

NORTHEAST COMMUNITY BANCORP INC  
Form DEF 14A  
April 13, 2015

**SCHEDULE 14A INFORMATION**

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

**Exchange Act of 1934 (Amendment No. \_\_\_\_)**

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

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 under §240.14a-12

**NORTHEAST COMMUNITY BANCORP, INC.**

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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| N/A | 1. | Title of each class of securities to which transaction applies: |
|-----|----|---|

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| N/A | 2. | Aggregate number of securities to which transaction applies: |
|-----|----|--|

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3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

N/A

4. Proposed maximum aggregate value of transaction:

N/A

5. Total fee paid:

N/A

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:  
N/A

2. Form, Schedule or Registration Statement No.:  
N/A

3. Filing Party:  
N/A

4. Date Filed:  
N/A

April 13, 2015

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of NorthEast Community Bancorp, Inc. The meeting will be held at the Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York on Wednesday, May 20, 2015 at 9:00 a.m., local time.

The notice of annual meeting and proxy statement appearing on the following pages describe the formal business to be transacted at the meeting. Officers and directors of the Company, as well as a representative of BDO USA, LLP, the Company's independent registered public accountants, will be present to respond to appropriate questions of stockholders.

It is important that your shares are represented at this meeting, whether or not you attend the meeting in person and regardless of the number of shares you own. To make sure your shares are represented, we urge you to complete and mail the enclosed proxy card. If you attend the meeting, you may vote in person even if you have previously mailed a proxy card.

We look forward to seeing you at the meeting.

Sincerely,

/s/ Kenneth A. Martinek

Kenneth A. Martinek  
*Chairman and Chief Executive Officer*

**Important Notice Regarding Attending the Meeting  
and Voting Shares Held in Street Name**

**If your shares are registered directly in your name at our transfer agent, Computershare, Inc., you will need photo identification to be admitted to the annual meeting.**

**If you hold your shares in street name, you will need photo identification *and* proof of ownership to be admitted to the annual meeting. Examples of proof of ownership include a recent brokerage statement or letter from a bank or broker. If you want to vote your shares of NorthEast Community Bancorp common stock held in street name in person at the annual meeting, you must obtain a written proxy in your name from the broker, bank or other holder of record of your shares.**

325 Hamilton Avenue

White Plains, New York 10601

(914) 684-2500

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NOTICE OF 2015 annual meeting OF STOCKHOLDERS

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**TIME AND DATE** 9:00 a.m. on Wednesday, May 20, 2015

**PLACE** Westchester Marriott Hotel  
670 White Plains Road  
Tarrytown, New York

**ITEMS OF BUSINESS**

- (1) To elect three directors to serve for a term of three years;
- (2) To ratify the appointment of BDO USA, LLP as our independent registered public accounting firm for fiscal year 2015; and
- (3) To transact other business as may properly come before the meeting and any adjournment or postponement thereof.

**RECORD DATE** In order to vote, you must have been a stockholder at the close of business on March 27, 2015.

**PROXY VOTING** It is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning the proxy card or voting instruction card sent to you. Voting instructions are printed on your proxy card or voting instruction card. You can revoke a proxy at any time prior to its exercise at the meeting by following the instructions in the proxy statement.

/s/ Anne Stevenson-DeBlasi

Anne Stevenson-DeBlasi  
*Corporate Secretary*  
April 13, 2015

**IMPORTANT: Whether or not you plan to attend the annual meeting, please vote by marking, signing, dating and promptly returning the enclosed proxy card in the enclosed envelope.**

**NORTHEAST COMMUNITY BANCORP, INC.**

PROXY STATEMENT

GENERAL INFORMATION

We are providing this proxy statement to you in connection with the solicitation of proxies by the Board of Directors of NorthEast Community Bancorp, Inc. for the 2015 annual meeting of stockholders and for any adjournment or postponement of the meeting. NorthEast Community Bancorp is the holding company for NorthEast Community Bank.

We are holding the 2015 annual meeting at the Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York on Wednesday, May 20, 2015 at 9:00 a.m., local time.

We intend to mail this proxy statement and the enclosed proxy card to stockholders of record beginning on or about April 13, 2015.

INFORMATION ABOUT VOTING

Who Can Vote at the Meeting

You are entitled to vote the shares of NorthEast Community Bancorp common stock that you owned as of the close of business on March 27, 2015. As of the close of business on March 27, 2015, a total of 12,249,302 shares of NorthEast Community Bancorp common stock were outstanding, including 7,273,750 shares of common stock held by NorthEast Community Bancorp, MHC (the "MHC"). Each share of common stock has one vote.

Ownership of Shares; Attending the Meeting

You may own shares of NorthEast Community Bancorp in one or more of the following ways:

- Directly in your name as the stockholder of record;
- Indirectly through a broker, bank or other holder of record in “street name;” or
- Indirectly through the NorthEast Community Bank Employee Stock Ownership Plan (“ESOP”).

If your shares are registered directly in your name at our transfer agent, Computershare, Inc., you are the holder of record of these shares and we are sending these proxy materials directly to you. As the holder of record, you have the right to give your proxy directly to us or to vote in person at the annual meeting. **If you plan to attend the annual meeting you must bring photo identification to be admitted to the meeting.**



If you hold your shares in street name, your broker, bank or other holder of record is sending these proxy materials to you. As the beneficial owner, you have the right to direct your broker, bank or other holder of record how to vote by filling out a voting instruction form that accompanies your proxy materials. Your broker, bank or other holder of record may allow you to provide voting instructions by telephone or by the Internet. Please see the voting instruction form provided by your broker, bank or other holder of record that accompanies this proxy statement. **If you hold your shares in street name, you will need photo identification and proof of ownership to be admitted to the annual meeting.** Examples of proof of ownership include a recent brokerage statement or letter from a bank or broker. If you want to vote your shares of NorthEast Community Bancorp common stock held in street name in person at the annual meeting, you must obtain a written proxy in your name from the broker, bank or other holder of record of your shares. If you hold shares through the ESOP or the NorthEast Community Bank 401(k) Plan (the “401(k) Plan”) you will receive a voting instruction card for each plan in which you participate that reflects all shares that you may direct the trustee to vote on your behalf under such plan.

For information on your voting rights as a participant under the ESOP or the 401(k) Plan, see “—*Participants in the Bank’s ESOP or 401(k) Plan.*”

#### Quorum and Votes Required

**Quorum.** We will have a quorum and will be able to conduct the business of the annual meeting if the holders of a majority of the outstanding shares of common stock entitled to vote are present at the meeting, either in person or by proxy.

**Vote Required for Proposals.** At this year’s annual meeting, stockholders will elect three directors to each serve a term of three years. In voting on the election of directors, you may vote in favor of all the nominees for director, withhold votes as to all nominees, or withhold votes as to specific nominees. There is no cumulative voting for the election of directors. Directors must be elected by a plurality of the votes cast at the annual meeting. This means that the three nominees receiving the greatest number of votes will be elected.

In voting on the ratification of the appointment of BDO USA, LLP as the Company’s independent registered public accounting firm, you may vote in favor of the proposal, vote against the proposal or abstain from voting. To approve this matter, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote at the annual meeting is required.

**Effect of Not Casting Your Vote.** If you hold your shares in street name it is critical that you cast your vote if you want it to count in the election of directors (Item 1 of this Proxy Statement). Current regulation restricts the ability of your bank or broker to vote your uninstructed shares on this matter on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote on this matter, no votes will be cast on your behalf. These are referred to as broker non-votes. Your bank or broker does, however, have discretion to vote any

uninstructed shares on the ratification of the appointment of the Company's independent registered public accounting firm (Item 2 of this Proxy Statement).

***How We Count Votes.*** If you return valid proxy instructions or attend the meeting in person, we will count your shares for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes, if any, also will be counted for purposes of determining the existence of a quorum.

