

Trinity Place Holdings Inc.  
Form DEF 14A  
April 30, 2019

TABLE OF CONTENTS

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 14A  
(Rule 14a-101)  
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 §240.14a-12

Trinity Place Holdings 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):

No fee required

Fee computed on the 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:

---

TABLE OF CONTENTS

TRINITY PLACE HOLDINGS INC.

340 Madison Avenue, Suite 3C

New York, New York 10173

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the 2019 Annual Meeting of Stockholders of Trinity Place Holdings Inc., a Delaware corporation (the “Company”), will be held at 17 State Street, Suite 2100, New York, New York 10004, the sales center for 77 Greenwich Street, on June 13, 2019 beginning at 10:00 am local time for the following purposes:

1.

The election of each of Alan Cohen, Matthew Messinger and Keith Pattiz as a Class I member of our Board of Directors;

2.

The ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the calendar year ending December 31, 2019;

3.

The approval of an amendment and restatement of the Company’s 2015 Stock Incentive Plan, including an increase to the number of shares of common stock available for awards under the Stock Incentive Plan by 1,000,000 shares; and

4.

The transaction of such other business, if any, as may properly come before the meeting.

Stockholders of record at the close of business on April 18, 2019 are entitled to notice of, and to vote at, the Annual Meeting and any adjournment or postponement of the meeting.

A proxy for use at the Annual Meeting in the form attached to this notice is being solicited by and on behalf of our Board of Directors from the holders of our common stock. Stockholders with shares registered in their name or with appropriate documents may withdraw their proxies at the meeting in the event they attend the meeting and desire to vote in person, and they may revoke their proxies for any reason at any time prior to the voting thereof.

By order of the Board of Directors,

/s/ Richard G. Pyontek

Richard G. Pyontek

Corporate Secretary

New York, New York

April 30, 2019

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on June 13, 2019:

Our Proxy Statement and Annual Report to Stockholders

will be available on or about April 30, 2019 on our website at [www.trinityplaceholdings.com](http://www.trinityplaceholdings.com) under the Investor Relations tab or through [www.proxyvote.com](http://www.proxyvote.com).

**YOUR VOTE IS IMPORTANT**

Please vote as promptly as possible by using the Internet or telephone or by signing, dating and returning the proxy card mailed to those who receive paper copies of this proxy statement.

TABLE OF CONTENTS

TABLE OF CONTENTS

<u>FREQUENTLY ASKED QUESTIONS ABOUT OUR PROXY MATERIALS AND THE ANNUAL MEETING</u>	1
<u>PROPOSAL 1 — ELECTION OF DIRECTORS</u>	5
<u>CORPORATE GOVERNANCE</u>	9
<u>Governance Role of the Board of Directors</u>	9
<u>Board Leadership Structure</u>	9
<u>Board Role in Oversight of Risk</u>	9
<u>Director Independence</u>	9
<u>Board of Directors Meetings and Attendance</u>	9
<u>Audit Committee</u>	10
<u>Compensation Committee</u>	10
<u>Transaction Committee</u>	11
<u>Compensation Committee Interlocks and Insider Participation</u>	11
<u>Director Nomination Process</u>	11
<u>Review, Approval or Ratification of Transactions with Related Persons</u>	12
<u>Director Compensation</u>	13
<u>Stock Ownership Guidelines for Directors</u>	14
<u>Securities Authorized for Issuance under Equity Compensation Plans</u>	15
<u>Communications with the Board of Directors</u>	15
<u>Outside Advisors</u>	15
<u>Code of Ethics</u>	16
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	16
<u>Report of the Audit Committee</u>	17
<u>EXECUTIVE OFFICERS</u>	18
<u>EXECUTIVE COMPENSATION</u>	19
<u>Summary Compensation Table</u>	28
<u>Grants of Plan-Based Awards Table</u>	29
<u>Outstanding Equity Awards at Fiscal Year End</u>	29
<u>Stock Vested in 2018</u>	30
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	34
<u>PROPOSAL 2 — RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	36
<u>PROPOSAL 3 — APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE STOCK INCENTIVE PLAN</u>	38
<u>OTHER MATTERS</u>	45
<u>ANNUAL REPORT TO STOCKHOLDERS</u>	45
<u>HOUSEHOLDING OF ANNUAL MEETING MATERIALS</u>	45
<u>STOCKHOLDER PROPOSALS FOR THE 2020 ANNUAL MEETING</u>	45

TABLE OF CONTENTS

340 Madison Avenue, Suite 3C  
New York, New York 10173

**PROXY STATEMENT**

This proxy statement is furnished to stockholders of Trinity Place Holdings Inc. (the “Company” or “Trinity”) in connection with the solicitation of proxies, in the accompanying form, by our Board of Directors (the “Board of Directors” or “Board”) for use in voting at the 2019 Annual Meeting of Stockholders (the “Annual Meeting”) to be held at 17 State Street, Suite 2100, New York, NY 10004, the sales center for 77 Greenwich Street, on Thursday, June 13, 2019, at 10:00 a.m. local time, and at any adjournment or postponement thereof.

We expect our proxy materials, including this proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2018 (the “Annual Report”), will be made available to stockholders on or about April 30, 2019 on our website at [www.trinityplaceholdings.com](http://www.trinityplaceholdings.com) under the Investor Relations tab or through [www.proxyvote.com](http://www.proxyvote.com).

**FREQUENTLY ASKED QUESTIONS ABOUT  
OUR PROXY MATERIALS AND THE ANNUAL MEETING**

Q:

Why am I receiving these materials?

A:

You are receiving these materials because you were a stockholder of Trinity Place Holdings Inc. at the close of business on April 18, 2019, the date for determining those persons entitled to notice of, and to vote at, the Annual Meeting.

Q:

Why did I receive a notice in the mail or by e-mail about the Internet availability of proxy materials instead of a full set of the materials?

A:

Under rules adopted by the Securities and Exchange Commission (the “SEC”), we have the ability to furnish our proxy materials over the Internet if we send each stockholder of record and each beneficial owner a written notice that the materials are available over the Internet. All stockholders will have the ability to access our proxy materials on the website specified in the notice, free of charge, or to request that a printed set of the materials be sent to them. Instructions on how to access the proxy materials over the Internet or to request printed copies of the proxy materials may be found in the notice. Stockholders may also request to receive proxy materials electronically by e-mail on an on-going basis.

Q:

What am I voting on?

A:

Holders of common stock are being asked to vote on the following proposals:

- The election of each of Alan Cohen, Matthew Messinger and Keith Pattiz as a Class I member of the Board of Directors;

- The ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the calendar year ending December 31, 2019;

- The approval of an amendment and restatement of the Company's 2015 Stock Incentive Plan (the "Stock Incentive Plan"), including an increase to the number of shares of common stock available for awards under the Stock Incentive Plan by 1,000,000 shares; and

- Such other business, if any, as may properly come before the meeting.

As of the date of this proxy statement, the Board knows of no other matters that will be brought before the Annual Meeting.

1

---

TABLE OF CONTENTS

Q:

Who can vote?

A:

All persons that own shares of our common stock directly in their name as the stockholder of record are entitled to cast one vote for each share owned on all proposals to be considered at the meeting. As of April 18, 2019, there were 31,846,908 shares of common stock outstanding and entitled to vote. If you are a beneficial owner of stock who holds shares indirectly, such as through a broker, bank or other nominee, you should follow instructions from the record owner of your shares in order to vote your shares.

Q:

What if my shares are registered in more than one person's name?

A:

If you own shares that are registered in the name of more than one person, each person must sign the proxy. If an attorney, executor, administrator, trustee, guardian or any other person signs the proxy in a representative capacity, the full title of the person signing the proxy must be given and a certificate must be furnished showing evidence of appointment.

Q:

How do I vote?

A:

You have four alternative methods to cast your vote. You may vote:

- Over the Internet;
- By telephone;
- By completing, signing and returning the proxy card, if you requested to receive printed copies of our proxy materials; or
- By attending the Annual Meeting and voting in person.

The Notice of Internet Availability of Proxy Materials contains instructions regarding access to your proxy card, which contains Internet and telephone voting instructions. If you requested to receive printed copies of our proxy materials, instructions for voting over the Internet, by telephone and by mail are set forth on the proxy card. Please follow the applicable instructions carefully.

Q:

What happens if I don't give specific voting instructions on my proxy card?

A:

If you are a stockholder of record and submit a signed proxy card or submit your proxy by telephone or over the Internet but do not specify how you want to vote your shares on a particular proposal, then the proxy holders will vote your shares in accordance with the recommendation of the Board. If currently unanticipated matters are properly presented for a vote at the Annual Meeting, the proxy holders will vote your shares in accordance with their best

judgment.

If you hold your shares in street name with a broker, bank or other nominee and do not provide specific voting instructions, the broker, bank or other nominee holding your shares can generally vote the shares on routine matters, but cannot vote the shares on non-routine matters. At the Annual Meeting, the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm is considered a routine matter, and the other proposals which are scheduled to be voted on, or which may be properly presented at the meeting for a vote, are considered non-routine matters. If the broker, bank or other nominee holding your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the broker, bank or other nominee holding your shares will inform the inspector of elections that it does not have authority to vote on the matter with respect to your shares. This is generally referred to as a “broker non-vote.” Shares represented by broker non-votes will be counted in determining the existence of a quorum, but are not deemed entitled to vote and, therefore, will have no effect on the outcome of the voting and such broker non-votes will not be included in the number of shares present in person or by proxy and entitled to vote on the matter from which the number of votes required for approval is calculated.

2

---



TABLE OF CONTENTS

Q:

Can I change my mind after I vote?

A:

Yes, you can change your vote at any time before the polls close at the Annual Meeting. There are four methods by which you can effect a change in your vote:

•

Vote again by telephone or over the Internet prior to 11:59 p.m., Eastern Standard Time, on June 12, 2019;

•

Give written notice to the Corporate Secretary at the address of our principal executive offices specified on the first page of this proxy statement;

•

Deliver a later-dated proxy; or

•

Vote in person at the Annual Meeting.

Q:

Can I vote at the Annual Meeting?

A:

Yes, if you attend the Annual Meeting in person. Even if you plan to be present at the Annual Meeting, we urge you to vote your shares by proxy. If you vote your shares by proxy, you can change your mind and vote your shares at the Annual Meeting if you attend in person. If you are a beneficial owner of stock who holds shares indirectly through a broker, bank or other nominee, you must obtain a legal “proxy” from the record owner of your shares in order to vote in person.

Q:

How many shares must be present to conduct business at the Annual Meeting?

A:

If a majority of the outstanding shares of common stock entitled to vote at the meeting are present in person or by proxy, sufficient shares will be present at the Annual Meeting to conduct business on all proposals. This is typically referred to as the quorum requirement.

Q:

How many votes are needed to elect directors?

A:

At the Annual Meeting, the holders of our common stock will be asked to vote on the election of three directors. Directors will be elected by a plurality of the votes cast, either in person or by proxy. Stockholders cannot cumulate votes in the election of directors. Abstentions and broker non-votes have no effect on the outcome of director elections. Accordingly, if a quorum is present and assuming no director nominations by stockholders at the Annual Meeting, the three nominated directors will be elected for the terms described in these proxy materials.

Q:

How many votes are needed to ratify the appointment of BDO USA, LLP as our independent registered public accounting firm?

A:

Ratification of the appointment of our independent registered public accounting firm requires the affirmative vote of a majority of the votes represented at the meeting and entitled to vote on the matter. In accordance with Delaware law, only votes cast "FOR" a matter constitute affirmative votes. A properly executed proxy marked "abstain" with respect to the ratification of the appointment of our independent registered public accounting firm will not be voted, although it will be counted for purposes of determining whether there is a quorum. Since abstentions will not be votes cast "FOR" the ratification of the appointment of our independent registered public accounting firm, they will have the same effect as negative votes or votes against the matter. As noted above, the ratification of the appointment of BDO USA, LLP is considered a routine matter under applicable rules, and therefore no broker non-votes are expected in connection with this proposal.

Q:

How many votes are needed to approve the amendment and restatement of the Stock Incentive Plan?

A:

Approval of the amendment and restatement of the Stock Incentive Plan, including an increase to the number of shares of common stock available for awards under the Stock Incentive Plan, requires the affirmative vote of a majority of the votes represented at the meeting and entitled to vote on the matter. In accordance with Delaware law, only votes cast "FOR" a matter constitute affirmative votes. A properly executed proxy marked "abstain" with respect to approval of the proposed amendment and restatement of the Stock Incentive Plan, will not be voted, although it will be counted for purposes of

TABLE OF CONTENTS

determining whether there is a quorum. Since abstentions will not be votes cast “FOR” approval of the proposed amendment and restatement of the Stock Incentive Plan, they will have the same effect as negative votes or votes against the matter. As noted above, broker non-votes will have no effect on this matter.

Q:

Who will pay the cost of soliciting votes for the Annual Meeting?

A:

We will pay the cost of preparing, assembling, printing, mailing and distributing our proxy materials. The solicitation of proxies or votes may be made by mail, in person, by telephone, by electronic and facsimile transmission or similar methods by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. In addition, we may reimburse the Transfer Agent, brokerage firms and other persons representing beneficial owners of shares of our common stock for their expenses in forwarding solicitation material to such beneficial owners.

Q:

Is my vote confidential?

A:

Yes. We encourage stockholder participation in corporate governance by ensuring the confidentiality of stockholder votes. Your vote on any particular proposal will be kept confidential and will not be disclosed by the inspector of election except where disclosure is required by applicable law, disclosure of your vote is expressly requested by you or we conclude in good faith that a bona fide dispute exists as to the authenticity of one or more proxies, ballots or votes, or as to the accuracy of any tabulation of such proxies, ballots or votes. However, aggregate vote totals will be disclosed to us from time to time and publicly announced following the Annual Meeting.

Q:

Why did I receive more than one set of printed materials?

A:

If you received more than one set of printed materials, then you have multiple accounts with brokers or our Transfer Agent. Please vote all of these shares. We also recommend that you contact your broker or our Transfer Agent, as applicable, to consolidate as many accounts as possible under the same name and address. Our Transfer Agent is American Stock Transfer & Trust Company, LLC, which can be contacted by telephone at (718) 921-8300.

Q:

How do I get electronic access to the proxy materials?

A:

Our proxy statement and Annual Report are available on our website at [www.trinityplaceholdings.com](http://www.trinityplaceholdings.com) under the Investor Relations tab and at [www.proxyvote.com](http://www.proxyvote.com). The Notice of Internet Availability of Proxy Materials provides detailed instructions regarding how to view the proxy materials on the Internet, to execute a proxy and to instruct us to send future proxy materials to you electronically by e-mail. Choosing to receive future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meeting on the environment. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

Q:

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

A:

We will announce preliminary results at the Annual Meeting and publish preliminary, or final if available, results in a Current Report on Form 8-K within four business days after the Annual Meeting.

4

---

TABLE OF CONTENTS

## MATTERS SUBMITTED TO STOCKHOLDERS

## PROPOSAL 1 — ELECTION OF DIRECTORS

Under our Certificate of Incorporation, the Board is divided into two classes, as nearly equal in number as possible, designated Class I and Class II. Each director serves for a term ending on the date of the second annual meeting following the annual meeting at which such director was elected and until the election and qualification of his or her respective successor in office. The Board has set the size of the Board at six members and we currently have six members on our Board of Directors. There are no familial relationships among our directors or executive officers.

The Board, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated Alan Cohen, Matthew Messinger and Keith Pattiz to stand for election as Class I directors at the Annual Meeting, to hold office until the annual meeting of stockholders in 2021 and until their respective successors are duly elected and qualified or their earlier resignation or removal.

Each nominee has indicated to us that he will serve if elected. We do not anticipate that any nominee will be unable to stand for election, but, if that happens, your proxy will, if applicable, be voted in favor of another person nominated by the Board of Directors.

## Director Biographies

Biographical information regarding each Class I director nominee proposed for election by the holders of common stock at the Annual Meeting follows. The age of each nominee is as of the date of the Annual Meeting.

## Class I Directors Elected by Holders of Common Stock (term expiring in 2021)

Name of Director	Age	Business Experience and Other Information
Alan Cohen	82	<p>Mr. Cohen has served as a director of the Company since 2012. Mr. Cohen is the Chairman of business advisory firms Abacus Advisors LLC and Alco Capital Group LLC.</p> <p>Qualifications and Skills: Mr. Cohen has more than 30 years' experience working with businesses in all aspects of their management and operations, serving as a consultant and advisor to numerous Fortune 500 companies and many leading banks and financial institutions. Mr. Cohen is an expert in retail investments and intellectual property and has many years of experience in restructuring businesses. He has been an active participant in seminars on turnaround management and has lectured extensively on restructuring and asset-based lending. Mr. Cohen has served as a trustee, chief restructuring officer, and consultant in various Chapter 11 cases, state court proceedings, and out-of-court restructurings for companies including The Towers Financial Corporation, County Seat Stores, 47th Street Photo, Russ Togs and Aileen, Inc.</p>
Matthew Messinger	47	<p>Mr. Messinger has been our President and CEO since 2013 and has served as a director of the Company since 2016.</p> <p>Qualifications and Skills: Prior to joining the Company, Mr. Messinger served as the Executive Vice President and Director of Investment Management at Forest City Ratner Companies ("FCRC"), a wholly owned subsidiary of Forest City Enterprises ("FCE"), where he served for more than 18 years. In this role, Mr. Messinger led the New York Investment Committee of FCRC</p>

TABLE OF CONTENTS

Name of Director	Age	Business Experience and Other Information
		and served on the Investment Committee and Executive Management Committee of FCE. Mr. Messinger brings extensive development, asset management, finance, strategic planning and tax credit structuring experience across a wide range of asset classes including retail, hotel, residential, office, arena and professional sports teams. Mr. Messinger is a graduate of Wesleyan University in Connecticut. He currently serves as co-chair of the board and on the finance and the real estate committees of the Children's Museum of Manhattan, and he is a member of the International Council of Shopping Centers (ICSC), Urban Land Institute (ULI), the Real Estate Board of New York (REBNY), the Low Income Housing Tax Credit Coalition, the New Markets Tax Credit Coalition, and the New York Hospitality Council.
Keith Pattiz	66	Mr. Pattiz has served as a director of the Company since 2013. Mr. Pattiz is a partner in the law firm of McDermott Will & Emery LLP, where he serves as head of the real estate group.  Qualifications and Skills: Mr. Pattiz has extensive experience in a wide range of real estate matters, including commercial leasing, financing, sales and acquisitions, hotel transactions and real estate workout matters. He has provided legal representation to a variety of clients, including major residential, office, hotel and shopping center developers, hotel operators, lending institutions and U.S. and foreign investors. Mr. Pattiz has been recognized in the Best Lawyers in America, Super Lawyers and Chambers USA.

Biographical information regarding our other directors, all of whom are Class II directors, is set forth below. The age of each director is as of the date of the Annual Meeting.

## Class II Directors Elected by Holders of Common Stock (term expiring in 2020)

Name of Director	Age	Business Experience and Other Information
Alexander C. Matina	42	Mr. Matina has served as a director of the Company since 2013 and is the Chairman of the Board. He is the Vice President of Investments for MFP Investors, LLC, the family office of Michael F. Price, which has a value-investing focus across public and private markets. Mr. Matina also serves as a director of S&W Seed Company, a publicly traded agricultural company, and Papa Murphy's Holdings, a publicly traded restaurant franchisor. In addition, he also serves on the board of Crowheart Energy LLC, a private energy company with assets in Wyoming and Madava Financial, a private energy lender.  Qualifications and Skills: Mr. Matina brings a strong finance background to the Company, including experience with bankruptcies and private equity. Prior to joining MFP Investors, LLC in 2007, Mr. Matina served in various roles at Balance Asset Management, a multi-strategy hedge fund, and as a senior associate at Altus Capital Partners, a middle market private equity fund. He was previously a principal at 747 Capital, a private equity fund-of-funds, and a financial analyst at Salomon Smith Barney in the financial sponsors group of the investment banking division.

