

BankFinancial CORP  
Form DEF 14A  
April 30, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
SCHEDULE 14A  
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
(AMENDMENT NO. )

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 Section 240.14a-12

BANKFINANCIAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

Payment of Filing Fee (Check the appropriate box)

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (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):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

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:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

April 30, 2015

Dear Fellow Stockholder:

On behalf of the Board of Directors of BankFinancial Corporation (the “Company”), I cordially invite you to attend our 2015 Annual Meeting of Stockholders. The meeting will be held at the Drake Hotel Oak Brook, 2301 York Road, Oak Brook, Illinois, on Tuesday, June 23, 2015, at 11:00 A.M., Chicago, Illinois Time.

At the Annual Meeting, our stockholders will vote on the election of three directors, the ratification of the engagement of Crowe Horwath LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2015, and an advisory, non-binding resolution to approve our executive compensation.

The Board of Directors, acting on the recommendations of the Corporate Governance and Nominating Committee, has nominated incumbents Cassandra J. Francis, Thomas F. O’Neill and Terry R. Wells, to serve as directors of the Company for three-year terms.

The Board of Directors recommends that you vote your shares as follows: FOR the election of our three director nominees; FOR the ratification of the appointment of Crowe Horwath LLP as our independent registered public accounting firm for the year ending December 31, 2015; and FOR the approval on an advisory, non-binding basis of our executive compensation.

This year we will be using the “Notice and Access” method of providing proxy materials to you via the Internet in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). We believe that this process should provide you with a convenient and quick way to access your proxy materials and vote your shares, while allowing us to conserve natural resources and reduce the costs of printing and distributing the proxy materials. On or about April 30, 2015, we will mail to our stockholders a Stockholder Meeting Notice (“Meeting Notice”) containing instructions on how to access our Proxy Statement and 2014 Annual Report, and how to vote your shares. This notice will also contain instructions on how you may receive, if you wish, a paper copy of your proxy materials. By voting your shares promptly, you will help us reduce the time and expense of soliciting proxies, and you will also ensure that your shares are represented at the Annual Meeting.

Thank you in advance for your attention to this important matter. We are most appreciative of your continued interest and support as stockholders of the Company and as valued customers of BankFinancial, F.S.B.

Very truly yours,

F. Morgan Gasior  
Chairman and Chief Executive Officer

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BANKFINANCIAL CORPORATION

15W060 North Frontage Road

Burr Ridge, Illinois 60527

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On June 23, 2015

To the Stockholders of BankFinancial Corporation:

Notice is hereby given that the Annual Meeting of Stockholders (the “Annual Meeting”) of BankFinancial Corporation, a Maryland corporation, will be held at the Drake Hotel Oak Brook, 2301 York Road, Oak Brook, Illinois, on Tuesday, June 23, 2015, at 11:00 A.M., Chicago, Illinois Time, and any adjournments or postponements thereof.

The purpose of the Annual Meeting is to consider and act upon the following, as described more fully in the Company’s Proxy Statement:

1. To elect three directors for a three-year term and until their successors are duly elected and qualify;  
To ratify the engagement of Crowe Horwath LLP as the independent registered public accounting firm of BankFinancial Corporation for the year ending December 31, 2015;
- 2.
3. To consider an advisory, non-binding resolution to approve our executive compensation; and  
To transact such other business as may properly come before the Annual Meeting, or any adjournments or postponements thereof; the Board of Directors and management are not aware of any such other business.
- 4.

The Board of Directors has fixed the close of business on April 20, 2015 as the voting record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting and any adjournments or postponements thereof. Only those stockholders of record as of the close of business on that date will be entitled to vote at the Annual Meeting or any such adjournments or postponements. In the event that there are not sufficient votes to establish a quorum or to approve the foregoing proposals at the Annual Meeting, the meeting may be adjourned or postponed in order to permit the further solicitation of proxies. Any action may be taken on the foregoing proposals at the Annual Meeting on the date specified above, or on the date or dates to which the Annual Meeting may be adjourned or postponed.

By Order of the Board of Directors

James J. Brennan

Secretary

Burr Ridge, Illinois

April 30, 2015

Important Notice Regarding the Availability of Proxy Materials for the 2015 Annual Meeting

Our Proxy Statement for the 2015 Annual Meeting and our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (which is our 2014 Annual Report) and the accompanying form of proxy are available online at [www.envisionreports.com/BFIN](http://www.envisionreports.com/BFIN).