In the election of directors, votes withheld and broker non-votes will have no effect on the outcome of the election. In counting votes on the proposal to ratify the appointment of the independent registered public accounting firm, abstentions and broker non-votes will have the same effect as a vote against the proposal.

Because NorthEast Community Bancorp, MHC owns in excess of 50% of the outstanding shares of NorthEast Community Bancorp, Inc. common stock, the votes it casts will ensure the presence of a quorum and control the outcome of the vote on all proposals.

#### Voting by Proxy

The Company's Board of Directors is sending you this proxy statement to request that you allow your shares of Company common stock to be represented at the annual meeting by the persons named on the enclosed proxy card. All shares of Company common stock represented at the meeting by properly executed and dated proxy cards will be voted according to the instructions indicated on the proxy card. If you sign, date and return a proxy card without giving voting instructions, your shares will be voted as recommended by the Company's Board of Directors.

#### **The Board of Directors recommends that you vote:**

**“FOR” each of the nominees for director; and**

**“FOR” ratification of the appointment of BDO USA, LLP as the Company's independent registered public accounting firm.**

If any matters not described in this proxy statement are properly presented at the annual meeting, the persons named in the proxy card will use their judgment to determine how to vote your shares. This includes a motion to adjourn or postpone the annual meeting in order to solicit additional proxies. If the annual meeting is postponed or adjourned, your Company common stock may be voted by the persons named in the proxy card on the new annual meeting date, provided you have not revoked your proxy. We do not know of any other matters to be presented at the annual meeting.

You may revoke your proxy at any time before the vote is taken at the meeting. To revoke your proxy, you must either advise the Corporate Secretary of the Company in writing before your common stock has been voted at the annual meeting, deliver a later dated proxy or attend the meeting and vote your shares in person. Attendance at the annual meeting will not itself constitute revocation of your proxy.

Participants in the Bank's ESOP or 401(k) Plan

If you participate in the NorthEast Community Bank Employee Stock Ownership Plan (the "ESOP") or if you hold Company common stock through the NorthEast Community Bank 401(k) Plan (the "401(k) Plan"), you will receive a voting instruction card for each plan in which you participate that reflects all shares that you may direct the trustee to vote on your behalf under such plan. Under the terms of the ESOP, the ESOP trustee votes all shares held by the ESOP, but each ESOP participant may direct the trustee how to vote the shares of common stock allocated to his or her account. The ESOP trustee, subject to the exercise of its fiduciary duties, will vote all unallocated shares of Company common stock held by the ESOP and all allocated shares for which no voting instructions are received in the same proportion as shares for which the trustee has received timely voting instructions. Under the terms of the 401(k) Plan, a participant is entitled to direct the trustee how to vote the shares in the NorthEast Community Bancorp, Inc. Stock Fund credited to his or her account. If the 401(k) Plan trustee does not receive timely voting instructions for the shares of Company common stock held in the 401(k) Plan, the shares will not be voted. **The deadline for returning your voting instructions to each plan's trustee is May 13, 2015.**

## CORPORATE GOVERNANCE AND BOARD MATTERS

### Director Independence

The Company's Board of Directors currently consists of nine members, all of whom are independent under the listing requirements of The NASDAQ Stock Market, except for Kenneth A. Martinek, Chief Executive Officer of the Company and the Bank, Jose M. Collazo, President and Chief Operating Officer of the Company and the Bank and Charles A. Martinek, Vice President and Chief Compliance Officer of the Bank and brother of Kenneth A. Martinek. In determining the independence of its directors, the Board considered transactions, relationships and arrangements between the Company and its directors that are not required to be disclosed in this proxy statement under the heading "*Transactions with Related Persons*," including: (i) consultant services provided to the Bank by director Kenneth H. Thomas; (ii) legal services provided to the Bank by a law firm in which director Diane B. Cavanaugh's husband is a partner; and (iii) legal services provided to the Bank by Eugene M. Magier.

### Board Leadership Structure

The Company's Board of Directors endorses the view that one of its primary functions is to protect stockholders' interests by providing independent oversight of management, including the Chief Executive Officer. However, the Board does not believe that mandating a particular structure, such as designating an independent lead director or having a separate Chairman and Chief Executive Officer, is necessary to achieve effective oversight. The Board of the Company is currently comprised of ten directors, seven of whom are independent directors under the listing standards of The NASDAQ Global Market. The Chairman of the Board has no greater nor lesser vote on matters considered by the Board than any other director, and the Chairman does not vote on any related party transaction. All directors of the Company, including the Chairman, are bound by fiduciary obligations, imposed by law, to serve the best interests of the stockholders. Accordingly, separating the offices of Chairman and Chief Executive Officer would not serve to enhance or diminish the fiduciary duties of any director of the Company.

The Chairman of the Board and Chief Executive Officer positions are held by the same person, due in part to the fact that the Chief Executive Officer is the Director most familiar with the Company's business and industry and is best situated to lead discussions on important matters affecting the business of the Company. Combining the Chief Executive Officer and Chairman positions creates a firm link between the Company's management and the Board and promotes the development and implementation of sound corporate strategy. The Chairman of the Board provides leadership to the Board and works with the Board to define its structure and activities in the fulfillment of its responsibilities. The Board of Directors does not currently have a lead director position. As a result of the current structure of the Board, the independent members of the Board work together to provide strong, independent oversight of the Company's management and affairs through the Audit, Compensation and Nominating/Corporate Governance Committees and, when necessary, special meetings of independent directors.

## **The Board's Role in Risk Oversight**

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including credit risk, interest rate risk, liquidity risk, operational risk, strategic risk and reputation risk. Management is responsible for the day-to-day management of risks the Company faces, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board of Directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. To do this, the Board meets regularly with management to discuss strategy and risks facing the Company. Senior management attends the Board meetings and is available to address any questions or concerns raised by the Board on risk management and any other matters. The independent members of the Board work together to provide strong, independent oversight of the Company's management and affairs through its standing committees and, when necessary, special meetings of independent directors.

## Committees of the Board of Directors

The following table identifies the members of our Audit, Compensation, and Nominating/Corporate Governance Committees as of December 31, 2014. All members of each committee are independent in accordance with the listing requirements of The NASDAQ Global Market. Each of the committees operates under a written charter that is approved by the Board of Directors. Each committee reviews and reassesses the adequacy of its charter at least annually. The charters of all three committees are available in the Investor Relations section of the Company's website, [www.necommunitybank.com](http://www.necommunitybank.com).

| Director                              | Audit<br>Committee | Compensation<br>Committee | Nominating/<br>Corporate<br>Governance<br>Committee |
|---------------------------------------|--------------------|---------------------------|---|
| Diane B. Cavanaugh                    |                    | X*                        | X   |
| Arthur M. Levine                      | X*                 | X                         |   |
| Eugene M. Magier                      |                    |                           | X   |
| John F. McKenzie                      | X                  |                           |   |
| Harry (Jeff) A.S. Read <sup>(1)</sup> |                    | X                         |   |
| Linda M. Swan                         | X                  |                           |   |
| Kenneth H. Thomas                     |                    |                           | X*  |
| Number of Meetings in 2014            | 7                  | 1                         | 1   |

\* Denotes Chairperson  
(1) Mr. Read passed away on January 26, 2015.

## Audit Committee

The Audit Committee assists the Board of Directors in its oversight of the Company's accounting and reporting practices, the quality and integrity of the Company's financial reports and the Company's compliance with applicable laws and regulations. The Audit Committee is also responsible for engaging the Company's independent registered public accounting firm and monitoring its conduct and independence. The Board of Directors has determined that Arthur M. Levine is an audit committee financial expert under the rules of the Securities and Exchange Commission. The report of the Audit Committee required by the rules of the Securities and Exchange Commission is included in this proxy statement. See "*Report of the Audit Committee*."

