

PATRIOT NATIONAL BANCORP INC  
Form DEF 14A  
April 29, 2004

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INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

**PATRIOT NATIONAL BANCORP, INC.**

(Name of Registrant as Specified In Its Charter)

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(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:

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(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):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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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:

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(2) Form, Schedule or Registration Statement No.:

\_\_\_\_\_

(3) Filing Party:

\_\_\_\_\_

(4) Date Filed:

\_\_\_\_\_

\_\_\_\_\_

**PATRIOT NATIONAL BANCORP, INC.**  
900 Bedford Street  
Stamford, Connecticut 06901

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
AND PROXY STATEMENT**

To Be Held on June 15, 2004

\_\_\_\_\_

Notice is hereby given that the Annual Meeting of Shareholders of Patriot National Bancorp, Inc. ("Bancorp") will be held at The Hyatt Regency, 1800 East Putnam Avenue, Old Greenwich, Connecticut 06870 at 9:00 a.m. on Tuesday, June 15, 2004 for the following purposes:

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- (1) To elect nine directors for the ensuing year;
- (2) To consider and act upon a proposal to amend the Certificate of Incorporation of Bancorp to increase the authorized number of shares of capital stock of Bancorp from 5,333,333 shares of common stock, par value \$2.00 per share ("Common Stock"), to 31,000,000 shares of capital stock, consisting of 30,000,000 shares of Common Stock, and 1,000,000 shares of Serial Preferred Stock, without par value;
- (3) To consider and act upon a proposal to ratify the appointment of McGladrey & Pullen, LLP as independent auditor for the year ending December 31, 2004; and
- (4) To transact such other business as may be properly brought before the Annual Meeting.

The close of business on April 28, 2004 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting and at any adjournments thereof.

Whether or not you expect to be present at the meeting, please mark, date, sign and return the enclosed form of proxy in the stamped and addressed envelope provided. No postage is required.

By Order of the Board of Directors

Angelo De Caro

Chairman & Chief Executive Officer

Stamford, Connecticut  
May 6, 2004

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### **PATRIOT NATIONAL BANCORP, INC.**

900 Bedford Street  
Stamford, Connecticut 06901

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### **PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 15, 2004**

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#### **INTRODUCTION**

This Proxy Statement (this "Proxy Statement") is being furnished in connection with the solicitation by the Board of Directors of Patriot National Bancorp, Inc. ("Bancorp") of proxies from holders of Bancorp's Common Stock, \$2.00 par value ("Common Stock"), to be voted at the Annual Meeting of Shareholders to be held on June 15, 2004 and at any adjournments thereof. The time and place of the Annual Meeting, as well as the purposes therefor, are set forth in the accompanying Notice of Annual Meeting. The approximate date on which this Proxy Statement and the enclosed proxy are first being sent or given to shareholders is May 6, 2004. In addition to solicitation by mail, directors, officers and certain management employees of Bancorp or its subsidiary, Patriot National Bank (the "Bank"), may solicit by telephone or in person the return of signed proxies from shareholders without additional remuneration therefor. Bancorp has also retained Morrow & Company, a proxy solicitation firm, to assist in proxy solicitation for the Annual Meeting.

Any proxy given by a shareholder may be revoked at any time before its exercise, and any shareholder who executes and returns a proxy and who attends the Annual Meeting may withdraw the proxy at any time before it is voted and vote his or her shares in person. A proxy may also be revoked by submitting a duly executed proxy bearing a later date or by giving notice to the Secretary of Bancorp in writing (at Bancorp's address indicated above) or in open meeting prior to the taking of a vote.