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PROXY STATEMENT

BankFinancial Corporation  
15W060 North Frontage Road  
Burr Ridge, Illinois 60527

ANNUAL MEETING OF STOCKHOLDERS

June 23, 2015

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of BankFinancial Corporation of proxies to be voted at the Annual Meeting of Stockholders (the “Annual Meeting”) that will be held at the Drake Hotel Oak Brook, 2301 York Road, Oak Brook, Illinois, on Tuesday, June 23, 2015, at 11:00 A.M., Chicago, Illinois Time, and any adjournments or postponements thereof.

This Proxy Statement and the accompanying Notice of Annual Meeting and proxy card are first being made available to the stockholders of BankFinancial Corporation on or about April 30, 2015. Whether or not you plan to attend the Annual Meeting, please read this Proxy Statement and authorize the voting of your shares by proxy by following the proxy authorization instructions appearing on the proxy card and discussed below under “How do I vote?”

An Annual Report for the year ended December 31, 2014, which contains audited consolidated financial statements and other information pertaining to BankFinancial Corporation, accompanies this Proxy Statement.

THE COMPANY

BankFinancial Corporation, a Maryland corporation headquartered in Burr Ridge, Illinois, became the owner of all of the issued and outstanding capital stock of BankFinancial, F.S.B. (the “Bank”) on June 23, 2005, when it consummated a plan of conversion and reorganization that the Bank and its predecessor holding companies, BankFinancial MHC, Inc. (“BankFinancial MHC”) and BankFinancial Corporation, a federal corporation, adopted on August 25, 2004. BankFinancial Corporation, the Maryland corporation, was organized in 2004 to facilitate the mutual-to-stock conversion, and to become the holding company for the Bank upon the completion of the mutual-to-stock conversion. BankFinancial Corporation, the Maryland corporation, did not engage in any business prior to, and the separate corporate existences of BankFinancial MHC and BankFinancial Corporation, the federal corporation, ceased upon, the completion of the mutual-to-stock conversion on June 23, 2005. Consequently, the words “Company,” “we” and “our,” as used in this Proxy Statement, are intended to refer to BankFinancial MHC, BankFinancial Corporation, the federal corporation, and their subsidiaries with respect to matters and time periods occurring on or before June 23, 2005, and to BankFinancial Corporation, the Maryland corporation, and its subsidiaries with respect to matters and time periods occurring after that date.

VOTING AND RELATED MATTERS

The following is information regarding the Annual Meeting and the voting process.

Why am I receiving this Proxy Statement?

Our Board of Directors has made these materials available to you on the Internet or has delivered printed versions of these materials to you by mail pursuant to your request in connection with the Board of Directors’ solicitation of proxies for use at our Annual Meeting. As a stockholder, you are invited to attend the Annual Meeting and are requested to vote on the items of business described in this Proxy Statement.

You are receiving this Proxy Statement from us because at the close of business on April 20, 2015, the record date for the Annual Meeting, you owned shares of our common stock, par value \$0.01, either directly or through a broker. This Proxy Statement describes the matters that will be presented for consideration by our stockholders at the Annual Meeting. It also gives you information concerning the matters to be considered at the Annual Meeting to assist you in making an informed voting decision.

When you vote your shares, you appoint the proxy holder as your representative at the Annual Meeting. The proxy holder will vote your shares as you have instructed, thereby ensuring that your shares will be voted whether or not you attend the Annual Meeting. Even if you plan to attend the Annual Meeting, please vote your shares in advance of the Annual Meeting in case your plans change.



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If you have voted your shares and an issue comes up for a vote at the Annual Meeting that is not identified on the proxy card, the proxy holder will vote your shares, pursuant to your proxy, in accordance with his or her discretion. What matters will be voted on at the Annual Meeting?

You are being asked to vote on the election of our three director nominees; the ratification of the engagement of Crowe Horwath LLP (“Crowe Horwath”) as our independent registered public accounting firm for the year ending December 31, 2015; and an advisory, non-binding resolution to approve our executive compensation. These matters are more fully described in this Proxy Statement.

How do I vote?

Stockholders who own their shares in their name may vote in person at the Annual Meeting by filling out a ballot or may authorize a proxy to vote on his or her behalf. There are three ways to authorize a proxy:

1. Internet: You may access the proxy materials on the Internet at [www.envisionreports.com/BFIN](http://www.envisionreports.com/BFIN) and follow the instructions on the proxy card or on the Meeting Notice.
2. Telephone: You may call toll-free 1-800-652-VOTE (8683) and follow the instructions provided by the recorded message.
3. Mail: If you received your proxy materials by mail, you may vote by signing, dating and mailing the enclosed proxy card in the postage paid envelope provided.