TABLE OF CONTENTS

Name of Director	Age	Business Experience and Other Information
Jeffrey B. Citrin	61	<p>Mr. Citrin has served as a director of the Company since 2018. Mr. Citrin currently serves as Vice Chairman/Senior Advisor of Square Mile Capital Management LLC. Square Mile, which Mr. Citrin founded in 2006, is a private institutionally backed New York-based investment firm which focuses on real estate and real estate related opportunities. Mr. Citrin served as Square Mile's Co-Managing Principal until July 2017. In addition to his ongoing role on Square Mile's Board of Directors, Mr. Citrin serves on the Investment Committees for all of Square Mile's funds and investment vehicles. Prior to founding Square Mile, Mr. Citrin served as President of Blackacre Capital Management LLC which he cofounded in 1994. Blackacre (now Cerberus Institutional Real Estate) is the dedicated real estate arm of global investment firm Cerberus Capital Management LP. Prior to cofounding Blackacre, Mr. Citrin was a Managing Director at Oppenheimer &amp; Co. Inc. where he served as head of the firm's Commercial Mortgage Investment Unit through which Oppenheimer conducted its commercial mortgage and real estate principal activities. From 1991 through 1993, Mr. Citrin served as a Vice President at First Boston (now Credit Suisse) where he was a founding member of the firm's Real Estate Principal Group, and from 1986 through 1991 Mr. Citrin was a Vice President in the Real Estate Investment Banking Unit of Chemical Bank (now JP Morgan Chase). From 1983 through 1986, Mr. Citrin worked at the New York law firms of Proskauer Rose LLP and Kelley Drye &amp; Warren LLP as an attorney in each firm's respective real estate department.</p> <p>Mr. Citrin currently serves as a Co-Chairman of the Board of Overseers of the Hood Museum of Art, and as a member of the Board of Directors of Tanger Factory Outlet Centers, Inc. (NYSE: SKT), the Real Estate Roundtable, the Urban Land Institute and the Board of Advisors of the Hospital for Special Surgery.</p> <p>Qualifications and Skills: Mr. Citrin has extensive experience in real estate investment and finance, with particular expertise in investment sourcing, structuring, asset management, workouts and capital formation.</p>

**TABLE OF CONTENTS**

**Class II Director Elected by Holder of Special Stock (term expiring in 2020)**

Name of Director	Age	Business Experience and Other Information
Joanne M. Minieri	59	<p>Ms. Minieri has served as a director of the Company since 2013. Ms. Minieri serves as the “Special Stock Director”, who is elected by the holder of the Special Stock pursuant to our Certificate of Incorporation. She was appointed by Third Avenue, the holder of the Special Stock and a major investor in the Company, but is not affiliated with Third Avenue. She is an Executive Vice President of RXR Realty and the Chief Operating Officer of RXR Development Services and RXR Construction and Development.</p> <p>Qualifications and Skills: Ms. Minieri has extensive experience in real estate development, as well as a deep knowledge of accounting, particularly in the field of real estate. Prior to her position with RXR, Ms. Minieri served as the Deputy County Executive and Commissioner of Economic Development and Planning for Suffolk County from April 2012 until July 2016. Previously, Ms. Minieri served as President and Chief Operating Officer of Forest City Ratner Companies (FCRC), a wholly owned subsidiary of Forest City Enterprises. She originally joined FCRC as its Chief Financial Officer in 1995, and was promoted to Executive Vice President and Chief Operating Officer in 1998 and to President and Chief Operating Officer in 2007.</p> <p>Ms. Minieri is a certified public accountant.</p>

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE “FOR”  
THE ELECTION OF THE NOMINEES TO THE BOARD OF DIRECTORS**



## TABLE OF CONTENTS

### CORPORATE GOVERNANCE

#### Governance Role of the Board of Directors

Our business and affairs are managed under the direction of the Board of Directors, which is our ultimate decision-making body, except with respect to those matters reserved for our stockholders. The Board establishes overall corporate policies, evaluates our chief executive officer and senior leadership team, and acts as an advisor and counselor to management. The Board also oversees our business strategy and planning, as well as the performance of management in executing our comprehensive business plan and managing our day-to-day operations.

#### Board Leadership Structure

The offices of Chairman of the Board of Directors of the Company and Chief Executive Officer of the Company are separated. Mr. Matina has been appointed as our Chairman of the Board of Directors and Mr. Messinger is our Chief Executive Officer. We do not have a fixed policy with respect to the separation of the offices of the Chairman and Chief Executive Officer of the Company. We believe that the separation of these offices is currently appropriate and that it is in our best interests to make these determinations from time to time.

#### Board Role in Oversight of Risk

The Board of Directors is responsible for overseeing our executive management team in the execution of its responsibilities and for assessing our approach to risk management. The Board exercises these responsibilities on an ongoing basis as part of its meetings and through the Transaction Committee and Audit Committee. Each member of the management team has direct access to the Board and the Transaction Committee and Audit Committee to ensure that all risk issues are frequently and openly communicated. The Board of Directors closely monitors the information it receives from management and provides oversight and guidance to our executive management team regarding the assessment and management of risk. For example, the Board regularly reviews our critical strategic, operational, legal and financial risks with management to set the tone and direction for ensuring appropriate risk taking within the business.

In addition, financial risks are overseen by our Audit Committee, which meets separately with representatives of our independent auditors to determine whether any material financial risks or any deficiencies in our internal controls over financial reporting have been identified and, if so, the executive management team's plans to rectify or mitigate these risks. The Audit Committee also oversees risks related to our financial statements, the financial reporting process and accounting matters.

Our Board and Audit Committee have access at all times to our management to discuss any matters of interest, including those related to risk. Those members of our executive management team who are most knowledgeable of the issues facing us also regularly attend Board and Audit Committee meetings to provide additional insight into items being discussed, including risk exposures. We believe that our Board leadership structure enables senior management to communicate identified risks to our Board and Audit Committee and affords a free flow of communication regarding risk identification and mitigation.

#### Director Independence

The Board of Directors has determined that each member of the Board, other than Mr. Messinger, is "independent" in accordance with Section 803A of the NYSE American Company Guide.

#### Board of Directors Meetings and Attendance

The Board of Directors held five meetings during 2018. All of the directors attended at least 75% of the total of all meetings of the Board and Board committees on which they served during 2018. Each director is expected to attend annual meetings of stockholders and all of the directors attended last year's annual meeting.

TABLE OF CONTENTS

## Board Committees

The Board has four committees: the Audit Committee; the Compensation Committee; the Nominating and Corporate Governance Committee and the Transaction Committee. Each of the committees operates under a written charter. A copy of the committee charters is available on our website at [www.trinityplaceholdings.com](http://www.trinityplaceholdings.com) under the Investor Relations tab and may also be obtained without charge by written request to Investor Relations, Trinity Place Holdings Inc., 340 Madison Avenue, Suite 3C, New York, New York 10173.

The current membership of each committee is as follows:

	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Transaction Committee
Jeffrey B. Citrin	X			X
Alan Cohen	X	X	Chair	
Alexander C. Matina		Chair	X	X
Matthew Messinger				
Joanne M. Minieri	Chair	X		X
Keith Pattiz			X	Chair

## Audit Committee

The Audit Committee is responsible for fulfilling the Board's responsibilities as they relate to our financial oversight functions such as accounting policies, internal controls and financial reporting practices. The Board has determined that each of Ms. Minieri and Mr. Citrin is an "audit committee financial expert," as that term is used in Item 407 of Regulation S-K promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"). The Board has determined that each of the current members of the Audit Committee meets the criteria for independence set forth in Rule 10A-3 under the Exchange Act and satisfies the other Audit Committee membership requirements specified in Section 803B of the NYSE American Company Guide. The Audit Committee held four meetings during 2018.

## Compensation Committee

The Compensation Committee is responsible for the review and approval of executive officer compensation. The Compensation Committee has authority to review and approve corporate goals and objectives relevant to the compensation of our Chief Executive Officer, evaluates the performance of the Chief Executive Officer in light of those goals and objectives, and determines and approves the compensation level of the Chief Executive Officer based on this evaluation. The Compensation Committee also reviews director compensation and benefits for service on the Board and Board committees and recommends any changes to the Board as necessary.

The Compensation Committee also reviews, approves and, when appropriate, recommends to the Board for approval, incentive compensation plans and equity-based plans. This Committee also administers our incentive compensation plans and equity-based plans, including the designation of employees to whom awards are to be granted and the terms of the delegation of authority to the Chief Executive Officer to make grants, subject to the provisions of each plan.

The Compensation Committee is authorized to retain the services of one or more executive compensation advisors to assist with the establishment and review of our compensation programs and related policies. In 2018, the Compensation Committee engaged FTI Consulting, Inc.'s compensation advisory practice ("FTI"), to provide market-based compensation data and to advise on industry trends and best practices, among other compensation and related matters. FTI reports directly to the Compensation Committee. Additional information regarding the Compensation Committee and its compensation consultant is provided below under "Compensation Discussion and Analysis." The Compensation Committee held two meetings during 2018.

## TABLE OF CONTENTS

### Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for making recommendations to our Board regarding candidates for directorships and committee composition. In addition, the Nominating and Corporate Governance Committee is responsible for overseeing our corporate governance practices and procedures, including our Code of Business Conduct and Ethics, and reporting and making recommendations to our Board concerning governance matters. The Nominating and Corporate Governance Committee held one meeting during 2018.

### Transaction Committee

The Transaction Committee is responsible for reviewing and evaluating our strategic plans; making recommendations to the Board regarding our strategic plans, reviewing, evaluating and approving property acquisitions and dispositions, debt and equity investments, financings and other potential transactions which may come to our attention from internal planning activities or external approaches to us; approving certain transactions with dollar values below specified thresholds; and serving as the pricing committee on corporate securities issuances and repurchases, in each case, in accordance with the parameters set forth in the Transaction Committee charter. The Transaction Committee held one meeting during 2018.

### Compensation Committee Interlocks and Insider Participation

None of the directors who serve on our Compensation Committee has ever been employed by us. None of our executive officers serves or has served as a member of the board of directors, compensation committee or other board committee performing equivalent functions of any entity that has one or more executive officers serving on our Board of Directors or on our Compensation Committee.

### Director Nomination Process

The Board of Directors is responsible for nominating members for election to the Board of Directors and for filling vacancies on the Board of Directors that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee is responsible for identifying, screening and recommending candidates to the Board of Directors for Board membership. When formulating its Board of Directors membership recommendations, the Nominating and Corporate Governance Committee may also consider advice and recommendations from others, including stockholders, as it deems appropriate.

Under the Nominating and Corporate Governance Committee charter, the Nominating and Corporate Governance Committee will develop criteria for evaluating prospective candidates to the Board and committees, including any specific minimum qualifications and any specific qualities or skills necessary for one or more directors to possess. Among such other criteria as the Nominating and Corporate Governance Committee may from time to time determine appropriate, when the Nominating and Corporate Governance Committee determine that expansion of the Board or replacement of a director, or the establishment or expansion of a committee, or replacement of a committee member, is necessary or appropriate, the Nominating and Corporate Governance Committee will conduct candidate interviews, which may be with members of management, consult with the candidate's associates and through other means determine a candidate's honesty, integrity, reputation in and commitment to the community, judgment, personality and thinking style, residence, willingness to devote the necessary time, potential conflicts of interest, independence, understanding of financial statements and issues and other matters of relevance to the Board or applicable committee, and the willingness and ability of the candidate to engage in meaningful and constructive discussion regarding Company issues. While diversity may contribute to this overall evaluation, it is not considered by the Nominating and Corporate Governance Committee as a separate or independent factor in identifying nominees for director.

We may identify candidates through recommendations made by directors, senior management or other third parties. The Nominating and Corporate Governance Committee will consider director candidates recommended to the Board by stockholders during such times as we are actively considering appointing new directors. Candidates recommended by stockholders will be evaluated based on the same criteria described above.

## TABLE OF CONTENTS

The Nominating and Corporate Governance Committee will recommend those individuals that they determine should be nominees for election or re-election to the Board at the annual meeting of stockholders or, if applicable, at a special meeting of stockholders, or otherwise appointed to the Board or any committee thereof. Stockholders desiring to suggest a candidate for consideration by the Nominating and Corporate Governance Committee must do so in accordance with our bylaws and the securities laws, and should send a letter to the attention of the Secretary of the Company, at our principal executive offices, 340 Madison Avenue, Suite 3C, New York, New York 10173, and include: (a) a statement that the writer is a stockholder (providing evidence if the person's shares are held in street name) and is proposing a candidate for consideration; (b) the name and contact information for the candidate; (c) a statement of the candidate's business and educational experience; (d) information regarding the candidate's qualifications to be a director, including but not limited to an evaluation of the factors discussed above which the Board would consider in evaluating a candidate; (e) information regarding any relationship or understanding between the proposing stockholder and the candidate; (f) information regarding potential conflicts of interest; and (g) a statement that the candidate is willing to be considered and willing to serve as a director if nominated and elected. Because of our small size and the limited need to seek additional directors, there is no assurance that all stockholder proposed candidates will be fully considered, that all candidates will be considered equally, or that the proponent of any candidate or the proposed candidate will be contacted by us or the Nominating and Corporate Governance Committee, and no undertaking to do so is implied by the willingness to consider candidates proposed by stockholders.

### Review, Approval or Ratification of Transactions with Related Persons

The Board has adopted a written policy for the review and approval of any "related party transaction," which is defined under the policy as any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we or any of our subsidiaries are or will be a participant, the aggregate amount involved will or may be expected to exceed \$120,000 in any fiscal year, and one of our executive officers, directors, director nominees (or their respective immediate family members), 5% stockholders or an entity controlled by any of the foregoing or in which any of the foregoing is employed, has or will have a direct or indirect interest, other than the following:

- Any employment by us of an executive officer of the Company or any of our subsidiaries if (i) the related compensation is reported in our proxy statement under Item 402 of Regulation S-K (generally applicable to "named executive officers"); or (ii) the executive officer is not an immediate family member of another executive officer or director of the Company, the related compensation would be reported in our proxy statement under Item 402 of Regulation S-K if the executive officer was a "named executive officer," and our compensation committee or comparable body approved (or recommended that the Board approve) such compensation.

- Any compensation paid to a member of the Board if the compensation is reported in our proxy statement under Item 402 of Regulation S-K.

- Any transaction with another company at which a related party's only relationship is as (i) an employee other than an executive officer or director, (ii) a beneficial owner of less than 10%, together with his or her Immediate Family Members, of that company's outstanding equity, or (iii) in the case of partnerships, a limited partner, if the limited partner, together with his or her immediate family members, has an interest of less than 10% and the limited partner does not hold another position in the partnership.

- Any charitable contribution, grant or endowment by us to a charitable organization, foundation or university at which a related party's only relationship is as an employee (other than an executive officer), if the aggregate amount involved does not exceed the greater of \$100,000 or two percent of the charitable organization's total revenues.

Any transaction where the related party's interest arises solely from the ownership of a class of our equity securities and all holders of that class of equity securities received the same benefit on a pro rata basis.

- 

Indemnification and advancement of expenses made pursuant to our Certificate of Incorporation or Bylaws or pursuant to any agreement.

TABLE OF CONTENTS

Any proposed related party transaction will be reviewed and, if deemed appropriate, approved by the Audit Committee. When practicable, the review and approval will occur prior to entry into the transaction. If advance review and approval is not practicable, the Audit Committee will review, and, if deemed appropriate, ratify the transaction. In either case, the Audit Committee will take into account, among other factors deemed appropriate, whether the transaction is on terms no less favorable than terms generally available to an unrelated third party under the same or similar circumstances and the extent of the related party's interest in the transaction. The Board has also delegated to the Chair of the Audit Committee the authority to approve or ratify related party transactions, subject to reporting at the next Audit Committee meeting any such approval or ratification.

## Transactions with Related Persons

There has been no transaction, and no transaction is currently proposed, in which we were or are to be a participant and the amount involved exceeds the lesser of \$120,000 or one percent of the average of our total assets at year end for the last two completed fiscal years, and in which any related person had or will have a direct or indirect material interest.

## Director Compensation

The Board has adopted the following director compensation program for its non-employee directors, comprised of (i) annual retainer fees and (ii) chair and committee membership fees:

## Annual Retainer Fees

- \$53,333 in cash; and
- \$26,667 in shares of our common stock.

## Chair and Committee Membership Fees

Two-thirds of the chair and committee membership fees are paid in cash and one-third is paid in shares of common stock, as follows:

	Chair (\$)	Member (\$)
Board of Directors	\$ 15,000	—
Audit Committee	\$ 15,000	\$ 7,500
Compensation Committee	\$ 10,000	\$ 5,000
Nominating & Corporate Governance Committee	\$ 8,000	\$ 4,000
Transaction Committee	\$ 11,500	\$ 7,500

Prior to January 1, 2019, the cash portion of the above fees was paid in quarterly installments and the equity portion was payable on the date of each annual meeting of our stockholders for the purpose of electing directors, determined by dividing the amount of the fees by the closing share price of our common stock on the grant date.

Effective January 1, 2019, all compensation, including cash and shares, is payable on a quarterly basis in arrears, on the first business day of the next succeeding fiscal quarter. With respect to the equity portion of the fees, the grant date is the first business day of the next succeeding fiscal quarter, and the valuation for such grants is the closing price on the last trading day of the prior quarter.

Also effective January 1, 2019, directors may elect to receive shares of the Company's common stock in lieu of all of the cash portion of their fees; provided, that such election is made prior to January 1 of the applicable year. Once made, an election will be in effect for succeeding years, unless changed by the director.

Directors do not receive any additional compensation for attending board meetings or board committee meetings. All non-employee members of the Board of Directors are reimbursed for reasonable out-of-pocket costs and expenses incurred in attending meetings of the Board of Directors and its committees.

TABLE OF CONTENTS

Directors may elect to defer all, but not less than all, of the equity portion of their annual retainers and chair and committee fees until such time as the director leaves the Board in accordance with our Non-Employee Directors' Deferral Program (the "Deferral Plan") on an annual basis. In such case, the director will have a fully vested right to receive the deferred shares at the time that the director ceases to serve as a director. Directors will receive dividend equivalents with respect to the deferred shares, meaning that the directors will receive the right to receive additional shares in lieu of any dividend that would have been paid had the shares not been deferred, based on the stock price at the time the dividends are paid to stockholders. The additional deferred shares also will be paid at the same time the director ceases to serve as a director. As of December 31, 2018, the Company had not paid a dividend. As of December 31, 2018, 19,379 shares have been deferred under the Deferral Plan.

Shares of common stock, whether or not deferred, are granted to non-employee directors pursuant to and in accordance with the provisions of the Stock Incentive Plan, and deferrals are made pursuant to the Deferral Plan. Matthew Messenger, who is a director and an employee of the Company, does not receive any of the compensation described above.

During the fiscal year ended December 31, 2018, our non-employee directors received total compensation as shown in the following table.

	Fees Earned or Paid in Cash (\$)	Stock Awards \$(1)	Total (\$)
Jeffrey B. Citrin(2)	\$ 46,823	\$ 23,406	\$ 70,229
Alan Cohen	\$ 67,007	\$ 33,493	\$ 100,500
Alexander C. Matina	\$ 81,426	\$ 41,317	\$ 122,743
Joanne M. Minieri	\$ 71,676	\$ 35,819	\$ 107,495
Keith Pattiz	\$ 63,672	\$ 31,825	\$ 95,497

(1)

Based on the closing stock price on the grant date.

(2)

Mr. Citrin was appointed to the Board of Directors on April 24, 2018.

The table below shows the aggregate number of stock awards granted to our non-employee directors for the year ended December 31, 2018.

	Stock Awards (In Shares)(1)
Jeffrey B. Citrin(2)	3,548
Alan Cohen	4,940
Alexander C. Matina	6,094
Joanne M. Minieri	5,283
Keith Pattiz	4,694

(1)

Receipt of an aggregate of 14,336 shares was deferred under the Deferral Plan.

(2)

Mr. Citrin was appointed to the Board of Directors on April 24, 2018.

Stock Ownership Guidelines for Directors

Stock ownership guidelines are a key vehicle for aligning the interests of our directors and the Company's stockholders. The stock ownership guidelines for non-employee directors adopted by our Board consist of owning common stock with a value equal to three times the annual cash Board retainer. Shares that count toward meeting these ownership guidelines include shares directly owned by the director; shares beneficially

14

---



TABLE OF CONTENTS

owned by the director, such as shares held in “street name” through a broker or shares held in trust; and unvested restricted stock or restricted stock units (“RSUs”) that vest based on continued service. Directors have five years from the adoption of the policy or, if later, the date of their appointment to the Board, to come into compliance with the guidelines.

**Securities Authorized for Issuance under Equity Compensation Plans**

The following table sets forth certain information with respect to our equity compensation plans, which consisted of our Stock Incentive Plan and individually negotiated awards pursuant to employment agreements as of December 31, 2018. Our Stock Incentive Plan and the employment agreements pursuant to which the awards were issued were adopted and entered into, respectively, prior to the listing of our common stock on the NYSE American, and were not approved by our shareholders. To date, all awards have been issued in the form of RSUs.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Stock Incentive Plan	154,500	—	340,760
Individually negotiated awards	1,227,787(1)	—	30,000(2)
Total	1,382,287	—	370,760

(1)

Includes RSUs issued pursuant to the 2013 employment agreement, as amended in 2015, between the Company and Matthew Messinger. See “Executive Compensation — Compensation of Matthew Messinger, President and Chief Executive Officer”.

(2)

RSUs that may become issuable pursuant to the employment agreement between the Company and Matthew Messinger. See “Executive Compensation — Compensation of Matthew Messinger, President and Chief Executive Officer.”

