breach of any of his or her obligations under any written plan or covenant with the Bank. The Committee shall in its discretion determine whether or not a Participant is being terminated for Cause. The Committee’s determination shall, unless arbitrary and capricious, be final and binding on the Participant, the Bank, and all other affected persons. The foregoing definition does not in any way limit the Bank’s ability to terminate a Participant’s employment or service at any time, and the term “Bank” will be interpreted herein to include any Subsidiary or affiliate or successor thereto, if appropriate. Any determination by the Committee that the service of a Participant was terminated with or without Cause for the purposes of the Plan will have no effect upon any determination of the rights or obligations of the Bank, any Subsidiary or affiliate, or such Participant for any other purpose. For purposes of this definition, Cause shall not be considered to exist unless the Bank provides written notice to the Participant which indicates the specific Cause provision in this Plan relied upon, to the extent applicable sets forth in reasonable detail the facts and circumstances claimed to provide a basis for such Cause, and specifies the termination date. The failure by the Bank to set forth in such notice any fact or circumstance which contributes to a showing of Cause shall not waive any right of the Bank hereunder or preclude the Bank from asserting such fact or circumstance in enforcing the Bank’s rights hereunder.
- (h) “**Change in Control**” means, unless otherwise defined in an Award Agreement, the occurrence of any one or more of the following events:

(i) the consummation of a transaction, or a series of related transactions undertaken with a common purpose, in which any individual, entity or group (a “**Person**”), acquires ownership of stock of the Bank that, together with stock held by such Person, constitutes more than 50% of the total fair market value or total voting power of the Bank’s stock; or

(ii) a sale, lease, exchange or other transfer, in one transaction or a series of related transactions undertaken with a common purpose, of the Bank’s assets having a total gross fair market value of 40% or more of the total gross fair market value of all of the assets of the Bank. For this purpose, “**gross fair market value**” means the value of the assets of the Bank, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this Plan, a Change In Control will not include (1) a transaction in which the holders of the outstanding voting securities of the Bank immediately prior to the transaction hold at least 50% of the outstanding voting securities of the successor Bank immediately after the transaction; (2) any transaction or series of transactions approved by the Board principally for bona fide equity financing purposes in which cash is received by the Bank or any successor thereto or indebtedness of the Bank is cancelled or converted or a combination thereof; (3) a sale, lease, exchange or other transfer of all or substantially all of the Bank’s assets to a majority-owned Subsidiary; or (4) a transaction undertaken for the principal purpose of restructuring the capital of the Bank, including, but not limited to, reincorporating the Bank in a different jurisdiction, or creating a holding company.

Notwithstanding the foregoing, a “Change In Control” will only be deemed to occur if the consummation of the corporate transaction meets the requirements of Reg. Section 1.409A-3(a)(5).

(i) “**Code**” means the Internal Revenue Code of 1986, as amended, and all regulations and formal guidance issued thereunder, as amended from time to time, or any successor legislation thereto.

(j) “**Committee**” means the Compensation Committee of the Board, or such other committee as shall be appointed by the Board as provided in Section 2 to administer the Plan.

(k) “**Common Stock**” means, as of the date of the initial public offering (August 13, 2018), the common stock of the Bank, having one vote per share.

(l) “**Director**” means a member of the Board.

(m) “**Disability**” shall have the meaning set forth in the Participant’s employment agreement with the Bank or one of its Subsidiaries; or if no such definition exists at the time in question, unless otherwise provided in the applicable Award Agreement, means a condition under which a Participant (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident or health plan covering employees of the Bank. Disability will be determined by the Committee on the basis of such medical evidence as the Committee deems warranted under the circumstances.

(n) “**Effective Date**” means the date the Plan first becomes effective, as described in Section 1(e) above.

(o) “**Employee**” means any person employed by the Bank or any Subsidiary.

(p) “*Entity*” means a corporation, partnership, limited liability Bank or other entity.

(q) “*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

(r) “*Fair Market Value*” means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a Share will be, unless otherwise determined by the Committee, the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Committee deems reliable.