Stockholders who vote over the Internet may incur costs, such as telephone and Internet access charges, for which the stockholder is responsible. The Internet and telephone voting procedures are designed to authenticate a stockholder’s identity and to allow a stockholder to vote his or her shares and confirm that his or her instructions have been properly recorded. You may use the Internet or telephone to submit your proxy until 1:00 a.m., Chicago, Illinois Time on the morning of the Annual Meeting, June 23, 2015.

Stockholders who hold shares in “street name,” that is, through a broker, should instruct their broker to vote their shares by following the instructions provided by the broker. Your vote as a stockholder is important. Please vote as soon as possible to ensure that your vote is recorded. See “If I hold shares in the name of a broker, who votes my shares?” below.

What if I sign and date my proxy but do not provide voting instructions?

A proxy that is signed and dated, but which does not contain voting instructions will be voted as follows:

- “FOR” the three director nominees named in this Proxy Statement;
- “FOR” the ratification of the engagement of Crowe Horwath; and
- “FOR” the approval of the advisory, non-binding resolution to approve our executive compensation.

What does it mean if I receive multiple proxy materials?

It means that you have multiple holdings reflected in our stock transfer records and/or in accounts with stockbrokers. Please vote all shares. No proxy cards are duplicated.

If I hold shares in the name of a broker, who votes my shares?

If you received this Proxy Statement from your broker, your broker should have given you instructions for directing how your broker should vote your shares. It will then be your broker’s responsibility to vote your shares for you in the manner you direct.

Under the rules of various national and regional securities exchanges, brokers may generally vote on routine matters, such as the ratification of an independent registered public accounting firm, but cannot vote on non-routine matters such as the election of directors and advisory, non-binding votes on executive compensation unless they have received voting instructions from the person for whom they are holding shares. If your broker does not receive instructions from you on how to vote particular shares on matters on which your broker does not have discretionary authority to vote, your broker will return the proxy card to us, indicating that he or she does not have the authority to vote on these matters. This is generally referred to as a “broker non-vote.” At the Annual Meeting, broker non-votes will not affect the outcome of the voting, as described below under “How many votes are needed for each proposal?” Therefore, we encourage you to provide directions to your broker as to how you want your shares voted on the matters to be brought before the Annual Meeting. You should do this by carefully following the instructions your broker gives you concerning its procedures so that your shares will be voted at the Annual Meeting.





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What if I change my mind after I vote my shares?

If you hold your shares in your own name, you may revoke your proxy and change your vote by:  
following the instructions for telephone or Internet voting appearing on your proxy card;  
signing another proxy card with a later date and returning the new proxy card by mail to our stock transfer agent and registrar, Computershare Trust Company, N.A., or by sending it to us to the attention of the Secretary of the Company, provided that the new proxy card is actually received by the Secretary before the polls close at the Annual Meeting;  
sending notice addressed to the attention of the Secretary of the Company that you are revoking your proxy, provided that the notice is actually received by the Secretary before the polls close at the Annual Meeting; or  
voting in person at the Annual Meeting in accordance with the established voting rules and procedures.

If you hold your shares in the name of a broker and desire to revoke your proxy, you will need to contact your broker to revoke your proxy.

Please mail any new proxy cards to Proxy Services, in care of Computershare Trust Company, N.A., at P.O. Box 43101, Providence, Rhode Island 02940-5067. You may send the notice described above or new proxy card to us as follows: BankFinancial Corporation, 15W060 North Frontage Road, Burr Ridge, Illinois 60527, Attention: James J. Brennan, Secretary.

How are proxy materials delivered?

BankFinancial controls its costs for the Annual Meeting by following SEC rules that allow for the delivery of proxy materials to the Company's stockholders via Notice and Access, which delivers materials through the Internet. In addition to reducing the amount of paper used in producing these materials, this method lowers the costs associated with mailing the proxy materials to stockholders. Stockholders who own shares directly and not through a broker will have a Meeting Notice delivered directly to their mailing address. Stockholders whose shares are held in the name of a broker will have a Meeting Notice forwarded to them by the broker that holds the shares. Stockholders who have requested paper copies of the proxy materials will receive this Proxy Statement, the 2014 Annual Report and a proxy card.

If you received only a Meeting Notice by mail, you will not receive a printed copy of the proxy material unless you request a copy by following the instructions on the notice. The Meeting Notice also contains instructions for accessing and reviewing the proxy materials over the Internet and provides directions for submitting your vote over the Internet.

How do I request a paper copy of the proxy materials?

You may request a paper copy of the proxy materials by following the instructions below. You will be asked to provide your 15-digit control number located on your Meeting Notice.