**Communications with the Board of Directors**

Any interested parties desiring to communicate with the Board of Directors regarding the Company may directly contact such directors by delivering such correspondence to such directors, or the entire Board, in care of the Corporate Secretary at Trinity Place Holdings Inc., 340 Madison Avenue, Suite 3C, New York, New York 10173. The Audit Committee of the Board of Directors has established procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal controls and auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters. Persons wishing to communicate with the Audit Committee may do so by writing in care of the Chairman, Audit Committee, Trinity Place Holdings Inc., 340 Madison Avenue, Suite 3C, New York, New York 10173 or to our outside legal counsel at Kramer Levin Naftalis & Frankel LLP, Attn.: Managing Attorney re Trinity Place Holdings Inc., 1177 Avenue of the Americas, New York, New York 10036.

**Outside Advisors**

Our Board of Directors and Board Committees, other than the Transaction Committee, may retain outside advisors and consultants of their choosing at our expense.

15

---

TABLE OF CONTENTS

Code of Ethics

We maintain a code of ethics applicable to our principal executive officer and senior financial and professional personnel, including our principal financial officer, principal accounting officer or controller and persons performing similar functions. Our Code of Business Conduct and Ethics is posted on our website at [www.trinityplaceholdings.com](http://www.trinityplaceholdings.com) under the Investor Relations tab. In the event we have any amendments to or waivers from any provision of our Code of Business Conduct and Ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, we intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K by posting such information on our website.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers and all persons who own more than 10% of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC. The directors, executive officers and greater than 10% common stockholders are required to furnish the Company with copies of all Section 16(a) forms they file. Based solely on a review of the copies of such forms received by the Company and representations from certain reporting persons, we believe that during the year ended December 31, 2018 all filing requirements were satisfied, except for one Form 4 that was filed late with respect to one transaction reporting the purchase of shares of common stock on behalf of our director Jeffrey B. Citrin and one Form 4 that was filed late with respect to two transactions reporting the exercise of subscription rights in the Company's prior rights offerings by our director Keith Pattiz.

16

---

TABLE OF CONTENTS

Report of the Audit Committee

The following report of the Audit Committee does not constitute soliciting material and should not and will not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except to the extent the Company specifically incorporates this report by reference therein.

The Audit Committee is responsible for fulfilling the Board’s responsibilities as they relate to overseeing our accounting and financial reporting processes and the audits of our financial statements, monitoring the integrity of our financial statements, monitoring compliance with legal and regulatory requirements, and monitoring the independence, qualifications and performance of the independent auditors. Management has the primary responsibility for the preparation, presentation and integrity of our financial statements, accounting and financial reporting principles, internal controls, and procedures designed to ensure compliance with accounting standards, applicable laws and regulations. In fulfilling its oversight responsibilities, the Audit Committee has reviewed and discussed the audited financial statements with management.

The Audit Committee meets in executive session regularly with BDO USA, LLP, our independent registered public accounting firm. The Audit Committee has discussed with BDO USA, LLP those matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board, or PCAOB, including the matters described in the statement on Auditing Standards No. 16, as amended, as adopted by the PCAOB.

The Audit Committee has received the written disclosures and the letter from BDO USA, LLP, as required by applicable requirements of the PCAOB, regarding BDO USA, LLP’s communications with the Audit Committee concerning independence, and the Audit Committee has discussed with BDO USA, LLP its independence.

Based on the Audit Committee’s review of and discussions regarding our audited consolidated financial statements and our internal control over financial reporting with management, our internal auditors and the independent registered public accounting firm and the other reviews and discussions with the independent registered public accounting firm referred to in the preceding paragraph, subject to the limitations on the Audit Committee’s roles and responsibilities described above and in the Audit Committee charter, the Audit Committee recommended to the Board of Directors that our audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2018 for filing with the SEC.

Respectfully submitted,

Joanne M. Minieri, Chair

Jeffrey B. Citrin

Alan Cohen

17

---

TABLE OF CONTENTS

## EXECUTIVE OFFICERS

Biographical information regarding each of our executive officers follows. The age of each executive officer is as of the date of the Annual Meeting.

Name	Age	Business Experience and Other Information
Matthew Messinger President and Chief Executive Officer	47	See Election of Directors above.
Steven Kahn Chief Financial Officer	53	<p>Mr. Kahn has been our Chief Financial Officer since 2015.</p> <p>Qualifications and Skills: Prior to joining the Company, Mr. Kahn served as the Chief Financial Officer and Treasurer of United Realty Trust Incorporated, a public non-traded real estate investment trust, or REIT, from 2014 to 2015; and as SVP Director of Financial Reporting and Tax at SL Green Realty Corp (NYSE:SLG), a listed REIT, from 1999 to 2013. Mr. Kahn served as a senior manager at PricewaterhouseCoopers, LLP, specializing in real estate, from January 1998 through November 1999 and in a similar capacity at Deloitte &amp; Touche LLP from 1989 through January 1998. Mr. Kahn is a certified public accountant.</p>
Richard G. Pyontek Chief Accounting Officer, Treasurer and Secretary	51	<p>Mr. Pyontek has been our Chief Accounting Officer since 2015. Mr. Pyontek served as Chief Financial Officer of the Company from 2012 until 2015. Mr. Pyontek served as Director of Accounting and Reporting for the Company from 2011 until his election as Chief Financial Officer.</p> <p>Qualifications and Skills: Before joining Syms Corp., our predecessor, in 2011, Mr. Pyontek served as Director of Accounting and Reporting at Ashley Stewart, Inc., a women's clothing retailer, during the time of its bankruptcy filing and turnaround from 2009 to 2011; as Controller at The Vitamin Shoppe, a retailer of health and nutrition supplements, from 2005 to 2008; and as Director of Finance at Party City Corporation, a retailer of party supplies and gifts, from 2003 to 2005. Earlier in his career, Mr. Pyontek held senior accounting and reporting roles at Linens 'n Things and at KPMG LLP. Mr. Pyontek is a certified public accountant.</p>

TABLE OF CONTENTS

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section discusses the principles underlying the material components of our executive compensation program for our executive officers named in the “Summary Compensation Table” below and the factors relevant to an analysis of the compensatory policies and decisions. These individuals, to whom we refer to collectively as our “named executive officers” or “NEOs” during 2018 were:

- Matthew Messinger, President and Chief Executive Officer;
- Steven Kahn, Chief Financial Officer; and
- Richard G. Pyontek, Chief Accounting Officer, Treasurer and Secretary.

Executive Summary

Trinity was active in the real estate market in 2018 to bolster its positioning and continue to establish its healthy business operations. The following transactions and operational accomplishments attest to the significant progress made in the past year:

- Completed the acquisition of a newly built 105-unit, 12-story apartment building located at 237 11th Street in Park Slope, Brooklyn, New York for a purchase price of \$81.2 million, excluding approximately \$0.7 million in closing costs. The acquisition was funded through acquisition financing of \$67.8 million and cash on hand. The residential portion of the property is substantially leased to 78% occupancy;
- Completed the construction of the foundation at the 77 Greenwich Street development project, as well as the first nine stories of the superstructure (the first 35 stories through April 29, 2019). The project continues to be on schedule and on budget;
- Continued to make progress on the construction of the core and shell for the NYC School Construction Authority (the “SCA”). We anticipate delivering their condominium to them in the second half of 2019, as originally scheduled, and within budget. We will continue to receive monthly payments from the SCA until we turn their space over to them;
- Improved occupancy at the Berkley in Williamsburg, Brooklyn to 96.8% despite the anticipated shutdown of the L-Train;
- In negotiations on approximately 21,000 square feet of new leasing at the Shoppes at Forest Hill in West Palm Beach, Florida, all of which have since been executed in 2019;
- Extended lease/license agreements with LensCrafters and Restoration Hardware in Paramus, New Jersey; and
- Increased our line of credit by \$1.75 million to \$12.75 million, reduced the rate by 200 basis points and extended the maturity to February 2020.

#### Features of Our Executive Compensation Program

Our executive compensation program is designed to provide a total compensation package intended to attract and retain high-caliber executive officers and employees, and to incentivize employee contributions consistent with our corporate objectives and stockholder interests. Each component of compensation plays a role in supporting our compensation goals and objectives. Our program consists of the following principal components:

- **Base Salary:** Fixed cash compensation to recognize ongoing performance of job responsibilities and to provide a necessary tool in attracting and retaining executives.

TABLE OF CONTENTS

- Annual Cash Bonus: Variable cash incentive to reward the achievement of short-term corporate objectives and individual contributions on an annual basis.

- Time-Based Restricted Stock Unit Award: Equity-based incentive structured to support the retention of executives, while subjecting recipients to the same market fluctuations as stockholders and thereby motivating management to create long-term stockholder value.

The Company succeeded to the operations of its predecessor, which transitioned out of bankruptcy in 2012, and in 2013, Mr. Messinger was hired to lead the reorganization of the Company and to maximize value for creditors and shareholders. These goals were accomplished as the Company satisfied the final obligations under the bankruptcy plans in March 2016. During that highly risky and uncertain period in the Company’s history, Mr. Messinger received most of his compensation in the form of performance-based equity awards. Additional context regarding those historical compensation determinations are described below under the section titled “Historical Context to Company Operations and CEO Compensation.”

The following table highlights key features of our executive compensation program. We believe these practices promote good governance and serve the interests of our stockholders.

What we do	What we don’t do
Directly align pay with performance	X No excise tax gross-up provisions
Competitive assessment of executive compensation program to a comparable group of peer companies	X No guaranteed cash incentives, or salary increases for executive officers
Balanced mix of cash and equity compensation	X No excessive perquisites or other benefits
Independent compensation consultant	X No hedging of our equity securities
Robust stock ownership requirements	X No pledging of our equity securities
Clawback policy	X No repricing of stock options

2018 “Say on Pay” Results

Our last advisory “say-on-pay” vote was held at our 2018 annual stockholders meeting and received strong support from our stockholders, with a substantial majority of our stockholders (94.2% of the votes cast) voting to approve the compensation of our named executive officers described in our 2018 proxy statement. Our Compensation Committee considered the results of the 2018 vote and has continued our compensation program design which it believes embodies shareholder-friendly practices.

Key Compensation Decisions

Our focus has been and continues to be to maintain a strong link between our NEOs’ compensation and the Company’s performance. The Compensation Committee, in consultation with our independent compensation consultant, reviewed the Company’s short and long-term performance and reviewed a comprehensive analysis of pay levels and



compensation programs at peer companies. Based on the results of this analysis, our Compensation Committee made the following key decisions to ensure that our Company's compensation program appropriately reflects our performance accomplishments:

Pay Element	Key Decisions
Base Salary	2018 CEO base salary was unchanged, while the other NEOs' salaries were adjusted based on an assessment of company and individual performance and to better align them with the peer group. 2019 NEO base salaries were unchanged.
Annual Cash Bonus	The annual bonus opportunity is designed to drive achievement of annual financial and operational results and key strategic activities that are linked to short-term company goals in relation to long-term strategy. Individual awards are determined by the Compensation Committee based on both company and individual performance.

20

---

TABLE OF CONTENTS

Pay Element	Key Decisions
	For 2018, the Compensation Committee determined to award annual cash bonuses to the NEOs at similar levels as the prior year.
	The structure of the 2019 bonus program remains the same as 2018.
Time-Based Restricted Stock Unit Awards	The equity incentive program is designed to directly align key executives' interests with building shareholder value and includes grants of time vested awards. Based on the performance and future growth path of the Company, the Committee determined appropriate levels of annual time-based RSU grants for its NEOs, other than the CEO, for 2018. Our CEO's awards were granted in accordance with the terms of his 2013 employment agreement, as amended in 2015. RSUs vest ratably over a three-year period for the CEO and two-year period for the other NEOs, subject to continued service.

Executive Compensation Philosophy and Objectives

Objectives of Our Compensation Program

The Company's executive compensation philosophy is designed to accomplish the following objectives:

- To attract, retain and motivate a high-quality executive management team capable of creating long-term stockholder value in the highly competitive New York city market;
- To provide compensation opportunities that are competitive with the prevailing market, and create a strong alignment between management and stockholder interests;
- To achieve an appropriate balance between risk and reward in our compensation programs that does not incentivize unnecessary or excessive risk-taking; and
- To maintain compensation and corporate governance practices that support our goal to deliver sustained, superior returns to stockholders.

In order to achieve these objectives, we provide a comprehensive and market-based compensation program to the executive officers that includes both fixed and variable amounts, the components of which are described in more detail below under "Elements of Executive Officer Compensation."

How We Determine Executive Compensation

The Compensation Committee, which consists of three independent directors, determines compensation for our NEOs. The Committee exercises independent discretion with respect to executive compensation matters and administers our equity incentive programs, including reviewing and approving equity grants to our NEOs pursuant to the Stock Incentive Plan.

In making its compensation decisions, the Compensation Committee evaluates the Company's performance and the performance of the Chief Executive Officer and, together with the Chief Executive Officer, assesses the individual performance of the other NEOs. The Compensation Committee does not set specific targets for compensation levels but instead reviews each element of compensation independently and determines the appropriate amount for each element for each NEO, as discussed below. The Compensation Committee also reviews market-based compensation data provided by its compensation consultant, as described in greater detail below in "Engagement of Compensation Consultant."

Engagement of Compensation Consultant

The Compensation Committee is authorized to retain the services of one or more executive compensation advisors, in its discretion, to assist with the establishment and review of our compensation programs and related policies. In 2018, the Compensation Committee engaged FTI's compensation advisory practice to provide market-based compensation

data and to advise on industry trends and best practices.

21

---

**TABLE OF CONTENTS**

The Compensation Committee believes that for our compensation to be effective, it must be competitive with other real estate companies with which we may compete for executive talent. The Compensation Committee uses industry peer group data as one element of assessing and determining pay for our executive officers.

With assistance from FTI, the Compensation Committee undertook a comprehensive review of our peer group of companies with the goal of evaluating the competitiveness of the Company's executive compensation program. The peer group was selected based on various criteria considered by the Compensation Committee, including industry (public REITs, and where appropriate, multifamily, and/or diversified REITs and real estate operating companies), size (defined by equity market capitalization and total enterprise value), New York City presence, significant development projects and growth strategy. As a result of this peer group review and evaluation, while being mindful of best practices for selecting a peer set, the Compensation Committee selected the peer group shown below.

FTI noted in its peer group recommendation that the Company has unique characteristics compared to the peers and broader industry that are not directly captured in its equity market capitalization and total enterprise value: (1) the Company's most significant asset is a development project which adds a degree of complexity that may not be matched at a number of its peers, (2) the recent completion by the Company of its payment and other obligations under the plan of reorganization of its predecessor and (3) the Company's transition to focus on growing its operating platform through new investment opportunities, currently primarily focused on multifamily properties in New York City. For 2018, our peer group\* included the following 16 Real Estate Companies:

Armada Hoffler Properties, Inc.      Pennsylvania Real Estate Investment Trust

BRT Apartments Corp.                      Preferred Apartment Communities, Inc.

CatchMark Timber Trust, Inc.      RPT Realty

Cedar Realty Trust, Inc.                  Tejon Ranch Co.

Clipper Realty Inc.                      UMH Properties, Inc.

Getty Realty Corp.                      Urstadt Biddle Properties Inc.

Hersha Hospitality Trust                  Wheeler Real Estate Investment Trust, Inc.

Independence Realty Trust, Inc.      Whitestone REIT

\*

Forestar Group Inc. was removed from the peer group as it was acquired by D.R. Horton, Inc. in October 2017

The Compensation Committee uses industry data as one tool in assessing and determining pay for our NEOs. Peer group data is intended to provide the Compensation Committee with insight into the overall market pay levels, market trends, best governance practices and industry performance. The compensation analysis for the peer group provided an

overview of typical compensation components (e.g., base salaries, annual bonuses and long-term equity incentives), as well as the range of compensation levels by position, in each case, generally found within the relevant peer group.

#### Stock Ownership Guidelines

The Board has adopted stock ownership guidelines for our CEO, which consists of owning common stock with a value equal to five times his annual base salary. Shares that count toward meeting these ownership guidelines include shares directly owned; shares beneficially owned, such as shares held in “street name” through a broker or shares held in trust; and unvested restricted stock or RSUs that vest based on continued service. The CEO has five years from the adoption of the policy to come into compliance with the guidelines and is currently in compliance. The Board has adopted a policy expressing the expectation that each executive other than the CEO shall, over a reasonable period of time, accumulate a meaningful holding of Company shares relative to his or her base salary.

22

---

**TABLE OF CONTENTS****Anti-Hedging Policy; Anti-Pledging Policy**

The Company's insider trading policy prohibits transactions designed to limit or eliminate economic risks to our NEOs from owning the Company's common stock, such as transactions involving options, puts, calls, or other derivative securities tied to the Company's common stock. Our insider trading policy also prohibits the pledging of Company stock, including use as collateral for a margin loan, by directors, officers, employees, and consultants of the Company and its subsidiaries.

**Clawback Policy**

The Board has adopted a clawback policy which generally requires reimbursement of amounts paid under performance provisions, in the case of cash incentives and performance-based RSUs, if amounts were paid or shares vested based on financial results that subsequently become subject to certain "mandatory" restatements due to misconduct that would have led to lower payments or forfeiture of all or a portion of shares subject to an award.

**Elements of Executive Officer Compensation**

The following is a discussion of the primary elements of 2018 compensation for each of our NEOs.

**Base Salaries**

Base salaries are approved and periodically reviewed by the Compensation Committee. No formulaic base salary increases are provided to our NEOs, although the Compensation Committee may adjust base salaries in connection with its periodic review. The actual base salaries paid to our NEOs during 2018 are set forth in the "Summary Compensation Table" below. We believe that these salary levels provide appropriate levels of fixed income based on the background, qualifications and skill set of each executive.

For 2018, the Compensation Committee assessed each NEO's base salary in the context of (i) salaries paid at similar positions within our peer group and (ii) individual performance. Based on this assessment, salaries were adjusted as summarized below. While the Company does not target any particular peer group percentile for salaries, or any other compensation element, the Compensation Committee does factor peer group salaries into the overall decision-making process. NEO base salaries were unchanged for 2019 (in comparison to 2018).

The following table sets forth the 2018 and 2019 base salaries for each of our NEOs:

Executive	2018 Base Salary	2019 Base Salary
Matthew Messinger	\$ 750,000	\$ 750,000
Steven Kahn	\$ 340,000	\$ 340,000
Richard Pyontek	\$ 172,500	\$ 172,500

**Cash Bonuses**

Our cash bonus program is designed to attract and retain executive talent and incentivize executives to achieve corporate and individual goals. During 2018, our NEOs were eligible for annual cash bonus payments based on the Compensation Committee's review of the Company's and each NEO's individual performance.

In reviewing corporate performance, the Committee considers various measures including the extent to which strategic and business plan goals are met, levels of occupancy in owned residential properties, progress toward development deliveries, lease or sale of properties and balance sheet management, including, execution of capital raising goals.

In reviewing individual performance, the members of the Compensation Committee meet with the Chief Executive Officer annually at the beginning of the year to discuss both individual and corporate priorities for the current year. At that same meeting, the members of the Compensation Committee meet to conduct a review of the Chief Executive Officer's performance and contribution to Company goals over the past year. This evaluation is shared with the Chief Executive Officer and is considered by the Compensation

TABLE OF CONTENTS

Committee in establishing the Chief Executive Officer's compensation. With respect to the other Named Executive Officers, the members of the Compensation Committee receive a performance assessment and compensation recommendation from the Chief Executive Officer.

The Compensation Committee does not give specific weight to any particular criterion or performance metric, when determining the levels of annual bonus payouts for each of the Named Executive Officers. Instead, it considers the performance assessment and compensation recommendation from the Chief Executive Officer (although the CEO does not make recommendations pertaining to his own compensation) and exercises its own judgment based on various subjective performance criteria, including contributions to corporate performance, successful completion of projects, the degree to which teamwork and corporate values were fostered and other leadership accomplishments, to determine an appropriate amount of cash bonus for each executive.

For 2018, the Committee determined to pay the following annual cash bonuses to our NEOs during the first week in January 2019:

Executive	2018 Bonus (\$)
Matthew Messinger	\$ 500,000
Steven Kahn	\$ 140,000
Richard Pyontek	\$ 55,000

Long-Term Equity Incentives

The goals of our long-term, equity-based awards are to incentivize and reward increases in long-term stockholder value and to align the interests of our NEOs with the interests of our stockholders.

For 2018, the Compensation Committee approved restricted stock unit awards for our NEOs, which enable our executive officers to establish or augment meaningful equity stakes in the Company, thus directly aligning the interests of our NEOs with those of our stockholders. We believe that these awards enable us to deliver competitive compensation to the executive officers at levels sufficient to attract and retain top talent within our executive officer ranks.

In determining the number of restricted stock units to be awarded to our NEOs, other than our CEO, the Compensation Committee analyzed the role and responsibilities of the individual, individual performance history, contractual agreements, if any, and prevailing market practices. Annual equity awards were not determined based on the attainment of any particular individual or company-level performance goals, but the Compensation Committee considered our corporate performance in determining the appropriate values. The number of RSUs awarded to our CEO was specified by our employment agreement with him.