Unless so revoked, the proxy will be voted at the Annual Meeting, and unless authorization to vote for the election of directors or for any particular nominee is withheld, the shares represented by such proxy will be voted FOR the nominees set forth in this Proxy Statement with the votes cumulated as determined by the proxy holders. If authorization to vote for any nominee or nominees is withheld in a proxy, the votes of the shares represented thereby will be distributed among the remaining nominees in the manner determined by the persons named in the proxy, unless contrary instructions are given. Proxies containing instructions on Proposal 2 (the amendment to the Certificate of Incorporation increasing the authorized number of shares) and Proposal 3 (the ratification of the appointment of McGladrey & Pullen, LLP as independent auditor for 2004) will be voted in accordance with such instructions. If no instructions are contained on Proposals 2 or 3, proxies will be voted FOR the proposals. Under Bancorp's Bylaws for the election of directors, where the holders of the Common Stock have cumulative voting, the nominees receiving the largest number of votes will be elected. Under Connecticut law, approval of Proposal 2 requires the affirmative vote of a majority of the votes eligible to be cast at the Annual Meeting. Under Bancorp's Bylaws, approval of Proposal 3 requires the affirmative vote of a majority of the votes cast at the Annual Meeting. An abstention or a broker non-vote will be counted for purposes of determining whether a quorum is present but will not be counted as votes cast.

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### VOTING SECURITIES AND PRINCIPAL HOLDERS

The record date for determining shareholders entitled to notice of and to vote at the Annual Meeting and any adjournments thereof has been set as April 28, 2004 (the "Record Date"). As of the Record Date, there were 2,428,607 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote multiplied by the number of directors to be elected with respect to the election of directors and to one vote on each other matter submitted to the Annual Meeting.

Other than Angelo De Caro, who is the Chairman and Chief Executive Officer and a director of Bancorp, there is no person who, to the knowledge of Bancorp's Board of Directors, owns beneficially more than 5% of the outstanding Common Stock. Information as to the number of shares of Common Stock owned by each director of Bancorp and by each nominee for election as a director of Bancorp is set forth below under "Election of Directors-Stock Ownership."

To the knowledge of Bancorp, no arrangement exists the operation of which might result in a change in control of Bancorp. However, Angelo De Caro has received authority from the Federal Reserve Bank of New York to acquire up to 35% of the Common Stock.

### PROPOSAL 1 ELECTION OF DIRECTORS

#### Nominees

The number of directors to be elected at the Annual Meeting has been set at nine by action of the Board of Directors in accordance with the Certificate of Incorporation and the Bylaws of Bancorp. The directors are elected annually by the shareholders by ballot. With respect to the election of directors, the holders of Common Stock have cumulative voting. Cumulative voting means that each share of Common Stock is entitled to one vote multiplied by the number of directors to be elected. Such votes may be cumulated and cast for a single candidate or may be distributed among two or more candidates in the manner selected by the shareholder. In the event a shareholder submitting a proxy does not specify how the votes attributable to the shares represented thereby are to be distributed, the persons named in the proxy will determine how such votes are to be distributed among the candidates. The nominees receiving the largest number of votes will be elected. Each director holds office until the next Annual Meeting of Shareholders and until his or her successor is elected and qualifies (or until his or her earlier resignation, death or removal). Each of the nominees has consented to being named in this Proxy Statement and to serve as a director if elected. Each of the directors also serves as a director of the Bank.

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The persons named in the form of proxy to represent shareholders at the Annual Meeting are John A. Geoghegan, L. Morris Glucksman and Michael F. Intrieri and each of them. It is the intention of the persons named in the proxy to vote FOR the election of the nominees named herein unless authority to vote is withheld with respect to one or more nominees. In the event that any nominee for director should become unavailable for election for any reason, the persons named in the proxy will consult with Bancorp's management and use their discretion in deciding whether and how to vote the shares represented by such proxies.

The names of the nominees for election as directors are set forth below, together with their principal occupations and employment, ages, directorships in publicly held companies and any company registered as an investment company under the Investment Company Act of 1940, directorships in other companies and lengths of service as directors. Each of the persons named below has a business address c/o Patriot National Bancorp, Inc., 900 Bedford Street, Stamford, Connecticut 06901. There is no arrangement or understanding between any director and any other person or persons pursuant to which such director was or is to be selected as a director or nominee. There is no family relationship between any director and any executive officer of Bancorp or the Bank.