1. Call the toll-free telephone number 1-866-641-4276 and follow the instructions provided, or
2. Access the website at [www.envisionreports.com/BFIN](http://www.envisionreports.com/BFIN) and follow the instructions provided, or

Send an email to [investorvote@computershare.com](mailto:investorvote@computershare.com) with "Proxy Materials BankFinancial Corporation" in the subject line. Include in the message your full name and address, plus the number located in the shaded bar on your Meeting Notice, and state in the email that you want a paper copy of current meeting materials.

Please make your request for a copy on or before June 9, 2015 to facilitate timely delivery before the Annual Meeting. Stockholders who hold shares in "street name" that is, through a broker, should request copies of the proxy materials by following the instructions provided by the broker.

How many votes do we need to hold the Annual Meeting?

A majority of the shares that are outstanding and entitled to vote as of the record date must be present in person or by proxy at the Annual Meeting in order for us to hold the Annual Meeting and conduct business. Abstentions and broker non-votes are considered present at the Annual Meeting and are counted in determining whether or not a quorum is present.

Shares are counted as present at the Annual Meeting if the stockholder either:

- is present and votes in person at the Annual Meeting; or
- has properly submitted a signed proxy form or other proxy.



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At the close of business on April 20, 2015, the record date, there were 21,101,966 shares of our common stock, par value \$0.01, issued and outstanding. Therefore, at least 10,550,984 shares need to be present at the Annual Meeting in person or by proxy in order for us to hold the Annual Meeting and conduct business.

What happens if a nominee is unable to stand for election?

The Board of Directors may, by resolution, provide for a lesser number of directors or designate a substitute nominee. In the latter case, shares represented by proxies may be voted for the substitute nominee designated by the Board of Directors. Proxies cannot be voted for more than three nominees. We have no reason to believe that any nominee will be unable to stand for election.

What options do I have in voting on each of the proposals?

Election of Directors (Proposal 1). You may mark the "FOR" box on your proxy card to vote for all director nominees, mark the "FOR ALL EXCEPT" box on your proxy card to vote for all nominees other than any nominee that you specify on your proxy card, or mark the "WITHHOLD" box to withhold your vote for all director nominees.

Ratification of Independent Registered Public Accounting Firm (Proposal 2). You may mark either the "FOR", "AGAINST", or "ABSTAIN" box with respect to the ratification engagement of Crowe Horwath.

Advisory, Non-Binding Vote on Executive Compensation (Say-On-Pay) (Proposal 3). You may cast your advisory, non-binding vote "FOR" or "AGAINST", or you may "ABSTAIN" from voting on the compensation of the Company's named executive officers. While this vote is required by law, it will neither be binding on the Company or its Board of Directors, nor will it create or imply any change in the fiduciary duties of or impose any additional fiduciary duties on the Company or its Board of Directors.

Where no instructions are indicated, validly executed proxies will be voted "FOR" the election of the three director nominees, "FOR" the ratification of the engagement of Crowe Horwath, and "FOR" the approval of the compensation of the Company's named executive officers.

How many votes may I cast?

Generally, you are entitled to cast one vote for each share of stock you owned on the record date. The proxy card included with this Proxy Statement indicates the number of shares owned by an account attributable to you.

Are there any limits on the voting of shares?

As provided in Section F of Article 6 of our Charter, record holders of common stock that is beneficially owned by a person who beneficially owns in excess of 10% of the outstanding shares of our common stock are not entitled to vote any shares held in excess of this 10% limit. Subject to certain exceptions, a person is deemed to beneficially own shares owned by an affiliate of, as well as by persons acting in concert with, such person. Our Board of Directors is authorized to construe and apply the provisions of Section F of Article 6 of the Charter, and to make all determinations it deems necessary or desirable to implement them, including determining the number of shares beneficially owned by any person and whether a person is an affiliate of or has an arrangement or agreement with another person. Further, the Board of Directors is authorized to demand certain information from any person who is reasonably believed to beneficially own stock in excess of the 10% limit and reimbursement for all expenses incurred by us in connection with an investigation conducted by the Board of Directors pursuant to the provisions of Section F of Article 6 of the Charter.

How many votes are needed for each proposal?

The three individuals receiving the highest number of votes cast "FOR" their election will be elected as directors, without regard to shares as to which the "FOR ALL EXCEPT" or "WITHHOLD" box has been selected on the proxy card. The ratification of the engagement of Crowe Horwath as our independent registered public accounting firm for the year ending December 31, 2015 will require the affirmative vote of a majority of the votes cast at the Annual Meeting, in person or by proxy, without regard to either broker non-votes or shares as to which the "ABSTAIN" box has been selected on the proxy card.