Based on this assessment, the Compensation Committee approved grants of restricted stock units, as follows:

Executive	2018 RSU Award (#)	2018 RSU Award (\$)
Matthew Messinger(1)	180,000(2)	\$ 771,900
Steven Kahn(3)	25,000	\$ 107,500
Richard Pyontek(3)	5,000	\$ 21,500

(1)

Mr. Messinger's award of 30,000 RSUs was granted on December 31, 2018 and vests ratably on each of the next three anniversaries of the grant date, and his award of 150,000 RSUs was granted on January 3, 2019 and vests ratably on each of January 1, 2020, January 1, 2021 and January 1, 2022. RSU award value is based on the grant date stock price.

TABLE OF CONTENTS

(2)

Based on his 2015 amended employment agreement, Mr. Messinger is contractually entitled to receive an award of 30,000 RSUs per year until 2019.

(3)

Messrs. Kahn and Pyontek's awards were granted on January 3, 2019 for 2018 performance and vest ratably on each of January 1, 2020 and January 1, 2021. RSU award value is based on the grant date stock price.

The Grants of Plan-Based Awards table below includes Mr. Messinger's 2018 award of 30,000 RSUs shown above. SEC disclosure rules provide that only those equity awards granted in 2018 need to be disclosed in the Grants of Plan-Based Awards table. As such, Messrs. Kahn and Pyontek's 2018 RSU awards and Mr. Messinger's award of 150,000 RSUs, which were granted on January 3, 2019, are shown in the table above because they related to 2018 performance and not in the Grants of Plan-Based Awards table because they were granted in 2019.

Employee Benefits

Our full-time employees, including our NEOs, are eligible to participate in health and welfare benefit plans, which provide medical, dental, prescription, vision, short-term and long-term disability, life insurance and other health benefits. We believe that these benefits are a key component of a comprehensive compensation package, providing essential protections to our NEOs and enhancing the overall desirability and competitiveness of our total rewards package.

Our employees, including our NEOs, who satisfy certain eligibility requirements may participate in our 401(k) retirement savings plan. Under the 401(k) plan, eligible employees may elect to contribute pre-tax amounts to the plan, up to a statutorily prescribed limit, and we match a pre-determined portion of such contribution. We believe that providing a vehicle for tax-preferred retirement savings through our 401(k) plan adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our NEOs, in accordance with our compensation policies.

Severance and Change in Control Benefits

As described more fully below in the sections entitled “— Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2018 Table” and “— Potential Payments Upon Termination or Change in Control,” we have entered into employment agreements with our NEOs that provide for various severance and change in control benefits and other terms and conditions of employment. We believe that the protections contained in these employment agreements will help ensure the day-to-day stability necessary to enable our executives to properly focus their attention on their duties and responsibilities with the Company and will provide security with regard to some of the most uncertain events relating to continued employment, thereby limiting concern and uncertainty and promoting productivity.

Historical Context to Company Operations and CEO Compensation

In 2012, as the Company embarked on its plan of reorganization post-bankruptcy, it faced tremendous headwinds in terms of business viability, its ability to repay creditors and create shareholder value. In October 2013, Mr. Messinger was hired as the CEO to lead the Company during this uncertain period, with a view toward stabilizing and enhancing the Company. Mr. Messinger joined the Company with almost two decades of extensive development, asset management, finance and tax credit structuring experience across a wide range of real estate related asset classes and was tasked with formulating and executing the Company's long-term strategy.

With a view towards aligning the CEO's interests with those of the Company's creditors, Mr. Messinger's compensation was structured to ensure cash conservation for the Company by providing the majority of his compensation in the form of equity awards, at a time when the Company's equity was highly illiquid, thinly traded and risky with no guarantee that the equity awards would result in meaningful value. His equity awards were structured so that most shares granted to him were only eligible to be earned based upon achieving key milestones in order to pay off all creditors and eventually operate free of creditor claims.

25



TABLE OF CONTENTS

The following table provides details of equity awards granted to Mr. Messinger under his employment agreement prior to the Company satisfying the final obligations under the bankruptcy plan in March 2016:

Date of Grant	Years Vesting	Shares Granted	Grant Date Fair Value per share	Grant Date Fair Value	Performance contingencies for award
11/6/2013	0	250,000	\$ 5.18	\$ 1,295,000	Granted upon the effectiveness of the Company's filing of an Amended and Restated Certificate of Incorporation
3/31/2014	3	476,190	\$ 6.25	\$ 2,976,188	Contingent upon delivering (i) a favorable resolution on payment/deferral of payment to Syms and Filene's and (ii) a credible plan for the development, lease or sale of Westbury, NY and Paramus, NJ properties
3/31/2014	3	363,095	\$ 6.25	\$ 2,269,344	Contingent upon delivering a credible plan for the development, lease or sale of Trinity Place property
12/31/2014	3	363,095	\$ 7.00	\$ 2,541,665	Contingent upon delivering (i) a favorable resolution on payment/deferral of certain claims of Filene's and (ii) a credible plan for the development, lease or sale of West Palm Beach, FL and Secaucus, NJ properties
3/31/2015	3	363,095	\$ 7.05	\$ 2,559,820	No contingency
1/28/2016	3	363,095	\$ 5.98	\$ 2,171,308	Contingent upon payments of the Initial Majority Shareholder and Subsequent Majority Shareholder by December 31, 2015; while conditions were not met at that time, the award was granted as Company had sufficient cash on hand to make the payments which were ultimately made at a discounted amount in March 2016
1/28/2016	5	250,000	\$ 5.98	\$ 1,495,000	No contingency
1/28/2016	3	541,074	\$ 5.98	\$ 3,235,623	Granted to maintain CEO's proportionate ownership interest (per employment agreement), concurrent with the Common Stock Rights Offering in December 2015, which resulted in issuance of additional shares of Company's common stock.

Mr. Messinger's employment with the Company has been and continues to be critical to the Company's success. Since his hiring, Mr. Messinger has completed, among others, the following two crucial tasks:

- Led the Company in negotiating favorable resolutions in respect of outstanding claims, culminating in significant savings for the Company and a general unsecured claims satisfaction; and

-

Led the Company in the sale of various assets, including the Company's former headquarters, and in a number of transactions at prices substantially greater than initially anticipated.

Together, these actions resulted in both the successful repayment of all the Company's claimholders, as well as increased residual value for the Company's stockholders. Due to Mr. Messinger's efforts in steering Trinity through the post-bankruptcy reorganization, the Company has re-commenced accounting as a going concern, listed its shares on the NYSE American market and been added to the Russell 2000. In 2018, he continued to lead the company through its long-term strategic plan by continuing the development of the Company's most significant asset, 77 Greenwich Street, a former Syms site located in downtown Manhattan, redeveloping the Company's remaining properties to increase their value, raising equity and debt capital and commencing new investment activity, including the acquisition of 237 11th, a newly constructed residential multifamily apartment building in Brooklyn, New York.

26

---

TABLE OF CONTENTS

In addition, Mr. Messinger has continually exhibited his commitment to the Company through personal share purchases in April 2015, December 2015, April 2017, May 2017, December 2017, February 2018, August 2018, September 2018, November 2018, December 2018, January 2019 and February 2019, and has never sold any of his Trinity stock.

**Tax Implications**

Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”) (as amended by the Tax Cut and Jobs Act of 2017) imposes a \$1,000,000 cap on federal income tax deductions for compensation paid to our NEOs during any fiscal year. Our Compensation Committee considers these requirements when designing compensation programs for our NEOs and remains cognizant of the changes to federal tax law, in particular the elimination of the exception to the deductibility limit for qualifying “performance-based compensation” for taxable years beginning after December 31, 2017. However, the Compensation Committee does not necessarily limit executive compensation to the amount deductible under Section 162(m). Rather, it considers the available alternatives and acts to preserve the deductibility of compensation in its discretion to the extent reasonably practicable and consistent with its other compensation objectives. The Compensation Committee may, in its discretion, approve compensation that will not meet these requirements when it determines that such payments are in the best interests of the Company and our stockholders, such as to ensure competitive levels of total compensation for the NEOs.

**Compensation Committee Report**

The following report of the Compensation Committee does not constitute soliciting material and should not and will not be deemed filed or incorporated by reference into any other Company filing under the Securities Act or the Exchange Act, except to the extent the Company specifically incorporates this report by reference therein.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and with the Committee’s independent compensation consultant. Based on this review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Alexander C. Matina, Chair

Alan Cohen

Joanne Minieri

27

---

**TABLE OF CONTENTS**

## Summary Compensation Table

The following table sets forth information concerning all compensation awarded to, earned by or paid to our named executive officers, for all services rendered in all capacities to us and our subsidiaries for the years ended December 31, 2018, 2017 and 2016:

Name and Principal Position	Fiscal Year	Salary	Bonus	Stock Award(1)	All Other Compensation	Total
Matthew Messinger President and Chief Executive Officer	2018	\$ 750,000	\$ 500,000	\$ 126,900	\$ 12,540(2)	\$ 1,389,440
	2017	\$ 750,000	\$ 500,000	\$ 208,500	\$ 12,836(3)	\$ 1,471,336
	2016	\$ 750,000	\$ 500,000	\$ 7,359,431	\$ 12,636(4)	\$ 8,622,067
Steven Kahn Chief Financial Officer	2018	\$ 340,000	\$ 140,000	\$ 417,000	\$ 12,780(5)	\$ 909,780
	2017	\$ 290,000	\$ 245,000	\$ 63,910	\$ 12,699(6)	\$ 611,609
	2016	\$ 290,000	\$ 120,000	\$ —	\$ 12,499(7)	\$ 422,499
Richard G. Pyontek Chief Accounting Officer, Treasurer and Secretary	2018	\$ 172,500	\$ 55,000	\$ 69,500	\$ 9,255(8)	\$ 306,255
	2017	\$ 167,500	\$ 55,000	\$ —	\$ 9,191(9)	\$ 231,691
	2016	\$ 164,000	\$ 55,000	\$ 66,125	\$ 9,051(10)	\$ 294,176

(1)

The amount reflected in the table represents the aggregate grant date fair value of stock awards granted and calculated in accordance with FASB ASC Topic 718. For additional information on the valuation assumptions refer to Note 12, “Stock-Based Compensation” of the Company’s financial statements in the Annual Report on Form 10-K for the fiscal year ended December 31, 2018, December 31, 2017 and December 31, 2016, as applicable.

(2)

The amount shown includes \$1,540 for life insurance premiums and \$11,000 for 401(k) plan matching contributions.

(3)

The amount shown includes \$2,036 for life insurance premiums and \$10,800 for 401(k) plan matching contributions.

(4)

The amount shown includes \$2,036 for life insurance premiums and \$10,600 for 401(k) plan matching contributions.

(5)

The amount shown includes \$1,780 for life insurance premiums and \$11,000 for 401(k) plan matching contributions.

(6)

The amount shown includes \$1,899 for life insurance premiums and \$10,800 for 401(k) plan matching contributions.

(7)

The amount shown includes \$1,899 for life insurance premiums and \$10,600 for 401(k) plan matching contributions.

(8)

The amount shown includes \$2,355 for life insurance premiums and \$6,900 for 401(k) plan matching contributions.

(9)

The amount shown includes \$2,491 for life insurance premiums and \$6,700 for 401(k) plan matching contributions.

(10)

The amount shown includes \$2,491 for life insurance premiums and \$6,560 for 401(k) plan matching contributions.

**TABLE OF CONTENTS****Grants of Plan-Based Awards Table**

The following table sets forth information concerning grants of plan-based awards, which includes grants made under our Stock Incentive Plan as well as individually negotiated plans, made to our named executive officers during the year ended December 31, 2018:

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Award(1)
Matthew Messinger	12/31/2018	30,000	\$ 126,900(2)
Steven Kahn	1/1/2018	60,000	\$ 417,000(3)
Richard Pyontek	1/1/2018	10,000	\$ 69,500(3)

(1)

The grant date fair value for RSUs is measured based on the closing price of our common stock on the date of grant.

(2)

The closing price of our common stock on December 28, 2018 was \$4.23.

(3)

The closing price of our common stock on December 31, 2017 was \$6.95.

**Outstanding Equity Awards at Fiscal Year End**

The following table sets forth certain information relating to outstanding equity awards for each named executive officer outstanding as of December 31, 2018:

Named Executive Officer	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested (\$)(4)
Matthew Messinger	226,667(1)	\$ 983,735
Steven Kahn	63,500(2)	\$ 275,590
Richard Pyontek	10,000(3)	\$ 43,400

(1)

Pursuant to his employment agreement, Mr. Messinger has received grants of restricted stock units reflecting the terms set forth therein (the "RSU Awards"). See "Executive Compensation — Compensation of Matthew Messinger, President and Chief Executive Officer." Each grant typically vests over three years. The vesting and settlement dates of Mr. Messinger's outstanding RSU Awards are as follows, subject to the terms of his employment agreement:

Vesting Date	Number of RSUs	Settlement Date
--------------	-------------------	-----------------

Edgar Filing: Trinity Place Holdings Inc. - Form DEF 14A

December 31, 2019	113,333	93,333 RSUs within 30 days of vesting 10,000 RSUs within one year and 30 days of vesting 10,000 RSUs within two years and 30 days of vesting
December 31, 2020	103,334	93,334 RSUs within two years and 30 days of vesting 10,000 RSUs within one year and 30 days of vesting
December 31, 2021	10,000	10,000 RSUs within 30 days of vesting

(2)

Granted pursuant to RSU agreements dated as of January 5, 2017 and January 1, 2018. Of the 63,500 unvested RSUs as of December 31, 2018, 30,000 RSUs vested on January 1, 2019 and 3,500 RSUs vested on January 5, 2019, pursuant to the terms of the RSU agreement.

TABLE OF CONTENTS

(3)

Granted pursuant to an RSU agreement dated as of January 1, 2018. Of the 10,000 unvested RSUs as of December 31, 2018, 5,000 RSUs vested on January 1, 2019, pursuant to the terms of the RSU agreement.

(4)

Calculated based on \$4.34 per share, which was the closing market price per share of our common stock as reported on the NYSE American on December 31, 2018.

## Stock Vested in 2018

The following table shows information regarding stock awards that vested during the year ended December 31, 2018. Value realized on vesting is calculated based on the closing price of our common stock on the vesting date.

Named Executive Officer	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Matthew Messinger	415,517	\$ 2,129,703
Steven Kahn	13,500	\$ 84,610
Richard Pyontek	6,250	\$ 42,875

## Potential Payments upon Termination or Change in Control

## Matthew Messinger

In the event Mr. Messinger's employment is terminated by the Company other than for cause, death or disability or if Mr. Messinger terminates his employment for good reason (as such terms are defined in the employment agreement), subject to his execution of a release of claims, he would be entitled to the following: (i) a lump sum payment equal to (1) the number of full twelve month periods Mr. Messinger was employed multiplied by (2) the sum of (x) six months base salary and (y) 50% of the average bonus paid to Mr. Messinger for the three calendar years prior to the date of termination, subject to a minimum and a maximum amount of \$350,000 and \$2,800,000, respectively, (ii) acceleration of vesting of any unvested RSU Award and any other equity awards that have been granted as of the date of termination, (iii) to the extent Mr. Messinger has not been granted all the RSU Awards provided for in the amended employment agreement, the grant and immediate vesting of RSU Awards covering 30,000 shares, and (iv) payment of an amount equal to the monthly premium for COBRA continuation coverage under our health, dental and vision plans for eighteen (18) months. If such termination of employment occurs within 60 days prior to or within 12 months following a change of control (as that term is defined in the employment agreement), Mr. Messinger will also be entitled to the grant and immediate vesting of any RSU Awards that have not been granted as of the date of termination.

In the event that Mr. Messinger's employment terminates due to his death or disability, the portion of any outstanding RSU Awards that would have vested during the 24-month period immediately following the termination of employment, will become vested as of the date of termination of employment.

30



TABLE OF CONTENTS

The following describes the estimated amounts Mr. Messinger would have received if the termination event specified had occurred at December 31, 2018:

	Voluntary Resignation or Termination for Cause or Without Good Reason	Termination Without Cause or for Good Reason	Termination Without Cause or for Good Reason (w/Change in Control)	Termination Due to Death or Disability
Cash Payments				
Severance Bonus Amount	\$ —	\$ 2,800,000	\$ 2,800,000	\$ —
Benefits & Perquisites				
Health and Welfare Benefits	\$ —	\$ 64,052	\$ 64,052	\$ 64,052
Long-Term Incentive Compensation				
Value of Accelerated RSUs(A)	\$ —	\$ 983,738	\$ 1,113,938	\$ 940,338
Total Value of Payments and Benefits	\$ —	\$ 3,847,790	\$ 3,977,990	\$ 1,004,390

(A)

Calculated based on \$4.34 per share, which was the closing market price per share of our common stock as reported on the NYSE American on December 31, 2018.

## Steven Kahn

In the event Mr. Kahn's employment is terminated by the Company without cause (as defined in the employment agreement), the portion of the RSUs that would have vested on the vesting date immediately following such termination shall vest. In the event Mr. Kahn's employment is terminated by the Company without cause within six months following a change of control of the Company (as defined in the RSU agreement), all of the unvested RSUs will immediately vest. If Mr. Kahn's employment is terminated by the Company without cause (as reasonably determined by the Company), we will pay Mr. Kahn a minimum severance amount equal to the product of his weekly salary multiplied by 12.

The following describes the estimated amounts Mr. Kahn would have received if the termination event specified had occurred at December 31, 2018:

	Voluntary Resignation or Termination for Cause or Without Good Reason	Termination Without Cause or for Good Reason	Termination Without Cause or for Good Reason (w/Change in Control)	Termination Due to Death or Disability
Cash Payments				
Severance Bonus Amount	\$ —	\$ 78,462	\$ 78,462	\$ —
Benefits & Perquisites				
Health and Welfare Benefits	\$ —	\$ —	\$ —	\$ —
Long-Term Incentive Compensation				
Value of Accelerated RSUs(A)	\$ —	\$ 145,390	\$ 275,590	\$ —
Total Value of Payments and Benefits	\$ —	\$ 223,852	\$ 354,052	\$ —

(A)  
Calculated based on \$4.34 per share, which was the closing market price per share of our common stock as reported on the NYSE American on December 31, 2018.

31

---

TABLE OF CONTENTS

Richard Pyontek

In the event Mr. Pyontek's employment is terminated by the Company without cause (as defined in the RSU agreement), all of his unvested RSUs will vest immediately. In accordance with his offer letter, Mr. Pyontek is entitled to severance equal to three months base salary should his employment be terminated without cause due to the sale of the Company.

The following describes the estimated amounts Mr. Pyontek would have received if the termination event specified had occurred at December 31, 2018:

	Voluntary Resignation or Termination for Cause or Without Good Reason	Termination Without Cause or for Good Reason	Termination Without Cause (w/Sale of the Company)	Termination Due to Death or Disability
Cash Payments				
Severance Bonus Amount	\$ —	\$ —	\$ 43,125	\$ —
Benefits & Perquisites				
Health and Welfare Benefits	\$ —	\$ —	\$ —	\$ —
Long-Term Incentive Compensation				
Value of Accelerated RSUs(A)	\$ —	\$ 21,700	\$ 43,400	\$ —
Total Value of Payments and Benefits	\$ —	\$ 21,700	\$ 86,525	\$ —

(A)

Calculated based on \$4.34 per share, which was the closing market price per share of our common stock as reported on the NYSE American on December 31, 2018.

## CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Matthew Messinger, our President and Chief Executive Officer:

For 2018, our last completed fiscal year:

•

The median of the total annual compensation for all employees of our company (other than our CEO) was \$274,886; and,

•

The annual total compensation of our CEO was \$1,389,440.

Based on this information, for 2018 the ratio of the annual total compensation of Mr. Messinger, our President and Chief Executive Officer, to the median of the annual total compensation of all employees was 5.1 to 1.

To identify the median of the annual total compensation of all our employees, excluding our CEO, as well as to determine the annual total compensation of our "median employee" and our CEO, the methodology and the material assumptions, adjustments and estimates that we used were as follows:

1.

We determined that, as of December 31, 2018, our total employee population, including our CEO, consisted of 10 individuals, all of whom are located within the United States. This employee population included nine full-time

employees and one part-time employee. We did not employ any temporary or seasonal employees during 2018. We selected December 31, 2018 as the date upon which we would identify the “median employee” because it enabled us to make such identification in a reasonably efficient and economical manner.

2.

We determined our “median employee” using “total compensation” for the full year 2018, with “total compensation” consisting of the elements of each employee’s compensation for 2018 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K. Since all our employees are located in the United States, as is our CEO, we did not make any cost-of-living adjustments in identifying the “median employee.”

32

---

TABLE OF CONTENTS

3.

With respect to the annual total compensation of the “median employee,” we identified and calculated the elements of such employee’s compensation for 2018 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K.