## Compensation Committee

The Compensation Committee approves the compensation objectives for the Company and the Bank and establishes the compensation for the Chief Executive Officer and other executives. Our Chief Executive Officer makes recommendations to the Compensation Committee from time to time regarding the appropriate mix and level of compensation for other executives. Those recommendations consider the objectives of our compensation philosophy and the range of compensation programs authorized by the Compensation Committee. The Compensation Committee reviews all compensation components for the Company's Chief Executive Officer and other highly compensated executive officers' compensation including base salary, annual incentive, long-term incentives and other perquisites. In addition to reviewing competitive market values, the Compensation Committee also examines the total compensation mix, pay-for-performance relationship, and how all elements, in the aggregate, comprise the executive's total compensation package. Decisions by the Compensation Committee with respect to the compensation of executive officers are approved by the full Board of Directors. The Compensation Committee also assists the Board of Directors in evaluating potential candidates for executive positions.



## Nominating/Corporate Governance Committee

The Company's Nominating/Corporate Governance Committee assists the Board of Directors in identifying qualified individuals to serve as Board members, in determining the composition of the Board of Directors and its committees, in monitoring a process to assess Board effectiveness and in developing and implementing the Company's corporate governance guidelines. The Nominating/Corporate Governance Committee also considers and recommends the nominees for director to stand for election at the Company's annual meeting of stockholders. Further, when identifying nominees to serve as director, the Nominating/Corporate Governance Committee seeks to create a Board that is strong in its collective knowledge and has a diversity of skills and experience with respect to accounting and finance, management and leadership, vision and strategy, business operations, business judgment, industry knowledge and corporate governance. The procedures of the Nominating/Corporate Governance Committee required to be disclosed by the rules of the Securities and Exchange Commission are set forth below.

***Minimum Qualifications For Director Nominees.*** The Nominating/Corporate Governance Committee has adopted a set of criteria that it considers when it selects individuals to be nominated for election to the Board of Directors. A candidate must meet the eligibility requirements set forth in the Company's bylaws, which include a minimum stock ownership requirement and a requirement that the candidate not have been subject to certain criminal or regulatory actions. A candidate also must meet any qualification requirements set forth in any Board or committee governing documents.

Candidates deemed eligible for election to the Board of Directors are evaluated by the Nominating/Corporate Governance Committee using the following criteria for selecting nominees:

- financial, regulatory and business experience and skills;
- familiarity with and participation in the local community;
- integrity, honesty and reputation in connection with upholding a position of trust with respect to customers;
- ability to devote sufficient time and energy to diligently perform duties; and
- independence.

The Nominating/Corporate Governance Committee will also consider any other factors the Committee deems relevant, including age, diversity, size of the Board of Directors and regulatory disclosure obligations.



In addition, before nominating an existing director for re-election to the Board of Directors, the Nominating/Corporate Governance Committee will consider and review an existing director's integrity; Board and committee attendance and performance; length of Board service; experience, skills and contributions that the existing director brings to the Board; and independence.

***Director Nomination Process.*** The process that the Nominating/Corporate Governance Committee follows to identify and evaluate individuals to be nominated for election to the Board of Directors is as follows:

***Identification.*** For purposes of identifying nominees for the Board of Directors, the Nominating/Corporate Governance Committee relies on personal contacts of the committee members and other members of the Board of Directors, as well as its knowledge of members of the communities served by the Bank. The Nominating/Corporate Governance Committee will also consider director candidates recommended by stockholders in accordance with the policy and procedures set forth below. The Nominating/Corporate Governance Committee has not previously used an independent search firm to identify nominees.

***Evaluation.*** In evaluating potential nominees, the Nominating/Corporate Governance Committee determines whether the candidate is eligible and qualified for service on the Board of Directors by evaluating the candidate under the selection criteria described above. If such individual fulfills these criteria, the Nominating/Corporate Governance Committee will conduct a check of the individual's background and interview the candidate to further assess the qualities of the prospective nominee and the contributions he or she would make to the Board.

***Consideration of Recommendations by Stockholders.*** It is the policy of the Nominating/Corporate Governance Committee of the Board of Directors of the Company to consider director candidates recommended by stockholders who appear to be qualified to serve on the Company's Board of Directors. The Nominating/Corporate Governance Committee may choose not to consider an unsolicited recommendation if no vacancy exists on the Board of Directors and the Nominating/Corporate Governance Committee does not perceive a need to increase the size of the Board of Directors. To avoid the unnecessary use of the Nominating/Corporate Governance Committee's resources, the Nominating/Corporate Governance Committee will consider only those director candidates recommended in accordance with the procedures set forth below.

***Procedures to be Followed by Stockholders.*** To submit a recommendation of a director candidate to the Nominating/Corporate Governance Committee, a stockholder should submit the following information in writing, addressed to the Chairman of the Nominating/Corporate Governance Committee, care of the Corporate Secretary, at the main office of the Company:

1. The name of the person recommended as a director candidate;

2. All information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended;
3. The written consent of the person being recommended as a director candidate to being named in the proxy statement as a nominee and to serving as a director if elected;

- As to the stockholder making the recommendation, the name and address of such stockholder as they appear on the Company's books; provided, however, that if the stockholder is not a registered holder of the Company's common stock, the stockholder should submit his or her name and address along with a current written statement from the record holder of the shares that reflects ownership of the Company's common stock; and
- 4.

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5. A statement disclosing whether such stockholder is acting with or on behalf of any other person and, if applicable, the identity of such person.

In order for a director candidate to be considered for nomination at the Company's annual meeting of stockholders, the recommendation must be received by the Nominating/Corporate Governance Committee at least 120 calendar days before the date the Company's proxy statement was released to stockholders in connection with the previous year's annual meeting, advanced by one year.

#### Director Compensation

The following table provides the compensation received by individuals, other than our named executive officers listed in the "Summary Compensation Table," who served as directors of the Company during the 2014 fiscal year.

| Name                                  | Fees<br>Earned<br>or Paid<br>in Cash<br>(1) | All Other<br>Compensation | Total      |
|---------------------------------------|---|---------------------------|------------|
| Diane B. Cavanaugh                    | \$41,250                                    | —                         | \$41,250   |
| Arthur M. Levine                      | 47,500                                      | —                         | 47,500     |
| Eugene M. Magier                      | 35,750                                      | 7,250                     | (2) 43,000 |
| Charles A. Martinek                   | —   | —                         | — (3)      |
| John F. McKenzie                      | 37,750                                      | —                         | 37,750     |
| Harry (Jeff) A.S. Read <sup>(4)</sup> | 35,750                                      | —                         | 35,750     |
| Linda M. Swan                         | 36,750                                      | —                         | 36,750     |
| Kenneth H. Thomas                     | 40,750                                      | 15,200                    | (5) 55,950 |

(1) Includes fees earned for service with the Company and the Bank.

(2) Amount listed represents payment for legal work performed for the Bank.

(3) As an employee of the Bank, Mr. Charles Martinek did not receive any fees for his service as a director of the Company or the Bank. Mr. Martinek is not a named executive officer listed in the *Summary Compensation Table*.

(4) Mr. Read passed away on January 26, 2015.

(5) Amount listed represents payment for consulting work performed for the Bank on matters relating to bank branching and the Community Reinvestment Act. Dr. Thomas has been a consultant to the Bank since 1978.

**Cash Retainer and Meeting Fees for Non-Employee Directors.** Each non-employee director of the Bank receives a \$3,000 quarterly retainer plus \$1,000 per meeting attended. Non-employee directors also receive a \$750 quarterly retainer plus \$750 per meeting attended for their service on the Board of Directors of the Company, \$500 per meeting attended for service on the Audit, Compensation, and Nominating/Corporate Governance Committees of the Board of the Company, and \$1,000 per meeting attended for service on the Strategic Planning Committee. In addition, the Chairperson of the Audit Committee receives a \$2,500 quarterly retainer and the Chairpersons of the Compensation

and Nominating/Corporate Governance Committee each receive a \$1,250 quarterly retainer. Directors do not receive any fees for their service on the Board of Directors of NorthEast Community Bancorp, MHC.