The approval of the advisory, non-binding vote on executive compensation will require the affirmative vote of a majority of the votes cast at the Annual Meeting, without regard to either broker non-votes or shares as to which the "ABSTAIN" box has been selected on the proxy card. While this vote is required by law, it will neither be binding on the Company or its Board of Directors, nor will it create or imply any change in the fiduciary duties of or impose any additional fiduciary duties on the Company or its Board of Directors.



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Shares represented by broker non-votes and abstentions are considered present at the Annual Meeting for the purposes of determining whether or not a quorum is present, but such shares are not considered votes cast and will have no effect on the outcome of the election of directors, the ratification of the engagement of Crowe Horwath, and the advisory, non-binding resolution to approve our executive compensation.

Where do I find the voting results of the Annual Meeting?

We intend to announce voting results at the Annual Meeting or at any postponements or adjournments thereof. The voting results will also be disclosed in a Current Report on Form 8-K that we will file with the SEC.

How does the Board recommend that I vote?

The Board of Directors recommends that you vote “FOR” the election of the three director nominees, “FOR” the ratification of the engagement of Crowe Horwath, and “FOR” the approval of the compensation of the Company’s named executive officers.

Who do I call if I have any questions?

If you have any questions or need assistance in submitting your proxy, voting your shares or need paper copies of the proxy materials, free of charge, please contact Computershare, toll-free, at (866) 641-4276.

**ELECTION OF DIRECTORS; INFORMATION WITH RESPECT TO DIRECTORS AND EXECUTIVE OFFICERS**

There are seven members of the Board of Directors, which is divided into three classes. The bylaws of the Company establish the initial terms of office for each class of directors and provide that directors are elected for a term of office that will expire at the third succeeding Annual Meeting of Stockholders following their election, with each director to hold office until his or her successor is duly elected and qualifies.

At the Annual Meeting, the stockholders of the Company will be requested to elect one class of directors consisting of three directors. The Corporate Governance and Nominating Committee of the Board of Directors has recommended, and the Board of Directors has nominated, Cassandra J. Francis, Thomas F. O’Neill and Terry R. Wells for election as directors in this class of directors for a term of office that will expire at the Annual Meeting of Stockholders in 2018 and until their successors are duly elected and qualify.

The proxies solicited on behalf of the Board of Directors will be voted at the Annual Meeting “FOR” the election of the above three nominees as directors, provided that your proxy will not be voted in favor of any nominee for which your proxy vote has been withheld. If a nominee is unable or unwilling to stand for election at the time of the Annual Meeting, the shares represented by all such proxies will be voted for the election of such replacement nominee as the Board of Directors, acting on the recommendation of the Corporate Governance and Nominating Committee, may designate. At this time, the Board of Directors knows of no reason why any of the nominees might be unable or unwilling to stand for election as a director, or to serve as a director if elected.

As described in a Current Report on Form 8-K filed with the Securities and Exchange Commission on December 30, 2013, the Company has entered into a Standstill Agreement with John W. Palmer and PL Capital, LLC and certain of its affiliated parties (collectively, the “PL Capital Parties”), pursuant to which the Board of Directors of the Company and its Corporate Governance and Nominating Committee agreed, among other things, to nominate and recommend Mr. Palmer for election as a director of the Company at the 2014 Annual Meeting of Stockholders, and the PL Capital Parties agreed, among other things, to vote all Company shares that they beneficially own in favor of the director nominees selected by the Corporate Governance and Nominating Committee and will otherwise support such director candidates, and with respect to any other proposal submitted by any stockholder, they will vote all shares that they beneficially own in accordance with the recommendation of the Board of Directors.

The following table sets forth certain information regarding the nominees and members of the Board of Directors, including their years of service and terms of office. Except for the Standstill Agreement or otherwise as indicated herein, there are no arrangements or understandings between any of the directors or nominees and any other person pursuant to which such directors or nominees were selected.

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Name	Position(s) Held in the Company	Director Since <sup>(1)</sup>	Term of Class to Expire
NOMINEES			
Cassandra J. Francis	Director	2006	2018
Thomas F. O'Neill	Director	2012	2018
Terry R. Wells	Director	1994	2018
CONTINUING DIRECTORS			
John M. Hausmann, C.P.A.	Director	1990	2016
Glen R. Wherfel, C.P.A.	Director	2001	2016
F. Morgan Gasior	Chairman of the Board, Chief Executive Officer and President	1983	2017
John W. Palmer			