This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described above. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee’s annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

33

---

TABLE OF CONTENTS

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth certain information regarding the beneficial ownership of our voting securities as of April 18, 2019 of (i) each person known to us to beneficially own more than 5% of our voting securities, (ii) each director and director nominee of the Company, (iii) each named executive officer and (iv) all directors and executive officers of the Company as a group. Except as otherwise described in the notes below, to our knowledge, the beneficial owners have sole voting power and sole investment power with respect to all shares set forth opposite their respective names.

## Ownership of Common Stock

Name and Address of Beneficial Owner(1)	Number of Shares of Common Stock Beneficially Owned	Percent of Class(2)
Executive Officers and Directors		
Matthew Messinger	1,134,951(3)	3.6%
Steven Kahn	44,711	*
Richard G. Pyontek	19,169	*
Jeffrey B. Citrin	79,750(4)	*
Alan Cohen	21,901	*
Alexander C. Matina	24,163(5)	*
Joanne M. Minieri	111,445	*
Keith Pattiz	23,754(6)	*
All Executive Officers and Directors as a Group (8 Persons)	1,459,844(7)	4.6%
Greater than 5% Stockholders		
Third Avenue Management LLC	5,032,150(8)	15.8%
MFP Partners, L.P.	4,581,392(9)	14.4%
Marcato Capital Management LP	3,702,146(10)	11.6%
DS Fund I LLC	2,581,504(11)	8.1%
Horse Island Partners, LLC	1,689,138(12)	5.3%

\*

Represents less than 1% of the shares outstanding.

(1)

The business address of the individuals named in this table is c/o Trinity Place Holdings Inc., 340 Madison Avenue, Suite 3C, New York, New York 10173.

(2)

As of April 18, 2019, a total of 31,846,908 shares of common stock were outstanding.

(3)

Includes 104,040 shares of common stock issuable upon the settlement of vested RSUs within 60 days of April 18, 2019. Does not include 644,272 shares of common stock issuable upon the settlement of vested RSUs on the earlier of specified dates ranging from December 31, 2019 through January 31, 2024, or Mr. Messinger's termination of employment.

(4)

Includes 9,485 shares of common stock issuable within 60 days of April 18, 2019 in accordance with the terms of the Company's Deferral Plan.

(5)

Includes 14,163 shares of common stock issuable within 60 days of April 18, 2019 in accordance with the terms of the Company's Deferral Plan.

(6)

Includes 10,662 shares of common stock issuable within 60 days of April 18, 2019 in accordance with the terms of the Company's Deferral Plan.

(7)

Includes 138,350 shares of common stock issuable within 60 days of April 18, 2019.

34

---

TABLE OF CONTENTS

(8)

Includes 4,556,285 shares of common stock held by Third Avenue Trust, on behalf of Third Avenue Real Estate Value Fund and 475,865 shares of common stock held by GemCap Investment Funds plc, on behalf of Third Avenue Real Estate Value Fund (UCITS). Third Avenue Management LLC is a registered investment advisor that acts as an adviser to clients including GemCap Investment Funds plc, on behalf of Third Avenue Real Estate Value Fund (UCITS), and Third Avenue Trust, on behalf of Third Avenue Real Estate Value Fund. GemCap Investment Funds plc, on behalf of Third Avenue Real Estate Value Fund (UCITS), is an investment company incorporated under the Irish Companies Act 2014 and authorized by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. Third Avenue Management LLC has sole voting and dispositive power over all of the shares. The chair of our audit committee, Joanne M. Minieri, was appointed to our Board of Directors by Third Avenue Trust, on behalf of Third Avenue Real Estate Value Fund (UCITS), but is not a representative of Third Avenue Management LLC, GemCap Investment Funds plc, on behalf of Third Avenue Real Estate Value Fund, or Third Avenue Trust, on behalf of Third Avenue Real Estate Value Fund. The address of Third Avenue Management LLC is 622 Third Avenue, New York, NY 10017.

(9)

MFP Investors LLC is an investment adviser and serves as the general partner of MFP Partners, L.P. (“MFP Partners”). Michael F. Price is the managing partner of MFP Partners and the managing member and controlling person of MFP Investors LLC. Alexander C. Matina, a director of the Company, is Vice President of Investments of MFP Investors LLC. The address of MFP Partners, L.P. is 909 Third Avenue, 33rd Floor, New York, NY 10022.

(10)

All information regarding Marcato Capital Management LP (“Marcato”) is based on information disclosed in a Statement of Changes in Beneficial Ownership of Securities on Form 4 filed with the SEC on June 26, 2018. The securities are held in the account of Marcato International Master Fund, Ltd. (the “Fund”) and may be deemed to be beneficially owned by (i) Marcato, the investment manager of the Fund, and (ii) Richard McGuire III, the managing member of Marcato. Each of Marcato and Richard McGuire III disclaims beneficial ownership of these reported securities except to the extent of its pecuniary interest therein. The address of Marcato is One Montgomery Street, Suite 3250, San Francisco, CA 94104.

(11)

All information regarding DS Fund I LLC (“DS Fund”) is based on information disclosed in a Schedule 13D/A filed with the SEC on February 21, 2017. DS Fund is ultimately owned by Bharat Desai and Neerja Sethi through an intervening limited liability company, DS Investco LLC. The address of DS Fund is 1001 Brickell Bay Dr., Suite 3102A, Miami, FL 33131.

(12)

All information regarding Horse Island Partners, LLC is based on information disclosed in a Schedule 13G/A filed with the SEC on February 26, 2018. Thomas D. O’Malley, Jr. is the managing member of Horse Island Partners, LLC. The address of Horse Island Partners, LLC is 222 Lakeview Ave., Suite 1510, West Palm Beach, FL 33401.

Ownership of Special Stock

The following table sets forth as of April 18, 2019, the name and address of the holder of the one share of our Special Stock:

Title of Class	Beneficial Owner	Number of Shares of Special Stock Beneficially Owned	Percent of Class
----------------	------------------	--	------------------------



Special Stock	Third Avenue Trust, on behalf of Third Avenue Real Estate Value Fund 622 Third Avenue New York, NY 10017	1	100%
---------------	---	---	------

35

---

TABLE OF CONTENTSPROPOSAL 2 — RATIFICATION OF APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board has appointed the firm of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2019, subject to ratification by our stockholders at the Annual Meeting. Should BDO USA, LLP be unable to perform these services for any reason, the Audit Committee will appoint another independent registered public accounting firm to perform these services. Representatives of the firm of BDO USA, LLP, our independent registered public accounting firm for year ended December 31, 2018, are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions from stockholders, if any.

## Fees Paid to Independent Registered Public Accounting Firm for 2018 and 2017

The following is a summary of the fees billed to us by BDO USA, LLP for professional services rendered for the years ended December 31, 2018 and December 31, 2017:

Fees Category	Year Ended December 31, 2018	Year Ended December 31, 2017
Audit Fee	\$ 252,500	\$ 199,500
Audit Related Fees	\$ 70,900	\$ 66,914
Tax	\$ 27,500	\$ 28,000
Total Fees	\$ 350,900	\$ 294,414

## Audit Fees

BDO USA, LLP billed aggregate fees of \$252,500 for professional services rendered for the audit of our financial statements for the year ended December 31, 2018, the audit of internal controls and the quarterly reviews of the financial statements included in our Forms 10-Q during this period. BDO USA, LLP billed aggregate fees of \$199,500 for professional services rendered for the audit of our financial statements for the year ended December 31, 2017, the audit of internal controls and the quarterly reviews of the financial statements included in our Forms 10-Q during this period.

## Audit-Related Fees

“Audit-related fees” include fees billed for assurance and related services that are reasonably related to the performance of the audit and not included in the “audit fees” mentioned above. BDO USA, LLP billed aggregate fees of \$70,900 and \$66,914 for audit-related fees for the year ended December 31, 2018 and December 31, 2017, respectively. The fees for the year ended December 31, 2018 related to the audit of our joint venture, our “at-the-market” equity offering program and consultation related to Code Section 382. The fees for the year ended December 31, 2017 related to the audit of our joint venture, the Registration Statement on Form S-3 related to our rights offering, our “at-the-market” equity offering program and consultation related to Code Section 382.

## Tax Fees

BDO USA, LLP billed aggregate fees of \$27,500 and \$28,000 during the year ended December 31, 2018 and December 31, 2017, respectively, for tax compliance, tax advice and tax planning for the Company and our joint venture.

## All Other Fees

The “audit fees,” “audit-related fees,” and “tax fees” mentioned above were the only fees billed by BDO USA, LLP during the years ended December 31, 2018 and December 31, 2017.

**TABLE OF CONTENTS**

**Pre-Approval Policy**

Pursuant to the rules and regulations of the SEC, before our independent registered public accounting firm is engaged to render audit or non-audit services, the engagement must be approved by our Audit Committee or entered into pursuant to a pre-approval policy. The Audit Committee has adopted a pre-approval policy that sets forth the procedures and conditions pursuant to which pre-approval may be given for services performed by the independent auditor. Under the policy, the Audit Committee must give prior approval for any amount or type of service within four categories — audit, audit-related, tax services or, to the extent permitted by law, other services — that the independent auditor provides. Prior to the annual engagement, the Audit Committee may grant general pre-approval for independent auditor services within these four categories at maximum pre-approved fee levels. During the year, circumstances may arise when it may become necessary to engage the independent auditor for additional services not contemplated in the original pre-approval and, in those instances, such service will require separate pre-approval by the Audit Committee if it is to be provided by the independent auditor. To ensure prompt handling of unexpected matters, the Audit Committee has delegated to the Chair of the Audit Committee the authority to amend or modify the list of pre-approved non-audit services and fees. The Chair will report action she has taken to the Audit Committee at the Audit Committee's next scheduled meeting. The Audit Committee may also delegate pre-approval authority to one or more of its members, who shall report any pre-approval decisions to the Audit Committee at the Audit Committee's next scheduled meeting. All audit and non-audit services performed by BDO USA, LLP were pre-approved by our Audit Committee during the year ended December 31, 2018.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR"**

**THE RATIFICATION OF THE APPOINTMENT OF BDO USA, LLP**

**AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**FOR THE YEAR ENDING DECEMBER 31, 2019**

37

---

**TABLE OF CONTENTS**

**PROPOSAL 3 — APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE STOCK INCENTIVE PLAN**

The Stock Incentive Plan allows the Company to provide stock-based compensation to officers, directors, and executive, managerial, professional or administrative employees of and consultants to the Company. The Board of Directors adopted the Stock Incentive Plan and it became effective on September 9, 2015. The purpose of the Stock Incentive Plan is to provide certain key persons, on whose initiative and efforts the successful conduct of the business of the Company depends, and who are responsible for the management, growth and protection of the business of the Company, with incentives to: (a) enter into and remain in the service of the Company or a Company subsidiary, (b) acquire a proprietary interest in the success of the Company, (c) maximize their performance and (d) enhance the long-term performance of the Company (whether directly or indirectly through enhancing the long-term performance of a Company subsidiary). The Stock Incentive Plan authorizes the grants of stock options, stock appreciation rights, shares of restricted stock, restricted stock units and shares of unrestricted stock. The Stock Incentive Plan and the awards thereunder serve as an important element of the total compensation package of certain employees of the Company, providing awards that are subject to achievement of specified performance goals, in order to retain persons whose efforts are expected to facilitate our long-term growth and profitability.

800,000 shares of our common stock are currently authorized for issuance under the Stock Incentive Plan, of which 85,097 shares remain available for grant. The Compensation Committee recommended, and on April 23, 2019, the Board adopted, an amendment and restatement of the Stock Incentive Plan to authorize an additional 1,000,000 shares of the Company's common stock for awards under the Stock Incentive Plan, as well as making additional changes to the Stock Incentive Plan. The Compensation Committee recommended the amount of the increase based on the Company's historical use of equity awards, its anticipated use of such awards in the future, and a review of the amount of such increases adopted by comparable companies. The Compensation Committee believes, based on its analysis of the Company's past and anticipated future grants, that the additional shares should meet the Company's equity compensation needs for three years. However, future circumstances may require grants different than what the Committee currently anticipates, in which case, the shares authorized could last for a longer or shorter period. The significant other changes are adding the ability to grant incentive stock options and prohibiting reductions in the exercise price of stock options or stock appreciation rights. The Board's adoption of the amended and restated Stock Incentive Plan is subject to the approval of the Company's shareholders.

**Why You Should Vote for the Amendment to the Stock Incentive Plan**

**Equity Incentive Awards Are an Important Part of Our Compensation Philosophy**

The Stock Incentive Plan is critical to the Company's ongoing effort to build shareholder value. Equity incentive awards are central to the Company's compensation program. The Compensation Committee and the Board believe that the Company's ability to grant equity incentive awards has helped us attract, retain, and motivate key talent in a highly competitive and low unemployment marketplace.

Further, the Stock Incentive Plan allows the Company to utilize a broad array of equity incentives in order to secure and retain the services of the Company's executives and directors, and to provide incentives for such persons to exert maximum efforts for the Company's success. Although currently the Company primarily utilizes restricted stock units as the vehicle for equity incentives, the Stock Incentive Plan enables the Company to consider alternative equity incentive vehicles, as appropriate.

**The Stock Incentive Plan is Substantially Depleted**

There are 85,097 shares remaining available for grant under the Stock Incentive Plan. Although we could substitute cash compensation as an alternative to equity incentives, we believe that equity awards are a more effective executive compensation vehicle than cash because equity delivers high potential value with a smaller impact on current income and cash flow. In addition, we anticipate that we will have difficulty attracting, retaining, and motivating our executive officers, directors, employees, and consultants if we are unable to make equity grants. Furthermore, a portion of our directors' compensation is paid in stock, and directors also have the ability to elect to receive stock in lieu of cash, which several directors have done. Therefore, we are asking our shareholders to approve the amendment to the Stock Incentive Plan.

## TABLE OF CONTENTS

The Stock Incentive Plan Combines Compensation and Governance Best Practices

The Stock Incentive Plan includes provisions that are designed to protect our shareholders' interests and to reflect corporate governance best practices including:

- Continued eligibility for equity awards. We grant restricted stock units to our executive officers. By doing so, we link their interests with shareholder interests throughout the organization and motivate them to act as owners of the business.

- Shareholder approval is required for additional shares. The Stock Incentive Plan does not contain an annual or other "evergreen" provision. The number of shares is fixed and shareholder approval is required to increase the number of shares available for issuance under the Stock Incentive Plan.

- Option repricing is prohibited. The amendment and restatement prohibits amendments to the Stock Incentive Plan or awards that reduce the exercise price of options or stock appreciation rights, unless the amendment is approved by our shareholders.

- Reload options are prohibited. Reload options are additional options that are granted in connection with the use of shares to exercise an option, thereby "reloading" the original option. The amendment and restatement prohibits the inclusion of a reload option feature in an option grant.

### Description of the Amended Stock Incentive Plan

The material features of the Stock Incentive Plan, as amended and restated, are outlined below. This summary is qualified in its entirety by reference to the complete text of the Stock Incentive Plan. Shareholders are urged to read the actual text of the Stock Incentive Plan in its entirety, which is filed with this proxy statement as Annex A.

**Awards.** The Stock Incentive Plan authorizes the grants of incentive stock options, non-qualified stock appreciation rights ("SARs"), shares of restricted stock, restricted stock units and shares of unrestricted stock (collectively, stock options, SARs, restricted stock, restricted stock units and unrestricted stock are referred to as "Awards"). Under the Stock Incentive Plan, the Company may deliver authorized but unissued shares of common stock, treasury shares of common stock, and shares of common stock acquired by the Company for purposes of the Stock Incentive Plan.

**Maximum Number of Shares.** Subject to adjustment as described below under "Certain Corporate Changes," a maximum of 1,800,000 shares of common stock are available for grants pursuant to Awards under the Stock Incentive Plan. The Stock Incentive Plan, as originally adopted, provided for 800,000 shares to be issued and the current amendment authorizes an additional 1,000,000 shares to be issued under the Stock Incentive Plan. Since all but 85,097 of the original 800,000 shares have been issued or are subject to outstanding grants, after the approval of the amendment and restatement, an aggregate of 1,085,097 shares will be available for grant under the Stock Incentive Plan. Of course, the number of shares available for grant could increase if any outstanding awards are forfeited before shares are issued in settlement of those awards.

The following Shares shall again become available for Awards: any shares subject to an Award that remain unissued upon the cancellation or termination of the Award for any reason; any shares of restricted stock that are forfeited, provided that any dividends paid on such shares are also forfeited; any shares in respect of which a stock appreciation right is settled for cash.

**Administration.** The Stock Incentive Plan is administered by the Compensation Committee of the Board of Directors, or such other committee or subcommittee of the Board of Directors as the Board of Directors appoints or as is formed by abstention or recusal of one or more members of the Compensation Committee (the "Committee"). The Committee will consist of at least two individuals, both of whom meet the definition of a "non-employee director" (as defined in Rule 16b-3 promulgated under the Exchange Act). However, Awards under the Stock Incentive Plan will not be invalidated if the Committee includes members who do not meet such definitions. If the Committee does not exist, or

for any other reason determined by the Board of Directors, the Board of Directors may act as the Committee. The Committee or the Board of Directors may delegate to one or more officers of the Company the authority to designate

---

**TABLE OF CONTENTS**

the individuals (from among those eligible to receive Awards, other than such officer(s) themselves) who will receive Awards under the Stock Incentive Plan, to the fullest extent permitted by the Delaware General Corporation Law (or any successor provision thereto), provided that the Committee shall itself grant all Awards to those individuals who could reasonably be considered to be subject to the insider trading provisions of Section 16 of the Exchange Act. The Committee determines the persons who will receive Awards, the type of Awards granted, and the number of Shares subject to each Award. The Committee also determines the exercise price, expiration dates and other material features of Awards. The Committee has the authority to interpret and construe any provision of the Stock Incentive Plan and to adopt such rules and regulations for administering the Stock Incentive Plan as it deems necessary or appropriate. All decisions and determinations of the Committee are final and binding on all parties. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Stock Incentive Plan or any Award.

**Eligibility.** Officers, non-employee directors, and executive, managerial, professional or administrative employees of, and consultants to, the Company and its subsidiaries, as the Committee in its sole discretion shall select, are eligible to receive Awards under the Stock Incentive Plan. As of December 31, 2018, approximately three officers, five non-employee directors and seven executive, managerial, professional or administrative employees of the Company are currently eligible to participate in the Stock Incentive Plan. Although the Company utilizes the services of a number of consultants who are or would be eligible to be granted Awards under the Stock Incentive Plan from time to time, it has never granted Awards under the Stock Incentive Plan to consultants.

**Termination of Stock Incentive Plan.** The Stock Incentive Plan will terminate on September 9, 2025 with respect to the initial 800,000 shares authorized under the Stock Incentive Plan, and on April 23, 2029 with respect to the additional 1,000,000 shares authorized by this amendment, unless terminated earlier by the Board. Any Awards that are outstanding when the Stock Incentive Plan terminates will continue in effect in accordance with their terms.

**Power to Amend, Suspend, Terminate.** The Board of Directors, at any time, may suspend or discontinue the Stock Incentive Plan or revise or amend it in any respect whatsoever, provided, however, that the Board of Directors shall obtain approval of the stockholders of the Company if required by stock exchange rules or if the Board determines that stockholder approval is otherwise desirable or necessary. The Committee may, in its sole discretion, without amending the Stock Incentive Plan, amend any Award to (i) accelerate the date on which any option or SAR becomes exercisable or otherwise adjust any of the terms of such option or SAR, (ii) accelerate the date on which any Award vests, (iii) waive any condition imposed with respect to any Award, or (iv) otherwise adjust any of the terms of any Award. No amendment or modification to the Stock Incentive Plan or any Award may reduce a grantee’s rights or materially increase a grantee’s obligations under any previously granted and outstanding Award without the consent of the grantee, except in connection with certain corporate changes described below under “Certain Corporate Changes.”

**Summary of Awards Available Under the Stock Incentive Plan**

**Stock Options.** The exercise price per share of each stock option granted under the Stock Incentive Plan is determined by the Committee on the grant date, but will not be less than the fair market value of a share of common stock on the grant date. Once the option is granted, the option cannot be amended to reduce the exercise price. Each stock option is exercisable for a term, not to exceed ten years, established by the Committee on the grant date. The exercise price must be paid in cash or, subject to the approval of the Committee, in shares of common stock valued at their fair market value on the date of exercise or by such other method as the Committee may from time to time prescribe. Stock options under the Stock Incentive Plan do not qualify as incentive stock options within the meaning of Section 422 of the Code.