**Outside Director Retirement Plan.** The Bank maintains the NorthEast Community Bank Outside Director Retirement Plan to provide non-employee directors with long standing service with a supplemental retirement benefit. All current non-employee directors are participants in the plan. Participating directors are entitled to receive a retirement benefit calculated based on years of service and director fees paid during the 12 completed calendar months preceding a director's termination of service multiplied by a vesting percentage. Participating directors with less than 10 years of service will receive no benefit under the plan. Participating directors with 10 years but less than 15 years of service will receive a benefit based on 50% of the total directors fees paid during the 12 completed calendar months preceding the director's termination. Participating directors with 15 years but less than 20 years will receive 75% of the total directors fees paid during the 12 completed calendar months preceding the director's termination. Participating directors with 20 or more years of service will receive a benefit calculated using 100% of the director fees paid during the 12 months preceding the directors termination. Participating directors vest in their retirement benefit at a rate of 20% per year for years of service after January 1, 2006. The annual director retirement benefit is generally paid monthly over a 120-month period following the month in which a director terminates his service on the Board of Directors. In the event a participating director dies while in pay status, the director's beneficiary will receive his or her remaining installments beginning in the month immediately following the director's death. In the event a participating director is terminated in connection with a change in control (as defined in the plan), the director will receive a lump sum payment equal to the actuarial equivalent of the director's monthly benefit. In the event a participating director is removed from the Board of Directors for cause, the director will forfeit all rights and benefits under the plan.

#### Board and Committee Meetings

During 2014, the Board of Directors held 14 meetings. Each of our current directors attended at least 95% of the Board meetings and the committee meetings on which such director served during 2014.

#### Director Attendance at Annual Meeting of Stockholders

The Board of Directors encourages each director to attend annual meetings of stockholders. Nine of the directors then in office attended the 2014 Annual Meeting of Stockholders.

#### Code of Ethics and Business Conduct

The Company has adopted a Code of Ethics and Business Conduct that is designed to promote the highest standards of ethical conduct by the Company's directors, executive officers and employees. The Code of Ethics and Business Conduct requires that the Company's directors, executive officers and employees avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in the Company's best interest. Under the terms of the Code of Ethics and Business Conduct, directors, executive officers and employees are required to report any conduct that they believe in good faith to be an actual or

apparent violation of the Code of Ethics and Business Conduct. A copy of the Code of Ethics and Business Conduct can be found in the Investor Relations section of the Company's website, *www.necommunitybank.com*.

## **REPORT OF THE AUDIT COMMITTEE**

The Company's management is responsible for the Company's internal controls and financial reporting process. The independent registered public accounting firm ("independent accountants") are responsible for performing an independent audit of the Company's consolidated financial statements and issuing an opinion on the conformity of those financial statements with generally accepted accounting principles. The Audit Committee oversees the Company's internal controls and financial reporting process on behalf of the Board of Directors.



In this context, the Audit Committee has met and held discussions with management and the independent accountants. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent accountants. The Audit Committee discussed with the independent auditors matters required to be discussed pursuant to U.S. Auditing Standards No. 16 (Communications with Audit Committees). In addition, the Audit Committee has received the written disclosures and the letter from the independent accountants required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence and has discussed with the independent accountants the independent accountants' independence. In concluding that the auditors are independent, the Audit Committee considered, among other factors, whether the non-audit services provided by the auditors were compatible with their independence.

The Audit Committee discussed with the Company's independent accountants the overall scope and plans for their audit. The Audit Committee meets with the independent accountants, with and without management present, to discuss the results of their examination, their evaluation of the Company's internal controls, and the overall quality of the Company's financial reporting.

In performing all of these functions, the Audit Committee acts only in an oversight capacity. In its oversight role, the Audit Committee relies on the work and assurances of the Company's management, which has the primary responsibility for financial statements and reports, and of the independent accountants who, in their report, express an opinion on the conformity of the Company's financial statements to generally accepted accounting principles. The Audit Committee's oversight does not provide it with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies, or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions with management and the independent accountants do not assure that the Company's financial statements are presented in accordance with generally accepted accounting principles, that the audit of the Company's consolidated financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board (United States) or that the Company's independent accountants are in fact "independent."

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 for filing with the Securities and Exchange Commission.

**Audit Committee of the Board of Directors of**

**NorthEast Community Bancorp, Inc.**

Arthur M. Levine (Chairperson)

John F. McKenzie

Linda M. Swan

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**STOCK OWNERSHIP**

The following table provides information as of March 27, 2015, with respect to persons known by the Company to be the beneficial owners of more than 5% of the Company's outstanding common stock. A person may be considered to own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investing power.

| Name and Address  | Number of<br>Shares<br>Owned | Percent of<br>Common<br>Stock<br>Outstanding<br>(1) |
|---|------------------------------|---|
| NorthEast Community Bancorp, MHC <sup>(2)</sup><br>325 Hamilton Avenue<br>White Plains, New York 10601  | 7,273,750                    | 59.38%  |
| Stilwell Value Partners IV, L.P., Stilwell Activist Fund, L.P.,<br>Stilwell Activist Investments, L.P., Stilwell Associates, L.P.,<br>Stilwell Partners, L.P., Stilwell Value LLC, and Joseph<br>Stilwell<br>111 Broadway, 12 <sup>th</sup> Floor<br>New York, New York 10006 | 1,236,102 <sup>(3)</sup>     | 10.09%  |

(1) Based on 12,249,302 shares of the Company's common stock outstanding and entitled to vote as of March 27, 2015.

(2) The members of the Board of Directors of NorthEast Community Bancorp and NorthEast Community Bank also constitute the Board of Directors of NorthEast Community Bancorp, MHC.

(3) Based on information contained in a Schedule 13D/A filed with the Securities and Exchange Commission on April 17, 2014, which indicates that Stilwell Value Partners IV, L.P., Stilwell Activist Fund, L.P., Stilwell Activist Investments, L.P., Stilwell Associates, L.P., Stilwell Partners, L.P., Stilwell Value LLC, and Joseph Stilwell have shared voting and dispositive power over 1,236,102 shares.

The following table provides information as of March 27, 2015 about the shares of Company common stock that may be considered to be beneficially owned by each director, nominee for director, executive officers named in the *Summary Compensation Table* and by all directors, nominees for director and executive officers of the Company as a group. A person may be considered to beneficially own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power. Unless otherwise indicated, none of the shares listed are pledged as security, and each of the named individuals has sole voting power and sole investment power with respect to the shares shown. All directors and executive officers as a group do not own over 1% of the Company's outstanding shares based on 12,249,302 shares of the Company's common stock outstanding and entitled to vote as of March 27, 2015.

| <u>Name</u>   | Number of Shares<br>Owned (1)(2) |     |
|---|----------------------------------|-----|
| Diane B. Cavanaugh  | 500                              |     |
| Jose M. Collazo   | 13,535                           |     |
| Donald Hom  | 2,783                            |     |
| Arthur M. Levine  | 2,076                            | (3) |
| Eugene M. Magier  | 9,000                            | (4) |
| Charles A. Martinek   | 9,872                            |     |
| Kenneth A. Martinek   | 59,273                           |     |
| John F. McKenzie  | 5,000                            |     |
| Linda M. Swan   | 730                              |     |
| Kenneth H. Thomas   | 10,000                           | (5) |
| All Executive Officers, Directors and<br>Director Nominees, as a Group (10 persons) | 112,769                          |     |

(1) Includes shares allocated to the account of individuals under the Bank's ESOP with respect to which individuals have voting but not investment power as follows: Mr. Charles Martinek – 4,262 shares, Mr. Kenneth Martinek – 12,744 shares (including 1,365 shares allocated to Mr. Martinek's spouse), Mr. Collazo – 7,445 shares (including 2,458 shares allocated to Mr. Collazo's spouse) and Mr. Hom – 2,783 shares.