Each of the nominees has held the principal occupation listed for the past five years, except as set forth below.

Name	Age	Position and Offices With Bancorp Presently Held and Principal Occupation and Employment	Director Since (1)
Angelo De Caro	61	Director of Bancorp and the Bank; Chairman and Chief Executive Officer of Bancorp since 2001; President and Chief Executive Officer of Bancorp from its organization in December 1999 to 2001; Chairman of the Board of Directors of the Bank since September 2000; Chief Executive Officer of the Bank from June 1999 until October 2000; private investor from 1996 to present; former Partner of Goldman, Sachs & Co. from 1979 to 1996.	1998
John J. Ferguson	64	Director of Bancorp and the Bank; Senior Partner of the law firm of Bleakley Platt & Schmidt LLP, New York, New York.	2001

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Name	Age	Position and Offices With Bancorp Presently Held and Principal Occupation and Employment	Director Since (1)
John A. Geoghegan	62	Director of Bancorp and the Bank; Resident Principal (Partner) of the law firm of Gellert & Quartararo, P.C., Purchase, New York and predecessor firm; former Director of Barclays Bank, N.A. for over eighteen years.	1998
L. Morris Glucksman	56	Director of Bancorp and the Bank; practicing attorney in Stamford, Connecticut.	1993
Charles F. Howell	55	Director of Bancorp and the Bank; President of Bancorp since 2001; Vice Chairman of Bancorp and President and Chief Executive Officer of the Bank since October 2000; Director and President of Summit Bank Connecticut from 1998 to 2000; Executive Vice President, Chief Operating Officer and Director of NSS Bank from 1994 to 1998 and NSS Bancorp from the date of formation in 1997 until 1998.	2000
Michael F. Intrieri	60	Director of Bancorp and the Bank; facilitator in Stamford, Connecticut Public School System; Ed.D. in education and counseling; real estate broker.	1993
Robert F. O'Connell	55	Director of Bancorp and the Bank; Senior Executive Vice President and Chief Financial Officer of Bancorp and the Bank since 2001; Executive Vice President and Chief Financial Officer of Bancorp and the Bank from 2000 to 2001; Senior Vice President and Chief Financial Officer of New Canaan Bank and Trust Company or Treasurer/Senior Financial Officer of its successor, Summit Bank, New Canaan, Connecticut, from 1994 to 2000.	2001
Paul C. Settelmeyer	58		2001

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Director of Bancorp and the Bank; Director of Bancorp from December 1999 to June 2000; Director of the Bank from 1998 until June 2000; financial consultant working with banks, mortgage companies and other financial institutions.

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Name	Age	Position and Offices With Bancorp Presently Held and Principal Occupation and Employment	Director Since (1)
Philip W. Wolford	56	Director of Bancorp and the Bank; Chief Operating Officer and Secretary of Bancorp and the Bank since June 2000; President of Bancorp from December 1999 until June 2000; President of the Bank from September 1994 until June 2000.	1994

(1) Service as a director includes the period of service as a director of the Bank prior to Bancorp's acquisition of the Bank in 1999.

### Executive Officers

The following table provides information concerning the executive officers of Bancorp and the Bank other than Messrs. De Caro, Howell, O'Connell and Wolford, information about each of which is listed in the table above.

Name	Age	Position and Offices With Bancorp Presently Held and Principal Occupation and Employment
Todd Brown	40	Executive Vice President of the Bank since July 1999; from 1994 to July 1999, Vice President of Pinnacle Financial Corp., a mortgage broker.
John Kantzas	68	Executive Vice President and Cashier of the Bank since 1994.
Martin G. Noble	54	Executive Vice President and Senior Loan Officer of the Bank since February 1999; from 1996 to 1999, Vice President and Manager - Risk Management for Cityscape Corporation, a mortgage banking company.
Marcus Zavattaro	39	Executive Vice President and President of the Pinnacle Financial Division of the Bank; from 1994 to July 1999, President of Pinnacle Financial Corp., a mortgage broker.