The Stock Incentive Plan contains provisions applicable to the exercise of stock options subsequent to a grantee’s termination of employment for “cause,” other than for cause, or due to “disability” (as each such term is defined in the Stock Incentive Plan), or death. These provisions apply unless the Committee establishes alternative provisions with respect to an Award. In general, these provisions provide that stock options that are not exercisable at the time of such termination shall expire upon the termination of employment and stock options that are exercisable at the time of such termination shall remain exercisable

## TABLE OF CONTENTS

until the earlier of the expiration of their original term and (i) in the event of a grantee's termination other than for cause, three months after such termination of employment, (ii) in the event of a grantee's disability or death, the first anniversary of such termination. In the event the Company terminates a grantee's employment for cause, all stock options held by the grantee, whether or not then exercisable, will terminate as of the commencement of business on the termination of employment date. In addition, if a grantee dies subsequent to a termination of employment but before the expiration of the exercise period, then the grantee's stock options shall remain exercisable until the first anniversary of the grantee's date of death (or the expiration of the original exercise period, if earlier).

**Incentive Stock Options.** Generally, incentive stock options ("ISOs") are options that may provide certain federal income tax benefits to a grantee that are not available with options that are not ISOs ("non-qualified options"). The tax benefits are described below under the heading "Summary of Federal Tax Consequences." An ISO has the same Stock Incentive Plan provisions as a non-qualified option (including with respect to various termination events as described above, except that:

- In order to receive the tax benefits, a grantee must hold the shares acquired upon exercise of an ISO for at least two years after the grant date and at least one year after the exercise date.

- The aggregate fair market value of shares of common stock (determined on the ISO grant date) with respect to which ISOs are exercisable for the first time by a grantee during any calendar year (whether issued under the Stock Incentive Plan or any other plan of the Company or its subsidiaries) may not exceed \$100,000.

- In the case of an ISO granted to any individual who owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company, the exercise price per share must be at least 110% of the fair market value of a share of Stock at the time the ISO is granted, and the ISO cannot be exercisable more than five years from the grant date.

- An option cannot be treated as an ISO if it is exercised more than three months following the grantee's termination of employment for any reason other than death or disability, or more than one year after the grantee's termination of employment for disability, unless the grantee died during such three-month or one-year period. ISOs are not transferable other than by will or by the laws of descent and distribution.

**Stock Appreciation Rights.** The exercise price of each SAR shall be determined by the Committee on the grant date, but will not be less than the fair market value of a share of common stock on the grant date. Once the SAR is granted, the SAR cannot be amended to reduce the exercise price. Each SAR shall be exercisable for a term, not to exceed ten years, established by the Committee on the grant date. The exercise of a SAR with respect to a number of shares entitles the grantee to receive for each such share an amount equal to the excess of (i) the fair market value of a share of common stock on the date of exercise over (ii) the exercise price of the SAR. A SAR may be settled in cash or shares of common stock (valued at their fair market value on the date of exercise of the SAR) or both, in the Committee's discretion. SARs may be granted as stand-alone awards or in connection with a stock option with respect to a number of shares of common stock less than or equal to the number of shares subject to the related option. The exercise of a SAR that relates to a particular stock option causes the cancellation of its related stock option with respect to the number of shares exercised. The exercise of a stock option to which a SAR relates causes the cancellation of the SAR with respect to the number of shares exercised. In the event of a grantee's termination of employment, SARs generally are exercisable to the same extent as described above with respect to stock options.

**Restricted Stock.** Prior to the vesting of any restricted shares, the shares are not transferable by the grantee and are forfeitable. Vesting of the shares may be based on continued employment with the Company and/or upon the achievement of specific performance goals, as the Committee determines on the grant date. Except as otherwise provided by the Committee, unvested shares of restricted stock and any dividends paid on such shares are



automatically and immediately forfeited upon a grantee's termination of employment for any reason.

Restricted Stock Units. A restricted stock unit entitles the grantee to receive a share of common stock, or in the sole discretion of the Committee, the value of a share of common stock, on the date that the restricted stock unit vests or on such other sate as the Committee may specify at the time of grant. Vesting

41

---

## TABLE OF CONTENTS

of restricted stock units may be based on continued employment with the Company and/or upon the achievement of specific performance goals. Except as otherwise provided by the Committee, unvested restricted stock units are automatically and immediately forfeited upon a grantee's termination of employment for any reason.

**Unrestricted Stock.** Shares of common stock may be granted by the Committee at such times and subject to such conditions as the Committee determines.

### **Transferability**

No Award is transferable other than by will or the laws of descent and distribution, except to the extent an agreement with respect to a stock option or SAR permits certain transfers to a grantee's family members or trusts.

### **Right of Recapture**

If, at any time after the date on which a grantee has been granted or become vested in an Award pursuant to the achievement of performance goals, the Committee determines that the earlier determination as to the achievement of the performance goals was based on incorrect data and that the performance goals had not been achieved or had been achieved to a lesser extent than originally determined, then (i) any Award or portion of an Award granted based on such incorrect determination shall be forfeited or returned to the Company, (ii) any stock option or SAR that was exercised shall be deemed not exercised and any Shares issued upon such exercise shall be returned to the Company and, in the case of a stock option, the Company shall return the exercise price paid, (iii) any Award or portion of an Award that became vested based on such incorrect determination shall be deemed to be not vested, and (iv) any amounts paid to the grantee based on such incorrect determination shall be paid by the grantee to the Company upon notice from the Company. If the subsequent determination is that the performance goals were achieved to a greater extent than originally determined, the Committee may appropriately grant or vest any awards. Awards are also subject to any clawback policies as the Company may adopt from time to time.

### **Certain Corporate Changes**

The Stock Incentive Plan provides that in the event of a change in the capitalization of the Company, a stock dividend or split, a merger or combination of shares and certain other similar events, there will be an adjustment in the number of shares of common stock available to be delivered under the Stock Incentive Plan, the number of shares subject to Awards and the exercise prices of certain Awards. The Stock Incentive Plan also provides for the adjustment or termination of Awards upon the occurrence of certain corporate events.

### **Change in Control**

The Stock Incentive Plan provides that in the event of a Change in Control (as defined in the Stock Incentive Plan), awards generally will be continued, or substituted for an equivalent award. If the acquirer or successor entity in a Change in Control refuses to assume or substitute the Awards, then the Committee may cash out the Awards.

### **Tax Withholding**

Whenever a grantee is required to recognize compensation taxable as ordinary income in connection with an Award, the Company may be obligated to withhold amounts for the payment of federal, state and local taxes. When the income is recognized through the receipt of cash, the Company may withhold an amount in cash sufficient to satisfy its withholding obligations. When the income is recognized through the receipt of Shares, the Company may require that the grantee remit to the Company an amount in cash sufficient to satisfy the Company's withholding obligations in advance of the delivery of any certificates for such Shares. At the election of the grantee and subject to the approval of the Committee, which the Committee shall have sole discretion whether or not to give, the grantee may satisfy such withholding obligation by electing to have the Company withhold a number of Shares, the fair market value of which is sufficient to satisfy such withholding requirements.

## TABLE OF CONTENTS

### Summary of Federal Tax Consequences

The following is a brief description of the federal income tax treatment that will generally apply to Awards under the Stock Incentive Plan based on current federal income tax rules.

**Non-Qualified Options.** The grant of a non-qualified option will not result in taxable income to the grantee. The grantee will realize ordinary income at the time of exercise in an amount equal to the excess of the fair market value of the common stock acquired over the exercise price for those shares, and the Company will be entitled to a corresponding deduction. Gains or losses realized by the grantee upon disposition of such shares will be treated as capital gains and losses, with the basis in such shares equal to the fair market value of the shares at the time of exercise.

**Incentive Stock Options.** The grant of an incentive stock option will not result in taxable income to the grantee. The exercise of an incentive stock option will not result in taxable income to the grantee provided that the grantee was, without a break in service, an employee of the Company or a subsidiary during the period beginning on the date of the grant of the option and ending on the date three months prior to the date of exercise (one year prior to the date of exercise if the grantee is disabled, as that term is defined in the Code). The excess of the fair market value of the common stock at the time of the exercise of an incentive stock option over the exercise price is an adjustment that is included in the calculation of the grantee's alternative minimum taxable income for the tax year in which the incentive stock option is exercised.

If the grantee does not sell or otherwise dispose of the common stock within two years from the date of the grant of the incentive stock option or within one year after the transfer of such Stock to the grantee, then, upon disposition of such shares, any amount realized in excess of the exercise price will be taxed to the grantee as capital gain and the Company will not be entitled to a corresponding deduction. A capital loss will be recognized to the extent that the amount realized is less than the exercise price. If the foregoing holding period requirements are not met, the grantee will generally realize ordinary income at the time of the disposition of the shares, in an amount equal to the lesser of (i) the excess of the fair market value of the common stock on the date of exercise over the exercise price, or (ii) the excess, if any, of the amount realized upon disposition of the shares over the exercise price and the Company will be entitled to a corresponding deduction. If the amount realized upon disposition exceeds the value of the shares on the date of exercise, any additional amount will be capital gain. If the amount realized is less than the exercise price, the grantee will recognize no income, and a capital loss will be recognized equal to the excess of the exercise price over the amount realized upon the disposition of the shares. The Company will be entitled to a deduction to the extent that the grantee recognizes ordinary income because of a disqualifying disposition.

**Stock Appreciation Rights.** The grant of a SAR will not result in taxable income to the grantee. Upon exercise of a SAR, the fair market value of common stock received, or the amount of cash received, will be taxable to the grantee as ordinary income and the Company will be entitled to a corresponding deduction. Gains or losses realized by the grantee upon disposition of such shares will be treated as capital gains and losses, with the basis in such shares equal to the fair market value of the shares at the time of exercise.

**Restricted Stock.** The grant of restricted stock will not result in taxable income to the grantee at the time of grant and the Company will not be entitled to a corresponding deduction, assuming that the restrictions constitute a "substantial risk of forfeiture" for federal income tax purposes. When shares of restricted stock vest, the grantee will realize ordinary income in an amount equal to the then fair market value of those shares, and the Company will be entitled to a corresponding deduction. Gains or losses realized by the grantee upon disposition of such shares will be treated as capital gains and losses, with the basis in such shares equal to the fair market value of the shares at the time of vesting. Dividends paid to the grantee during the restriction period will also be compensation income to the grantee and the Company will be entitled to a corresponding deduction.

A grantee may elect pursuant to Section 83(b) of the Code to have income recognized at the date of grant of restricted stock and to have the applicable capital gain holding period commence as of that date, and the Company will be entitled to a corresponding deduction.

**TABLE OF CONTENTS**

**Restricted Stock Units.** The grant of a restricted stock unit will not result in taxable income to the grantee at the time of grant and the Company will not be entitled to a corresponding deduction. Upon the vesting of the restricted stock unit, the grantee will realize ordinary income in an amount equal to the fair market value of the shares received, and the Company will be entitled to a corresponding deduction. Gains or losses realized by the grantee upon disposition of such shares will be treated as capital gains and losses, with the basis in such shares equal to the fair market value of the shares at the time of vesting, when granted to the grantee.

**Unrestricted Stock.** The grant of unrestricted stock will result in taxable income for the grantee at the time of grant in an amount equal to the fair market value of those shares and the Company will be entitled to a corresponding deduction. Gains or losses realized by the grantee upon disposition of such shares will be treated as capital gains and losses, with the basis in such shares equal to the fair market value of the shares at the time of grant.

**Withholding of Taxes.** As noted above under the header “Tax Withholding” grantees may be required to comply with have the Company may withhold from grantees amounts in cash or shares of common stock to satisfy withholding tax requirements.

**Section 162(m) Limitation.** Pursuant to Section 162(m) of the Code, a federal income tax deduction will generally be unavailable for annual compensation in excess of \$1 million paid to each of the chief executive officer, chief financial officer and the next three most highly compensated officers of a public corporation.

**Section 409A.** Section 409A of the Code imposes significant restrictions on deferred compensation and could impact on Awards under the Stock Incentive Plan. If the Section 409A restrictions are not followed, a grantee could be subject to accelerated liability for tax on the non-complying award, as well as a 20% penalty tax. The Stock Incentive Plan is intended to be exempt from or to comply with the requirements of Section 409A.

**Tax Advice.** The preceding discussion is based on federal tax laws and regulations presently in effect, which are subject to change, and the discussion does not purport to be a complete description of the federal income tax aspects of the Stock Incentive Plan. A grantee may also be subject to state and local taxes in connection with the grant of Awards under the Stock Incentive Plan.

**New Plan Benefits**

Our Board and Compensation Committee have not made any determination with respect to future awards under the Stock Incentive Plan, and any allocation of such awards will be made only in accordance with the provisions of the Stock Incentive Plan. Because awards under the Stock Incentive Plan are subject to the discretion of the Compensation Committee, awards and benefits under the Stock Incentive Plan for the current or any future year are not determinable.

**THE BOARD RECOMMENDS A VOTE “FOR” THE APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE STOCK INCENTIVE PLAN.**

## TABLE OF CONTENTS

### OTHER MATTERS

Our Board knows of no other matters that may be properly presented for consideration by the stockholders at the Annual Meeting. If any other matters do properly come before the meeting, however, the persons appointed in the accompanying proxy intend to vote the shares represented by such proxy in accordance with their best judgment.

### ANNUAL REPORT TO STOCKHOLDERS

The Annual Report (which is not a part of our proxy soliciting materials), is being mailed with this proxy statement to those stockholders that received a copy of the proxy materials in the mail. For those stockholders that received the notice of internet availability of proxy materials, this proxy statement and our Annual Report are available at our website at [trinityplaceholdings.com](http://trinityplaceholdings.com). Additionally, and in accordance with SEC rules, you may access our proxy statement at [www.proxyvote.com](http://www.proxyvote.com), a “cookie-free” website that does not identify visitors to the site. A copy of our Annual Report filed with the SEC will be provided to stockholders without charge upon written request directed to our Corporate Secretary at 340 Madison Avenue, Suite 3C, New York, New York 10173. Upon your request, we will provide you with a copy of the exhibits to the Annual Report. You may be responsible for our reasonable expenses in furnishing such exhibits. The Company makes available on or through our website free of charge our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to such reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after filing. You can also access our Annual Reports on Form 10-K and other periodic filings we make with the SEC from the EDGAR database at [www.sec.gov](http://www.sec.gov).

### HOUSEHOLDING OF ANNUAL MEETING MATERIALS

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as “householding”, potentially provides extra convenience for stockholders and cost savings for companies. We and some brokers household proxy materials, delivering a single proxy statement or annual report to multiple stockholders sharing an address, unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker or us that they or we will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement or annual report, please notify us by sending a written request to Trinity Place Holdings Inc., 340 Madison Avenue, Suite 3C, New York, New York 10173 or by calling (212) 235-2190. You may also notify us to request delivery of a single copy of our annual report or proxy statement if you currently share an address with another stockholder and are receiving multiple copies of our annual report or proxy statement.

### STOCKHOLDER PROPOSALS FOR THE 2020 ANNUAL MEETING

Pursuant to Rule 14a-8 under the Exchange Act, if a stockholder wants to submit a proposal for inclusion in our proxy materials at our 2020 annual meeting of stockholders, it must be received at our principal executive offices, 340 Madison Avenue, Suite 3C, New York, New York 10173, Attention: Corporate Secretary, not later than January 1, 2020. In order to avoid controversy, stockholders should submit proposals by means (including electronic) that permit them to prove the date of delivery. If a stockholder intends to present a proposal for consideration at the next annual meeting outside of the processes of Rule 14a-8 under the Exchange Act, we must receive notice of such proposal at the address given above by March 16, 2020, or such notice will be considered untimely under Rule 14a-4(c)(1) under the Exchange Act, and therefore our proxies will have discretionary voting authority with respect to such proposal, if presented at the annual meeting, without including information regarding such proposal in our proxy materials. The deadlines described above are calculated by reference to the date that proxy materials are first made available to stockholders of record for this year’s annual meeting. If the Board changes the date of next year’s annual meeting by more than 30 days, the Board will, in a timely manner, inform stockholders of such change and the effect of such change on the deadlines given above by including a notice in our annual report on Form 10-K, our quarterly reports on Form 10-Q, a current report on Form 8-K or by any other means reasonably calculated to inform the stockholders.

TABLE OF CONTENTS

Annex A

TRINITY PLACE HOLDINGS INC.

2015 STOCK INCENTIVE PLAN

(as amended and restated, effective April 23, 2019)

Article I

General

1.1 Purpose

The Trinity Place Holdings Inc. 2015 Stock Incentive Plan (the “Plan”) is designed to provide certain key persons, on whose initiative and efforts the successful conduct of the business of Trinity Place Holdings Inc., a Delaware corporation (the “Company”) depends, and who are responsible for the management, growth and protection of the business of the Company, with incentives to: (a) enter into and remain in the service of the Company or a Company subsidiary, (b) acquire a proprietary interest in the success of the Company, (c) maximize their performance and (d) enhance the long-term performance of the Company (whether directly or indirectly through enhancing the long-term performance of a Company subsidiary).

1.2 Administration

(a) Administration by Committee; Constitution of Committee. The Plan shall be administered by the Compensation Committee of the Board of Directors of the Company (the “Board”) or such other committee or subcommittee as the Board may designate or as shall be formed by the abstention or recusal of a non-Qualified Member (as defined below) of such committee (the “Committee”). The members of the Committee shall be appointed by, and serve at the pleasure of, the Board. While it is intended that at all times that the Committee acts in connection with the Plan, the Committee shall consist solely of two or more Qualified Members, the fact that the Committee is not so comprised will not invalidate any grant hereunder that otherwise satisfies the terms of the Plan. A “Qualified Member” is an individual who is a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (the “1934 Act”). If the Committee does not exist, or for any other reason determined by the Board, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee. The term “Committee” as used herein shall refer to the Board to the extent that the Board is acting in place of the Committee.

(b) Committee’s Authority. The Committee shall have the authority to (i) exercise all of the powers granted to it under the Plan, (ii) construe, interpret and implement the Plan and any Grant Certificates executed pursuant to Section 2.1, (iii) prescribe, amend and rescind rules and regulations relating to the Plan, including rules governing its own operations, (iv) make all determinations necessary or advisable in administering the Plan, (v) correct any defect, supply any omission and reconcile any inconsistency in the Plan, and (vi) amend the Plan to reflect changes in applicable law.

(c) Committee Action; Delegation. Actions of the Committee shall be taken by the vote of a majority of its members. To the extent permitted by applicable law, any action may be taken by a written instrument signed by a majority of the Committee members, and action so taken shall be fully as effective as if it had been taken by a vote at a meeting. Notwithstanding the foregoing or any other provision of the Plan, to the fullest extent permitted by Section 157 of the Delaware General Corporation Law (or any successor provision thereto), the Committee may delegate to one or more officers of the Company the authority to designate the individuals (other than such officer(s)), among those eligible to receive awards pursuant to the terms of the Plan, who will receive rights or options under the Plan and the size of each such grant, provided that the Committee shall itself grant awards to those individuals who could reasonably be considered to be subject to the insider trading provisions of section 16 of the 1934 Act.

(d) Determinations Final. The determination of the Committee on all matters relating to the Plan or any Grant Certificate shall be final, binding and conclusive.

(e) Limit on Committee Members’ Liability. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award thereunder.

A-1

---

## TABLE OF CONTENTS

### 1.3 Persons Eligible for Awards

The persons eligible to receive awards under the Plan are those officers, directors (whether or not they are employed by the Company), and executive, managerial, professional or administrative employees of, and consultants to, the Company and its subsidiaries (collectively, “key persons”) as the Committee in its sole discretion shall select, in each case to the extent permitted under Form S-8 under the 1934 Act. No incentive stock option may be granted to a person who is not an employee of the Company or a Company subsidiary (within the meaning of Section 424 of the Code) on the date of grant.

### 1.4 Types of Awards Under Plan

Awards may be made under the Plan in the form of (a) incentive stock options, (b) non-qualified stock options (c) stock appreciation rights, (d) restricted stock, (e) restricted stock units and (f) unrestricted stock, all as more fully set forth in Article II. The term “award” means any of the foregoing.

### 1.5 Shares Available for Awards

(a) Aggregate Number of Shares. Subject to Section 1.5(d), awards under the plan may be granted with respect to an aggregate of 1,800,000 shares of common stock of the Company (“Common Stock”). Shares issued pursuant to the Plan may be authorized but unissued Common Stock, authorized and issued Common Stock held in the Company’s treasury or Common Stock acquired by the Company for the purposes of the Plan. Incentive stock options only may be granted with respect to 1,000,000 shares of Common Stock. For purposes of the foregoing, the full number of shares subject to a stock appreciation right shall be applied to the aggregate number of shares authorized.

(b) Certificate Legends. The Committee may direct that any stock certificate evidencing shares issued pursuant to the Plan shall bear a legend setting forth such restrictions on transferability as may apply to such shares, and if such shares are in book entry form, that they be subject to electronic coding or stop order reflecting the applicable restrictions.