(ii) Unless otherwise provided by the Committee, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Committee in good faith and in a manner that complies with Sections 409A and 422 of the Code. Such determination shall be made in consultation with such independent advisors and/or accountants as the Committee deems appropriate, and shall assume that the fair market value of the Bank is equal to the value of the cash, stock, property or other consideration issued or received by the Bank or its stockholders, as applicable, as part of a Change In Control; *provided, however*, that among the factors to be considered in determining such Fair Market Value shall be the market value of the shares of comparable financial institutions and the trend of the Bank’s earnings; *and provided further, however*, that the Committee shall make those equitable adjustments to such value as it determines are necessary to reflect extraordinary circumstances or purchase price adjustments (such as a non-arms-length sale to an affiliated buyer, a pre-Change in Control distribution of assets to the Bank’s stockholders, Bank assets excluded from the sale, or allocation of closing costs). In the event that a portion of the purchase price is to be set aside in an escrow account, the Committee may (but is not required to) adjust the equity value downward to reflect the amount of such escrow funds that it reasonably anticipates will be applied to cover post-closing claims or otherwise will not be released to the Bank or its stockholders. The Committee’s determination shall be binding and conclusive on the Participant, the Bank, its stockholders, and each of their successors, heirs and assigns.

(s) “*Good Reason*” shall have the meaning set forth in the Participant’s employment agreement with the Bank or one of its Subsidiaries; or if no such definition exists at the time in question, unless otherwise provided in the applicable Award Agreement, means: (i) a material diminution in the Participant’s base compensation; (ii) a material diminution in the Participant’s authority, duty or responsibilities; (iii) a material diminution in the authority, duties, or responsibilities of the supervisor to whom the Participant is required to report, including a requirement that the Participant report to a corporate officer or employee instead of reporting directly to the Board; (iv) a material diminution in the budget over which the Participant retains authority; (v) a material change (by more than 20 miles) in the location of the Participant’s principal worksite without the Participant’s consent; or (vi) any other action or inaction that constitutes a material breach by Bank of this Plan or other agreement pursuant to which the Participant provides services to the Bank; provided that, the Bank shall have thirty (30) days after receipt of notice from the Participant in writing specifying the deficiency to cure the deficiency, to the extent curable, that would result in Good Reason; provided, further, that the Participant shall have ninety (90) days from the occurrence of the event that constitutes Good Reason to provide notice to the Bank that the Participant intends to resign for Good Reason. The failure by the Participant to set forth in such notice any fact or circumstance which contributes to a showing of Good Reason shall not waive any right of the Participant

hereunder or preclude the Participant from asserting such fact or circumstance in enforcing the Participant's rights hereunder.

(t) **“Non-Employee Director”** means a Director who both (i) is not a current Employee or Officer of the Bank or one of its Subsidiaries, and does not receive compensation (either directly or indirectly) from the Bank or one of its Subsidiaries for services rendered as a Consultant or in any capacity other than as a Director, and (ii) is otherwise considered a “non-employee director” for purposes of Rule 16b-3.

(u) **“Officer”** means a person who is an officer of the Bank within the meaning of Section 16 of the Exchange Act.