### Meetings and Committees of the Board

During 2003, the Board of Directors of Bancorp met 11 times. All directors attended at least 75% of the total number of meetings of Bancorp's Board of Directors and of those Board committees on which he served which were held during 2003 with the exception of Mr. De Caro who attended 10 of 11 Board meetings and 21 of 36 Committee meetings due to a temporary personal circumstance.

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The members of the Board of Directors devote time and talent to certain standing and ad hoc committees of Bancorp and the Bank. Among these committees are the Executive Committee, the Asset and Liability Committee, the Audit Committee, the Loan Committee and the Personnel Committee, whose members and principal functions are described below. Bancorp does not have a standing nominating committee of the Board of Directors. The nominees for Director were approved by unanimous vote of the independent directors of the Board, in accordance with

NASDAQ requirements.

The functions of the Executive Committee include monitoring the implementation by management of policies established by the Board of Directors, and exercising, when the Board of Directors is not in session, all other powers of the Board of Directors that may lawfully be delegated, and reviewing for approval any contracts with third parties authorized by the Board of Directors prior to execution thereof. The members of the Executive Committee are Messrs. De Caro, Ferguson, Geoghegan, Glucksman and Howell. During 2003, the Executive Committee of Bancorp met one time.

The functions of the Asset and Liability Committee include ensuring adherence to the investment policies of the Bank, recommending amendments thereto, exercising authority regarding investments and liquidity and exercising, when the Board of Directors is not in session, all other powers of the Board of Directors regarding investment activities that may lawfully be delegated. The members of the Asset and Liability Committee are Messrs. De Caro, Geoghegan, Glucksman, Howell, Naclerio, O'Connell, Settlemeyer and Wolford. During 2003, the Asset and Liability Committee of Bancorp met four times.

The functions of the Audit Committee include (i) reviewing and recommending policies regarding internal audit and credit review, (ii) establishing and implementing policies to comply with applicable regulations, (iii) monitoring compliance with investment policies, (iv) causing suitable audits to be made by auditors engaged by the Audit Committee on behalf of Bancorp, (v) pre-approving all audit services and permitted non-audit services provided by the auditors, and (vi) reviewing the independence of the auditors and the "audit committee financial experts" on the Audit Committee. The Audit Committee or its Chairman also discusses with the independent auditor the auditor's review of Bancorp's unaudited quarterly financial statements. The Audit Committee operates under a written charter adopted by the Board of Directors, a copy of which is attached as Appendix A to this Proxy Statement. The members of the Audit Committee are Messrs. Ferguson, Intrieri, Naclerio, and Settlemeyer, each of whom is an independent director as defined by NASDAQ rules. Mr. Settlemeyer has been determined to have the professional experience deemed necessary to qualify as an audit committee financial expert under Securities and Exchange Commission rules. During 2003, the Audit Committee of Bancorp met six times. The Report of the Audit Committee for the year ended December 31, 2003 is set forth under "Election of Directors -Report by the Audit Committee."

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The functions of the Loan Committee include examining, reviewing and approving loans, reviewing and approving loan policies and establishing appropriate levels of credit risk and exercising, when the Board of Directors is not in session, all other powers of the Board of Directors regarding extensions of credit that may lawfully be delegated. The members of the Loan Committee are Messrs. De Caro, Howell, Intrieri, Naclerio, O'Connell, Settlemeyer and Wolford. During 2003, the Loan Committee of Bancorp met 28 times.

The functions of the Personnel Committee include reviewing and recommending policies with respect to a comprehensive personnel policy, staffing requirements, personnel compensation and benefits issues and performance review of certain identified officer positions. The Personnel Committee also reviews management's implementation of established policies and personnel compliance issues. The members of the Personnel Committee are currently Messrs. De Caro, Geoghegan, Glucksman, Howell, Intrieri, Naclerio, O'Connell and Wolford. During 2003, the Personnel Committee of Bancorp met three times.

#### **Nomination Process**

The Board of Directors does not have a nominating committee. The full Board of Directors performs the functions of a nominating committee. The Board of Directors does not believe it needs a separate nominating committee because a majority of the full Board is comprised of independent directors and has the time and resources to perform the function of selecting board nominees. All Board nominees must be approved by a vote of the independent members of the Board pursuant to NASDAQ requirements. Messrs. Ferguson, Geoghegan, Glucksman, Intrieri, Naclerio and Settlemeyer are considered to be independent directors under the NASDAQ rules. When the Board of Directors performs its nominating function, the Board acts in accordance with Bancorp's Certificate of Incorporation and Bylaws but does not have a separate charter related to the nomination process. Under the Company's Bylaws, nominations for directors may be made by the Board of Directors or by any shareholder of any outstanding class of capital stock of Bancorp who delivers notice along with the additional information and materials required by Bancorp's charter to Bancorp's President not less than 14 days and no more than 50 days before the annual meeting. Shareholders may obtain a copy of Bancorp's Certificate of Incorporation and Bylaws by writing to Bancorp's Corporate Secretary, 900 Bedford Street, Stamford, Connecticut 06901.

Bancorp's directors have a critical role in guiding Bancorp's strategic direction and in overseeing management. The Board of Directors considers candidates for the Board based upon several criteria, including their broad-based business and professional skills and experiences, concern for the long-term interests of shareholders, and personal integrity and judgment. Candidates should have reputations, both personal and professional,

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consistent with Bancorp's image and reputation. The majority of directors on the Board of Directors should be "independent," not only as that term may be legally defined, but also without the appearance of any conflict in serving as a director. In addition, directors must have time available to devote to Board activities and to enhance their knowledge of the banking industry. Accordingly, the Board of Directors seeks to attract and retain highly qualified directors who have sufficient time to attend to their substantial duties and responsibilities to Bancorp.

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The Board of Directors utilizes the following process for identifying and evaluating nominees to the Board. In the case of incumbent directors, each year the Board of Directors informally reviews directors' overall service to Bancorp during their term, including the number of meetings attended, level of participation and quality of performance. In the case of new director candidates, the directors on the Board of Directors are polled for suggestions as to potential candidates that may meet the criteria above, discuss candidates suggested by Bancorp shareholders, and may also engage, if the Board of Directors deems appropriate, a professional search firm. To date, the Board of Directors has not engaged professional search firms to identify or evaluate potential nominees but may do so in the future, if necessary. The Board of Directors then meets to discuss and consider these candidates' qualifications and then chooses a candidate by majority vote. Each of the nominees for director listed above were recommended by the directors.

### Director Attendance at Annual Meetings

Bancorp has a policy encouraging attendance by members of the Board of Directors at Bancorp's annual meetings of shareholders. All of the Bancorp directors attended the 2003 Annual Meeting of Shareholders.

### STOCK OWNERSHIP

The following table sets forth as of March 31, 2004, the number of shares of Common Stock beneficially owned by each Director, nominee for Director, individuals named in the Summary Compensation Table below, any holders of 5% or more of the Common Stock of Bancorp, and all Directors and executive officers of Bancorp as a group.

Name	Shares Beneficially Owned (1) (2)			
	Shares	Options and Warrants (3)	Total	Percent of Class
Angelo De Caro	682,000(4)	-	682,000	28.18
John J. Ferguson	1,000	-	1,000	0.04
John A. Geoghegan	5,917	-	5,917	0.24
L. Morris Glucksman	41,758(5)	17,133	58,891	2.42
Charles F. Howell	21,846	-	21,846	0.90
Michael F. Intrieri	28,656(6)	10,000	38,656	1.59
Richard Naclerio (7)	46,500	15,000	61,500	2.53
Robert F. O'Connell	16,036	-	16,036	0.66
Paul C. Settlemeyer	16,300	-	16,300	0.67



Philip W. Wolford	10,468 (8)	9,000	19,468	0.80
All directors and executive officers of Bancorp (14 persons)			1,051,077	42.53

(1) A "beneficial owner" of a security for purposes of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, includes any person who, directly or indirectly, has or shares voting power and/or investment power, although not necessarily the economic benefit, with respect to that security.

(2) Fred A. DeCaro, Jr. formerly a director and executive officer of Bancorp and the Bank, resigned as a director effective July 16, 2003 and as an officer on July 25, 2003. Fred A. DeCaro, Jr. reported beneficial ownership of 130,739 shares, or 5.37% of Bancorp's outstanding shares, in Bancorp's proxy statement dated April 30, 2003. Fred A. DeCaro, Jr. has no relationship with Angelo De Caro. His share ownership is not included in the table above. Based on information informally given by Fred A. DeCaro, Jr., to Bancorp, it is believed that his beneficial ownership has been reduced substantially below 5%.

(3) Consists of options or warrants that are exercisable within 60 days.

(4) Includes 19,000 shares for which Mr. De Caro has sole voting power but in which he has no direct or indirect pecuniary interest.

(5) Includes 3,200 shares held by Mr. Glucksman as Trustee for Roslyn Glucksman, Mr. Glucksman's wife; 1,000 shares owned solely by Roslyn Glucksman; 5,500 shares held by Mr. Glucksman as Trustee for Rayna Glucksman, Mr. Glucksman's daughter; 5,500 shares held by Mr. Glucksman as Trustee for Janna Glucksman, Mr. Glucksman's daughter; and 10,800 shares held as Trustee for other than immediate family members.

(6) Includes 1,200 shares held in joint tenancy with Karen Intrieri, Mr. Intrieri's wife, and 651 shares owned solely by Karen Intrieri; 600 shares held by Michael J. Intrieri, Mr. Intrieri's son, and 1,500 shares owned jointly by father and son; and 600 shares held by Jason Intrieri, Mr. Intrieri's son, and 1,500 shares owned jointly by father and son.

(7) Mr. Naclerio has reached the mandatory retirement age of 72 and will retire from the Board effective at the date of the Annual Meeting.

(8) Includes 84 shares held in joint tenancy with, Regine Vantieghem, Mr. Wolford's wife; 83 shares held in joint tenancy with Jack A. Wolford, Mr. Wolford's father; 83 shares held in joint tenancy with Kathryn Rachel Wolford, Mr. Wolford's mother.

#### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires Bancorp's officers and directors, and persons who own more than 10% of Bancorp's Common Stock, to file reports of ownership and changes in ownership of Bancorp's securities with the Securities and Exchange Commission. Officers, directors and greater than 10% beneficial owners are required by applicable regulations to furnish Bancorp with copies of all forms they file pursuant to Section 16(a). Based solely upon a review of the copies of the forms furnished to Bancorp, and written representations from reporting persons that no Forms 5 were required, Bancorp believes that during 2003, filing requirements under Section 16(a) applicable to the officers and directors of Bancorp were complied with in a timely manner except for one filing made by Todd Brown which was filed late.

#### **COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

**Compensation of Directors**

Directors of Bancorp do not receive compensation for service as members of the Board of Directors or committees thereof. However, non-officer directors of the Bank receive a fee of \$500 for each meeting of the Board of Directors attended, and \$400 for each meeting of a standing committee of the Board of Directors attended. In addition, non-officer directors who serve as the chair of a board committee that meets at least four times in a year receive an additional \$2,000 per year.