(2) Includes shares held in trust in the 401(k) Plan as to which each individual has investment and voting power as follows: Mr. Charles Martinek – 4,034 shares, Mr. Kenneth Martinek – 46,529 shares, Mr. Collazo – 2,106 shares and Mr. Collazo's spouse – 3,933. These amounts reflect ownership units in the employer stock fund of the 401(k) Plan, which consists of both issuer stock and a reserve of cash. The actual number of shares held by the individual may vary when such units are actually converted into shares upon distribution of the units to the individual.

(3) Includes 1,000 shares held by Mr. Levine's spouse as trustee.

(4) Includes 1,900 shares held by Mr. Magier's spouse's IRA.

(5) Includes 370 shares held by Mr. Thomas' spouse's IRA.

## ITEMS TO BE VOTED ON BY STOCKHOLDERS

### Item 1 — Election of Directors

The Board of Directors of NorthEast Community Bancorp is presently composed of nine members. On January 26, 2015, the Board of Directors amended Article III, Section 2 of the Company's bylaws to decrease the number of directors from ten to nine in connection with the passing of director Harry (Jeff) A.S. Read. The Board is divided into three classes, each with three-year staggered terms, with one-third of the directors elected each year. The nominees for election this year are Diane B. Cavanaugh, Charles A. Martinek and Kenneth H. Thomas, all of whom are current directors of the Company and the Bank.

Unless you indicate on your proxy card that your shares should not be voted for certain directors, the Board of Directors intends that the proxies solicited by it will be voted for the election of all of the Board's nominees. If any nominee is unable to serve, the persons named in the proxy card will vote your shares to approve the election of any substitute proposed by the Board of Directors. Alternatively, the Board of Directors may adopt a resolution to reduce the size of the Board. At this time, the Board of Directors knows of no reason why any nominee might be unable to serve. **The Board of Directors recommends a vote "FOR" the election of all nominees.**

Information regarding the Board of Director's nominees and the directors continuing in office is provided below. Unless otherwise stated, each individual has held his or her current occupation for the last five years. The age indicated for each individual is as of December 31, 2014 and the indicated period of service as a director includes service as a director of the Bank. Based on their respective experiences, qualifications, attributes and skills set forth below, the Board of Directors determined that each current director and nominee should serve as a director.

#### **Board Nominees for Terms Ending in 2018**

*Diane B. Cavanaugh* is an attorney with Lyons McGovern, LLP. Age 58. Director since 1992.

As an attorney specializing in commercial litigation, Ms. Cavanaugh has the ability to provide the Board with the legal knowledge necessary to assess issues facing the Board effectively.

*Charles A. Martinek* has served as Vice President and Chief Compliance Officer of NorthEast Community Bank since September, 2013. Prior to that time, Mr. Martinek served as Internal Loan Review and Community Reinvestment Officer of the Bank since May, 2007, commercial loan officer with the Bank since 2001, and as an assistant vice president since 2002. Before serving with the Bank, Mr. Martinek was a quality control analyst with C. Cowles & Co. Mr. Martinek is also the owner of Martinek Investment Properties, LLC. Mr. Martinek's brother, Kenneth Martinek, also serves on the Board of Directors. Age 53. Director since 2002.

Mr. Martinek's commercial loan and compliance experience is crucial to the Board's ability comprehend and adequately advise the Company on the specific business issues facing the Company.

*Kenneth H. Thomas* has been an independent bank analyst and consultant since 1969 and has been President of K.H. Thomas Associates, LLC since 1975. Dr. Thomas holds a Ph.D. in Finance from the Wharton School and has written extensively on the Community Reinvestment Act of 1977. He has been a consultant to the Bank since 1978. Age 67. Director since 2001.

As an independent bank analyst for over 40 years, Dr. Thomas offers the Board essential industry experience. In addition, Dr. Thomas is a critical advisor to the Bank for operational, branching and Community Reinvestment Act matters.

**Directors with Terms Ending in 2016**

*Arthur M. Levine* is a certified public accountant and Managing Member of the accounting firm A.L. Wellen LLC. Age 80. Director since 1995.

Mr. Levine's accounting and business experience for over 50 years provides the Board with valuable insight and expertise with regard to various financial and accounting matters affecting the Company.

**Eugene M. Magier** is an attorney and has been President of the Law Offices of Eugene M. Magier, P.C. since 1994. Mr. Magier is a licensed Massachusetts Real Estate Broker and has managed residential and commercial real estate. Prior to starting his own law firm, Mr. Magier served as Legal Counsel for CVS Corporation. Age 53. Director since 2012.

Mr. Magier's experience and background as an attorney specializing in commercial real estate, acquisitions, workouts and contracts provides the Board with valuable knowledge and expertise directly related to the business issues facing the Company and the Bank.

**Kenneth A. Martinek** has served as Chairman of the Board and Chief Executive Officer of NorthEast Community Bancorp since its formation in 2006 and previously served as President from 2006 until January 2013. He has served with NorthEast Community Bank since 1976 and has been the Chief Executive Officer of the Bank since 1991 and was the President from 1991 until January 2013. Mr. Martinek was first elected as a director of the Bank in 1983 and was appointed Chairman of the Board in 2002. Mr. Martinek's brother, Charles A. Martinek, also serves on the Board of Directors. Age 62.

Since becoming Chief Executive Officer of the Bank in 1991, Mr. Martinek has successfully completed a mutual holding company reorganization and minority stock offering and navigated the issues facing a public company in the banking sector. Mr. Martinek's knowledge of all aspects of the business and its history, combined with his success and strategic vision, position him well to continue to serve as our Chairman and Chief Executive Officer.

**John F. McKenzie** is a retired insurance executive. Prior to his retirement in early 2008, Mr. McKenzie was the owner of an insurance agency in Orange, Connecticut, providing multiline personal and commercial insurance products. Age 71. Director since November 2006.

Mr. McKenzie provides the Board with significant management, strategic and operational knowledge through his previous experience as owner of an insurance agency.

#### **Directors with Terms Ending in 2017**

**Jose M. Collazo** has served as President of the Company and the Bank since January 2013 and Chief Operating Officer of the Company and the Bank since February 2012. Prior to being appointed Chief Operating Officer Mr. Collazo served as Senior Vice President and Chief Information Officer from 2002 to February 2012. Mr. Collazo joined the Bank in January 1986. Age 49. Director since 2013.



Mr. Collazo's extensive knowledge of all aspects of the Bank's and the Company's business and history, combined with his strategic vision, position him well to continue to serve as our Director, President and Chief Operating Officer.

**Linda M. Swan** is a retired Director of the Corporate Activities Division of the Office of Thrift Supervision. Age 65. Director since 1991.

Ms. Swan is a critical member of a well rounded Board of Directors. As a former Vice President for the Office of Thrift Supervision, Ms. Swan provides knowledge and expertise directly related to the various regulatory matters affecting the Company and the Bank.

#### Item 2 — Ratification of the Independent Registered Public Accounting Firm

On August 12, 2013, the Company dismissed ParenteBeard LLC as its independent certifying accountant. The Audit Committee of the Company's Board of Directors approved the dismissal.

The reports of ParenteBeard LLC on the consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2011 and December 31, 2012 did not contain an adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles. During the two most recent fiscal years ended December 31, 2012 and 2011 and through the subsequent interim period preceding August 12, 2013, there were: (1) no disagreements between the Company and ParenteBeard LLC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of ParenteBeard LLC would have caused them to make reference thereto in their reports on the Company's financial statements for such years, and (2) no reportable events within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

On August 13, 2013, the Company engaged BDO USA, LLP its independent certifying accountant. The Audit Committee of the Company's Board of Directors approved the engagement.