(c) Certain Shares to Become Available Again. The following shares of Common Stock shall again become available for awards under the Plan: any shares that are subject to an award under the Plan and that remain unissued upon the cancellation or termination of such award for any reason whatsoever; any shares of restricted stock forfeited pursuant to Section 2.6(e), provided that any dividends paid on such shares are also forfeited pursuant to such Section 2.6(e); and any shares in respect of which a stock appreciation right or restricted stock unit award is settled for cash. Except as set forth above, shares subject to an award under the Plan shall not again become available for grant under the Plan.

(d) Adjustment Upon Changes in Common Stock. Upon certain changes in Common Stock, the number of shares of Common Stock available for issuance under the Plan pursuant to Section 1.5(a) shall be adjusted pursuant to Section 3.6(a).

### 1.6 Definitions of Certain Terms

(a) The term “cause” in connection with a termination of employment or other service for cause shall mean:

(i) with respect to a member of the Board, cause shall consist of any acts or omissions that would constitute “cause” under the by-laws of the Company, as they may be amended from time to time;

(ii) with respect to an employee or consultant, to the extent that there is an employment, severance or other agreement governing the relationship between the grantee and the Company or a Company subsidiary, which agreement contains a definition of “cause,” cause shall consist of those acts or omissions that would constitute “cause” under such agreement; and otherwise,

(iii) any one or more of the following:

(A) any failure by the grantee substantially to perform the grantee’s employment or other duties;

(B) any excessive unauthorized absenteeism by the grantee;

A-2

---

TABLE OF CONTENTS

- (C) any refusal by the grantee to obey the lawful orders of the Board or any other person or committee to whom the grantee reports;
- (D) any act or omission by the grantee that is or may be injurious to the Company, monetarily or otherwise;
- (E) any act by the grantee that is inconsistent with the best interests of the Company;
- (F) the grantee's material violation of any of the Company's policies, including, without limitation, those policies relating to discrimination or sexual harassment;
- (G) the grantee's unauthorized (a) removal from the premises of the Company or an affiliate of any document (in any medium or form) relating to the Company or an affiliate or the customers or clients of the Company or an affiliate or (b) disclosure to any person or entity of any of the Company's, or its affiliates', confidential or proprietary information;
- (H) the grantee's commission of any felony, or any other crime involving moral turpitude; and
- (I) the grantee's commission of any act involving dishonesty or fraud.

Any rights the Company may have hereunder in respect of the events giving rise to cause shall be in addition to the rights the Company may have under any other agreement with a grantee or at law or in equity. Any determination of whether a grantee's employment is (or is deemed to have been) terminated for cause shall be made by the Committee in its sole discretion. If, subsequent to a grantee's voluntary termination of employment or involuntary termination of employment without cause, it is discovered that the grantee's employment could have been terminated for cause, the Committee may deem such grantee's employment to have been terminated for cause. A grantee's termination of employment for cause shall be effective as of the date of the occurrence of the event giving rise to cause, regardless of when the determination of cause is made.

(b) The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

(c) The term "director" shall mean a member of the Board and a member of the board of directors of any subsidiary of the Company and a member of the governing body of any subsidiary of the Company that is a partnership, limited liability company or other form of entity.

(d) The term "employment" and "employed" shall be deemed to mean an employee's employment with, or a consultant's provision of services to, the Company or any Company subsidiary and each director's service as a director.

(e) The "Fair Market Value" of a share of Common Stock on any day shall be the closing price on any stock exchange on which Common Stock is listed, as reported for such day in The Wall Street Journal or, if no such price is reported for such day, the average of the high bid and low asked price of Common Stock as reported for such day. If no quotation is made for the applicable day, the Fair Market Value of a share of Common Stock on such day shall be determined in the manner set forth in the preceding sentence using quotations for the next preceding day for which there were quotations, provided that such quotations shall have been made within the ten (10) business days preceding the applicable day. Notwithstanding the foregoing, if deemed necessary or appropriate by the Committee, the Fair Market Value of a share of Common Stock on any day shall be determined by the Committee. In no event shall the Fair Market Value of any share of Common Stock be less than its par value.

(f) The term "incentive stock option" means an option that is intended to qualify for special federal income tax treatment pursuant to sections 421 and 422 of the Code as now constituted or subsequently amended, or pursuant to a successor provision of the Code, and which is so designated in the applicable Grant Certificate. Any option that is not specifically designated as an incentive stock option shall under no circumstances be considered an incentive stock option. Any option that is not an incentive stock option is referred to herein as a "non-qualified stock option."

(g) The term "subsidiary" or "subsidiaries" shall mean any corporation, partnership, limited liability company or other entity of which more than 50% of the economic interest in such entity is owned directly or indirectly by the Company or another subsidiary.

A-3

---



## TABLE OF CONTENTS

(h) The terms “termination of employment,” “terminated employment” and related terms or usages shall mean (i) the grantee ceasing to be employed by, or to provide consulting services for, the Company or any Company subsidiary, or any corporation (or any of its subsidiaries) which assumes the grantee’s award in a transaction to which section 424(a) of the Code applies; (ii) the grantee ceasing to be a director; or (iii) in the case of a grantee who is, at the time of reference, both an employee or consultant and a director, the later of the events set forth in subparagraphs (i) and (ii) above. For purposes of clauses (i) and (ii) above, a grantee who continues his employment, consulting relationship or service as a director with a Company subsidiary subsequent to its sale by the Company, shall have a termination of employment upon the date of such sale. The Committee may in its sole discretion determine whether any leave of absence constitutes a termination of employment for purposes of the Plan and the impact, if any, of any such leave of absence on awards theretofore made under the Plan. A person whose status changes from consultant, employee, or director to any other of such positions without interruption shall not be considered to have had a termination of employment by reason of such change.

### Article II

#### Awards Under The Plan

##### 2.1 Certificates Evidencing Awards

Each award granted under the Plan (except an award of unrestricted stock) shall be evidenced by a written certificate (“Grant Certificate”) which shall contain such provisions as the Committee may in its sole discretion deem necessary or desirable. By accepting an award pursuant to the Plan, a grantee thereby agrees that the award shall be subject to all of the terms and provisions of the Plan and the applicable Grant Certificate.

##### 2.2 Grant of Stock Options and Stock Appreciation Rights

(a) **Stock Option Grants.** The Committee may grant incentive stock options and non-qualified stock options (collectively, “options”) to purchase shares of Common Stock from the Company, to such key persons, in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Committee shall determine in its sole discretion, subject to the provisions of the Plan. Options granted under the Plan shall not be incentive stock options within the meaning of Section 422 of the Code.

(b) **Stock Appreciation Right Grants; Types of Stock Appreciation Rights.** The Committee may grant stock appreciation rights to such key persons, in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Committee shall determine in its sole discretion, subject to the provisions of the Plan. Stock appreciation rights may be granted in connection with all or any part of, or independently of, any option granted under the Plan. A stock appreciation right granted in connection with an option may be granted at or after the time of grant of such option.

(c) **Nature of Stock Appreciation Rights.** The grantee of a stock appreciation right shall have the right, subject to the terms of the Plan and the applicable Grant Certificate, to receive from the Company an amount equal to (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise of the stock appreciation right over an amount determined by the Committee at the time of grant, which may not be less than the Fair Market Value of a share of Common Stock on the date of grant (or over the option exercise price if the stock appreciation right is granted in connection with an option), multiplied by (ii) the number of shares with respect to which the stock appreciation right is exercised. Payment upon exercise of a stock appreciation right shall be in cash or in shares of Common Stock (valued at their Fair Market Value on the date of exercise) or both, as the Committee shall determine in its sole discretion. Upon the exercise of a stock appreciation right granted in connection with an option, the number of shares subject to the option shall be reduced by the number of shares with respect to which the stock appreciation right is exercised. Upon the exercise of an option in connection with which a stock appreciation right has been granted, the number of shares subject to the stock appreciation right shall be reduced by the number of shares with respect to which the option is exercised.

(d) **Option Exercise Price.** Each Grant Certificate with respect to an option shall set forth the amount (the “option exercise price”) payable by the grantee to the Company upon exercise of the applicable option. The option exercise price shall be determined by the Committee in its sole discretion; provided, however,

A-4

**TABLE OF CONTENTS**

that the option exercise price shall be at least 100% of the Fair Market Value of a share of Common Stock on the date the option is granted, and provided, further, that the option exercise price per share shall be not less than the par value of a share of Common Stock.

(e) Exercise Period.

(i) The Committee shall determine the periods during which an option or stock appreciation right shall be exercisable, whether in whole or in part. Such periods shall be determined by the Committee in its sole discretion; provided, however, that no stock option (or a stock appreciation right granted in connection with a stock option) shall be exercisable more than 10 years after the date of grant. The Committee may provide that a stock option or stock appreciation right will be automatically exercised on specific dates or upon the occurrence of a specified event.

(ii) Unless the applicable Grant Certificate provides otherwise, the following terms shall apply:

(A) An option or stock appreciation right shall become exercisable with respect to a number of shares as close as possible to 25% of the shares subject to such option or stock appreciation right on each of the first four anniversaries of the date of grant. A stock appreciation right granted in connection with an option may be exercised at any time when, and to the same extent that, the related option may be exercised.

(B) The option or stock appreciation right may be exercised from time to time as to all or part of the shares as to which such award is then exercisable.

(C) The option or stock appreciation right shall remain exercisable until the earlier of (i) the tenth anniversary of the date of grant or (ii) the expiration, cancellation or termination of the award, as set forth in Section 2.4 or otherwise.

(f) Incentive Stock Option Limitation: Exercisability. To the extent that the aggregate Fair Market Value (determined as of the time the option is granted) of the stock with respect to which an incentive stock option is first exercisable by any employee during any calendar year shall exceed \$100,000, or such other amount as may be specified from time to time under section 422 of the Code, such option shall be treated as a non-qualified stock option.

(g) Incentive Stock Option Limitation: 10% Owners. Notwithstanding the provisions of paragraphs (d) and (e) of this Section 2.2, an incentive stock option may not be granted under the Plan to an individual who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of his employer corporation or of its parent or subsidiary corporations (as such ownership may be determined for purposes of section 422(b)(6) of the Code) unless (i) at the time such incentive stock option is granted the option exercise price is at least 110% of the Fair Market Value of the shares subject thereto and (ii) the incentive stock option by its terms is not exercisable after the expiration of 5 years from the date it is granted.

(h) Reload Options. The Administrator shall not include in any Grant Certificate with respect to an option (the "original option") a provision that an additional option (a "reload option") be granted to any grantee who delivers shares of Common Stock in partial or full payment of the exercise price of the original option.

**2.3 Exercise of Options and Stock Appreciation Rights**

Subject to the other provisions of this Article II, each option or stock appreciation right granted under the Plan shall be exercisable as follows:

(a) Notice of Exercise. An option or stock appreciation right shall be exercised by the filing of a written notice with the Company or the Company's designated exchange agent (the "exchange agent"), on such form and in such manner as the Committee shall in its sole discretion prescribe.

(b) Payment of Exercise Price. Any written notice of exercise of an option shall be accompanied by payment for the shares being purchased. Such payment shall be made by one or more of the following methods: (i) certified or official bank check (or the equivalent thereof acceptable to the Company or its exchange agent); (ii) with the consent of the Committee, delivery of shares of Common Stock having a Fair

A-5

**TABLE OF CONTENTS**

Market Value (determined as of the exercise date) equal to all or part of the option exercise price; or (iii) at the sole discretion of the Committee and to the extent permitted by law and consistent with the terms of the Plan, such other provision as the Committee may from time to time prescribe.

(c) Delivery of Shares Upon Exercise. Promptly after receiving payment of the full option exercise price or after receiving notice of the exercise of a stock appreciation right with respect to which payment will be made partly or entirely in shares, the Company or its exchange agent shall, subject to the provisions of Section 3.2, deliver to the grantee or to such other person as may then have the right to exercise the award, a certificate or certificates for the shares of Common Stock for which the award has been exercised or shall establish an account evidencing ownership of such shares in uncertificated form. If the method of payment employed upon option exercise so requires, and if applicable law permits, a grantee may direct the Company or its exchange agent, as the case may be, to deliver the stock certificate(s) to the grantee's stockbroker.

(d) No Shareholder Rights. No grantee of an option or stock appreciation right (or other person having the right to exercise such award) shall have any of the rights of a shareholder of the Company with respect to shares subject to such award until the issuance of a stock certificate to such person for such shares or the establishment of an account to record such stock ownership in uncertificated form. Except as otherwise provided in Section 3.6, no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is issued or such account is established.

**2.4 Termination of Employment; Death Subsequent to a Termination of Employment**

Except to the extent otherwise provided by the Committee in a Grant Certificate or otherwise, the following rules shall apply to options and stock appreciation rights in the event of the grantee's termination of employment.

(a) General Rule. Except to the extent otherwise provided in this Section 2.4, a grantee whose employment terminates may exercise any outstanding option or stock appreciation right (i) only to the extent that the award was exercisable on (or became exercisable in connection with) the effective date of the termination of employment and (ii) only during the three-month period following the termination of employment, but in no event after the original expiration date of the award. The option or stock appreciation right, to the extent not exercisable on the effective date of the termination of employment or not exercised during the three-month period following the termination of employment, shall terminate.

(b) Termination for Cause. If a grantee's employment is terminated for cause, all options and stock appreciation rights not theretofore exercised shall terminate as of the commencement of business on the effective date of the grantee's termination of employment.

(c) Disability. A grantee whose employment terminates by reason of a disability (as defined below), may exercise any outstanding option or stock appreciation right (i) only to the extent that the award was exercisable on (or became exercisable in connection with) the effective date of the termination of employment; and (ii) only during the period ending on the earlier of (A) the first anniversary of the grantee's termination of employment and (B) the original expiration date of the award. The option or stock appreciation right, to the extent not exercisable on the effective date of the termination of employment or not exercised during the one-year period following the termination of employment, shall terminate. For this purpose "disability" shall mean: (x) except in connection with an incentive stock option, any physical or mental condition that would qualify a grantee for a disability benefit under the long-term disability plan maintained by the Company or, if there is no such plan, a physical or mental condition that prevents the grantee from performing the essential functions of the grantee's position (with or without reasonable accommodation) for a period of six consecutive months and (y) in connection with an incentive stock option, a disability described in section 422(c)(6) of the Code. The existence of a disability shall be determined by the Committee in its sole discretion.

(d) Death.

(i) Termination of Employment as a Result of Grantee's Death. If a grantee dies while employed, then any outstanding option or stock appreciation right may be exercised (i) only to the extent that the award was exercisable on (or became exercisable in connection with) the grantee's death;

A-6

## TABLE OF CONTENTS

and (ii) only during the period ending on the earlier of (A) the first anniversary of the grantee's death and (B) the original expiration date of the award. The option or stock appreciation right, to the extent not exercisable on the date of death or not exercised during the one-year period following death, shall terminate.

(ii) Death Subsequent to a Termination of Employment. If a grantee dies subsequent to terminating employment but prior to the expiration of a stock option or a stock appreciation right (as provided by paragraphs (a) or (c) above), the award shall remain exercisable until the earlier to occur of (A) the first anniversary of the grantee's death or (B) the original expiration date of the award. The option or stock appreciation right, to the extent not exercised during the one-year period following death, shall terminate.

(iii) Restrictions on Exercise Following Death. Any such exercise of an award following a grantee's death shall be made only by the grantee's executor or administrator or other duly appointed representative reasonably acceptable to the Committee, unless the grantee's will specifically disposes of such award, in which case such exercise shall be made only by the recipient of such specific disposition. If a grantee's personal representative or the recipient of a specific disposition under the grantee's will shall be entitled to exercise any award pursuant to the preceding sentence, such representative or recipient shall be bound by all the terms and conditions of the Plan and the applicable Grant Certificate which would have applied to the grantee including, without limitation, the provisions of Sections 3.2 hereof.

(e) Special Rules for Incentive Stock Options. An option may not be treated as an incentive stock option to the extent that it remains exercisable for more than three months following a grantee's termination of employment for any reason other than death or disability (including death within three months after a termination of employment or within the one year after a termination due to disability), or for more than one year following a grantee's termination of employment as the result of disability.

### 2.5 Transferability of Options and Stock Appreciation Rights

Except as otherwise provided in an applicable Grant Certificate evidencing an option (other than an incentive stock option, to the extent inconsistent with section 422 of the Code) or stock appreciation right, during the lifetime of a grantee each option or stock appreciation right granted to a grantee shall be exercisable only by the grantee and no option or stock appreciation right shall be assignable or transferable otherwise than by will or by the laws of descent and distribution. The Committee, in any applicable Grant Certificate evidencing an option or a stock appreciation right, may permit a grantee to transfer all or some of the options or stock appreciation rights, as applicable, to (A) the grantee's spouse, children or grandchildren ("Immediate Family Members"), (B) a trust or trusts for the exclusive benefit of such Immediate Family Members, or (C) other parties approved by the Committee in its sole discretion. Following any such transfer, any transferred options and stock appreciation rights shall continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer.

### 2.6 Grant of Restricted Stock

(a) Restricted Stock Grants. The Committee may grant restricted shares of Common Stock to such key persons, in such amounts, and subject to such vesting and forfeiture provisions and other terms and conditions as the Committee shall determine in its sole discretion, subject to the provisions of the Plan. Restricted stock awards may be made independently of or in connection with any other award under the Plan. A grantee of restricted stock shall have no rights with respect to such award unless such grantee accepts the award within such period as the Committee shall specify by accepting delivery of a Grant Certificate in such form as the Committee shall determine and, in the event the restricted shares are newly issued by the Company, makes payment to the Company or its exchange agent as required by the Committee and in accordance with the Delaware General Corporation Law.

(b) Issuance of Shares. Promptly after a grantee accepts a restricted stock award, the Company or its exchange agent shall issue to the grantee a stock certificate or certificates for the shares of Common Stock covered by the award or shall establish an account evidencing ownership of the stock in uncertificated form.

**TABLE OF CONTENTS**

Upon the issuance of such stock certificate(s) or establishment of such account, the grantee shall have the rights of a shareholder with respect to the restricted stock, subject to: (i) the further provisions of this Section 2.6 and (ii) any other restrictions and conditions contained in the applicable Grant Certificate.

(c) Custody of Stock Certificate(s). Unless the Committee shall otherwise determine, any stock certificates issued evidencing shares of restricted stock shall remain in the possession of the Company or another custodian designated by the Company until such shares are free of any restrictions specified in the applicable Grant Certificate. The Committee may direct that such stock certificate(s) bear a legend setting forth the applicable restrictions on transferability, and if such shares are in book entry form, that they be subject to electronic coding or stop order reflecting the applicable restrictions.

(d) Nontransferability/Vesting. Shares of restricted stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as otherwise specifically provided in this Plan or the applicable restricted stock agreement. The Committee at the time of grant shall specify the date or dates (which may depend upon or be related to a period of continued employment with the Company, the achievement of performance goals or other conditions or a combination of such conditions) on which the shares of restricted stock vest, at on which date or dates the nontransferability of the restricted stock shall lapse.

(e) Consequence of Termination of Employment. Except as may be otherwise provided by the Committee in a Grant Certificate or otherwise, a grantee's termination of employment for any reason shall cause the immediate forfeiture of all shares of restricted stock that did not vest prior to, and do not vest on account of, such termination of employment. All dividends paid on such shares also shall be forfeited, whether by termination of any arrangement under which such dividends are held, by the grantee's repayment of dividends he received directly, or otherwise, unless the Board or the Committee determines otherwise.

**2.7 Grant of Restricted Stock Units**

(a) Restricted Stock Unit Grants. The Committee may grant restricted stock units to such key persons, in such amounts, and subject to such terms and conditions as the Committee shall determine in its sole discretion, subject to the provisions of the Plan. Restricted stock units may be awarded independently of or in connection with any other award under the Plan. A grantee of a restricted stock unit shall have no rights with respect to such award unless such grantee accepts the award within such period as the Committee shall specify by accepting delivery of a Grant Certificate in such form as the Committee shall determine. A grant of a restricted stock unit entitles the grantee to receive a share of Common Stock or, in the sole discretion of the Committee, the value of a share, on a date specified in the Grant Certificate. If no date is specified, the grantee shall receive such share or value on the date that the restricted stock unit vests.

(b) Vesting/Nontransferability. The Committee shall specify at the time of grant the date or dates (which may depend upon or be related to a period of continued employment with the Company, the achievement of performance goals or other conditions or a combination of such conditions) on which the restricted stock units shall vest. Restricted stock units may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as otherwise specifically provided in the applicable Grant Certificate.

(c) Consequence of Termination of Employment. Except as may otherwise be provided by the Committee in a Grant Certificate or otherwise, a grantee's termination of employment for any reason shall cause the immediate forfeiture of all restricted stock units that did not vest prior to, and do not vest on account of, such termination of employment.

(d) Shareholder Rights. The grantee of a restricted stock unit will have the rights of a shareholder only as to shares for which, pursuant to the award, a stock certificate has been issued or an account has been established evidencing ownership of the stock in uncertificated form, and not with respect to any other shares subject to the award.

## TABLE OF CONTENTS

### 2.8 Grant of Unrestricted Stock

The Committee may grant (or sell at a purchase price at least equal to par value) shares of Common Stock free of restrictions under the Plan, to such key persons and in such amounts and subject to such forfeiture provisions as the Committee shall determine in its sole discretion. Shares may be thus granted or sold in respect of past services or other valid consideration.

### 2.9 Right of Recapture

(a) If a grantee has been granted or become vested in an award pursuant to the achievement of performance goals under this Article II, and the Committee subsequently determines that the earlier determination as to the achievement of the performance goals was based on incorrect data and that in fact the performance goals had not been achieved or had been achieved to a lesser extent than originally determined, then (i) any award or portion of an award granted based on such incorrect determination shall be forfeited or returned to the Company, (ii) any option or stock appreciation right that was exercised shall be deemed not exercised and any shares issued upon such exercise shall be returned to the Company and, in the case of an option, the Company shall return the exercise price paid, (iii) any award or portion of an award that became vested based on such incorrect determination shall be deemed to be not vested, and (iv) any amounts paid to the grantee based on such incorrect determination shall be paid by the grantee to the Company upon notice from the Company.

(b) All awards under the Plan shall be subject to any clawback policies adopted by the Company.

## Article III

### Miscellaneous

#### 3.1 Amendment of the Plan; Modification of Awards

##### (a) Amendment of the Plan.

(i) General. Subject to Section 3.1(a)(ii), the Board may from time to time suspend, discontinue, revise or amend the Plan in any respect whatsoever, except that no such amendment shall materially impair any rights or materially increase any obligations under any award theretofore made under the Plan without the consent of the grantee (or, upon the grantee's death, the person having the right to exercise the award). For purposes of this Section 3.1, any action of the Board that in any way alters or affects the tax treatment of any award or that in the sole discretion of the Board is necessary to prevent the grantee from being subject to tax with respect to an award under section 409A of the Code shall not be considered to materially impair any rights of any grantee.

(ii) Shareholder Approval Requirement. Shareholder approval shall be required with respect to any amendment to the Plan to the extent (i) required by applicable law or stock exchange rules or (ii) that the Board determines that shareholder approval is desirable or necessary.

(b) Modification of Awards. The Committee may cancel any award under the Plan. Subject to the limitations in this Section 3.1(b), the Committee also may amend any outstanding award and the applicable Grant Certificate, including, without limitation, by amendment which would: (i) accelerate the time or times at which the award becomes unrestricted or may be exercised; (ii) waive or amend any goals, restrictions or conditions set forth in the Agreement; or (iii) waive or amend the operation of Section 2.4. Any such cancellation or amendment (other than an amendment pursuant to Section 3.6) that materially impairs the rights or materially increases the obligations of a grantee under an outstanding award shall be made only with the consent of the grantee (or, upon the grantee's death, the person having the right to exercise the award).

(c) Repricing of Awards. Notwithstanding the foregoing and except as may be permitted under Section 3.6 hereof, the Committee may not, without shareholder approval, directly or indirectly reduce the exercise price of an outstanding option or stock appreciation right, including (i) changing the terms of an option or stock appreciation right to reduce the exercise price of such option or stock appreciation right; (ii) cancelling an option or stock appreciation right in exchange for a new option or stock appreciation right with a lower exercise price, (iii) cancelling an option or stock appreciation right in exchange for a different

## TABLE OF CONTENTS

type of award under the Plan that has a value that is greater than the excess of the Fair Market Value of the applicable shares on the date of such payment over the exercise price, (iv) authorizing, in lieu of the exercise or in exchange for the cancellation of an option or stock appreciation right, the payment of cash in an amount that is greater than the excess of the Fair Market Value of the applicable shares on the date of such payment over the exercise price, or (v) taking any other action that is treated as a “repricing” under generally accepted accounting principles, or (v) take any other action that has the same effect as any of the foregoing, unless the cancellation and exchange occurs in connection with an adjustment permitted under Sections 3.6(a)(iv), 3.6(c)(iii) or 3.6(d) below. Such cancellation and exchange would be considered a “repricing” regardless of whether it is treated as a “repricing” under generally accepted accounting principles and regardless of whether it is voluntary on the part of the grantee.

### 3.2 Consent Requirement

(a) No Plan Action without Required Consent. If the Committee shall at any time determine that any Consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any award under the Plan, the issuance or purchase of shares or other rights thereunder, or the taking of any other action thereunder (each such action being hereinafter referred to as a “Plan Action”), then such Plan Action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Committee.

(b) Consent Defined. The term “Consent” as used herein with respect to any Plan Action means (i) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or under any federal, state or local law, rule or regulation, (ii) any and all written agreements and representations by the grantee with respect to the disposition of shares, or with respect to any other matter, which the Committee shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made and (iii) any and all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies.

### 3.3 Nonassignability

Except as otherwise provided in the Plan, (a) no award or right granted to any person under the Plan or under any Grant Certificate shall be assignable or transferable other than by will or by the laws of descent and distribution, in accordance with the terms of such awards and to the extent not forfeited upon death; and (b) all rights granted under the Plan or any Grant Certificate shall be exercisable during the life of the grantee only by the grantee or the grantee’s legal representative.

### 3.4 Requirement of Notification of Election Under Section 83(b) of the Code

(a) Election Under Section 83(b) of the Code. If any grantee shall, in connection with the acquisition of shares of Common Stock under the Plan, make the election permitted under section 83(b) of the Code (i.e., an election to include in gross income in the year of transfer the amounts specified in section 83(b)), such grantee shall notify the Company of such election within 10 days of filing notice of the election with the Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under the authority of Code section 83(b).

(b) Disqualifying Disposition Under Section 421(b) of the Code. The grantee of an incentive stock option shall notify the Company of any disposition of shares of Common Stock issued pursuant to the exercise of such option under the circumstances described in section 421(b) of the Code (relating to certain disqualifying dispositions), within 10 days of such disposition.

### 3.5 Withholding Taxes

(a) Cash Payments. Whenever cash is to be paid pursuant to an award under the Plan, the Company shall be entitled to deduct therefrom an amount sufficient in its opinion to satisfy all federal, state and other governmental tax withholding requirements related to such payment.

(b) Delivery of Common Stock. Whenever shares of Common Stock are to be delivered pursuant to an award under the Plan, the Company shall be entitled to require as a condition of delivery that the grantee remit to the Company an amount sufficient in the opinion of the Company to satisfy all federal,

A-10

---

TABLE OF CONTENTS

state and other governmental tax withholding requirements related thereto. With the approval of the Committee, which the Committee shall have sole discretion whether or not to give, the grantee may satisfy the foregoing condition by surrendering restricted shares or electing to have the Company withhold from delivery shares, in each case having a value equal to the amount of tax to be withheld. Such shares shall be valued at their Fair Market Value as of the date on which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash. Such a withholding election may be made with respect to all or any portion of the shares to be delivered pursuant to an award.

3.6 Adjustment Upon Changes in Common Stock

(a) Corporate Events. In the event of any change in the number of shares of Common Stock outstanding by reason of any stock dividend or split, reverse stock split, recapitalization, consolidation, combination or exchange of shares or similar corporate change (collectively referred to as “corporate events”), the Committee shall make the following adjustments, subject to Sections 3.6(b) and (c):

(i) Shares Available for Grants. The maximum number of shares of Common Stock with respect to which the Committee may grant awards under Article II hereof, as described in Section 1.5(a), shall be appropriately adjusted by the Committee. In the event of any change in the number of shares of Common Stock outstanding by reason of any event or transaction other than a corporate event, the Committee may, but need not, adjust the maximum number of shares of Common Stock with respect to which the Committee may grant awards under Article II hereof, as described in Section 1.5(a), with respect to the number and class of shares of Common Stock, in each case as the Committee may deem appropriate.

(ii) Restricted Stock. Unless the Committee in its sole discretion otherwise determines, any securities or other property (including dividends paid in cash) received by a grantee with respect to a share of restricted stock as a result of a corporate event will not vest until such share of restricted stock vests, and shall be promptly deposited with the Company or another custodian designated by the Company.

(iii) Restricted Stock Units. The Committee shall adjust outstanding grants of restricted stock units to reflect any corporate event as the Committee may deem appropriate to prevent the enlargement or dilution of rights of grantees.

(iv) Options and Stock Appreciation Rights. Subject to any required action by the shareholders of the Company, in the event of any increase or decrease in the number of issued shares of Common Stock or a change in the class of shares of Common Stock resulting from a corporate event or any other increase or decrease in the number of such shares effected without receipt of consideration by the Company, the Committee shall proportionally adjust the number or class of shares of Common Stock subject to each outstanding option and stock appreciation right and the exercise price-per-share of Common Stock of each such option and stock appreciation right.

(b) Outstanding Options, Stock Appreciation Rights and Restricted Stock Units — Certain Mergers. Subject to any required action by the shareholders of the Company, in the event that the Company shall be the surviving corporation in any merger or consolidation (except a merger or consolidation as a result of which the holders of shares of Common Stock receive securities of another corporation), each option, stock appreciation right and restricted stock unit outstanding on the date of such merger or consolidation shall pertain to and apply to the securities which a holder of the number of shares of Common Stock subject to such option, stock appreciation right or restricted stock unit would have received in such merger or consolidation.

(c) Outstanding Options, Stock Appreciation Rights and Restricted Stock Units — Certain Other Transactions. In the event of (i) a dissolution or liquidation of the Company, (ii) a sale of all or substantially all of the Company’s assets, (iii) a merger or consolidation involving the Company in which the Company is not the surviving corporation or (iv) a merger or consolidation involving the Company in which the Company is the surviving corporation but the holders of shares of Common Stock receive securities of another corporation and/or other property, including cash, the Committee shall, in its sole discretion, have the power to:

A-11

---



TABLE OF CONTENTS

(i) cancel, effective immediately prior to the occurrence of such event, each option, stock appreciation right and restricted stock unit outstanding immediately prior to such event (whether or not then vested or exercisable), and, in full consideration of such cancellation, pay to the grantee (A) to whom such option or stock appreciation right was granted an amount (whether in cash or, to the extent holders of Common Stock receive securities in the applicable transaction and the Committee so elects, securities), for each share of Common Stock subject to such option or stock appreciation right, respectively, equal to the excess of (x) the value, as determined by the Committee in its sole discretion, of the property (including cash) received by the holder of a share of Common Stock as a result of such event over (y) the exercise price of such option or stock appreciation right and (B) to whom such restricted stock unit was granted, for each share of Common Stock subject to such award, the value, as determined by the Committee in its sole discretion, of the property (including cash) received by the holder of a share of Common Stock as a result of such event, provided, however, that if such option, stock appreciation right or restricted stock unit was subject to vesting or exercisability based achievement of specified performance goals, the Committee may provide that such payments only shall be made to the extent that the applicable performance goal was achieved, assuming the performance period ended on the date of the applicable event; or

(ii) (1) provide that each option and stock appreciation right outstanding immediately prior to such event (whether or not otherwise vested and exercisable) (a) may be exercised during a period of not less than 30 days prior to the occurrence of such event and (b) shall expire upon the occurrence of such event, and (2) cancel, effective immediately prior to the occurrence of such event, each restricted stock unit outstanding immediately prior to such event (whether or not then vested), and, in full consideration of such cancellation, pay to the grantee to whom such restricted stock unit was granted, for each share of Common Stock subject to such award, the value, as determined by the Administrator in its sole discretion, of the property (including cash) received by the holder of a share of Common Stock as a result of such event, provided, however, that if such option, stock appreciation right or restricted stock unit was subject to vesting or exercisability based achievement of specified performance goals, the Committee may provide that such option and stock appreciation right only shall be exercisable and payment only shall be made with respect to such restricted stock unit to the extent that the applicable performance goal was achieved, assuming the performance period ended on the date of the applicable event; or

(iii) provide, in a manner consistent with Section 409A of the Code, for the exchange of each option, stock appreciation right and restricted stock unit outstanding immediately prior to such event (whether or not then exercisable) (the “original awards”) for an option on, stock appreciation right and restricted stock unit with respect to, as appropriate, some or all of the property which a holder of the number of shares of Common Stock subject to such option, stock appreciation right or restricted stock unit would have received and, incident thereto, make an equitable adjustment as determined by the Committee in its sole discretion in the exercise price of the option or stock appreciation right, or the number of shares or amount of property subject to the option, stock appreciation right or restricted stock unit, with the other terms of such awards the same as the terms of the applicable original awards, or, if the Committee so determines in its sole discretion, provide for a cash payment to the grantee to whom such option, stock appreciation right or restricted stock unit was granted in partial consideration for the exchange of the option, stock appreciation right or restricted stock unit.

(d) Outstanding Options, Stock Appreciation Rights and Restricted Stock Units — Other Changes. In the event of any change in the capitalization of the Company or a corporate change other than those specifically referred to in Sections 3.6(a), (b) or (c) hereof, the Committee may, in its sole discretion and in a manner consistent with Section 409A of the Code, make such adjustments in the number and class of shares or other property subject to options, stock appreciation rights and restricted stock units outstanding on the date on which such change occurs and in the per-share exercise price of each such option and stock appreciation right as the Committee may consider appropriate to prevent dilution or enlargement of rights. In addition, if and to the extent the Committee, in its sole discretion, determines it is appropriate, the Committee may elect to cancel each or any option, stock appreciation right and restricted stock unit outstanding immediately prior to such event (whether or not then exercisable), and, in full consideration of such cancellation, pay to the grantee to whom such award was granted an amount in cash, (A) for each share of Common Stock subject to such option or stock appreciation right, respectively, equal

**TABLE OF CONTENTS**

to the excess of (i) the Fair Market Value of Common Stock on the date of such cancellation over (ii) the exercise price of such option or stock appreciation right (B) for each share of Common Stock subject to such restricted stock unit equal to the Fair Market Value of Common Stock on the date of such cancellation.

(e) No Other Rights. Except as expressly provided in the Plan, no grantee shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger or consolidation of the Company or any other corporation. Except as expressly provided in the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to an award or the exercise price of any option or stock appreciation right.

**3.7 Change in Control**

(a) General. Unless the applicable Grant Certificate provides otherwise or unless otherwise determined by the Committee, in the event of a Change in Control, each award outstanding as of the Change in Control shall be assumed, continued or substituted, effective as of the date of the consummation of the Change in Control, with a new award with an intrinsic value equivalent to that of the original award and on terms equivalent to those contained in the Grant Certificate of such award. Any such assumption, continuation or substitution shall be in the manner set forth in Section 3.6(c)(iii) above. In the event that the acquiror or successor entity in the Change in Control refuses to assume, continue or substitute such awards, such awards shall be treated as set forth in Section 3.6(c)(i) and (ii) above.

(b) A “Change in Control” shall mean the first to occur of the following events:

(i) The consummation of a transaction or series of transactions whereby any “person” or related “group” of “persons” (as such terms are used in Sections 13(d) and 14(d)(2) of the 1934 Act (other than the Company, any of its parents or subsidiaries, an employee benefit plan maintained by the Company or any of its parents or subsidiaries, a “person” that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company, or any current stockholders who have filed a Schedule D or Schedule G with the Securities Exchange Commission) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the 1934 Act) of securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s securities outstanding immediately after such acquisition; or

(ii) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company’s assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case, other than a transaction:

(A) Which results in the Company’s voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company’s assets or otherwise succeeds to the business of the Company (the Company or such person, the “Successor Entity”)), directly or indirectly, at least a majority of the combined voting power of the Successor Entity’s outstanding voting securities immediately after the transaction, and

(B) After which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this Section 3.7(b)(ii)(B) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction.

A-13

---

TABLE OF CONTENTS

3.8 Limitations Imposed with respect to Section 162(m)

Notwithstanding any other provision hereunder, if and to the extent that the Committee determines the Company's federal tax deduction in respect of an award may be limited as a result of section 162(m) of the Code, the Committee may take the following actions:

- (i) With respect to options or stock appreciation rights, the Committee may delay the exercise or payment, as the case may be, in respect of such options or stock appreciation rights until a date that is within 30 days after the date that compensation paid to the grantee no longer is subject to the deduction limitation under section 162(m) of the Code. In the event that a grantee exercises an option or stock appreciation right at a time when the grantee is a covered employee within the meaning of Section 162(m)(3), and the Committee determines to delay the exercise or payment, as the case may be, in respect of any such award, the Committee shall credit cash or, in the case of an amount payable in Common Stock, the Fair Market Value of the Common Stock, payable to the grantee to a book account. The grantee shall have no rights in respect of such book account and the amount credited thereto shall not be transferable by the grantee other than by will or laws of descent and distribution. The Committee may credit additional amounts to such book account as it may determine in its sole discretion. Any book account created hereunder shall represent only an unfunded, unsecured promise by the Company to pay the amount credited thereto to the grantee in the future.
- (ii) With respect to restricted stock, unrestricted stock or restricted stock units, the Committee may require the grantee to surrender to the Committee any shares of restricted stock and unrestricted stock (whether by surrender of the applicable stock certificates or cancellation of any account evidencing such stock ownership) and any restricted stock units, by surrendering the applicable Grant Certificates, in order to cancel the awards of such restricted stock, unrestricted stock and restricted stock units. In exchange for such cancellation, the Committee shall credit to a book account a cash amount equal to the Fair Market Value of the shares of Common Stock subject to such awards. The amount credited to the book account shall be paid to the grantee within 30 days after the date that compensation paid to the grantee no longer is subject to the deduction limitation under section 162(m) of the Code. The grantee shall have no rights in respect of such book account and the amount credited thereto shall not be transferable by the grantee other than by will or laws of descent and distribution. The Committee may credit additional amounts to such book account as it may determine in its sole discretion. Any book account created hereunder shall represent only an unfunded, unsecured promise by the Company to pay the amount credited thereto to the grantee in the future.

3.9 Right of Discharge Reserved

Nothing in the Plan or in any Grant Certificate shall confer upon any grantee the right to continue his employment or affect any right which the Company may have to terminate such employment or change the terms of such employment.

3.10 Nature of Payments

- (a) Consideration for Services Performed. Any and all grants of awards and issuances of shares of Common Stock under the Plan shall be in consideration of services performed for the Company by the grantee.
- (b) Not Taken into Account for Benefits. All such grants and issuances shall constitute a special incentive payment to the grantee and shall not be taken into account in computing the amount of salary or compensation of the grantee for the purpose of determining any benefits under any pension, retirement, profit-sharing, bonus, life insurance or other benefit plan of the Company or under any agreement between the Company and the grantee, unless such plan or agreement specifically otherwise provides.

3.11 Deferred Compensation

The Plan is intended to be exempt from, and to the extent not exempt, to comply with, the requirements of Section 409A of the Code so as not to be subject to tax under Section 409A, and shall be interpreted accordingly. Notwithstanding anything else herein to the contrary, any payment scheduled to be made to a grantee after the grantee's termination of employment shall not be made until the date

A-14

---

TABLE OF CONTENTS

six months after the date of the termination of employment, to the extent necessary to comply with Code Section 409A(a)(B)(i) and applicable Treasury Regulations. Following any such six-month delay, all such delayed payments will be paid in a single lump sum on the date six months after such termination of employment.

3.12 Non-Uniform Determinations

The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or who are eligible to receive, awards under the Plan (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Grant Certificates, as to (a) the persons to receive awards under the Plan, (b) the terms and provisions of awards under the Plan, and (c) the treatment of leaves of absence pursuant to Section 1.6(f).

3.13 Other Payments or Awards

Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company from making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

3.14 Headings

Any section, subsection, paragraph or other subdivision headings contained herein are for the purpose of convenience only and are not intended to expand, limit or otherwise define the contents of such subdivisions.

3.15 Effective Date and Term of Plan

(a) Adoption. The Plan was adopted by the Board on September 9, 2015 and was amended and restated as of April 23, 2019, subject to approval by the shareholders of the Company. If such approval is not obtained prior to the first anniversary of the adoption of the Plan, the ability to grant incentive stock options under the Plan shall terminate.

(b) Termination of Plan. Unless sooner terminated by the Board, the Plan shall terminate (i) on September 9, 2025, the tenth anniversary of the adoption of the Plan by the Board, with respect to the initial 800,000 shares authorized under the Plan, and (ii) on April 23, 2029, with respect to the additional 1,000,000 shares authorized pursuant to the amendment and restatement of the Plan. No awards shall be made under the Plan after either such date, as applicable. All such awards made under the Plan prior to its termination shall remain in effect until such awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable Grant Certificates.

3.16 Restriction on Issuance of Stock Pursuant to Awards

The Company shall not permit any shares of Common Stock to be issued pursuant to awards granted under the Plan unless such shares of Common Stock are fully paid and non-assessable under applicable law.

3.17 Governing Law

Except to the extent preempted by any applicable federal law, the Plan will be construed and administered in accordance with the laws of the State of Delaware, without giving effect to principles of conflict of laws.

A-15

---

TABLE OF CONTENTS





TABLE OF CONTENTS