(v) **“Own,” “Owned,” “Owner,” or “Ownership”** means a person or Entity will be deemed to “Own,” to have “Owned,” to be the “Owner” of, or to have acquired “Ownership” of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(w) **“Participant”** means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(x) **“Performance Measure”** means the performance goals selected for each Participant with respect to each Performance Period, the achievement of which shall determine the amount of the Participant's Award for the Performance Period. The Performance Measures may include any of the criteria listed below: earnings (e.g., earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; and earnings per share; each as may be defined by the Committee); financial return ratios (e.g., return on investment; return on invested capital; return on equity; and return on assets; each as may be defined by the Committee); “Texas ratio”; expense ratio; efficiency ratio; increase in revenue, operating or net cash flows; cash flow return on investment; total shareholder return; market share; net operating income, operating income or net income; debt load reduction; loan and lease losses; expense management; economic value added; stock price; book value; overhead; assets; asset quality level; charge offs; loan loss reserves; loans; deposits; nonperforming assets; growth of loans, deposits, or assets; interest sensitivity gap levels; regulatory compliance; improvement of financial rating; achievement of balance sheet or income statement objectives; improvements in capital structure; profitability; profit margins; budget comparisons or strategic business objectives, consisting of one or more objectives based on meeting specific cost targets, business expansion goals and goals relating to acquisitions or divestitures; or any other objective approved by the Committee, in its sole discretion. The Performance Measures may be determined on a Bank-wide basis, with respect to one or more business units, divisions, Subsidiaries, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. The Committee will appropriately make adjustments in the method of calculating the attainment of Performance Measures for a Performance Period as follows: (i) to exclude restructuring and/or other nonrecurring charges; (ii) to exclude exchange rate effects; (iii) to exclude the effects of changes to generally-accepted accounting principles; (iv) to exclude the effects of any statutory adjustments to corporate tax rates; (v) to exclude the effects of any “extraordinary items” as determined under generally-accepted accounting principles; (vi) to exclude the dilutive effects of acquisitions or joint ventures; (vii) to assume that any business divested by the Bank-achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (viii) to exclude the effect of any change in the outstanding Shares by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (ix) to exclude the effects of stock-based compensation and the award of bonuses under the

Bank's bonus plans; (x) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally-accepted accounting principles; (xi) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally-accepted accounting principles; and (xii) to exclude the effect of any other unusual, non-recurring gain or loss or other extraordinary item. In addition, the Committee retains the discretion to increase, reduce or eliminate the compensation or economic benefit due upon attainment of Performance Measures and to define the manner of calculating the Performance Measures it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Award Agreement.

(y) "**Performance Period**" means the period of time selected by the Committee over which the attainment of one or more Performance Measures will be measured for the purpose of determining a Participant's right to and the payment of an Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Committee.

(z) "**Plan**" means this Amalgamated Bank 2019 Equity Incentive Plan, as it may be amended from time to time.

(aa) "**Qualifying Termination**" means the Bank causes the Participant to incur a separation from Service (within the meaning of Code Section 409A) other than for Cause, death or Disability, or the Participant voluntarily separates from Service (within the meaning of Code Section 409A) for Good Reason.

(bb) "**Restricted Stock Award**" means an Award of shares of Common Stock granted pursuant to the terms and conditions of Section 5.

(cc) "**RSU Award**" means a right to receive Shares of Common Stock granted pursuant to the terms and conditions of Section 6.

(dd) "**Rule 16b-3**" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(ee) "**Separation from Service**" means a 'separation from service' as defined by Section 409A of the Code. By way of illustration, and without limiting the generality of the foregoing, the following principals shall apply:

(i) The Participant shall not be considered to have separated from service so long as the Participant is on military leave, sick leave, or other bona fide leave of absence, if the period of such leave does not exceed six (6) months, or if longer, so long as the Participant retains a right to reemployment with the Bank under an applicable statute or by contract.

(ii) Regardless of whether his or her employment has been formally terminated, the Participant will be considered to have Separated from Service as of the date it is reasonably anticipated by both parties that no further services will be performed by the Participant for the Bank, or that the level of bona fide services the Participant will perform after such date will permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period (or the full period of employment if the Participant has been employed for less than 36 months). For purposes of the preceding test, during any paid leave of absence the Participant shall be considered to have been performing services at the level commensurate with the amount of compensation received, and unpaid leaves of absence shall be disregarded.

(iii) For purposes of determining whether the Participant has separated from service, all services provided for the Bank, or for any other entity that is part of a controlled group that includes the Bank as defined in Section 414(b) or (c) of the Code, shall be taken into account, whether provided as an employee or as a consultant or other independent contractor; provided that the Participant shall not be considered to have not separated from service solely by reason of service as a non-employee director of the Bank or any other such entity.

(ff) “*Share*” or “*Shares*” means Shares of common stock of the Corporation.

(gg) “*Subsidiary*” means, with respect to the Bank, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by the Bank, and (ii) any partnership, limited liability company or other entity in which the Bank has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%. For purposes of this definition, “owned” means a person or entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.