During the Company's fiscal years ended December 31, 2012 and 2011 and the subsequent interim period preceding the engagement of BDO USA, LLP, the Company did not consult with BDO USA, LLP regarding: (1) the application of accounting principles to a specified transaction, either completed or proposed; (2) the type of audit opinion that might be rendered on the Company's financial statements, and BDO USA, LLP did not provide any written report or oral advice that BDO USA, LLP concluded was an important factor considered by the Company in reaching a decision as to any such accounting, auditing or financial reporting issue; or (3) any matter that was either the subject of a disagreement with ParenteBeard LLC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure or the subject of a reportable event.

The Audit Committee of the Board of Directors has appointed BDO USA, LLP to be the Company's independent registered public accounting firm for 2015, subject to ratification by shareholders. A representative of BDO USA, LLP is expected to be present at the annual meeting to respond to appropriate questions from stockholders and will have the opportunity to make a statement should he or she desire to do so.

If the ratification of the appointment of the independent registered public accounting firm is not approved by the stockholders at the annual meeting, the Audit Committee will consider other independent registered public accounting firm.

#### **Auditor Fees**

The following table sets forth the fees billed to the Company for the fiscal years ended December 31, 2014 and December 31, 2013 by BDO USA, LLP, its independent public accounting firm. As discussed in greater detail above, the Company dismissed ParenteBeard LLC on August 12, 2013 and engaged BDO USA, LLP to serve as the Company's independent registered public accounting firm on August 13, 2013.

|                                   | 2014     | 2013     |
|-----------------------------------|----------|----------|
| Audit Fees <sup>(1)</sup>         | \$40,000 | \$13,766 |
| Audit-Related Fees <sup>(2)</sup> | 142,896  | —        |
| Tax Fees <sup>(3)</sup>           | 28,891   | —        |
| All other fees <sup>(4)</sup>     | 19,750   | —        |

(1) Includes professional services rendered for the audit of the Company's annual financial statements and review of financial statements included in Forms 10-Q and 10-K.

(2) Includes professional services rendered in connection with the state and city audits.

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- (3) Includes professional services rendered for the preparation of federal, state and city tax returns.
- (4) Includes direct and administrative expenses.

### **Policy on Pre-Approval of Audit and Permissible Non-Audit Services**

The Audit Committee is responsible for appointing and setting the compensation and overseeing the work of the independent auditor. In accordance with its charter, the Audit Committee approves, in advance, all audit and permissible non-audit services to be performed by the independent auditor to ensure that the independent auditor does not provide any non-audit services to the Company that are prohibited by law or regulation.

In addition, the Audit Committee has established a policy regarding pre-approval of all audit and permissible non-audit services provided by the independent auditor. Requests for services by the independent auditor must be specific as to the particular services to be provided. The request may be made with respect to either specific services or a type of service for predictable or recurring services. During the year ended December 31, 2014, all services provided by the independent auditor were approved, in advance, by the Audit Committee in compliance with these procedures.

**The Board of Directors recommends that stockholders vote “FOR” the ratification of the appointment of BDO USA, LLP as the independent registered public accounting firm.**

## EXECUTIVE COMPENSATION

## Summary Compensation Table

The following table provides information concerning total compensation earned or paid to the Chief Executive Officer and the three other most highly compensated executive officers of the Company who served in such capacities at December 31, 2014. These four officers are referred to as the “named executive officers” in this proxy statement.

| Name and Principal Position   | Year | Salary    | Bonus | All Other Compensation(1) | Total     |
|---|------|-----------|-------|---------------------------|-----------|
| Kenneth A. Martinek<br>Chief Executive Officer                        | 2014 | \$275,750 | \$—   | \$ —                      | \$275,750 |
|   | 2013 | 275,750   | —     | 8,266                     | 284,016   |
| Jose M. Collazo<br>President and Chief Operating Officer              | 2014 | \$181,250 | \$—   | \$ —                      | \$181,250 |
|   | 2013 | 175,349   | 5,348 | 33,083                    | 213,780   |
| Donald S. Hom<br>Executive Vice President and Chief Financial Officer | 2014 | \$150,000 | \$—   | \$ —                      | \$150,000 |
|   | 2013 | 114,500   | —     | 3,712                     | 114,500   |

(1) Each named executive officer participates in the ESOP; however, as of the date of this proxy statement the ESOP allocations for the year ended December 31, 2014 were not available.

**Employment Agreements.** The Company and the Bank each maintain employment agreements with Kenneth A. Martinek and Jose M. Collazo. The employment agreements with the Company and the Bank for each executive, which have essentially identical terms, provide that the Company will make any payments not made by the Bank, but the executives will not receive any duplicative payments. Messrs. Martinek and Collazo are also referred to below as the “executives” or the “executive.”

The employment agreements with Messrs. Martinek and Collazo provide for three-year terms, subject to annual renewal by the Boards of Directors. In connection with a review of the executive officers’ job performance, the Board of Directors of the Bank and the Company approved the extension of the employment agreement with Mr. Martinek through July 5, 2018 and the extension of the employment agreement with Mr. Collazo through May 11, 2018. The current base salaries under the employment agreements are \$275,750 for Mr. Martinek and \$181,250 for Mr. Collazo. The agreements also provide for participation in employee benefit plans and programs maintained for the benefit of senior management personnel, including discretionary bonuses, participation in stock-based benefit plans, and fringe benefits.

Under the terms of the agreements, the executives are subject to a one year non-compete if they terminate their employment for good reason (as defined in the agreement) or if they are terminated without cause (as defined in the agreement). This non-compete provision shall not apply if the executives are terminated within one year of a change of control.

See “*Potential Post-Termination Benefits*” for a discussion of the benefits and payments the executives may receive under their employment agreements upon retirement or termination of employment.

***Supplemental Executive Retirement Plan.*** The Bank also maintains a supplemental executive retirement plan in which Kenneth A. Martinek and Jose M. Collazo participate.

See “*Potential Post-Termination Benefits*” for a discussion of the benefits and payments the executives may receive under the supplemental executive retirement plan upon retirement or termination of employment.

### **Potential Post-Termination Benefits**

***Payments Made Upon Termination for Cause.*** Under the employment agreements, an executive who is terminated for cause will receive base salary through the date of termination and retain the rights to any vested benefits subject to the terms of the plan or agreement under which those benefits are provided.

***Payments Made Upon Retirement.*** Under the terms of the employment agreements with the executives, the executives will be entitled to their base salary earned as of the date of retirement, as well as all vested benefits under the Bank-sponsored tax-qualified retirement plans. In addition, the Bank maintains supplemental executive retirement plans for Messrs. Martinek and Collazo. Under the terms of the plans, upon termination of employment on or after the normal retirement age of 60 for Mr. Martinek and 65 for Mr. Collazo, the executives each receive an annual retirement benefit equal to fifty percent (50%) of average base salary over the three-year period preceding termination of employment. Upon termination on or after age 60 and upon completing a minimum of 20 years of service Mr. Collazo may receive an early retirement benefit equal to the normal retirement benefit, reduced by .25% for each month by which Mr. Collazo’s age at termination is less than age 65. The early or normal retirement benefit is payable in equal monthly installments for the greater of the executive’s lifetime or 15 years following retirement. All unvested equity awards granted to the executives will be forfeited upon retirement.

***Payments Made Upon Voluntarily Termination and Termination without Cause or for Good Reason.*** If the Bank and the Company terminate the executives for reasons other than cause, or if the executives terminate voluntarily under certain circumstances outlined in the employment agreements that constitute constructive termination, the executives, or their beneficiaries should they die prior to receipt of payment, each receive an amount equal to their base salary and employer contributions to benefit plans payable for the remaining term of the agreement. The Bank and the Company also agree to continue and/or pay for the executives’ life, health and dental coverage for the remaining term of the agreements. The executives will be entitled to their supplemental benefits under the supplemental executive retirement plan as described under “Payments Made Upon Retirement” depending on their age as of the termination date.

***Payments Made Upon Disability.*** Under the employment agreements, if the executives become disabled, the Bank and the Company agree to provide them with monthly disability pay equal to 75% of their monthly base salaries for a period ending on the earliest to occur of (1) a return to full-time employment with the Bank and the Company; (2) death; (3) attainment of age 65; or (4) the expiration of the employment agreement. The disability payments under the agreement would be reduced, however, by the amount of any short- or long-term disability benefits that would become payable to the executives under the terms of any disability insurance programs sponsored by the Bank and the Company.

In the event of termination due to disability, the executives will receive the early retirement benefit or normal retirement benefit due under the supplemental executive retirement plan if they have reached age 65 (or age 60 in the case of Mr. Martinek), respectively, prior to termination. If they have not attained early retirement age prior to termination due to disability, they will receive a benefit equal to their accrued benefit under the plan as of the date of termination.



***Payments Made Upon Death.*** Upon the death of an executive, the executive's employment agreement terminates and the executive's beneficiary will receive base salary and accrued benefits through the last day of the month of death.

The supplemental executive retirement plan provides that upon the death of the executive while actively employed, they, or their beneficiary, would receive an actuarially equivalent lump sum benefit, calculated as if the executive had attained the normal retirement age prior to his death.

***Payments Made Upon a Change in Control.*** Under the employment agreements, if an executive is involuntarily or constructively terminated within one year of a change in control (as defined in the agreements), the executive will receive a severance payment equal to three times his or her average annual compensation over the five preceding years, as well as continued life, medical and dental benefits for three years following termination of employment.

The benefits provided to the executives under the employment agreements upon a change in control are limited to avoid adverse tax consequences to the Company and the Bank under Section 280G of the Internal Revenue Code of 1986. The "280G Limit" provides that total payments and benefits to the executives that are contingent upon a change in control shall not equal or exceed in the aggregate three times the individual's average annual taxable income over the five preceding years.

The supplemental executive retirement plan provides that upon termination in connection with a change in control Messrs. Martinek and Collazo, or their beneficiary, would receive an actuarially equivalent lump sum benefit, calculated as if they had attained age 60 for Mr. Martinek and age 65 for Mr. Collazo prior to termination of employment.

Under the terms of our employee stock ownership plan, upon a change in control (as defined in the plan), the plan will terminate and the plan trustee will repay in full any outstanding acquisition loan. After repayment of the acquisition loan, all remaining shares of our stock held in the loan suspense account, all other stock or securities, and any cash proceeds from the sale or other disposition of any shares of our stock held in the loan suspense account will be allocated among the accounts of all participants in the plan who were employed by us on the date immediately preceding the effective date of the change in control. The allocations of shares or cash proceeds shall be credited to each eligible participant in proportion to the opening balances in their accounts as of the first day of the valuation period in which the change in control occurred. Payments under our employee stock ownership plan do not count towards the executives' 280G Limits.

## **OTHER INFORMATION RELATING TO**

### **DIRECTORS AND EXECUTIVE OFFICERS**

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors, and persons who own more than 10% of any registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. These individuals or entities are required by regulation to furnish the Company with copies of all Section 16(a) reports they file.

Based solely on its review of the copies of the reports it has received and written representations provided to the Company from the individuals required to file the reports, the Company believes that each of its executive officers and directors has complied with applicable reporting requirements for transactions in Company common stock during the fiscal year ended December 31, 2014.

## Transactions with Related Persons

The Sarbanes-Oxley Act of 2002 generally prohibits loans by the Company to its executive officers and directors. However, the Sarbanes-Oxley Act contains a specific exemption from such prohibition for loans by the Bank to its executive officers and directors in compliance with federal banking regulations. Federal regulations require that all loans or extensions of credit to executive officers and directors of insured institutions must be made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and must not involve more than the normal risk of repayment or present other unfavorable features. The Bank is therefore prohibited from making any new loans or extensions of credit to executive officers and directors at different rates or terms than those offered to the general public, except for loans made pursuant to programs generally available to all employees. Notwithstanding this rule, federal regulations permit the Bank to make loans to executive officers and directors at reduced interest rates if the loan is made under a benefit program generally available to all other employees and does not give preference to any executive officer or director over any other employee, although the Bank does not currently have such a program in place.

## SUBMISSION OF BUSINESS PROPOSALS AND

## STOCKHOLDER NOMINATIONS

The Company must receive proposals that stockholders seek to include in the proxy statement for the Company's next annual meeting no later than December 15, 2015. If next year's annual meeting is held on a date more than 30 calendar days from May 20, 2016, a stockholder proposal must be received by a reasonable time before the Company begins to print and mail its proxy solicitation for such annual meeting. Any stockholder proposals will be subject to the requirements of the proxy rules adopted by the Securities and Exchange Commission.

The Company's bylaws provide that, in order for a stockholder to make nominations for the election of directors or proposals for business to be brought before the annual meeting, a stockholder must deliver notice of such nominations and/or proposals to the Secretary not less than 30 days before the date of the annual meeting. However, if less than 40 days' notice or prior public disclosure of the date of the annual meeting is given to stockholders, such notice of stockholder nominations or proposals must be received not later than the close of business of the tenth day following the day on which notice of the date of the annual meeting was mailed to stockholders or prior public disclosure of the meeting date was made. A copy of the bylaws may be obtained from the Company.

## STOCKHOLDER COMMUNICATIONS

The Company encourages stockholder communications to the Board of Directors. All communications from stockholders should be addressed to NorthEast Community Bancorp, Inc., 325 Hamilton Avenue, White Plains, New

York 10601. Communications to the Board of Directors should be in the care of Anne Stevenson-DeBlasi, Corporate Secretary. Stockholders who wish to communicate with a Committee of the Board should send their communications to the care of the Chairperson of the particular committee, with a copy to Kenneth H. Thomas, the Chair of the Nominating/Corporate Governance Committee. It is in the discretion of the Nominating/Corporate Governance Committee whether any communication sent to the full Board should be brought before the full Board.

## **NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS**

**Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be held on May 20, 2015.**

**The Proxy Statement and Annual Report to Stockholders are available at  
[https://www.necb.com/portals/NorthEastCommunityBank/PDF/2015\\_Meeting\\_2014\\_Proxy\\_Annual\\_Rpt.pdf](https://www.necb.com/portals/NorthEastCommunityBank/PDF/2015_Meeting_2014_Proxy_Annual_Rpt.pdf)**

### MISCELLANEOUS

The Company will pay the cost of this proxy solicitation. The Company will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of the Company. Additionally, directors, officers and other employees of the Company may solicit proxies personally or by telephone. None of these persons will receive additional compensation for these activities.

The Company's Annual Report to Stockholders has been included with this proxy statement. The Annual Report is not to be treated as part of the proxy solicitation material or as having been incorporated by reference into this proxy statement.

If you and others who share your address own your shares in "street name," your broker or other holder of record may be sending only one annual report and proxy statement to your address. This practice, known as "householding," is designed to reduce our printing and postage costs. However, if a stockholder residing at such an address wishes to receive a separate annual report or proxy statement in the future, he or she should contact the broker or other holder of record. If you own your shares in "street name" and are receiving multiple copies of our annual report and proxy statement, you can request householding by contacting your broker or other holder of record.

Whether or not you plan to attend the annual meeting, please vote by marking, signing, dating and promptly returning the enclosed proxy card in the enclosed envelope.

**BY ORDER OF THE BOARD OF DIRECTORS**

/s/ Anne Stevenson-DeBlasi

Anne Stevenson-DeBlasi  
*Corporate Secretary*

White Plains, New York

April 13, 2015

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ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED  
ENVELOPE. • Proposals — The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposal  
2. 1. Election of Directors: For Withhold For Withhold For Withhold 01 - Diane B. Cavanaugh + 02 - Charles A.  
Martinek 03 - Kenneth H. Thomas For Against Abstain 2. The ratification of the appointment of BDO USA, LLP as  
independent registered public accounting firm of Northeast Community Bancorp, Inc. for the fiscal year ending  
December 31, 2015. Non-Voting Items Change of Address — Please print your new address below. Comments — Please  
print your comments below. Meeting Attendance Mark the box to the right if you plan to attend the Annual Meeting.  
Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below Please sign  
exactly as your name appears on this card. When signing as attorney, executor, administrator, trustee or guardian,  
please give your full title. If shares are held jointly, each holder may sign but only one signature is required. Date  
(mm/dd/yyyy) — Please print date below. Signature 1 — Please keep signature within the box. Signature 2 — Please keep  
signature within the box. MR A SAMPLE (THIS AREA IS SET UP TO ACCOMMODATE C 1234567890 J N T  
140 CHARACTERS) MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND  
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MMMMMMM + 021WDC • PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE  
BOTTOM PORTION IN THE ENCLOSED ENVELOPE. • REVOCABLE PROXY — NORTHEAST COMMUNITY  
BANCORP, INC. ANNUAL MEETING OF STOCKHOLDERS May 20, 2015, 9:00 a.m., Local Time THIS PROXY  
IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS. The undersigned hereby appoints the official  
proxy committee of Northeast Community Bancorp, Inc. (the “Company”), consisting of Arthur M. Levine, Eugene M.  
Magier, John F. McKenzie and Linda M. Swan, or any of them, with full power of substitution in each, to act as proxy  
for the undersigned, and to vote all shares of common stock of the Company which the undersigned is entitled to vote  
only at the Annual Meeting of Stockholders to be held on May 20, 2015 at 9:00 a.m., local time, at the Westchester  
Marriott Hotel, 670 White Plains Road, Tarrytown, New York and at any and all adjournments thereof, with all of the  
powers the undersigned would possess if personally present at such meeting as indicated on this proxy card. This  
proxy is revocable and will be voted as directed, but if no instructions are specified, this proxy, properly signed and  
dated, will be voted “FOR” all nominees and “FOR” proposal 2. If any other business is presented at the Annual Meeting,  
including whether or not to adjourn the meeting, this proxy will be voted by the proxies in their judgment. At the  
present time, the Board of Directors knows of no other business to be presented at the Annual Meeting. This proxy  
also confers discretionary authority on the proxy committee of the Board of Directors to vote (1) with respect to the  
election of any person as director, where the nominees are unable to serve or for good cause will not serve and (2)  
matters incident to the conduct of the meeting. PLEASE COMPLETE, DATE, SIGN, AND MAIL THIS PROXY  
CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE. .. MMMMMMMMMMMMMMMMMMMMMMMMMMMMMMMMMMM Northeast Community  
Bancorp, Inc. IMPORTANT ANNUAL MEETING INFORMATION MMMMMMMMMMMMMMMMMMMMMMMMMMMMMMMMMMM Using a black ink pen,  
mark your votes with an X as shown in this example. Please do not write outside the designated areas. X Annual  
Meeting Proxy Card • PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM  
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Inc. for the fiscal year ending December 31, 2015. Authorized Signatures — This section must be completed for your  
vote to be counted. — Date and Sign Below Please sign exactly as your name appears on this card. When signing as  
attorney, executor, administrator, trustee or guardian, please give your full title. If shares are held jointly, each holder  
may sign but only one signature is required. Date (mm/dd/yyyy) — Please print date below. Signature 1 — Please keep



signature within the box. Signature 2 — Please keep signature within the box. 1UPX 2224162 + 021WEC • PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. • REVOCABLE PROXY — NORTHEAST COMMUNITY BANCORP, INC. ANNUAL MEETING OF STOCKHOLDERS May 20, 2015, 9:00 a.m., Local Time THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS. The undersigned hereby appoints the official proxy committee of Northeast Community Bancorp, Inc. (the “Company”), consisting of Arthur M. Levine, Eugene M. Magier, John F. McKenzie and Linda M. Swan, or any of them, with full power of substitution in each, to act as proxy for the undersigned, and to vote all shares of common stock of the Company which the undersigned is entitled to vote only at the Annual Meeting of Stockholders to be held on May 20, 2015 at 9:00 a.m., local time, at the Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York and at any and all adjournments thereof, with all of the powers the undersigned would possess if personally present at such meeting as indicated on this proxy card. This proxy is revocable and will be voted as directed, but if no instructions are specified, this proxy, properly signed and dated, will be voted “FOR” all nominees and “FOR” proposal 2. If any other business is presented at the Annual Meeting, including whether or not to adjourn the meeting, this proxy will be voted by the proxies in their judgment. At the present time, the Board of Directors knows of no other business to be presented at the Annual Meeting. This proxy also confers discretionary authority on the proxy committee of the Board of Directors to vote (1) with respect to the election of any person as director, where the nominees are unable to serve or for good cause will not serve and (2) matters incident to the conduct of the meeting.

PLEASE COMPLETE, DATE, SIGN, AND MAIL THIS PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE. Dear 401(k) Plan Participant: On behalf of the Board of Directors of Northeast Community Bancorp, Inc. (the “Company”), I am forwarding you the attached green voting instruction card provided for the purpose of conveying your voting instructions to Fidelity Management Trust Company (the “Trustee”) of the Northeast Community Bank 401(k) Plan (the “401(k) Plan”) on the proposals to be presented at the Annual Meeting of Stockholders of the Company to be held on May 20, 2015. Also enclosed is a Notice of 2015 Annual Meeting, Proxy Statement and 2014 Annual Report. As a holder of the Company’s common stock (“Common Stock”) through the 401(k) Plan, you are entitled to direct the Trustee how to vote the shares of Common Stock credited to your account as of March 27, 2015, the record date for the Annual Meeting. If the Trustee does not receive your voting instructions by May 13, 2015, your shares will not be voted at the Annual Meeting. Please complete, sign and return the enclosed green voting instruction card in the postage paid envelope provided by Computershare no later than May 13, 2015. Computershare will tabulate participant voting instructions and forward them to the Trustee who will vote the shares held in the 401(k) Plan Trust as directed by participants. Your vote will not be revealed, directly or indirectly, to any employee or director of the Company or Northeast Community Bank. As an employee of Northeast Community Bank you may participate in more than one stock-based benefit plan. Please submit your voting instructions for all of the plans.

Sincerely, Kenneth A. Martinek Chairman and Chief Executive Officer Northeast Community Bancorp, Inc.  
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 3 ADD 4 ADD 5 ADD 6 Using a black ink pen, mark your votes with an X as shown in this example. Please do not  
 write outside the designated areas. X Annual Meeting Voting Instruction Card • PLEASE FOLD ALONG THE  
 PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. •

Proposals — The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposal 2. 1. Election of Directors: For Withhold For Withhold For Withhold 01 - Diane B. Cavanaugh + 02 - Charles A. Martinek 03 - Kenneth H. Thomas For Against Abstain 2. The ratification of the appointment of BDO USA, LLP as independent registered public accounting firm of Northeast Community Bancorp, Inc. for the fiscal year ending December 31, 2015. Non-Voting Items Change of Address — Please print your new address below. Comments — Please print your comments below. Meeting Attendance Mark the box to the right if you plan to attend the Annual Meeting. Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below Please be sure to date and sign this voting instruction card in the box below. Date (mm/dd/yyyy) — Please print date below. Signature 1 — Please keep signature within the box. Signature 2 — Please keep signature within the box. MR A SAMPLE (THIS AREA IS SET UP TO ACCOMMODATE C 1234567890 J N T 140 CHARACTERS) MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND 31DV 2224163 MR A



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undersigned is entitled to vote at the Annual Meeting of Stockholders to be held on May 20, 2015 at 9:00 a.m., local time, at the Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York and at any and all adjournments thereof, as indicated on this voting instruction card. THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ALL NOMINEES AND "FOR" PROPOSAL 2. PLEASE COMPLETE, DATE, SIGN, AND MAIL THIS VOTING INSTRUCTION CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE.