TRUSTCO BANK CORP N Y
Form DEF 14A
April 01, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

TrustCo Bank Corp NY

(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 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):

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(1) Amount previously paid:

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(4) Date Filed:

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5 Sarnowski Drive, Glenville, New York 12302

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Shareholders of TrustCo Bank Corp NY:

Notice is hereby given that the Annual Meeting of Shareholders of TrustCo Bank Corp NY, a New York corporation, will be held at TrustCo Bank s Loan Center, 6 Metro Park Road, Albany, New York 12205, on May 23, 2019, at 10:00 AM Eastern time, for the purpose of considering and voting upon the following matters:

1. Election of directors.

2. Adoption of an amendment to TrustCo s Amended and Restated Certificate of Incorporation (Certificate of Incorporation) to change the vote required for approval of certain shareholder matters.

3. Adoption of an amendment to TrustCo s Certificate of Incorporation to declassify the board of directors.

4. Approval of the TrustCo Bank Corp NY 2019 Equity Incentive Plan.

5. Approval of a nonbinding advisory resolution on the compensation of TrustCo s named executive officers.

6. Ratification of the appointment of Crowe LLP as TrustCo s independent auditors for 2019.

7. Any other business that properly may be brought before the meeting or any adjournment thereof.

By Order of the Board of Directors,

Michael Hall, Corporate Secretary

April 1, 2019

YOUR VOTE IS IMPORTANT TO US

EVEN IF YOU PLAN TO ATTEND THE MEETING, PLEASE, AS PROMPTLY AS POSSIBLE, SIGN AND RETURN THE ENCLOSED PROXY CARD, OR VOTE USING THE INTERNET OR TELEPHONE, FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD. YOU MAY REVOKE YOUR PROXY AT ANY TIME PRIOR TO THE EXERCISE OF THE PROXY.

Important Notice Regarding the Internet Availability of Proxy Materials for the

Shareholder Meeting to be Held on May 23, 2019:

This Notice, the Proxy Statement attached to this Notice, and TrustCo s Annual Report to shareholders for the year ended December 31, 2018 are available free of charge at https://materials.proxyvote.com/898349.

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PROXY STATEMENT SUMMARY FOR ANNUAL MEETING OF SHAREHOLDERS

TRUSTCO BANK CORP NY

PROXY STATEMENT SUMMARY FOR

ANNUAL MEETING OF SHAREHOLDERS

MAY 23, 2019

This proxy statement is furnished in connection with the solicitation by the board of directors of TrustCo Bank Corp NY (also referred to as TrustCo or the Company) of proxies to be voted at TrustCo s Annual Meeting of Shareholders. The Annual Meeting will be held at 10:00 AM Eastern time on Thursday, May 23, 2019, at Trustco Bank s Loan Center, 6 Metro Park Road, Albany, New York 12205. This proxy statement and the enclosed form of proxy were first mailed to shareholders on or about April 1, 2019.

The record date for the Annual Meeting is March 25, 2019. Only shareholders of record at the close of business on March 25, 2019 are entitled to notice of and to vote at the Annual Meeting. Shareholders of record on that date are entitled to one vote for each share of TrustCo common stock they hold. As of March 25, 2019, there were 96,749,215 shares of common stock outstanding.

The Annual Meeting will be held if a majority of the outstanding shares of TrustCo s common stock, constituting a quorum, is represented at the meeting. If shareholders return a properly executed proxy card, their shares will be counted for purposes of determining a quorum at the meeting, even if they abstain from voting. Abstentions and broker non-votes count as shares present at the Annual Meeting for purposes of determining a quorum. If a shareholder owns shares in street name through a bank or broker, the shareholder may instruct his or her bank or broker how to vote the shares using the instructions provided by the bank or broker. A broker non-vote occurs when a shareholder who owns shares through a bank or broker fails to provide the bank or broker with voting instructions and either the bank or broker does not have the discretionary authority to vote the shares on a particular proposal or the bank or broker otherwise fails to vote the shares.

Under the rules of the NASDAQ Stock Market and the New York Stock Exchange, brokers do not have discretionary authority to vote shares on proposals that are not routine. Of the proposals to be considered at the Annual Meeting, only Proposal 6 (Ratification of the Appointment of Crowe LLP as TrustCo s Independent Auditors) is considered a routine matter, so the bank or broker will have discretionary authority to vote shares held in street name on this item. None of the other proposals would be considered routine matters under the NASDAQ Stock Market and New York Stock Exchange rules, so brokers do not have discretionary authority to vote shares held in street name on those proposals. If a shareholder wishes for his or her shares to be voted on these matters, the shareholder must provide his or her broker with voting instructions.

All shares of TrustCo s common stock represented at the Annual Meeting by properly executed proxies will be voted according to the instructions indicated on the proxy card. If shareholders of record return a signed proxy card but fail to instruct how the shares registered in their names must be voted, the shares will be voted as recommended by TrustCo s board of directors. The board of directors recommends that shareholders vote:

FOR each of the nominees for director,

FOR the Certificate of Incorporation amendment to change the vote required for approval of certain shareholder matters,

FOR the Certificate of Incorporation amendment to declassify the board of directors,

FOR the proposal to adopt the TrustCo Bank Corp 2019 Equity Incentive Plan,

FOR the approval of the nonbinding advisory resolution approving the compensation of TrustCo s named executive officers, and

FOR ratification of the appointment of Crowe LLP as TrustCo s independent auditors.

If any matter not described in this proxy statement is properly presented at the Annual Meeting, the persons named in the proxy card will use their judgment to determine how to vote the shares for which they have voting authority. TrustCo does not know of any other matters to be presented at the Annual Meeting.

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PROXY STATEMENT SUMMARY FOR ANNUAL MEETING OF SHAREHOLDERS

Any shareholder executing a proxy solicited under this proxy statement has the power to revoke it by giving written notice to the Corporate Secretary of TrustCo at its main office address or at the meeting of shareholders at any time prior to the exercise of the proxy.

TrustCo will solicit proxies primarily by mail, although proxies also may be solicited by directors, officers, and employees of TrustCo or TrustCo s wholly-owned subsidiary, Trustco Bank. These persons may solicit proxies personally or by telephone, and they will receive no additional compensation for such services. TrustCo has retained Alliance Advisors, LLC to aid in the solicitation of proxies for a solicitation fee of $11,000, plus expenses. The entire cost of this solicitation will be paid by TrustCo.

THE ANNUAL MEETING

A description of the items to be considered at the Annual Meeting, as well as other information concerning TrustCo and the meeting, is set forth below.

Proposal 1 - Election of Directors

The first item to be acted upon at the Annual Meeting is the election of two directors to serve on the TrustCo board of directors. The nominees for election as directors for three-year terms expiring at TrustCo s 2022 Annual Meeting are Dennis A. DeGennaro and Brian C. Flynn. Each of the nominees is an incumbent director, and each nominee was approved by the Nominating and Corporate Governance Committee of TrustCo s board of directors, as well as by the full board of directors.

TrustCo s Amended and Restated Certificate of Incorporation (as amended to date, the Certificate of Incorporation) provides that TrustCo s board of directors will consist of not less than five nor more than fifteen members, with, under TrustCo s Bylaws, the total number of directors to be fixed by resolution of the board or the shareholders. Currently, the board of each of TrustCo and Trustco Bank is fixed at seven members.

The pages that follow set forth information regarding TrustCo s nominees, as well as information regarding the remaining members of TrustCo s board. Proxies will be voted in accordance with the specific instructions contained in the proxy card. Properly executed proxies that do not contain voting instructions will be voted FOR the election of TrustCo s nominees. If any such nominee becomes unavailable to serve, the shares represented by all valid proxies will be voted for the election of such other person as TrustCo s board may recommend. Each of TrustCo s nominees has consented to being named in this proxy statement and to serve if elected. The board of directors has no reason to believe that either nominee will decline or be unable to serve if elected.

Information with regard to the business experience of each director and nominee and the ownership of common stock on December 31, 2018 has been furnished by each director and nominee or has been obtained from TrustCo s records. TrustCo s common stock is the only class of its equity securities outstanding.

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INFORMATION ON TRUSTCO DIRECTORS AND NOMINEES

Information on TrustCo Directors and Nominees

Nominees for Election as TrustCo Directors[1] for Three Year Terms to Expire in 2022

	Shares of TrustCo Common Stock Beneficially Owned	
Name and Principal Occupation[2]	**No. of Shares[3]**	**Percent of Class**
Dennis A. DeGennaro, Age 74, President and Chief Executive Officer, Camelot Associates Corp. (commercial and residential home builder and developer). Current Independent Lead Director of the board of directors of TrustCo and Trustco Bank. Director of TrustCo and Trustco Bank from 2009 to present. Chair 2016 to 2018. Mr. DeGennaro is highly knowledgeable about commercial and residential real estate in the Capital Region of New York and contributes his organizational skills and experience from operating a successful business enterprise.	114,568[4]	*
Brian C. Flynn, Age 68, Consultant and Certified Public Accountant (NY). Director of TrustCo and Trustco Bank since 2016. Former partner of KPMG LLP (retired 2010) where he was employed for approximately 30 years. Mr. Flynn served in KPMG s banking and finance practice area where his specialties included providing tax services to community banks, thrift institutions and real estate developers/ operators. Since his retirement in 2010, he has served as a technical tax consultant to a community bank trade group. Mr. Flynn brings to the board extensive tax, accounting and financial reporting expertise in the financial services industry. Mr. Flynn has been designated an audit committee financial expert.	10,000[5]	*

Other TrustCo Directors[1]

	Shares of TrustCo Common Stock Beneficially Owned

Name and Principal Occupation[2]	No. of Shares[3]	Percent of Class
Lisa M. Lucarelli[i], Age 55, Director of TrustCo and Trustco Bank since 2017. Owner of LMKD Properties, LLC (property management firm). Ms. Lucarelli contributes her experience in the area of residential real estate, as an entrepreneur operating a successful business enterprise, and her skills for developing and evaluating business strategies.	2,481[6]	*
Thomas O. Maggs, Age 74, President, Risk Strategies, 2018 to present, President, Maggs & Associates, The Business Insurance Brokers, Inc. (insurance broker), 1987 to 2018. Director of TrustCo and Trustco Bank from 2005 to present. Chair of the board of directors of TrustCo and Trustco Bank for 2015. Mr. Maggs contributes his experience as an entrepreneur operating a successful business enterprise and his skills for developing and evaluating business strategies.	74,808[7]	*
Robert J. McCormick, Age 55, President and Chief Executive Officer of TrustCo from 2004 to present, Chair 2009 to 2010 and 2019 to present, executive officer of TrustCo from 2001 to present and Chief Executive Officer of Trustco Bank from 2002 to present. Director of TrustCo and Trustco Bank from 2005 to present. Joined Trustco Bank in 1995. Mr. McCormick contributes his skills and knowledge obtained from being the chief executive officer of the Company and Trustco Bank.	1,529,486[8]	1.58

* Less than 1%

(i) Formerly known as Lisa M. Reutter.

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INFORMATION ON TRUSTCO DIRECTORS AND NOMINEES

Other TrustCo Directors[1] (continued)

	Shares of TrustCo Common Stock Beneficially Owned	
Name and Principal Occupation[2]	**No. of Shares[3]**	**Percent of Class**
Anthony J. Marinello, M.D., Ph.D., Age 63, Physician, Vice President, Primary Care Services of Capital District Physicians Health Plan from 2018 to present. Director of TrustCo and Trustco Bank from 1995 to present. Chair of the board of directors of TrustCo and Trustco Bank for 2013. Dr. Marinello contributes his experience as an entrepreneur operating a successful medical practice, an officer of health insurance company, and his skills for developing and evaluating business strategies.	96,049[9]	*
William D. Powers, Age 77, Consultant, Powers & Company, LLC, retired. Chair of the board of directors of TrustCo and Trustco Bank for 2012. Director of TrustCo and Trustco Bank from 1995 to present. Mr. Powers contributes his experience as an entrepreneur operating a successful business enterprise and his skills for developing and evaluating business strategies.	65,650[10]	*

Information on TrustCo Executive Officers

	Shares of TrustCo Common Stock Beneficially Owned	
Name and Principal Occupation[2]	**No. of Shares[3]**	**Percent of Class**
Kevin M. Curley, Age 51, Executive Vice President of TrustCo and Trustco Bank from 2018 to present. Senior Vice President of TrustCo and Trustco Bank from 2011 to 2018. Administrative Vice President of TrustCo and	102,456[11]	*

Trustco Bank from 2004 to 2016. Executive Officer of TrustCo and Trustco Bank from 2017 to present. Joined Trustco Bank in 1990.		
Michael Hall, Age 53, General Counsel and Corporate Secretary of TrustCo and Trustco Bank from 2018 to present. Vice President and Counsel of TrustCo and Trustco Bank from 2015 to 2018. Assistant Secretary of TrustCo and Trustco Bank for 2016. Executive Officer and Secretary of TrustCo and Trustco Bank from 2017 to present. Attorney with McNamee, Lochner, Titus & William, P.C. from 1992 to 2015. Joined TrustCo and Trustco Bank in 2015.	5,351(12)	*
Robert M. Leonard, Age 56, Executive Vice President of TrustCo and Trustco Bank from 2013 to present. Chief Risk Officer TrustCo and Trustco Bank from 2016 to present. Senior Vice President of TrustCo and Trustco Bank from 2010 to 2013. Administrative Vice President of TrustCo and Trustco Bank from 2004 to 2009. Secretary of TrustCo and Trustco Bank from 2003 to 2006 and 2009 to 2016. Assistant Secretary of TrustCo and Trustco Bank from 2006 to 2009. Executive Officer of TrustCo and Trustco Bank from 2003 to present. Joined Trustco Bank in 1986.	137,197(13)	*
Michael M. Ozimek, Age 44, Executive Vice President and Chief Financial Officer, TrustCo and Trustco Bank from 2018 to present. Senior Vice President and Chief Financial Officer of TrustCo and Trustco Bank from 2014 to 2018. Administrative Vice President of Trustco Bank from 2010 to 2014. Executive Officer of TrustCo and Trustco Bank from 2014 to present. Joined TrustCo and Trustco Bank in 2002.	28,354(14)	*
Scot R. Salvador, Age 52, Executive Vice President and Chief Lending Officer of TrustCo and Trustco Bank from 2004 to present. Executive Officer of TrustCo and Trustco Bank from 2004 to present. Joined Trustco Bank in 1995.	284,679(15)	*
Eric W. Schreck, Age 52, Senior Vice President and Florida Regional President of Trustco Bank from 2009 to present. Treasurer of TrustCo from 2010 to present. Executive Officer of TrustCo and Trustco Bank from 2010 to present. Joined Trustco Bank in 1989.	96,684(16)	*

* Less than 1%

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INFORMATION ON TRUSTCO DIRECTORS AND NOMINEES

TRUSTCO DIRECTORS, NOMINEES, AND EXECUTIVE OFFICERS AS A GROUP (13 INDIVIDUALS) BENEFICIALLY OWN 2,547,763 SHARES OF COMMON STOCK, WHICH REPRESENTS 2.64% OF THE OUTSTANDING SHARES.

Footnotes:

(1) Directors of TrustCo Bank Corp NY are also directors of Trustco Bank.
(2) Each of the directors has held, or retired from, the same position or another executive position with the same employer during the past five years.
(3) Based on 96,658,593 shares issued and outstanding as of December 31, 2018. Beneficial ownership of less than 1% is denoted by an asterisk.
(4) Voting or investment power shared by Mr. DeGennaro s spouse or other immediate family members as to 112,568 shares. Also includes currently exercisable options to acquire 2,000 shares.
(5) Voting or investment power held by Mr. Flynn and his spouse or other immediate family members as to 10,000 shares.
(6) Voting or investment power for Ms. Lucarelli as to 2,481 shares.
(7) Voting or investment power held by Mr. Maggs and his spouse or immediate family members as to 72,808 shares. Also includes currently exercisable options to acquire 2,000 shares.
(8) Includes for Mr. McCormick 919,761 shares owned directly, and 443,325 shares that are held indirectly by Mr. McCormick or his family. Also includes currently exercisable options to acquire 166,400 shares.
(9) Voting or investment power held by Dr. Marinello and his spouse or other immediate family members as to 94,049 shares. Also includes currently exercisable options to acquire 2,000 shares.
(10) Voting or investment power held by Mr. Powers and others as to 65,650 shares.
(11) Voting or investment power held by Mr. Curley and his spouse or other immediate family members as to 92,906 shares. Also includes currently exercisable options to acquire 9,550 shares.
(12) Includes for Mr. Hall currently exercisable options to acquire 1,350 shares.
(13) Voting or investment power held by Mr. Leonard and his spouse or other immediate family members as to 89,997 shares. Also includes currently exercisable options to acquire 47,200 shares.
(14) Includes for Mr. Ozimek currently exercisable options to acquire 14,050 shares.
(15) Includes for Mr. Salvador currently exercisable options to acquire 113,441 shares.
(16) Voting or investment power held by Mr. Schreck and his spouse or other immediate family members as to 91,584 shares. Also includes currently exercisable options to acquire 5,100 shares.

Board Meetings and Committees

TrustCo s full board held twelve meetings and two executive sessions (in addition to the Audit Committee executive sessions) during 2018. All of the directors, except for Robert J. McCormick, are considered to be independent directors under the listing qualification rules for companies such as TrustCo, whose shares are traded on The NASDAQ Stock Market. TrustCo s independent directors met in executive session four times during 2018 (including two such sessions of the Audit Committee). Each of TrustCo s independent directors is a member of the Audit Committee. Each of the independent directors attended all executive session meetings held during 2018.

TrustCo maintains an Audit Committee, a Compensation Committee, a Board Compliance Committee, a Fiduciary Committee, a Nominating and Corporate Governance Committee, and a Risk Committee. The charter of each of the committees may be found on TrustCo s website (www.trustcobank.com) under the Investor Relations link.

The Nominating and Corporate Governance Committee held three meetings in 2018. The directors currently serving on the Nominating and Corporate Governance Committee are Lisa M. Lucarelli (Chair), Dennis A. DeGennaro, Brian C. Flynn, Thomas O. Maggs, Dr. Anthony J. Marinello, and William D. Powers. The function of the Nominating and Corporate Governance Committee is to assist the board by recommending and reviewing individuals for consideration as directors and developing and annually reviewing governance guidelines applicable to the Company.

TrustCo s Audit Committee held twelve meetings and two executive sessions in 2018. The directors currently serving on the Audit Committee are Brian C. Flynn (Chair), Dennis A. DeGennaro, Lisa M. Lucarelli, Thomas O. Maggs, Dr. Anthony J. Marinello, and William D. Powers. The purpose of the Audit Committee is to oversee the Company s accounting and financial reporting processes and audits of the Company s financial statements. The committee s functions also include the review of TrustCo s and Trustco Bank s internal audit function and the review of the adequacy of internal accounting controls for TrustCo and Trustco Bank. In addition, the Audit Committee annually recommends the use of external audit firms by TrustCo and Trustco Bank in the coming year, after reviewing performance of the existing vendors and available audit resources. Please refer to the discussion under Audit Committee for a more detailed description of the Audit Committee s activities.

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INFORMATION ON TRUSTCO DIRECTORS AND NOMINEES

TrustCo s Compensation Committee held six meetings in 2018. The directors currently serving on the Compensation Committee are Thomas O. Maggs (Chair), Dennis A. DeGennaro, Brian C. Flynn, Lisa M. Lucarelli, Dr. Anthony J. Marinello, and William D. Powers. The function of the Compensation Committee is to generally oversee the employee compensation and benefit policies, plans, and programs of TrustCo and Trustco Bank. The Committee s responsibilities also include the establishing, annually reviewing and approving the compensation of the executive officers. In addition, the Compensation Committee is responsible for annually reviewing board compensation and making appropriate recommendations for changes thereto. Please refer to the discussion under Executive Compensation for a more detailed description of the Compensation Committee s activities relative to the named executive officers.

The Board Compliance Committee held twelve meetings in 2018. The directors currently serving on the Board Compliance Committee are William D. Powers (Chair), Dennis A. DeGennaro, Brian C. Flynn, Lisa M. Lucarelli, Thomas O. Maggs, and Dr. Anthony J. Marinello. The functions of the Compliance Committee are to provide assistance to the board in fulfilling its oversight responsibility relating to compliance with legal and regulatory requirements and Trustco Bank s policies, including overseeing Trustco Bank s communications with the federal banking agencies and other governmental authorities with jurisdiction over TrustCo and Trustco Bank.

The Fiduciary Committee held three meetings in 2018. The directors currently serving on the Fiduciary Committee are Robert J. McCormick (Chair), Dennis A. DeGennaro, Brian C. Flynn, Lisa M. Lucarelli, Thomas O. Maggs, Dr. Anthony J. Marinello, and William D. Powers. The functions of the Fiduciary Committee are to assist the board of directors in fulfilling its responsibilities with respect to the Trustco Bank Financial Service Department regarding fiduciary, agency and custodial activities; overseeing the Financial Services Department in providing estate administration, trust administration, investment management services, and custodial services; advising the board of directors with respect to the adoption of appropriate policies to be observed in offering such services; overseeing and enforcing sound risk management practices calculated to minimize risk and loss to Trustco Bank and its customers; and reporting to the board of directors on the activity of the Financial Services Department in the conduct of its business.

The Risk Committee held six meetings in 2018. The directors currently serving on the Risk Committee are Dr. Anthony J. Marinello (Chair), Dennis A. DeGennaro, Brian C. Flynn, Lisa M. Lucarelli, Thomas O. Maggs, and William D. Powers. The functions of the Risk Committee are to oversee the Company s enterprise risk management program and to ensure that risk is appropriately identified, measured, treated, monitored, and reported within the governance structure approved by the board.

Compensation Committee Interlocks and Insider Participation.

No member of the Compensation Committee: (1) was an officer or employee of TrustCo or Trustco Bank; (2) was formerly an officer of TrustCo or Trustco Bank; or (3) had any relationship requiring disclosure by TrustCo under the SEC s rules governing disclosure of related party transactions. No executive officer of TrustCo served as a director or member of a compensation committee of another entity, one of whose executive officers served as a member of TrustCo s board of directors or Compensation Committee.

Board Leadership Structure and Role in Risk Oversight

Board Leadership.

In December 2018, the Nominating and Corporate Governance Committee, and the board itself, adopted changes to TrustCo s Corporate Governance Guidelines that established the position of Independent Lead Director for TrustCo and removed the requirement that the chairman of the board of directors be independent under the NASDAQ Stock Market listing qualification rules. Concurrently with the changes to the Corporate Governance Guidelines, upon the recommendation of the Nominating and Corporate Governance Committee, the board appointed Dennis A. DeGennaro as Independent Lead Director effective January 1, 2019 to serve a term ending upon the earlier of December 31, 2019 or the date the board elects a successor, and elected Robert J. McCormick, TrustCo s president and chief executive officer, to be the chairman of the board effective January 1, 2019.

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INFORMATION ON TRUSTCO DIRECTORS AND NOMINEES

The board of directors believes that it is more effective and efficient in the management of TrustCo and Trustco Bank and in the overall oversight of TrustCo s operations to combine the roles of chairman and chief executive officer. TrustCo s Audit, Compensation, Board Compliance, Nominating and Corporate Governance and Risk committees are all chaired by independent directors. Mr. DeGennaro, the newly appointed Independent Lead Director, has been a member of the board of TrustCo and Trustco Bank since 2009 and is a nominee for reelection to the board at the Annual Meeting. Under the new Corporate Governance Guidelines, the Independent Lead Director will:

- Chair the meetings of the independent directors of the board,
- Work with the chairman and CEO to develop the board and committee agendas,
- Develop the agendas for and chair executive sessions of the board s independent directors and
- In consultation with the Nominating and Corporate Governance Committee, review and report on the results of the board s and committee s performance self-evaluations.

Role in Risk Oversight.

Risk is inherent in the operation of every financial institution, and management of risk is a key part of the institution s success. Risks faced by TrustCo and Trustco Bank include information security risk, credit risk, interest rate risk, liquidity risk, operational risk, strategic risk, and reputational risk. TrustCo management is responsible for the day-to-day management of the risks faced by the Company, while the board of directors as a whole is ultimately responsible for risk management oversight. In carrying out its responsibilities in this area, the board has delegated important duties to its committees. The Risk Committee has, as noted above, responsibility to oversee the management of the Company s enterprise risk management program and to ensure that risk, including information security risk, is appropriately identified, measured, treated, monitored, and reported within the governance structure approved by the board. The Audit Committee assists the full board with respect to the adequacy of TrustCo s internal controls and financial reporting process, the independence and performance of TrustCo s internal and external auditors, and compliance with legal and regulatory requirements. The Board Compliance Committee assists the board with respect to compliance with legal and regulatory requirements. The Fiduciary Committee oversees the Company s Financial Services Department and assists the full board in managing risk associated therewith, as well as in fulfilling its responsibilities regarding fiduciary, agency, and custodial activities. Finally, the Compensation Committee has the authority to conduct annual reviews of the Company s incentive compensation practices to assess the extent to which such arrangements and practices encourage risk-taking and whether the level of encouragement of such risk-taking is appropriate under the circumstances. The Compensation Committee has concluded that the compensation policies are not reasonably likely to have a material adverse effect on the Company.

The entire board reviews and approves, on an annual basis, all significant policies that address risk within TrustCo s consolidated organization, including credit risk, interest rate risk, liquidity risk, operational risk, strategic risk, and reputational risk. The board monitors risk through reports received on a periodic basis from management, and the board annually approves the Company s business continuity plan as well as its insurance program.

Director Nominations

Each of the nominees standing for election at the Annual Meeting was considered and selected by the Nominating and Corporate Governance Committee and unanimously approved by TrustCo s independent directors.

The Nominating and Corporate Governance Committee is appointed by the board of directors in part to review and identify individuals qualified to become board members and to recommend to the board the nominees for consideration at the Annual Meeting.

As a general matter, the board believes that a candidate for board membership should have high personal and professional ethics, integrity, and values; an inquiring and independent mind, practical wisdom, and mature judgment; broad policy-making experience in business, government, or community organizations; expertise useful to TrustCo and complementary to the background and experience of other board members; willingness to devote the time necessary to carrying out the duties and responsibilities of board membership; commitment to serve on the board over a period of several years to develop knowledge about TrustCo, its strategy, and its principal operations; and willingness to represent the best interests of all of TrustCo s constituencies. Although neither the committee nor the full board of directors has a formal policy with respect to diversity, the committee and the board have a general objective of having a board that encompasses a broad range of talents and expertise and reflects a diversity of background, experience, and perspective.

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INFORMATION ON TRUSTCO DIRECTORS AND NOMINEES

After a potential candidate is identified, the committee investigates and assesses the qualifications, experience, and skills of the candidate. The investigation process may, but need not, include one or more meetings with the candidate by a member or members of the committee. From time to time, but at least once each year, the committee meets to evaluate the needs of the board and to discuss the candidates for nomination to the board. Such candidates may be presented to the shareholders for election or elected to fill vacancies. All nominees must be approved by the committee and by a majority of the independent members of the board.

The committee will consider written recommendations by shareholders for nominees for election to the board. The persons identified in such recommendations will be evaluated under the same criteria and procedures used for other board candidates. Under TrustCo s bylaws, written nominations of persons for election to the board of directors must be delivered or mailed to the board not fewer than 14 and not more than 50 days prior to any meeting of shareholders called for the purpose of the election of directors, or not later than 7 days prior to the meeting if fewer than 21 days notice of the meeting is provided.

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INFORMATION ON TRUSTCO DIRECTORS AND NOMINEES

Audit Committee

The Audit Committee of TrustCo s board is responsible for providing oversight of TrustCo s accounting functions, internal controls, and financial reporting process. The Audit Committee is composed of six directors, each of whom is independent under the listing standards of The NASDAQ Stock Market, and each member of the Audit Committee satisfies the financial sophistication requirement also set forth in those listing standards. Each Audit Committee member also satisfies the additional independence requirements contained in the Securities Exchange Act of 1934 for members of public company audit committees. The board of directors has determined that Brian C. Flynn meets the definitions of audit committee financial expert adopted by the Securities and Exchange Commission (SEC) and included in Nasdaq s rules for listed companies. In addition, to assist in the performance of its duties, the Audit Committee retained Marvin and Company, PC, an independent accounting firm, as a consultant to the committee. As consultants to the Audit Committee, a Marvin and Company partner attends Audit Committee meetings on at least a quarterly basis, reviews all materials presented to the Audit Committee each month, responds to questions and inquiries from Audit Committee members, and questions internal audit department personnel, representatives of the Company, the Company s independent auditors, and management prior to, during, and as follow up to Audit Committee meetings.

The Audit Committee operates under a written charter approved by the board of directors. Each year, the Audit Committee reviews the adequacy of the charter and recommends any changes or revisions that the Committee considers necessary or appropriate. A copy of the Audit Committee s charter may be found on TrustCo s website (www.trustcobank.com) under the Investor Relations tab.

It is the Audit Committee s policy to preapprove all audit and nonaudit services provided by the Company s independent auditors, as well as any services provided by any other registered public accounting firm. In considering nonaudit services, the Audit Committee will consider various factors including, but not limited to, whether it would be beneficial to have the service provided by the Independent Auditors and whether the service could compromise the independence of the independent auditors. In certain circumstances, the Audit Committee s policies and procedures provide the Committee s chairman with the authority to preapprove services from the Company s independent auditors, which approval is then reviewed and approved at the next Audit Committee meeting. Accordingly, all of the services described herein were approved by the Audit Committee

Audit Committee Report.

The Audit Committee s responsibility is to monitor and oversee TrustCo s financial reporting and audit processes and to otherwise conduct its activities as provided for in its charter. Management is responsible for TrustCo s internal controls and financial reporting process. TrustCo s independent auditors for 2018, Crowe LLP, were responsible for performing an independent audit of TrustCo s consolidated financial statements and the effectiveness of TrustCo s internal controls over financial reporting in accordance with the Standards of the Public Company Accounting Oversight Board (United States) and issuing a report thereon. TrustCo s internal audit department is responsible for monitoring compliance with internal policies and procedures as well as evaluating the effectiveness of the Company s governance, risk management and internal control processes. In performing its oversight, the Audit Committee reviews the performance of Crowe LLP and TrustCo s Director of Internal Audit.

In connection with these responsibilities, the Audit Committee met with management and Crowe LLP on February 19, 2019 to review and discuss TrustCo s December 31, 2018 and 2017 consolidated financial statements. The Audit Committee also discussed with Crowe LLP the matters required to be communicated to audit committees in accordance with professional standards and received the written disclosures and a letter from Crowe LLP required by relevant regulatory and professional standards regarding auditor communications with audit committees concerning independence.

Based upon the Audit Committee s discussions with management and the independent auditors, and its review of the information described in the preceding paragraphs, the Audit Committee recommended that the board of directors include the audited consolidated financial statements in TrustCo s Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC.

AUDIT COMMITTEE:	Brian C. Flynn, Chair
	Dennis A. DeGennaro
	Lisa M. Lucarelli
	Thomas O. Maggs
	Dr. Anthony J. Marinello
	William D. Powers

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INFORMATION ON TRUSTCO DIRECTORS AND NOMINEES

Shareholder Communications with Board and Board Attendance at Annual Meeting of Shareholders

TrustCo provides an informal process for shareholders to send communications to the board. Shareholders who wish to contact the board or any of its members may do so in writing to TrustCo Bank Corp NY, Attention: Michael Hall, Corporate Secretary, P.O. Box 1082, Schenectady, New York 12301-1082. Additionally, immediately after the Annual Meeting of Shareholders, TrustCo conducts a shareholders assembly which provides a forum for shareholders to express their views.

Although TrustCo does not have a policy with regard to board members attendance at the Annual Meeting of Shareholders, the directors are encouraged to attend such meetings, and all of the directors attended both the 2018 Annual Meeting and the Shareholders Assembly.

Vote Required and Recommendation

The two nominees for election to the TrustCo board for three-year terms expiring at the 2022 Annual Meeting of Shareholders who receive the affirmative vote of a majority of the outstanding shares of TrustCo common stock will be elected.

THE TRUSTCO BOARD RECOMMENDS THAT TRUSTCO SHAREHOLDERS VOTE **FOR** THE ELECTION OF THE TRUSTCO DIRECTOR NOMINEES AS TRUSTCO DIRECTORS, WHICH IS ITEM 1 ON THE TRUSTCO PROXY CARD.

Proposal 2 - Certificate of Incorporation Amendment to Change the Vote for Approval of Certain Shareholder Matters

TrustCo is proposing to amend the provisions of its Certificate of Incorporation regarding the voting requirements for shareholder approval of matters submitted to shareholders to be more consistent with New York s general statutory requirement for such approvals and the voting standards of comparable publicly held companies. If the proposed amendment is approved by TrustCo s shareholders, a bylaw amendment generally requiring board nominees be elected by a majority of the votes cast and a new director resignation policy for board members who do not receive a majority vote will become effective when the amendment to the Certificate of Incorporation becomes effective.

Background and Reasons for the Proposed Amendment

Article VIII of TrustCo s Certificate of Incorporation currently requires that the affirmative vote of at least a majority of TrustCo s outstanding voting stock is needed to approve any matter on which such shareholders are entitled to vote, except that the affirmative vote of at least two-thirds of the voting stock is needed to effect a change, modification or repeal of any provision of the TrustCo s Certificate of Incorporation or bylaws and that the consent of the holders of at least two-thirds of the voting stock is required to call a special meeting of shareholders.

TrustCo s board of directors believes that the voting standard under Article VIII as currently in effect is a significantly higher standard than that of comparable publicly held companies and the general standard required under New York law. Under Section 614 of New York s Business Corporation Law, whenever any corporate action other than the election of directors is to be taken by vote of the shareholders, the action must be authorized by a majority of the votes cast in favor of or against such action at a meeting of shareholders by the holders of shares entitled to vote thereon, unless a higher voting standard is otherwise required by New York law or by the company s certificate of incorporation or bylaws. In other words, for most items presented for shareholder approval (for example, ratification of the appointment of independent auditors, approval of compensation plans, or the advisory vote on executive compensation) at a meeting at which a quorum is present, a matter is approved if the shares that vote for a proposal exceed the number of shares that vote against the proposal. Under TrustCo s current Article VIII, these matters can only be approved by shareholders if an absolute majority of the outstanding voting shares votes for a proposal, which means that shareholders who do not vote their shares at all, or abstain, effectively vote against a proposal and that a proposal may fail even if the majority of the shares that are actually voted vote for the proposal. Also, under Section 803 of New York s Business Corporation Law, an amendment or change of a corporation s certificate of incorporation must be authorized by a vote of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders; the requirement under current Article VIII, which requires amendments to the Certificate of Incorporation and bylaws be approved the affirmative vote of at least two-thirds of the TrustCo voting stock, is a significantly higher standard. If the proposed amendment to Article VIII is adopted, future amendments to TrustCo s certificate of incorporation would be approved if the vote meets the requirements of Section 803, that is, if majority of all outstanding shares entitled to vote at a meeting vote to approve the amendment. Finally, under the New York Business Corporation Law, directors are to be elected by a plurality of the votes

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cast at a meeting of shareholders by the holders of shares entitled to vote in the election, unless a different voting standard is otherwise required by law or a company s bylaws or certificate of incorporation. (As discussed in more detail below, a bylaw provision requiring directors to be elected by a majority of the votes cast will take effect if the proposed amendment becomes effective.) Abstentions and broker non-votes generally do not constitute a vote cast and thus will have no effect on shareholder approval under the proposed amendment.

Description of the Proposed Amendment to Article VIII

In light of the foregoing, TrustCo s board of directors has approved an amendment to Article VIII of TrustCo s Certificate of Incorporation, which is subject to the approval of TrustCo s shareholders at the Annual Meeting, that if adopted would revise Article VIII so that the voting standards required under TrustCo s Certificate of Incorporation will be more consistent with the general standard under New York s Business Corporation Law and the voting standards of comparable publicly held companies. More specifically, under the proposed amendment to Article VIII, whenever any corporate action, other than the election of directors, is to be taken by vote of the shareholders, it will, except as otherwise required by the Certificate of Incorporation or by law, be authorized by a majority of the votes cast in favor of or against such action at a meeting of shareholders by the holders of shares entitled to vote thereon. Except as otherwise provided in the Certificate of Incorporation or by law, an abstention will not constitute a vote cast. TrustCo s board of directors believes that the proposed amendment would continue to encourage shareholder participation in important corporate matters while maintaining the efficiency and effectiveness of corporate governance. The required vote for matters for which the New York Business Corporation Law requires a higher shareholder approval standard, for example, future amendments to TrustCo s Certificate of Incorporation, as noted above, or business combination transactions such as mergers, would be subject to the approval standard specified by New York law, and the higher approval standard required under Article X of TrustCo s Certificate of Incorporation for certain business combinations specified in Article X would remain subject to the voting standard specified in Article X. TrustCo s Certificate of Incorporation would no longer address the call of special meetings by TrustCo shareholders; nor would it reference amendments to bylaws.

Majority Voting in Director Elections and Director Resignation Policy

TrustCo s board of directors believes that the election of directors to TrustCo s board should continue to be subject to more than a plurality standard. Accordingly, and as specifically authorized by Section 614 of the New York Business Corporation Law, the board of directors has adopted an amendment to TrustCo s bylaws that will require directors be elected by a majority of the votes cast unless the number of nominees for director exceeds the number of directors to be elected (that is, where there is a contested election because more than one nominee is seeking the same director position). In a contested election, directors will be elected by a plurality of the votes of the shares represented in person or by proxy at any meeting of shareholders held to elect directors. The bylaw amendment, the text of which is included in Appendix A (for information purposes only), will be effective upon the shareholder approval of the amendment to Article VIII of TrustCo s Certificate of Incorporation and the filing of a Certificate of Amendment to the Certificate of Incorporation with the State of New York Department of State.

Under the pending amendment to TrustCo s bylaws to require majority approval in an uncontested election of directors, if a director nominee fails to receive an affirmative majority of the votes cast in such an uncontested election, the board of directors may take any appropriate actions within the board s powers, such as decreasing the number of directors or filling a vacancy. The board of directors has also adopted a new Director Resignation Policy to address the situation in which a nominee for the board does not receive a majority of the votes cast. Under the new Director Resignation Policy, which will become effective when the amendment to the bylaws becomes effective, by accepting a nomination to stand for election or re-election as a director of TrustCo, or an appointment as a TrustCo director to fill a vacancy or new directorship, each candidate, nominee or appointee will agree that if, in an uncontested election, he or she does not receive a majority of the votes cast in favor or his or her election, the director must promptly tender a written offer of resignation. Upon receipt of the offer of resignation, TrustCo s Nominating and Corporate Governance Committee must promptly consider the offer and recommend to the full board whether to accept the resignation or reject it. The board must act on the committee s recommendation not later than the next regularly scheduled board meeting after receipt of the recommendation. The text of the Director Resignation Policy is included in Appendix A.

Vote Required and Recommendation

To approve the proposed amendment to Article VIII, the affirmative vote of the holders of two-thirds of the Company s outstanding voting stock is required. If the shareholders approve this proposed amendment, the amendment to the Company s Certificate of Incorporation will become effective upon the filing of a Certificate of Amendment to the Company s Certificate of Incorporation with the State of New York Department of State, which the Company would file promptly after the Annual Meeting. The text of the proposed changes to Article VIII under the proposal is set forth in

INFORMATION ON TRUSTCO DIRECTORS AND NOMINEES

Appendix A, which also contains the pending amendment to the TrustCo bylaws, and the Director Resignation Policy. (The pending amendment to TrustCo s bylaws and the Director Resignation Policy are presented for informational purposes only; shareholders are not being asked to vote upon such bylaw amendments or policy.)

THE TRUSTCO BOARD RECOMMENDS THAT TRUSTCO SHAREHOLDERS VOTE **FOR** THIS PROPOSAL, WHICH IS ITEM 2 ON THE TRUSTCO PROXY CARD.

Proposal 3 - Certificate of Incorporation Amendment to Declassify the Board of Directors

TrustCo is proposing to amend the provisions of its Certificate of Incorporation regarding the terms of office of its directors to provide that, starting with the 2020 annual meeting of shareholders, directors will be elected for a term of one year.

Background and Reasons for the Proposed Amendment

Article VI of TrustCo s Certificate of Incorporation currently provides that the board of directors is to be divided into three classes, with each class to be elected once every three years for a three-year term of office. As such, at any given annual meeting of shareholders, the Company s shareholders have the ability to elect only directors constituting approximately one-third of the entire board of directors.

TrustCo s board of directors has carefully considered the various rationales for and against maintaining a classified board structure and has concluded that amending Article VI to declassify the board and provide for the annual election of all directors is in the best interests of the Company and its shareholders. If the proposal is approved by the shareholders at this meeting, the annual election of directors will be phased in over a three-year period beginning at the 2020 Annual Meeting of shareholders, at which all nominees for election, or re-election, to the board of directors would be elected for a one-year term. The amendment would not shorten the term of any director currently in office or elected before the 2020 annual meeting, and declassification of the board of directors would therefore phase-in incrementally, with a fully declassified board being in place by the 2022 Annual Meeting. For example, a director elected to the board of directors in 2019 will remain on the board of directors until 2022, and if he or she is nominated for re-election at the Annual Meeting in 2022 and is elected, he or she will serve a one-year term. Nominees for election to the board of directors at TrustCo s Annual Meeting in 2020 will be elected for a one-year term ending at the annual meeting in 2021.

Background of the Proposal

The board of directors is strongly committed to good governance practices and is highly interested in the views and concerns of our shareholders. In the past, the board of directors has determined that maintaining a classified board structure was in the best interest of the Company and its shareholders due the certain, perceived advantages such as enhancing shareholder value in the event of an unsolicited takeover attempt by providing the board of directors with additional leverage to negotiate with an entity seeking control of the Company and making such a takeover attempt more difficult and time-consuming. Although this was an important sentiment, the board of directors also recognizes that electing directors is viewed as an important means by which shareholders exert influence over the management of their company and hold their directors accountable for the management of the company. In addition, the board of directors acknowledges the growing sentiment among the investment community in favor of annual elections. After careful consideration, the board of directors, upon the recommendation of the Nominating and Corporate Governance Committee, unanimously approved the amendment of Article VI of TrustCo s Certificate of Incorporation to declassify the board of directors and provide that commencing with the annual meeting of shareholders held in 2020, all directors will be elected on an annual basis upon the expiration of their then-current term.

Vote Required and Recommendation

To approve the proposed amendment, the affirmative vote of two-thirds of the Company s outstanding voting stock is required. If the shareholders approve this proposed amendment, the amendment to the Company s Certificate of Incorporation will become effective upon the filing of a Certificate of Amendment to the Company s Certificate of Incorporation with the State of New York Department of State, which the Company would file promptly after the Annual Meeting. The board of directors has also approved a corresponding amendment to Company s Bylaws, which will become effective upon the effectiveness of the amendment to Article VI. The full text of the proposed amendment to Article VI of TrustCo s Certificate of Incorporation is set forth in Appendix A, which also contains the proposed amendment to TrustCo s bylaws. (The pending amendment to TrustCo s bylaws are presented for informational purposes only; shareholders are not being asked to vote upon such bylaw amendments.)

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If the proposal is not approved by the shareholders, the board will remain classified and the directors will continue to be elected to serve three-year terms as provided in TrustCo s current Certificate of Incorporation and Bylaws.

THE TRUSTCO BOARD RECOMMENDS THAT TRUSTCO SHAREHOLDERS VOTE **FOR** THIS PROPOSAL, WHICH IS ITEM 3 ON THE TRUSTCO PROXY CARD.

Proposal 4 - Approval of the TrustCo Bank Corp NY 2019 Equity Incentive Plan

General

TrustCo is seeking shareholder approval of the TrustCo Bank Corp NY 2019 Equity Incentive Plan (the 2019 Equity Incentive Plan). The 2019 Equity Incentive Plan was adopted by the TrustCo board of directors in February 2019 on the recommendation of the Compensation Committee and the board directed that the 2019 Equity Incentive Plan be submitted to the shareholders at the Annual Meeting. If approved by the shareholders at the Annual Meeting, the 2019 Equity Incentive Plan will replace both the Amended and Restated TrustCo Bank Corp NY 2010 Equity Incentive Plan (the 2010 Equity Incentive Plan) and the Amended and Restated TrustCo Bank Corp NY 2010 Directors Equity Incentive Plan (the Director Plan) and all remaining shares eligible for issuance thereunder will be canceled.

Both the 2010 Equity Incentive Plan and the Director Plan provide for separate share authorizations for different types of awards to be issued under the plans. In addition, neither the 2010 Equity Incentive Plan nor the Director Plan allows for the reissuance of any awards under the respective plans even if the awards are forfeited by a participant or settled in cash. Because of these restrictive provisions, TrustCo no longer has the flexibility to issue restricted stock units and performance-based awards as those share authorizations are close to being depleted. Therefore, TrustCo is seeking to combine the plans as well as the outstanding share authorizations that remain available for issuance in order to have more flexibility in issuing awards in the future and to align the share recycling provisions consistent with comparable public companies.

As of December 31, 2018, under the 2010 Equity Incentive Plan 832,000 shares remained available for issuance pursuant to awards of options and restricted stock and 275,183 shares remained available for issuance as stock appreciation rights (SARs), restricted stock units, performance units, and performance shares and under the Director Plan 229,000 shares remained available for issuance pursuant to awards of options and restricted stock and 181,000 shares remained available for issuance as SARs and restricted stock units. In addition, as of December 31, 2018, 1,151,461 shares were subject to outstanding awards under the 2010 Equity Incentive Plan and 30,500 shares were subject to outstanding awards under the Director Plan. However, pursuant to the terms of both the 2010 Equity Incentive Plan and the Director Plan, no shares of stock will be returned to these plans even if awards are forfeited, as these plans provided for no share recycling under any circumstances. In addition, 602,000 shares or 52.35% of the 1,151,461 awards outstanding under the 2010 Equity Incentive Plan and 24,500 shares or 80.33 % of the awards outstanding under the Director Plan will upon vesting be paid in cash and not shares of stock. Therefore, our dilution from our total awards outstanding under both the 2010 Equity Incentive Plan and the Director Plan as a percentage of our shares outstanding as of December 31, 2018 is 0.57%. TrustCo is therefore seeking approval of the 2019 Equity Incentive Plan in order to provide for the issuance of 2,000,000 shares of our common stock which will be available for issuance pursuant to options, SARs, restricted stock, and restricted stock units (both time based and performance based), to employees and directors. This allotment of 2,000,000 shares includes the authorized but unissued shares remaining available for issuance under the 2010 Equity Incentive Plan and the Director Plan and represents as of December 31, 2018 approximately 2.07% of our fully diluted capitalization based on shares outstanding and all other equity awards, whether or not vested, that may be issued as shares of stock.

If shareholders fail to approve the 2019 Equity Incentive Plan, TrustCo will continue to operate under the 2010 Equity Incentive Plan and the Director Plan as currently in effect. As part of our ongoing review of our compensation plans, we use the annual usage of shares to help determine, among other things, the expected remaining life of a plan based on the remaining number of shares authorized for issuance under the plan. At similar annual usage levels, the shares remaining eligible for issuance under the 2010 Equity Incentive Plan will not be sufficient for the issuance of the Company s annual equity awards in 2019 as restricted stock units and performance shares. In addition, because we do not allow for forfeited awards to be reissued even if settled in cash, this further depletes our share reserve under the 2010 Equity Incentive Plan and the Director Plan. Accordingly, the Company recommends approval of the 2019 Equity Incentive Plan.

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Corporate Governance Aspects of the 2019 Equity Incentive Plan

The Compensation Committee also noted the strong corporate governance aspects of the 2019 Equity Incentive Plan, as summarized in the following table:

SIGNIFICANT FEATURES	DESCRIPTION
Responsible Share Recycling:	The 2019 Equity Incentive Plan contains responsible share recycling provisions: Any shares surrendered to pay the option exercise price or satisfy tax withholding, or repurchased by the Company with option exercise proceeds, will not be added back (recycled) to the Plan. The Plan also provides that the gross number of stock appreciation rights exercised or settled, and not just the net shares issued upon exercise or settlement, will count against the aggregate limit on the number of shares that may be issued under the 2019 Equity Incentive Plan.
No Discounted Stock Options or Stock Appreciation Rights:	Stock options and stock appreciation rights must have an exercise price equal to or greater than fair market value of our common stock on the date of grant.
No Re-pricing of Stock Options or Stock Appreciation Rights:	Re-pricing stock options and stock appreciation rights is prohibited without shareholder approval, including by exchange for cash or a new or different award type.
Double-Trigger Required for Vesting on Change in Control:	A change in control does not, by itself, trigger full vesting of awards under the Plan. Any continuing or replacement awards will retain pre-change-in-control vesting and other terms, except that full vesting will occur in the event the participant s

	employment is involuntarily terminated within twenty-four months of the change in control transaction (the occurrence of the double trigger).
Best Practice Treatment of Awards subject to Performance-Based Vesting on Change in Control:	In the event that awards subject to performance- based vesting are not continued or replaced upon a change in control, those awards will vest and pay out based on the greater of (i) actual performance against the performance goals through the date of the change in control or (ii) a prorated amount based on target and the percentage of the performance period elapsed at the time of the change in control.
Clawback and Ability for Other Protective Provisions:	The 2019 Equity Incentive Plan authorizes the Compensation Committee to include a clawback, holding period, or other protective provisions, such as consent to restrictive covenants, in the terms of any award. Our executive officers are also subject to a clawback policy as further described on page 30 of this document.
No Dividend Equivalents Distributed on Unvested Awards:	The 2019 Equity Incentive Plan prohibits payment of dividends or dividend equivalents on all types of awards other than restricted stock and dividends shall only be paid on restricted stock when those awards are earned and vested.
Limits on Material Amendments and No Evergreen Provision:	The 2019 Equity Incentive Plan authorizes a maximum number of shares of common stock and shareholder approval will be required for any additional shares or to make a material amendment to the 2019 Equity Incentive Plan.
No Transfers for Value:	Awards may not be transferred for value, and any transfer not for value must be approved by the Compensation Committee.
Independent Committee Administration:	The 2019 Equity Incentive Plan will be administered by a committee of the board of directors comprised entirely of independent directors.

The principal features of the 2019 Equity Incentive Plan are summarized in this proxy statement. The 2019 Equity Incentive Plan may be read for a full statement of its legal terms and conditions. Appendix B to this proxy statement contains the full text of the 2019 Equity Incentive Plan as proposed to be approved by the shareholders.

Purposes of the 2019 Equity Incentive Plan

The purpose of the 2019 Equity Incentive Plan is to advance the interests of TrustCo and its stockholders by providing key employees and directors with additional incentives and motivation toward superior performance through the opportunity to

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acquire equity ownership in TrustCo, and by enabling TrustCo and its subsidiaries to attract and retain the services of talented employees and directors. At the same time, the board of directors and the Compensation Committee work together to ensure that the plan, in conjunction with TrustCo s other compensation policies and practices, does not create risks that are reasonably likely to have a material adverse effect on TrustCo.

Under the 2019 Equity Incentive Plan, TrustCo may grant or award stock options, SARs, restricted stock, and restricted stock units, to persons eligible to participate in the plan, who, in general, are any of our directors as well as any executives, key managerial employees or other employees of the Company or its subsidiaries who are regular, full-time, salaried employees. The total number of directors eligible to participate in the 2019 Equity Incentive Plan is 6 and the total number of eligible employees is 254. The 2019 Equity Incentive Plan will remain in effect, subject to the board of director s right to terminate the plan earlier, until all awards made under it have been exercised or expired. However, no award may be granted under the plan on or after February 19, 2029.

Administration

The Compensation Committee administers the 2019 Equity Incentive Plan and has the authority to determine the type or types of awards to be made under the plan and to designate the employees and directors who will receive such awards. The Compensation Committee is authorized to interpret the 2019 Equity Incentive Plan, to adopt rules for the plan, and to make all other determinations necessary for the administration of the plan.

The Compensation Committee may authorize TrustCo s Chief Executive Officer and other senior officers to recommend recipients of awards under the 2019 Equity Incentive Plan, to determine the terms and conditions of any such awards, and to take such other actions that the Compensation Committee may take under the plan. The Compensation Committee may not, however, delegate authority to grant awards to, or take other action with respect to, participants who are subject to Section 16 of the Exchange Act. TrustCo s Compensation Committee is comprised of independent members of TrustCo s board of directors. Currently, the members of the Compensation Committee are Thomas O. Maggs (Chairman), Dennis A. De Gennaro, Brian C. Flynn, Lisa M. Lucarelli, Dr. Anthony J. Marinello, and William D. Powers.

Shares Subject to the 2019 Equity Incentive Plan

The total number of shares of common stock that may be issued pursuant to under the 2019 Equity Incentive Plan may not exceed 2,000,000 shares, units or awards, all of which may be granted as incentive stock options. Such number of shares will be adjusted proportionately if there is a change in outstanding shares due to a stock dividend or split, recapitalization, merger, or other similar corporate change. The shares of common stock to be issued under the 2019 Equity Incentive Plan may consist of authorized but unissued stock or treasury stock.

Shares underlying awards that expire or are forfeited or terminated without being exercised or settled for cash will again be available for future grants. However, shares used to pay the exercise price of an option, shares used to satisfy tax withholding obligations with respect to any award and shares reacquired by the Company in the open market using the proceeds of amounts received upon the exercise of options will not be available for future awards under the 2019 Equity Incentive Plan. To the extent shares are delivered pursuant to the exercise of a stock appreciation right, the number of underlying shares as to which the exercise related will be counted against the shares available for issuance under the 2019 Equity Incentive Plan, as opposed to only counting the net shares issued. Awards payable or settled solely in cash shall not reduce the number of shares of available for issuance under the 2019 Equity Incentive Plan.

Stock Options

A stock option is the right to purchase a specified number of shares of common stock in the future at a specified exercise price and subject to the other terms and conditions specified in the option agreement and the 2019 Equity Incentive Plan. The Compensation Committee has complete discretion in determining the number of options granted to a participant and may grant any type of option to purchase common stock that is permitted by law at the time of grant.

Stock options granted under the 2019 Equity Incentive Plan may be either incentive stock options, (ISO) which may be eligible for special tax treatment under the Internal Revenue Code, or options other than incentive stock options (referred to as nonstatutory or nonqualified stock options), as determined by the Compensation Committee and stated in the option agreement relating to the option grant. The exercise price of each option is set by the Compensation Committee but cannot be less than 100% of the fair market value of TrustCo s common stock at the time of grant (or, in the case of an incentive stock option granted to a 10% or more shareholder, 110% of that fair market value). The fair market value of TrustCo common stock is generally determined as the closing price of the stock as reported on the NASDAQ Global

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Select Market on the option grant date. The exercise price of any stock options granted under the 2019 Equity Incentive Plan may be paid in cash, by tendering previously-acquired shares having an aggregate fair market value at the time of exercise equal to the total option price, by any other means that the Compensation Committee determines to be consistent with the 2019 Equity Incentive Plan s purpose and applicable law or by a combination of the foregoing.

Options awarded under the 2019 Equity Incentive Plan may be exercisable at such times and subject to such restrictions and conditions as the Compensation Committee may approve. The Compensation Committee determines the period of time during which an option may be exercised, although no option may be exercisable after ten years from the date of grant (five years in the case of an ISO granted to an employee who is a ten-percent shareholder on the date of grant).

If a participant s employment with TrustCo is terminated by reason of his or her death, disability, or retirement, the participant s outstanding options will vest 100% and be deemed exercisable in full upon such termination, and the options may be exercised at any time prior to their expiration date or within three years after such date of termination, whichever period is shorter. If the participant s employment terminates for any reason other than death, disability or retirement, or other than involuntarily for cause, the rights under any then-outstanding option granted under the 2019 Equity Incentive Plan will terminate upon the expiration date of the option or one month after the termination date, whichever first occurs. Where a participant s termination of employment is involuntarily for cause, his or her rights under all options, whether or not such options are vested, will terminate immediately.

Stock Appreciation Rights

A stock appreciation right or SAR is the right to receive a payment from TrustCo equal to the excess of the fair market value of a share of TrustCo common stock at the date of exercise over a specified price fixed by the Compensation Committee on the date of grant, which such price may not be less than 100% of the fair market value of the stock on the date of grant. SARs may be exercised upon whatever terms and conditions the Compensation Committee, in its sole discretion, imposes upon the SARs. Upon exercise of the SAR, the holder will be entitled to receive payment of an amount determined by multiplying the difference between the fair market value of a share of common stock at the date of exercise over the price fixed by the Compensation Committee at the date of grant by the number of shares with respect to which the Stock Appreciation Right is exercised. Payment for SARs will be made in shares or cash. SARs granted under the 2019 Equity Incentive Plan will expire no later than ten years after the date of grant. In the event the employment of a participant is terminated, any SARs outstanding will terminate in the same manner as described above for options.

Restricted Stock

Restricted stock awards are shares of TrustCo common stock that are awarded to a participant subject to the satisfaction of the terms and conditions established by the Compensation Committee. Subject to the terms and conditions of the 2019 Equity Incentive Plan and the applicable award agreement, upon delivery of shares of restricted stock to a participant, or creation of a book entry evidencing a participant s ownership of such shares, the participant will have all of the rights of a shareholder with respect to such restricted shares provided that all dividends or distributions whether paid in shares of stock or cash, shall be subject to the same restrictions on transferability as the shares of restricted stock with respect to which they were paid.

Shares of restricted stock, however, may not be sold, pledged or otherwise transferred for such period of time as may be determined by the Compensation Committee and specified in the applicable award agreement or until the earlier satisfaction of other conditions (which may include the attainment of performance goals as described below). If a participant is terminated because of his or her death or disability during the restricted period, such period will automatically terminate if such period of restriction is based solely on time, and if such restriction period is based on the achievement of performance goals the restriction period shall terminate as to a pro rata number of shares of restricted stock subject to the restriction period at target based on the number of months service during the performance period and upon such termination any shares of restricted stock still subject to the restriction period automatically will be forfeited and returned to TrustCo.

Restricted Stock Units

A restricted stock unit is a right to receive a payment equal to the value of a share of TrustCo common stock that is awarded to a participant subject to the satisfaction of the terms and conditions established by the Compensation Committee. Restricted stock units are similar to restricted stock, except no shares are actually awarded to a participant, and the participant will have no rights of a shareholder with respect to the restricted stock units. All restricted stock units will be settled in shares or by a cash payment determined by reference to the then-current fair market value of TrustCo common stock.

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The award agreement for the grant of the restricted stock units will specify the time period and other conditions (including the performance goals described below) following which TrustCo will make payment with respect to restricted stock units. Upon a separation from service of a participant, any restricted stock units will terminate in the same manner as described above for restricted stock.

Performance Goals

Awards under the 2019 Equity Incentive Plan may be subject to criteria and objectives determined by the Compensation Committee that must be satisfied or met during a specified time period as a condition to the participant s receipt of payment with respect to such awards.

Transferability of Awards

Awards under the 2019 Equity Incentive Plan may not be sold or otherwise transferred except by will or the laws of descent and distribution, subject to certain limited exceptions generally relating to transfers not for value to immediate family members and for estate planning purposes.

Change in Control

Except as expressly provided otherwise in an award agreement, in the event of a participant s termination without cause within twenty-four months following a change-in-control of TrustCo (as change-in-control is defined in the plan), all options and stock appreciation rights will vest 100%. Restricted stock and restricted stock units that vest based solely on time shall immediately vest and restricted stock and restricted stock units that vest on the achievement of performance goals shall vest as to a pro rata payment at target based on the number of months service during the performance period provided that if the performance period has been completed prior to the participant s termination and the restricted stock remains restricted and restricted stock units have not been settled then the restricted stock restrictions shall lapse and the restricted stock units shall be paid out based on actual performance and in all events any amounts shall be settled and paid out on or immediately following the date of termination (but in no event later than thirty (30) days following such date). Depending on the nature of the change-in-control transaction, payment of certain awards may be delayed to comply with Section 409A of the Internal Revenue Code.

For purposes of the 2019 Equity Incentive Plan, a change-in-control will mean any one or more of the following:

- any individual, corporation (other than TrustCo or Trustco Bank) or other entity or group of persons acting in concert becomes the beneficial owner of securities of TrustCo or Trustco Bank possessing 20% or more of the voting power for the election of directors of either of those companies,

- a consolidation, merger or other business combination is consummated that involves either TrustCo or Trustco Bank (or their securities) in which holders of voting securities immediately prior to such consummation own, as a group, immediately after such consummation, voting securities of either TrustCo or

Trustco Bank (or voting securities of the entity or entities surviving such transaction) having 60% or less of the total voting power in an election of directors of either of TrustCo or Trustco Bank (or such other surviving entity or entities),

during any period of two consecutive years, individuals who at the beginning of such period constituted the directors of either TrustCo or Trustco Bank cease to constitute at least a majority thereof unless the election, or nomination for election by either TrustCo or Trustco Bank shareholders, of each new director was approved by a vote of at least two-thirds of the directors of either TrustCo or Trustco Bank then still in office who were directors of either at the beginning of any such period, or

the completion of a sale, lease, exchange or other transfer is completed (in one transaction or a series of related transactions) of all, or substantially all, of the assets of either TrustCo or Trustco Bank to a party that is not controlled by or under common control with either TrustCo or Trustco Bank.

Amendment and Termination

The board of directors may amend, suspend, or terminate the 2019 Equity Incentive Plan. The Compensation Committee also may, to the extent permitted by the 2019 Equity Incentive Plan, amend the terms of any award granted under the plan, including any award agreement. Subject to certain exceptions, no such change, however, may be made without first obtaining the approval of TrustCo shareholders if the amendment would:

increase the maximum number of shares that may be sold or awarded under the plan or increase the maximum award limitations set forth in the plan,

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- decrease the minimum option price or grant price requirements applicable to options and SARs,
- change the class of persons eligible to receive awards,
- extend the duration of the plan or the period during which options or SARs may be exercised, or
- otherwise require shareholder approval to comply with any applicable law, regulation or rule.

In addition, no change to the plan or any award under the plan may be made that would materially impair the previously accrued rights of a participant without the written consent of that participant, unless the board of directors or the Compensation Committee determines that the amendment is necessary or advisable to comply with laws, regulations, rules or accounting standards.

The board of directors or the Compensation Committee may adjust the terms and conditions of, and the criteria included in, awards in recognition of unusual or nonrecurring events or of changes in applicable laws, regulations, or accounting principles in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under the 2019 Equity Incentive Plan. Neither the board of directors nor the Compensation Committee may make any adjustment that would cause an award that is otherwise exempt from Code Section 409A to become subject to Code Section 409A, or that would cause an award that is subject to Code Section 409A to fail to satisfy the requirements of Code Section 409A.

Changes in Capital

In the event of any corporate event or transaction, such as a stock dividend, stock split, recapitalization, reorganization, merger or consolidation, or spin-off, in order to prevent dilution or enlargement of participants rights under the 2019 Equity Incentive Plan, the Compensation Committee will adjust the number, class, and kind of securities that can be delivered under the plan and outstanding awards, the plan s limits on the number of shares that can be subject to awards granted to a single participant during a single fiscal year, and the price, as applicable, of securities subject to awards outstanding under the plan.

Repricing

Neither the board of directors nor the Compensation Committee may authorize the repricing of an award without the prior approval of shareholders. For this purpose, the term repricing means any of the following or any other action that has the same effect:

- to lower the exercise price or price per share of an award after it is granted,

- to purchase for cash or shares an outstanding award at a time when its exercise price or price per share exceeds the fair market value of TrustCo common stock,

- to take any other action that is treated as a repricing under generally accepted accounting principles, or

- to cancel an award at a time when its exercise price or price per share exceeds the fair market value of TrustCo common stock in exchange for another award or TrustCo equity.

Certain Federal Income Tax Consequences

The following is a brief summary of certain significant United States Federal income tax consequences, under the Internal Revenue Code, regulations promulgated thereunder and judicial or ruling authorities, as in effect on the date of this summary, applicable to us and participants in connection with awards under the 2019 Equity Incentive Plan. Such authorities are subject to change, which change may be retroactive. This summary assumes that all awards will be exempt from, or comply with, the rules under Section 409A of the Internal Revenue Code regarding nonqualified deferred compensation. If an award constitutes nonqualified deferred compensation and fails to comply with Section 409A of the Code, the award will be subject to immediate taxation and a penalty tax in the year the award vests. In addition Section 162(m) of the Code was revised as part of the 2017 Tax Reform Act and now limits a company s ability to deduct for tax purposes compensation in excess of $1,000,000 paid in any single tax year to the chief executive officer or any of the Company s named executive officers or former named executive officers. This summary is not intended to be exhaustive, and, among other things, does not describe state, local, or non-United States tax consequences, or the effect of gift, estate or inheritance taxes.

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The grant of options under the 2019 Equity Incentive Plan will not result in taxable income to the recipient of the option or an income tax deduction for TrustCo. However, the transfer of TrustCo common stock to an option holder upon exercise of his or her option may or may not give rise to taxable income to the option holder and a tax deduction for TrustCo depending upon whether such option is a nonqualified stock option or an incentive stock option.

The exercise of a nonqualified stock option by an option holder generally results in immediate recognition of taxable ordinary income by the option holder and a corresponding tax deduction for TrustCo in the amount by which the fair market value of the shares of common stock purchased, on the date of such exercise, exceeds the aggregate exercise price paid. Any appreciation or depreciation in the fair market value of those shares after the exercise date will generally result in a capital gain or loss to the holder at the time he or she disposes of those shares. The gain or loss will be long term or short term depending upon how long the stock is held by the participant prior to its sale.

The exercise of an incentive stock option by the option holder is exempt from income tax, although not from the alternative minimum tax, and does not result in a tax deduction for TrustCo if the holder has been an employee at all times beginning with the option grant date and ending three months before the date the holder exercises the option (or twelve months in the case of termination of employment due to disability). If the option holder has not been so employed during that time, the holder will be taxed as described above for nonqualified stock options. If the option holder disposes of the shares purchased more than two years after the option was granted and more than one year after the option was exercised, then the option holder will recognize any gain or loss upon disposition of those shares as capital gain or loss. However, if the option holder disposes of the shares prior to satisfying these holding periods (known as a disqualifying disposition), the option holder will be obligated to report as taxable ordinary income for the year in which that disposition occurs the excess, with certain adjustments, of the fair market value of the shares disposed of, on the date the incentive stock option was exercised, over the exercise price paid for those shares. TrustCo would be entitled to a tax deduction equal to that amount of ordinary income reported by the option holder, subject to any limitations under Section 162(m) of the Code. Any additional gain realized by the option holder on the disqualifying disposition would be capital gain. If the total amount realized in a disqualifying disposition is less than the exercise price of the incentive stock option, the difference would be a capital loss for the holder.

The granting of SARs does not result in taxable income to the recipient of a SAR or a tax deduction for TrustCo. Upon exercise of a SAR, the amount of any cash the participant receives and the fair market value as of the exercise date of any of TrustCo common stock received are taxable to the participant as ordinary income and deductible by TrustCo, subject to any limitations under Section 162(m) of the Code.

A participant will not recognize any taxable income upon the award of shares of restricted stock that are not transferable and are subject to a substantial risk of forfeiture. Generally, the participant will recognize taxable ordinary income at the first time those shares become transferable or are no longer subject to a substantial risk of forfeiture, in an amount equal to the fair market value of those shares when the restrictions lapse. However, a participant may elect to recognize taxable ordinary income upon the award date of restricted stock based on the fair market value of the shares of TrustCo common stock subject to the award on the date of the award. Assuming compliance with the applicable reporting requirements, TrustCo will be entitled to a tax deduction equal to the amount of ordinary income recognized by a participant in connection with his or her restricted stock award in TrustCo s taxable year in which that participant recognizes that ordinary income, subject to any limitations under Section 162(m) of the Code.

The granting of restricted stock units does not result in taxable income to the recipient of a restricted stock unit or a tax deduction for TrustCo. The amount of cash paid, or the then-current fair market value of common stock received upon settlement of the restricted stock units is taxable to the recipient as ordinary income and deductible by TrustCo, subject to any limitations under Section 162(m) of the Code.

Generally, any amount that is treated as ordinary income (compensation) will be subject to applicable withholding requirements which may be paid by the participant in cash or shares.

Plan Benefits

Awards under the 2019 Equity Incentive Plan are subject to the discretion of the Compensation Committee. As a result, it is not possible to determine the specific amounts and types of awards that may be granted in the future under the 2019 Equity Incentive Plan because the grant of awards under the 2019 Equity Incentive Plan is within the discretion of the Compensation Committee.

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The fair market value as of February 15, 2019 was $8.22 per share. The following table provides information with respect to the securities authorized for issuance under the 2010 Equity Incentive Plan and the Director Plan.

The following table provides information, as of December 31, 2018, regarding securities authorized for issuance under TrustCo s equity compensation plans.

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)
Equity compensation plans approved by security holders	554,641	$	6.65	1,517,183
Equity compensation plan not approved by security holders	N/A		N/A	N/A
Total	554,641	$	6.65	1,517,183[(1)]

(1) This balance represents 1,061,000 awards of options and restricted stock and 456,183 awards of stock appreciation rights (SARs), restricted stock units, performance units, and performance shares remaining available for future issuance.

Vote Required and Recommendation

The affirmative vote of a majority of all of TrustCo s issued and outstanding shares of common stock is required to approve the TrustCo Bank Corp NY 2019 Equity Incentive Plan. Abstentions on properly executed proxy cards and shares not voted by brokers and other entities holding shares on behalf of beneficial owners will have the same effect as a vote against this proposal. Dissenters rights are not available to shareholders who object to the proposal.

THE TRUSTCO BOARD RECOMMENDS THAT TRUSTCO SHAREHOLDERS VOTE **FOR** THIS PROPOSAL, WHICH IS ITEM 4 ON THE TRUSTCO PROXY CARD

Proposal 5 - Advisory Resolution on the Compensation of TrustCo s Named Executive Officers

TrustCo has annually provided shareholders with the opportunity to vote to approve, on a nonbinding advisory basis, the compensation of the named executive officers as disclosed in this proxy statement, including the Compensation Discussion and Analysis, and the tabular disclosure regarding the compensation of the named executive officers and the accompanying narrative. (This opportunity is often referred to as a say-on-pay vote or proposal.)

The say-on-pay proposal described below gives TrustCo shareholders the opportunity to endorse, or not endorse, the compensation of the named executive officers. The vote on the proposal is not intended to address any specific element of executive compensation. Further, the vote is advisory, which means that it is not binding on TrustCo, its board of directors, or the Compensation Committee. The Compensation Committee will, however, take into account the outcome of the vote when considering future executive compensation decisions. Please refer to the Compensation Discussion and Analysis for a discussion of the effect of the vote on the say-on-pay proposal at TrustCo s 2018 annual meeting on the Compensation Committee s decisions during 2018.

As discussed in more detail in the Compensation Discussion and Analysis, TrustCo seeks to offer a compensation structure for its executive officers designed to compare favorably with its peer group while taking into account the experience and responsibilities of each particular executive officer. TrustCo also seeks to provide compensation incentives that promote the enhancement of shareholder value in conjunction with encouraging and rewarding a high level of performance evidenced through the achievement of corporate and individual financial and business objectives and managing and minimizing the level of risk inherent in any compensation program. The Compensation Committee and the board of directors believe that the policies and procedures described in the Compensation Discussion and Analysis are

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effective in implementing the Company s compensation program and achieving its goals and that the compensation of the Company s named executive officers in 2018 reflects and supports these compensation policies and procedures.

Resolution

In light of the foregoing, TrustCo is asking shareholders to approve the following resolution at the Annual Meeting:

RESOLVED, that the shareholders of TrustCo Bank Corp NY approve, on an advisory basis, the compensation of the named executive officers, as disclosed in TrustCo s Proxy Statement for the 2019 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis.

Vote Required and Recommendation

The affirmative vote of a majority of all of TrustCo s issued and outstanding shares of common stock is required to adopt the foregoing resolution approving the compensation of TrustCo s named executive officers. Abstentions on properly executed proxy cards and shares not voted by brokers and other entities holding shares on behalf of beneficial owners will have the same effect as a vote against this proposal. Dissenters rights are not available to shareholders who object to the proposal.

THE TRUSTCO BOARD RECOMMENDS THAT TRUSTCO SHAREHOLDERS VOTE **FOR** THIS PROPOSAL, WHICH IS ITEM 5 ON THE TRUSTCO PROXY CARD.

Proposal 6- Ratification of the Appointment of Independent Auditors

The Audit Committee of TrustCo s board of directors has recommended, and the board of directors on February 19, 2019 reappointed, Crowe LLP as TrustCo s independent auditors for the year ending December 31, 2019. At the Annual Meeting, shareholders will consider and vote on the ratification of the engagement of Crowe LLP for the fiscal year ending December 31, 2019. Information with respect to the services provided in 2018 and 2017 to TrustCo by Crowe LLP is presented under the Audit Committee discussion, above. Representatives of Crowe LLP are expected to be present at the Annual Meeting to make a statement if they so desire and are also expected to be available to respond to appropriate questions that may be raised.

The following table presents fees for professional audit services, as well as other professional or consulting services, rendered by Crowe LLP. The services included audits of TrustCo s annual consolidated financial statements for the years ended December 31, 2018 and 2017 and of the effectiveness of internal controls over financial reporting, tax return preparation services, and other services provided by Crowe LLP during the years ended December 31, 2018 and 2017.

	2018	2017
Audit fees	$ 508,000	481,000
Audit related fees[(1)]	-	15,000

Tax fees[2][3]	196,571	99,950
All other fees	-	-
Total Fees	$ 704,571	595,950

(1) For 2017, audit-related fees consisted of professional services for S-3 consent procedures. No audit-related fees reported for 2018.

(2) For 2018 and 2017, tax fees consisted of tax return preparation services and assistance with tax audits.

(3) For 2018 there was also additional expenses associated with fixed asset studies conducted during the year.

TrustCo s Audit Committee held twelve meetings and two executive sessions in 2018. The directors currently serving on the Audit Committee are Brian C. Flynn (Chairman), Dennis A. DeGennaro, Lisa M. Lucarelli, Thomas O. Maggs, Dr. Anthony J. Marinello and William D. Powers. The purpose of the Audit Committee is to oversee the Company s accounting and financial reporting processes and audits of the Company s financial statements; the Committee s functions also include the review of TrustCo s and Trustco Bank s internal audit function, and the review of the adequacy of internal accounting controls for TrustCo and Trustco Bank. In addition, the Audit Committee annually recommends the use of external audit firms by TrustCo and Trustco Bank in the coming year, after reviewing performance of the existing vendors and available audit resources. Please refer to the discussion under Audit Committee for a more detailed description of the Audit Committee s activities.

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Vote Required and Recommendation

The affirmative vote of a majority of all of TrustCo s issued and outstanding shares of common stock is required to ratify the appointment of Crowe LLP as TrustCo s Independent Auditors for the year ending December 31, 2019. Abstentions on properly executed proxy cards and shares not voted by brokers and other entities holding shares on behalf of beneficial owners will have the same effect as a vote against this proposal. Dissenters rights are not available to shareholders who object to the proposal.

THE TRUSTCO BOARD RECOMMENDS THAT TRUSTCO SHAREHOLDERS VOTE **FOR** THIS PROPOSAL, WHICH IS ITEM 6 ON THE TRUSTCO PROXY CARD.

Other Matters

TrustCo s board of directors is not aware of any other matters that may come before the Annual Meeting. If any matter not described in this proxy statement is properly presented at the Annual Meeting, the persons named in the proxy card will use their judgment to determine how to vote the shares for which they have voting authority.

Governance Enhancements

As part of its practice of ongoing review and enhancement of its corporate governance, as informed by the Company s shareholder engagement program, TrustCo s board of directors has made several changes and seeks shareholder approval for others, which are described in detail in this proxy statement. The enhancements center around the proposal to declassify the board of directors. Already enacted, because the governance documents of the Company permitted direct board action, is the creation of the position of Independent Lead Director, described above. In conjunction with that change, the board eliminated the requirement of an independent board chair. Director DeGennaro was elected as the Company s first Independent Lead Director and took office as of January 1, 2019. Company President and Chief Executive Officer Robert J. McCormick was elected board chair and took office at the same time. The proposal to declassify the board is presented herein for shareholder approval. Likewise, a proposal to adjust the voting requirements also is presented and is described in detail above.

TrustCo s board of directors agrees with the view of many shareholders that board diversity is a key contributor to company performance. The board continues to consider diversity in the context of its board refreshment program. In that regard, the board adopted a mandatory retirement age for new directors first taking office in or after 2017. Through the board s self-evaluation process, the board s needs in terms of the experience and expertise of its members are continuously evaluated and the needs identified are considered in the process of identifying potential board candidates.

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Compensation Discussion and Analysis

This Compensation Discussion and Analysis (the CD&A) describes the objectives, policies and components of TrustCo s 2018 executive compensation program for its named executive officers. In addition, the CD&A will discuss and analyze the decisions of and actions taken by the Compensation Committee during, before and after 2018 as those decisions and actions relate to such objectives and policies and the compensation paid to or earned by the named executive officers during 2018.

Named Executive Officers

From the executive officers listed on page 5 of this proxy statement TrustCo identified the following as named executive officers for 2018:

- Robert J. McCormick, President and Chief Executive Officer, TrustCo and Trustco Bank
- Michael M. Ozimek, Executive Vice President and Chief Financial Officer, TrustCo and Trustco Bank
- Scot R. Salvador, Executive Vice President and Chief Banking Officer, TrustCo and Trustco Bank
- Robert M. Leonard, Executive Vice President and Chief Risk Officer, TrustCo and Trustco Bank
- Eric W. Schreck, Treasurer, TrustCo, and Senior Vice President, Trustco Bank

Objectives of Executive Compensation Program

Our executive compensation program is designed to promote the following compensation objectives:

- Encourage and reward the achievement of our short-term and long-term financial and strategic objectives;
- Align executive interests with the interests of our shareholders to ensure their focus on long-term return to shareholders and consideration of excessive risk mitigation; and

Provide a comprehensive compensation program that fosters the retention of current executive officers and serves to attract new highly-talented, results-driven executives as the need may arise.

Engagement, Feedback and Changes

In 2018 and early 2019, TrustCo continued its vigorous shareholder engagement program reaching out to large investors representing approximately 39% of its outstanding shares. Through that outreach, TrustCo had conversations with investors representing approximately 13.50% of the outstanding shares. In response to the input received, over the past several years, TrustCo has made significant and meaningful changes to the way it approaches governance and the way it discloses information about its operation and the compensation of its executives. The goal of these efforts is to provide shareholders with the data needed to fully evaluate the Company s performance as measured against relevant metrics. The changes made demonstrate TrustCo s commitment to such matters. Additionally, in 2018, shareholders representing 92.6% of the votes cast supported the say-on-pay vote.

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TrustCo values shareholder views and insights and believes that its engagement program builds informed relationships, promotes transparency, and improves accountability. The ultimate goal is to appropriately relate executive pay to corporate performance and provide our investors with a meaningful voice relating to our corporate governance practices. After listening to shareholder feedback and performing further analysis, TrustCo implemented the following changes to its compensation program:

Compensation Feature	What TrustCo Heard	What TrustCo Did
Single Metric for 3-year Performance Share Awards	Single metrics are disfavored.	Along with the relative metric of ROE, TrustCo added an adjustment factor using a second metric, Efficiency Ratio, for the Performance Share Awards granted in 2017 for the 2018 to 2020 performance period. For the Performance Share Awards granted in 2018 for 2019 to 2021 performance the Company maintained two metrics but replaced the second metric with an earnings per share downward adjustment factor.
Similar performance metrics under our short-term and long-term incentive plans	Using the same or similar performance goals to measure long-term performance and short-term performance is disfavored as it may be seen as a double payout for the same performance.	The Executive Officer Incentive Plan performance goals and allocations were revised for the 2018 annual bonus and the ROE metric which had been used in the past for both the Performance Share Awards and for the Executive Officer Incentive Plan was replaced with a different metric. In addition, the Efficiency Ratio that had been used for the 2017 Performance Share Awards for the 2018 to 2020 performance period was changed to earnings per share for the 2018 Performance Share Awards for the 2019 to 2021

		performance period, thus the short term and long-term incentives plan designs no longer use any of the same metrics to evaluate performance.
Executive Officer Incentive Plan	Using the same or similar performance goals to measure long term performance and short-term performance is disfavored as it may be seen as a double payout for the same performance.	The Company revised the performance metrics, weightings and targets for the 2018 Executive Officer Incentive Plan. These same metrics, weightings and targets were maintained for the 2019 Executive Officer Incentive Plan.

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Compensation Feature	What TrustCo Heard	What TrustCo Did
Change in Control Acceleration	Single triggers are disfavored.	In March of 2018, TrustCo amended its 2010 Equity Incentive Plan to exclude automatic single-trigger vesting in lieu of double-trigger vesting for all future awards and provide that the number of Performance Share Awards deemed vested in such event will be at the greater of actual performance or target.
Excise Tax Gross Ups	Eliminate excise tax gross ups	All agreements entered into since 2013 no longer include an excise tax gross up, including the two new agreements entered into in 2018.
Clawback Policy	The Company does not have a robust recoupment mechanism for executive officer incentive compensation.	In 2016, TrustCo adopted a very robust Clawback Policy which addresses not only financial restatement recoupment, but also misconduct recoupment.

Highlights of 2018 Business Results

TrustCo continued its strong performance in 2018. The chart below summarizes key results.

Company Performance		
Performance Metric	**2018 Results**	**2017 Results**
Net Income	$61.4 million	$43.1 million
Return on Average Equity	13.05%	9.64%
Return on Average Assets	1.25%	0.88
Diluted Earnings Per Share	$0.636	$0.448
Nonperforming Loans to Total Loans	0.64%	0.67%
Efficiency Ratio [1]	53.97%	53.75%

[1] Efficiency ratio is a non-GAAP financial measure. Please refer to page 36 of Trustco s 2018 Annual Report to Shareholders, which is included with TrustCo s annual report on Form 10-K for the year ended December 31, 2018, for further information, including the required reconciliation.

Compensation Committee and Management Role in Determining Compensation for the Named Executive Officers

The Compensation Committee has responsibility for overseeing the Company s executive compensation policies and practices, including establishing annual salaries, long-term incentive and equity-incentive arrangements, annual incentive arrangements, and all other benefits and other compensation programs for the Company s named executive officers. The Compensation Committee is solely responsible for setting the compensation of Mr. McCormick, the Company s Chief Executive Officer (CEO). As for the other named executive officers, the CEO generally makes recommendations to the Compensation Committee considering the named executive officers performance, the Company s performance, and other factors. The Committee then evaluates the recommendations and determines the levels and structure of these executive officers compensation.

In making its decisions, the Compensation Committee considers a number of factors including among others:

TrustCo s and Trustco Bank s attainment of net income goals;

The Company s operating performance against its past performance and that of its peers;

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- Total shareholder return;
- Overall profitability from year to year;
- Company efficiency; and
- Banking experience of individual named executive officers, the scope of their responsibility within the overall organization, their individual performance and the specific contributions they made to TrustCo and Trustco Bank during the course of the year.

The Compensation Committee also considers other relevant factors, including involvement in the community that might better position the organization to serve the immediate needs of Trustco Bank s market. The Compensation Committee generally considers most or all of the above criteria but does not generally assign a specific weight to any of these factors in making compensation decisions and may choose certain criteria in one year and others in other years. Except for specific goals set with respect to certain compensation programs described herein, the Compensation Committee makes compensation decisions on a discretionary basis considering such factors and criteria as it deems appropriate from year to year.

Use of Peer Companies

As part of the Company s analysis, review, and implementation of its executive compensation program, the Compensation Committee reviews aspects of the financial performance of a group of companies the Company considers to be its peers as well as the compensation paid to certain executive officers of these peer companies. For example, annual bonus awards paid pursuant to the Company s Executive Officer Incentive Plan are based on the achievement of certain performance metrics relative to the achievement of the same metrics by these peer companies. In addition, the Compensation Committee typically reviews the total compensation, including base salary, incentive compensation, equity awards, and other compensation, paid to the top three to five executive officers of these peer companies. While the Compensation Committee considers certain aspects of the financial performance of peer companies and the compensation paid to the named executive officers of those peer companies relative to the Company s performance and compensation paid to the Company s named executive officers, it does not specifically benchmark compensation against these peer companies. Rather, the Compensation Committee uses the information as a general guide to setting compensation for the Company s named executive officers.

The Compensation Committee typically determines the Company s then-current peer group in December of each year in connection with setting certain aspects of annual compensation for the following year. The criteria the Compensation Committee uses to determine peer companies is generally the same from year to year and consists of New York, New Jersey, and Florida-based banks and thrifts with assets of between $2 and $10 billion (measured as of the end of September of each year). The Compensation Committee is of the view that in as much as the Company s major market areas are in Upstate New York, Downstate New York/Northern New Jersey and Florida, these comparably-sized companies are a reasonable representation of its peers. As of December 31, 2017, the Company had total assets of approximately $4.91 billion. The composition of the peer group may change from year to year as new companies enter the relevant market or on account of changes in the size of companies or mergers or acquisitions. In December 2017, the Compensation Committee selected a peer group consisting of 22 banks and thrifts in order to determine 2018 compensation. The Company s peer group consisted of the following companies (the Peer Group):

Arrow Financial Corporation	Kearny Financial Corp.
Bridge Bancorp, Inc.	Lakeland Bancorp, Inc.
Capital City Bank Group, Inc.	NBT Bancorp Inc.
Community Bank System, Inc.	Northfield Bancorp, Inc.
CenterState Bank Corporation	OceanFirst Financial Corp.
ConnectOne Bancorp, Inc.	Oritani Financial Corp.
Dime Community Bancshares, Inc.	Peapack-Gladstone Financial Corporation
FCB Financial Holdings, Inc.	Provident Financial Services, Inc.
Financial Institutions, Inc.	Seacoast Banking Corporation of Florida
First of Long Island Corporation	Sun Bancorp, Inc.
Flushing Financial Corporation	Tompkins Financial Corporation

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Stonegate Bank and Suffolk Bancorp were acquired in 2017, as a result of each acquisition, the size of the bank became larger than the Company s targeted asset size for peer group companies. As a result both companies were removed from the peer group.

In December 2018, as part of its year-end review of the Company s executive compensation program, the Compensation Committee reviewed the base salary and total compensation paid to the officers of the companies in the Peer Group. In addition, the Compensation Committee also compared the Company s overall performance with that of companies in the Peer Group.

Compensation Consultants

The Compensation Committee periodically, but not necessarily annually, retains compensation consultants, reviews information provided by or through third-party sources, and often relies on TrustCo s Human Resources Department to gather such information.

In 2018, management engaged McLagan, a business unit of AON Plc and an independent executive compensation consulting firm, for background and market research services. Information thus obtained was also shared with the Committee.

2018 Executive Compensation Program

For 2018 there were three basic elements to TrustCo s current executive compensation program, each of which has sub-elements:

Annual Compensation	Salary, Executive Officer Incentive Plan and Other Benefits
Long-Term Compensation	Restricted Stock Units and Performance Share Awards,
Retirement Compensation	401(k) Plan and Replacement Supplemental Retirement Plan Payments

As a general matter, the Compensation Committee initially considers total compensation levels of the Peer Group prior to making compensation decisions with respect to each of the individual elements of executive compensation. The description below provides discussion and analysis for each element of TrustCo s executive compensation program for 2018, including the relevant history of those components and the compensation decisions made for 2018.

Annual Compensation

Base Salary

Annual salary is the base compensation for the Company s named executive officers and is intended to provide a portion of compensation that is fixed to give the Company s named executive officers resources upon which to live and provide them with a certain level of financial security. The salaries for the Company s named executive officers are established based upon the scope of their respective responsibilities, taking into account competitive market compensation paid by the Peer Group for similar positions along with the performance of these companies relative to the performance of the Company. Salaries are reviewed at least annually and are also reviewed upon the request of the board of directors.

In considering base salaries, the Committee considered a number of factors including the attainment of key performance goals and indicators set by the Committee for the executive officers with respect to regulatory matters, the retirement of Chief Operating Officer Robert T. Cushing, and the corresponding redistribution of his responsibilities among the other members of the executive management team, and, with respect to Messrs. Leonard, Ozimek, and Schreck, the comparative executive-officer base salaries in the Company s peer group. Accordingly, on a case-by-case basis, the Committee determined that increases in executive officer base salaries were warranted and consistent with the stated goals of the executive compensation program. Specifically with respect to Mr. McCormick, the committee noted that as of the end of 2017 he had not had an increase in base salary in eight years. Mr. Leonard and Mr. Ozimek accepted greater proportions of Mr. Cushing s redistributed responsibilities and their salary adjustments were correspondingly greater.

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Accordingly, named executive officer compensation for 2018 was set as follows:

Name and Position	2018 Annual Base Salary [1]	Increase over 2017
Robert J. McCormick	$ 975,000	11%
Michael M. Ozimek	$ 310,000	38%
Scot R. Salvador	$ 600,000	15%
Robert M. Leonard	$ 400,000	31%
Eric W. Schreck	$ 300,000	6%

(1) Base salary represents the salary in effect as of January 1, 2018. Mr. Ozimek received an increase, effective on December 18, 2018, as a result of his promotion to Executive Vice President. His salary was changed to $360,000.

Executive Officer Incentive Plan for 2018

The Executive Officer Incentive Plan provides for annual bonus compensation for the named executive officers based upon the achievement of certain corporate performance targets. The bonus percentage is the same for each named executive officer. The Compensation Committee reviews and adjusts as appropriate the plan bonus opportunities, performance targets, structure, and other metrics on an annual basis. In December 2017, the Compensation Committee met and approved the bonus opportunities, performance targets, structure, and other metrics for 2018.

The corporate performance targets set for 2018 included, Return on Average Assets, Efficiency Ratio, and the Risk-Based Capital Ratio, each as measured against the composite performance of the Peer Group. The Committee changed the performance targets from the prior year before the beginning of 2018 by selecting three indicators instead of four and changing one of the three indicators in response to shareholder feedback. It believes that these three indicators are indicative of the overall management of all aspects of the financial performance of the Company as Return on Average Assets measures the Company s profitability, the Efficiency Ratio monitors management s effectiveness in the exercise of expense controls and the risk- based capital ratio is an indicator of overall risk that management is taking in balance sheet. Bonuses for 2018 would only be awarded for achievement of corporate targets and are based on threshold (15% of base salary), target 1 (30% of base salary), target 2 (45% of base salary) and maximum (60% of base salary) level of achievement. The threshold, target and maximum were unchanged from the prior year however, a second target amount was added in response to shareholder feedback expressed through the Company s outreach efforts. The tier structure was adjusted to more closely align with the structures used by the Company s peers.

The following table sets forth the corporate performance targets, weightings, levels of achievement and other details under the Executive Officer Incentive Plan for 2018.

2018 Executive Officer Incentive Plan

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(1) Provided that performance is better than 2017 performance.
(2) Provided that performance is better than 2017 performance, payout will be based on Target 2 percentage, otherwise Target 1 percentage.

2019 Contingent Bonus Payments from 2018 Executive Officer Incentive Plan

Consistent with the Company s practice of placing more emphasis on long-term compensation and to reward executives for sustained performance over more than one year, in December 2017, when the Compensation Committee approved the bonus opportunities and performance targets for 2018, it required, as allowed under the plan, that to the extent that the achievement level for 2018 resulted in bonus amounts in excess of 30% of base salary for the executives, payment of the amount in excess of 30% (the Contingent Bonus) would be contingent on achievement in 2019 of the same corporate performance goals set for 2018 (Return on Average Assets, Efficiency Ratio, and the Risk-Based Capital Ratio) relative to the Peer Group average performance for 2019. Payment levels were based on threshold (100% of Contingent Bonus), target (115% of Contingent Bonus) and maximum (125% of Contingent Bonus) level of achievement. At the threshold level, the Contingent Bonus would not be earned unless performance for at least two of the performance goals for 2019 are within the 40th to 49th percentile of the Peer Group average performance level for 2019. Payment of any amount in excess of 100% of the Contingent Bonus would be subject to achievement of corporate performance goals at a level better than the Peer Group average performance.

2018 Contingent Bonus Payment Criteria

Performance Level	Performance Criteria	Bonus Payment
Threshold	At least two of the performance goals set for 2019 are achieved at a level of 40th to 49th percentile of the peer group performance	100% of Contingent Bonus
Target	All performance goals for 2019 are achieved at 50th to 59th percentile of the peer group performance	115% of Contingent Bonus
Maximum	All performance goals for 2019 are achieved at 60th percentile or greater than the peer group performance	125% of Contingent Bonus

Based upon the Company s 2018 performance, the Executive Officers Incentive Plan generated the maximum bonus of 60% of base salary to the participating executive officers, with the result that half of the bonus (all amounts above 30% of base salary) would be subject to the one-year Contingent Bonus payment feature and only paid out next year if the additional criteria are met. The Compensation Committee believes that the Executive Officer Incentive Plan, as currently structured with the long-term performance feature, will encourage and reward executives for achievement of key corporate performance goals that will contribute to long-term sustained performance, drive long-term shareholder value creation, and encourage executive decision making that mitigates long-term risk. Moreover, the Committee believes that payment levels relative to base salary percentages are generally consistent with Peer Group bonus compensation levels and serve to reward executives for superior performance over more than one year with enhanced performance-based compensation in lieu of increased fixed compensation. The amounts paid in 2018 under the 2018 Executive Officer Incentive Plan to Messrs. McCormick, Ozimek, Salvador, Leonard, and Schreck, were $292,500, $93,000, $180,000, $120,000 and $90,000, respectively.

2018 Contingent Bonus Payments from 2017 Executive Officer Incentive Plan

3.75% of the 2017 Executive Officer Incentive Plan was subject to the 2018 Contingent Bonus payment feature set forth below. Based on 2018 performance, the named executive officers received a bonus payment at the threshold level of 100% of the contingent bonus based on achieving three of the four metrics. Return on Average Equity was greater than 125% of the peer group average, Return on Average Assets and Efficiency Ratio were both between 100% and 125% of peer group average.

The amounts paid under the 2017 Executive Officer Incentive Plan to Messrs. McCormick, Ozimek, Salvador, Leonard, and Schreck, were $36,563, $11,625, $22,500, $15,000, and $11,250, respectively.

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Other Annual Benefits

Annual Benefits

The Company provides certain other annual benefits to the named executive officers in the form of benefits under its executive medical reimbursement plan described below, use of Company cars, country club memberships, financial planning services and additional tax gross up payments with respect to these benefits. In addition to the specific reasons set forth below for providing these benefits, the Compensation Committee believes they help to provide a comprehensive compensation program that fosters the retention of our current executive officers and will serve to attract new highly talented, results-driven executives as the need may arise. The Compensation Committee believes that the value of these other annual benefits to the Company s overall executive compensation program and the individual named executive officers outweighs the cost to the Company, which is set forth in the All Other Compensation column of the Summary Compensation Table below.

Executive Medical Reimbursement Plan

Messrs. McCormick, Ozimek, Salvador, and Leonard are participants in the Company s executive medical reimbursement plan. The plan is intended to provide for the reimbursement of medical, hospitalization, and dental expenses that exceed the deductible or co-payment limits under the Company s general medical insurance plans. The plan is intended to provide selected named executive officers with the basic resources upon which to live and provide them with a certain level of financial security in the face of extraordinary medical expenses, thus ensuring they remain focused on the Company s business goals.

Use of Company Cars

The Company provides all of the named executive officers with the use of a car. The Compensation Committee believes that this benefit is generally consistent with industry practice (a majority of the Peer Group companies provide a similar benefit) and recognizes and rewards the named executive officers for their achievement to the level of a senior executive.

Club Memberships

The Company provides all of the named executive officers with membership in a club of their choice. The Compensation Committee believes that this benefit is generally consistent with industry practice (a majority of the Peer Group companies provide a similar benefit) and provides a platform for the executives to entertain clients and potential clients of the Company and fosters interaction with other community leaders, which is intended to drive business development and, ultimately, Company performance.

Financial Planning

The Company pays for the cost of financial planning services for Messrs. McCormick, Ozimek, Salvador, and Leonard by a professional consulting firm. This benefit is extended to a select group of executives based upon their individual situations and positions within the Company and is intended to enhance the overall efficiency of the

Company s executive compensation program by ensuring that the participating executive officers consider and properly plan for the various estate tax consequences, and generally take full advantage of the Company s various compensation programs, taking into account their individual circumstances.

Additional Tax Payments

The Company makes additional annual payments to the named executive officers to ensure that the effect of the above-mentioned other annual benefits is tax neutral to the executives. Given that these benefits are generally designed with a business purpose, this additional tax benefit ensures that the value of these other annual benefits is not diminished and does not create additional financial consequences for the executives.

Long-Term Compensation

Long-Term Incentive Program

The Company maintains a long-term incentive compensation program through the 2010 Equity Incentive Plan, the Performance Bonus Plan applicable to Messrs. McCormick and Salvador and performance-based stock appreciation units issued to Mr. Leonard. The 2010 Equity Incentive Plan provides for annual grants of equity-based awards of which restricted stock units and performance awards are required to be settled in cash, the Performance Bonus Plan provides for a cash payment equal to the increase in value from the change in control over the stock price at the date of grant of the award and the performance-based stock appreciation units provide for a cash payment to Mr. Leonard upon a termination in connection with a change in control based upon the appreciation in value of TrustCo s common stock between the date of his award and the date of the occurrence of a change in control or Mr. Leonard s termination whichever value is greater. The Company believes that compensation derived from the value of our common stock ties the interests of the named executive officers with those of our shareholders and thereby drives long-term success.

The 2010 Equity Incentive Plan was established to advance the interests of the Company and its shareholders by providing all employees including the executive officers an opportunity to acquire equity or equity-based ownership in the Company along with the incentive advantages inherent in compensation tied to the value of our common stock. The 2010 Equity Incentive Plan allows for the grant of a variety of equity-based awards, including stock options, restricted stock, restricted stock units and performance shares but requires that restricted stock units and performance shares be paid out only in cash. The 2010 Equity Incentive Plan is administered by the Compensation Committee, which is empowered to determine the amount and recipients of awards and the other terms and conditions of awards to be granted thereunder, including the exercise price, vesting conditions, and expiration dates. In 2016 we ceased granting stock options to our named executive officers and granted for 2016, 2017, and 2018 only restricted stock units and performance shares that settle in cash.

When granting equity-based awards to any of the named executive officers, the Compensation Committee reviews the executive officer s position and individual performance in light of the Company s goals to drive long-term performance and tie the interests of the named executive officers with those of our shareholders. The Compensation Committee also reviews awards granted to similarly situated officers at Peer Group companies. Ultimately, however, the Compensation Committee makes discretionary judgments based on these factors and its ongoing assessment and understanding of TrustCo and its executive officers. Awards are designed to ensure each named executive officer has a sense of ownership in the financial growth and the growth in total shareholder return of the Company.

We grant our equity awards in the fall before the end of our fiscal year at the same time that we determine bonus compensation amounts and performance goals for the next fiscal year. In making the 2018 annual equity awards, the Compensation Committee sought to award a specific present value of long-term compensation in the form of time-vested and performance-vested awards to each of the named executive officers based on their position and contributions to the Company. Historically, the mix of different types of awards was intended to combine the retention and downside risk benefits inherent in restricted stock units and performance shares with the shareholder-value-creation benefits inherent in stock options, while mitigating the perceived excessive risk that potentially manifests itself through a single type of award approach. Consistent with the Company s continued emphasis on performance-based compensation tied to specific corporate goals, in 2018 the Compensation Committee maintained its recent practice of weighting the awards more heavily towards performance-vested awards (performance shares) and allocated 60% of the equity awards to performance shares that vest based on financial metrics over the following three fiscal years (see below) and 40% in time-vested restricted stock units.

Restricted Stock Unit Awards

In November 2018, the Compensation Committee granted the following restricted stock unit awards to each of the named executive officers for 2018 performance:

Named Executive Officer	Restricted Stock Units [1]
Robert J. McCormick	26,110
Michael M. Ozimek	3,916
Scot R. Salvador	14,360
Robert M. Leonard	14,360
Eric W. Schreck	3,916

[1] In 2018 the amount of this award was determined as a dollar amount. The number of units issued was based on that amount divided by the closing stock price ($7.66) on the day of issue (November 20, 2018).

The periods of restriction applicable to the restricted stock unit awards will lapse in three equal vesting periods in November of 2019, 2020, and 2021, respectively. In addition, vesting of units and the lapse of the restrictions may accelerate upon certain events, including the death, disability, or retirement of an award holder. Upon a change in control of TrustCo the restricted stock units will be settled in accordance with the provisions of the plan. All restricted stock units are settled in cash only; no shares of the Company s common stock will be issued in connection with the lapse of the period of restriction applicable to the units.

The definition of change in control is contained in the 2010 Equity Incentive Plan and is substantially the same as the definition contained in the senior executives employment agreements and the Performance Bonus Plan described below (and also substantially the definition set forth in the U.S. Treasury Department regulations under Section 409A of the Internal Revenue Code). The Compensation Committee believes that the definition of change in control is customary within the banking industry and that the circumstances under which change in control benefits would vest or become payable are reasonable.

In November 2018, the 2015 restricted stock unit awards vested in full and Messrs. McCormick, Ozimek, Salvador, Leonard, and Schreck respectively received cash payments of: $144,855, $19,575, $72,428, $72,428, and $19,575.

In November 2018, one-third of the 2017 restricted stock unit awards vested and Messrs. McCormick, Ozimek, Salvador, Leonard, and Schreck respectively received cash payments of: $51,136, $7,156, $25,564, $25,564, and $7,156.

Performance Share Awards

In November 2018 the Compensation Committee granted the following performance-based equity awards to each of the named executive officers:

Named Executive Officer	Performance Shares at Target [1]
Robert J. McCormick	39,164
Michael M. Ozimek	5,875
Scot R. Salvador	21,540
Robert M. Leonard	21,540
Eric W. Schreck	5,875

(1) In 2018 the amount of this award was determined as a dollar amount. The number of units issued was based on that amount divided by the closing stock price ($7.66) on the day of issue (November 20, 2018).

Each performance share represents the right to receive upon settlement an amount in cash equal to the fair market value of one share of TrustCo common stock. The performance shares generally will vest at the end of a three-year performance period based upon continued employment through the end of the performance period and the achievement of the corporate performance goals set forth at the time of grant. The three-year performance period for the 2018 awards runs from January 1, 2019 through December 31, 2021 (the Performance Period). Based on shareholder input, beginning in 2017 the vesting of these performance share awards is based on the achievement of two performance metrics: for 2018 it was return on average equity and earnings per share, which will be measured as described below. For 2018, the Company changed this second metric from Efficiency Ratio to earnings per share in order to address concerns raised by shareholders about the use of the same metric in two plans for the same period.

The Company s return on average equity measured as the average of each of the three years within the defined performance period against a comparative group of peer institutions with vesting and payout occurring at the end of the performance period. The following table outlines the peer ranking and the corresponding adjustment factor:

Return on Average Equity for the Performance Period Percentile Ranking	Factor
Above 60th percentile of the Peer Group	150%
50th - 59th percentile of the Peer Group	100%
40th - 49th percentile of the Peer Group	75%
Below 40th percentile of the Peer Group	0%

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The second performance metric for the Performance Share Award is earnings per share. If the Company s annualized earnings per share grows less than 5% during the three-year performance period, the total award is reduced by one third.

Performance shares may vest, prior to the end of the performance period upon the death, disability, or retirement of a participant on a pro rata basis and will be settled at the end of the performance period based on the Company s performance. In the event of a change in control of TrustCo during the performance period, awards will be settled based on the higher of actual performance or target at the time of the change in control. The payment of shares will be governed by the terms of the plan.

Achievement of 2015 Performance Share Awards

In 2015 the named executive officers received performance share awards which had a three-year performance period that expired on December 31, 2018.

Named Executive Officer	Threshold	Target	Maximum
Robert J. McCormick	19,500	26,000	32,500
Michael M. Ozimek	2,625	3,500	4,375
Scot R. Salvador	10,313	13,750	17,188
Robert M. Leonard	10,313	13,750	17,188
Eric W. Schreck	2,625	3,500	4,375

Achievement of the performance-goals condition was measured by the percentage increase in the Company s diluted earnings per share as of the end of December 2018 ($0.636) over the Company s diluted earnings per share as of the end of December 2015 ($0.444).

In 2019, the Compensation Committee determined that the performance goals for the 2015 awards were achieved at the maximum level. Accordingly, payments were made at the maximum number of units, or 125% of the target amounts. Thus, Messrs. McCormick, Ozimek, Salvador, Leonard, and Schreck received cash payments of $222,950, $30,013, $117,910, $117,910 and $30,013, respectively, with respect to the 2015 performance share awards, based on the $6.86 closing price per share of TrustCo common stock on December 31, 2018.

Performance Bonus Plan and Performance-Based Stock Appreciation Unit Awards

The Company adopted the Performance Bonus Plan for its most senior executive officers in 1997 and it was amended and restated in 2008 to among other matters, comply with Section 409A of the Internal Revenue Code. This plan provides cash compensation to Messrs. McCormick, and Salvador in the event of a change in control of the Company based on the appreciation in value of TrustCo s common stock between the date of the award and the occurrence of a change in control. The units so awarded vest fifteen days prior to the scheduled closing date of a change in control, upon the occurrence of an unannounced change in control, or upon a participant s termination of employment for reasons other than cause within one year prior to a change in control. Messrs. McCormick and Salvador were each awarded 524,702 units in 2004 at a price of $10.78 per unit and $13.15 per unit, respectively. In 2014, in connection with Mr. Leonard s promotion to the senior executive management team, the Company granted Mr. Leonard an award of 300,000 performance-based stock appreciation units with a per unit price of $6.95 under a separate agreement with him (the PSAUs). The PSAUs are similar to the awards issued to Messrs. McCormick and Salvador under the Performance Bonus Plan however the PSAUs pay out in cash solely upon a double trigger change in control and Mr. Leonard will not receive a tax gross-up to cover potential excise taxes under Section 4999 of the Internal Revenue Code. The PSAUs will become vested upon (i) a termination of Mr. Leonard without cause or for good reason within two years following a change in control of TrustCo or (ii) the occurrence of a change in control within 12 months following a termination of Mr. Leonard without cause or for good reason. Upon vesting, Mr. Leonard will be entitled to receive cash compensation based upon the appreciation in value of TrustCo s common stock between the date of the award and the date of the occurrence of a change in control or Mr. Leonard s termination (whichever value is greater). Although the Company is not actively seeking to be acquired, the Compensation Committee understands that regional banking institutions such as the Company are continually subject to acquisition by third parties.

The Performance Bonus Plan and the PSAUs were designed to accomplish two objectives with respect to these senior executive officers. First, the plan is intended to reward the executive officers for a successful strategic acquisition that is in the best interest of our shareholders. Second, because it is unlikely that following any change in control, TrustCo s senior executive officers would continue to have the same level of responsibility and compensation as they currently have with TrustCo and inasmuch as these senior executive officers may perceive significant risks in any such reduced responsibility and compensation resulting from any such acquisition, the Performance Bonus Plan and the PSAUs, along with the change in control benefits available under the senior executives employment agreements, is designed to encourage these highly qualified executives to remain with the Company through the consummation of such acquisition and to attract other executives as may be necessary.

The Compensation Committee believes that the definition of change in control in the Performance Based Plan and the PSAUs (which is substantially the same as the definition contained in the senior executives employment agreements and is substantially the definition set forth in the U.S. Treasury Department regulations under Section 409A of the Internal Revenue Code) is customary within the banking industry and that the circumstances under which change in control payments would be made are reasonable.

Mr. Schreck does not participate in the Performance Bonus Plan and has not been awarded PSAUs.

Stock Ownership Guidelines

The Company s board of directors has adopted stock ownership guidelines for both senior management and members of the board. The board believes directors and designated members of senior management should have a financial investment in the Company. As CEO, Mr. McCormick is expected to beneficially own (including options to acquire shares and other equity-based awards) 350,000 shares, and as Executive Vice Presidents, Messrs. Salvador, Leonard and Ozimek are each expected to beneficially own 250,000 shares (including options to acquire shares and other equity-based awards). These guidelines for members of senior management are expected to be achieved within four years of being appointed to their positions. As of December 31, 2018 Mr. McCormick beneficially owned 2,264,920 shares and Messrs. Salvador, Leonard and Ozimek beneficially owned 920,385, 548,201, and 58,162, respectively. Mr. Ozimek was promoted to senior management in December 2018, so he has four years in which to comply with these guidelines. The totals above include awards under equity plans, and include Messrs. McCormick and Salvador s awards under the Performance Bonus Plan and Mr. Leonard s PSAUs. Additional information regarding the stock ownership of the Company s executive officers is set forth under Information on Trustco Executive Officers and in the Outstanding Equity Awards-December 31, 2018 table. As a Senior Vice President, Mr. Schreck is not subject to stock ownership guidelines.

Prohibition on Hedging and Pledging

Our Insider Trading Policy prohibits all of our executive officers and directors from engaging in any hedging or monetization transactions or similar arrangements with respect to any of our equity securities held by them and also prohibits them from pledging any of their Company equity securities including by holding such shares in a margin account. The hedging and pledging restrictions are set forth in the TrustCo Insider Trading Policy, which can be found under the investor relations link on the Company s website.

Clawback Policy

In July of 2016, TrustCo adopted an Executive Compensation Clawback Policy that provides for the recovery by the Company of certain elements of compensation received by executive officers of the Company if the Company is required to restate its financial statements or if an executive officer has committed an act of material fraud or misconduct.

In general, if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with a financial reporting requirement under the securities laws, regardless of whether such restatement is a result of misconduct, and the Compensation Committee determines that one or more of the Company s executive officers covered by the Clawback Policy received incentive-based compensation in excess of what should have been received based on the restatement during the three completed fiscal years immediately preceding the date on which the Company is required to prepare the restatement, the Company must recover the amount of such excess compensation, subject to certain, limited exceptions.

In addition, to the extent that the Compensation Committee determines that one or more of its executive officers committed one or more willful acts of material fraud or material misconduct that directly or indirectly had a material adverse effect on the Company, the Compensation Committee may require such officers to forfeit or reimburse the Company for some or all of the incentive-based compensation or other variable compensation awarded to or received by such officers during the twelve-month period following the commission of the acts of fraud or misconduct and/or occurrence of a material adverse effect.

EXECUTIVE COMPENSATION

Retirement Compensation

The retirement plans available to TrustCo s officers and employees include the Retirement Plan of Trustco Bank, the Trustco Bank Profit Sharing/401(k) Plan, and the Company s Supplemental Retirement Plan.

Retirement Plan and Profit Sharing/401(k) Plan

The Trustco Bank Retirement Plan is a defined benefit pension plan pursuant to which annual retirement benefits are based on years of service to a maximum of 30 years and average annual earnings of the highest five consecutive years during the final ten years of service. The defined benefit retirement plan is fully funded by Trustco Bank contributions. The Retirement Plan was frozen, in 2006, and there will be no new participants in the plan. Participants in the plan during 2006 are entitled to benefits accrued as of December 31, 2006. TrustCo and the Compensation Committee believe that, for companies nationwide, the primary vehicle for employee retirement benefits is the 401(k) savings plan. To meet increased employee expectations in this regard, TrustCo enhanced its Profit Sharing Plan in 2006 to include a 401(k) feature, thereby making this the primary retirement plan for TrustCo. Each of the named executive officers participates in the Retirement Plan, and in the Profit Sharing/401(k) Plan.

Supplemental Retirement Plan

The Company maintains a Supplemental Retirement Plan (SERP), which is an unfunded, nonqualified, and non-contributory deferred compensation plan. The amounts of supplemental retirement benefits payable under the SERP are actuarially calculated to achieve a benefit at normal retirement that approximates the difference between (i) the total retirement benefit the participant would have received under the Trustco Bank Retirement Plan without taking into account limitations on compensation, annual benefits, and years of service and (ii) the retirement benefit the participant is projected to receive under the Trustco Bank Retirement Plan at normal retirement (up to a maximum of $7,000,000). The Company s annual contribution to the SERP (through 2008) and its current direct cash payments to each participant (which are described below) are determined pursuant to a formula set forth in the SERP. Because the Compensation Committee established the plan to provide the supplemental retirement benefits described above, neither the annual contributions to the SERP nor the direct annual payments to be made to the senior executive officers beginning in 2009 in lieu of the SERP contributions are considered annual compensation and are not taken into account when determining other components of annual compensation.

The Compensation Committee believes that the SERP together with the Retirement Plan and the Profit Sharing/401(k) Plan promote executive retention and allow the executive to focus on the long-term success of TrustCo. Participation in the SERP is limited to a select group of executives of TrustCo who are highly-compensated employees, and an employee must be selected by the board of directors to participate in the Plan. In December 2008, as a result of the effect of Section 409A of the Internal Revenue Code and its implementing regulations, which added a six-month period prior to the executive receiving the vested benefit that would be paid upon retirement or separation from service, TrustCo s senior executives made a recommendation to the Compensation Committee to freeze the SERP effective December 31, 2008 and requested that the amount of the Company s annual contribution to the SERP plus interest for each officer instead be paid directly to each officer. The Committee considered the request and decided to add a corresponding amendment to the SERP and to each SERP participant s employment agreement to the effect that the annual increment to be added to the SERP plus interest was to be paid directly to the executive officer. Under the employment agreement amendment, the payment is to be equal to the incremental amount that would have been credited for the year to the executive s supplemental account balance under the SERP as such plan was in effect on December 31, 2007, and had it not been amended to cease additional benefit accruals following December 31, 2008. A similar provision was added to Messrs. Leonard and Ozimek s employment agreements upon their promotion to the senior executive management team. All amounts currently accrued under the SERP will remain accrued until the separation of service of the executive. Of the Company s named executive officers, only Messrs. McCormick and Salvador participate in SERP.

Employment Agreements

As discussed in more detail below, TrustCo and Trustco Bank entered into employment agreements in 2008 (which are substantially identical to each other) with Messrs. McCormick and Salvador that generally provide for their annual compensation and benefits and certain termination benefits in connection with a change in control. Specifically, these agreements provide for (i) a change in control/severance payment upon the earlier to occur of a change in control or a termination of the executive s employment within one year prior to a change in control in an amount equal to 2.99 times his annual compensation in effect at the time of his termination or the change in control and (ii) the transfer of certain Company provided perquisites to the executive upon a termination of the executive s employment within two years following a change in control. In addition, the agreements provide for the reimbursement of certain post termination medical expenses in the event of a termination of the executive s employment (i) on account of death, disability or retirement at any time during his employment, or (ii) for any reason (other than for cause) within two years following a change in control. Although these legacy agreements are structured to avoid the imposition of excise taxes under Section 4999 of the Internal Revenue Code, the agreements also provide for a tax gross-up payment, if necessary, to mitigate against any excise tax that might be imposed under Section 4999 and ensure that the executives receive the full intended change in control/severance payment, should any such excise tax be imposed. As noted above, these employment agreements, along with the Performance Bonus Plan, are intended to reward the Company s most senior executive officers for a successful strategic acquisition of TrustCo and Trustco Bank that is in the best interest of our shareholders and encourage these senior executives to remain with the Company up to and through the consummation of such strategic acquisition in order to ensure a stable management team through the consummation of such transaction.

In 2013, in connection with his promotion to the senior executive management team, TrustCo and Trustco Bank also entered into an employment agreement with Mr. Leonard and in 2018 in connection with his promotion to the senior executive management team, TrustCo and Trustco Bank also entered into an employment agreement with Mr. Ozimek. Mr. Leonard s and Mr. Ozimek s employment agreement each provide for certain termination benefits in connection with a change in control. Specifically, Mr. Leonard and Mr. Ozimek shall receive a change in control/severance payment in the event of a termination within one year prior to or two years following a change in control. They each receive the same medical reimbursement benefits and perquisites provided to Messrs. McCormick, and Salvador upon the termination of his employment for death, disability, retirement or for any reason (other than for cause) within two years following a change in control. While Mr. Leonard s and Mr. Ozimek s agreements are also structured to avoid the imposition of excise taxes under Section 4999 of the Internal Revenue Code, they do not provide for a similar excise tax gross-up. Similar to the employment agreements for Messrs. McCormick, and Salvador, Mr. Leonard s and Mr. Ozimek s employment agreements are intended to encourage the executive to remain with the Company up to and through the consummation of a successful strategic acquisition of TrustCo and Trustco Bank that is in the best interest of our shareholders in order to ensure a stable management team through the consummation of such transaction.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this proxy statement with the management of TrustCo and Trustco Bank. Based on this review and discussion, the Compensation Committee recommended to the board of directors that the Compensation Discussion and Analysis be included in this proxy statement.

COMPENSATION COMMITTEE:	Thomas O. Maggs, Chair Dennis A. DeGennaro Brian C. Flynn
	Lisa M. Lucarelli Dr. Anthony J. Marinello

William D. Powers

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EXECUTIVE COMPENSATION

Executive Compensation Payments and Awards

The following table sets forth the compensation awarded to, paid to or earned by the named executive officers of TrustCo for services rendered in all capacities to TrustCo and its subsidiaries for the fiscal years ended December 31, 2018, 2017, and 2016.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards (1) ($)	Non-equity Incentive Plan Compensation (2) ($)	Change to Pension Value and Nonqualified Deferred Compensation Earnings (3) ($)	All Other Compensation (4) ($)	Total ($)
Robert J. McCormick	2018	975,000	-	499,999	329,063	-	673,193	2,477,255
	2017	880,000	-	460,000	297,000	41,872	503,249	2,182,121
President & Chief Executive Officer, TrustCo and Trustco Bank	2016	880,000	-	382,375	132,000	17,010	486,978	1,898,363
Michael M. Ozimek	2018	311,923	-	75,000	104,625	-	73,473	565,021
	2017	250,000	-	64,400	84,375	4,305	59,044	462,124
Executive Vice President & Chief Financial Officer TrustCo and Trustco Bank	2016	235,000	-	52,325	35,250	1,542	43,642	367,759
Scot R. Salvador	2018	600,000	-	274,994	202,500	-	444,811	1,522,305
	2017	520,000	-	230,000	175,500	33,283	355,847	1,314,630

Executive Vice President & Chief Lending Officer, TrustCo and Trustco Bank	2016	520,000	-	201,250	78,000	12,962	329,982	1,142,194
Robert M. Leonard	2018	400,000	-	274,994	135,000	-	526,164	1,336,158
	2017	330,000	-	230,000	111,375	25,020	347,909	1,044,304
Executive Vice President & Chief Risk Officer TrustCo and Trustco Bank	2016	291,154	-	201,250	45,750	10,229	283,122	831,505
Eric W. Schreck	2018	300,000	-	75,000	101,250	-	50,468	526,718
	2017	283,400	-	64,400	95,648	22,116	44,501	510,065
Treasurer, TrustCo and Senior Vice President, Trustco Bank	2016	272,500	-	52,325	40,875	8,574	46,075	420,349

(1) The amounts in these columns are the grant date fair value, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 Compensation-Stock Compensation (FASB ASC 718) for the stock awards (consisting of restricted stock units and performance shares) in 2018, 2017, and 2016. The assumptions made in the valuation of the awards are described in note 9 to TrustCo s consolidated financial statements for the years ended December 31, 2018, 2017, and 2016 under the heading Stock Based Compensation Plans-Equity Awards. For financial reporting purposes, the estimated values of these grants are spread over future periods; however, for this table the total cost of the grants are reflected in the year of the grant. For purposes of calculating the grant date fair value of the performance shares set forth above, the Company assumed the achievement of the performance goal at the target level. If the Company assumed the achievement of the performance goal at the maximum performance level, the grant date fair value of the 2018 performance share awards for Messrs. McCormick, Ozimek, Salvador, Leonard, and Schreck, would be $449,994, $67,508, $247,495, $247,495, and $67,508, respectively. Additional information about the awards is presented below under the heading Plan-Based Awards.

(2) The amounts in this column were determined in accordance with the Executive Officer Incentive Plan and the performance measures thereunder approved by the board of directors. This information reflects payments made under the 2018 award that are not subject to the 2019 contingent bonus payments as well as the 2018 contingent bonus payments based on the 2017 award. The operation of this plan is discussed in the Compensation Discussion and Analysis under 2018 Executive Officer Incentive Plan and below under Plan-Based Awards for the 2018 awards and above under 2018 Contingent Bonus Payment Criteria for the 2018 contingent bonus payments If the contingent portion of the plan pays out at threshold Messrs. McCormick, Ozimek, Salvador, Leonard and Shreck will receive $292,500, 108,000, 180,000, 150,000 and 93,000, respectively. These amounts are based upon approved salaries for 2019.

(3) The amounts in this column are derived from the change in value of vested benefits accrued under the Trustco Retirement Plan of Trustco Bank. See the table Pension Benefits for more details on the methodology followed to perform these calculations and a discussion of TrustCo and Trustco Bank retirement benefits generally. The table above reflects that there was no increase in value of the pension benefits during 2018.

(4) The amounts in this column include all other compensation paid to the named executive officers including tax gross-ups (of $54,935, $26,228, $40,566, $39,646, and $14,228 for Messrs. McCormick, Ozimek, Salvador, Leonard, and Schreck, respectively, for 2018) incurred on personal benefits, personal use of auto, health insurance, tax planning assistance, and personal use of clubs. The

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amounts included are the cost paid by TrustCo to third parties for these items and included in the Company s financial statements. Also included for Messrs. McCormick, Ozimek, Salvador and Leonard is compensation paid to them under their employment agreements representing the incremental amount that would have been credited to them for 2018 under the TrustCo Supplemental Retirement Plan had such plan not been amended to cease additional benefit accruals following December 31, 2008 and, in the case of Messrs. Leonard and Ozimek, had they been participants. For 2018, the Company paid $548,637, $7,423, $349,597, and $432,830 to Messrs. McCormick, Ozimek, Salvador and Leonard, respectively, in lieu of such Supplemental Retirement Plan contributions. TrustCo sponsors a 401(k)/Profit Sharing Plan for all employees under which the Company offers to match employee contributions, subject to certain limits. For 2018, the Company match for the 401(k)/Profit Sharing Plan for Messrs. McCormick, Salvador, Leonard and Schreck was $12,375 and for Mr. Ozimek $10,211.

Plan-Based Awards for 2018

The following two tables set forth information relating to grants of plan-based awards to the named executive officers during 2018 and to stock options, restricted stock units, and performance shares held by the named executive officers as of December 31, 2018. All non-equity incentive plan awards were made under the Trustco Bank Executive Officer Incentive Plan as it was in effect during 2018, and all awards of stock options, restricted stock units, and performance shares were made under the 2010 Equity Incentive Plan.

Grants of Plan-Based Awards

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (Executive Officer Incentive Plan) [(2)]			Estimated Future Payouts Under Equity Incentive Plan Awards (Performance Shares) [(3)]			All Other Stock Awards: Number of Shares of Stock or Units (Restricted Stock Units) [(6)]	Grant Date Fair Value of Stock and Option Awards [(7)]
Name	**Grant Date [(1)]**	**Threshold ($) [(4)]**	**Target ($) [(5)]**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**(#)**	**($)**

Robert J. McCormick		146,250	438,750	585,000					-
	11/20/2018				29,373	39,164	58,746		299,996
	11/20/2018							26,110	200,003
Michael M. Ozimek		46,788	140,365	187,154					-
	11/20/2018				4,406	5,875	8,813		45,003
	11/20/2018							3,916	29,997
Scot R. Salvador		90,000	270,000	360,000					-
	11/20/2018				16,155	21,540	32,310		164,996
	11/20/2018							14,360	109,998
Robert M. Leonard		60,000	180,000	240,000					-
	11/20/2018				16,155	21,540	32,310		164,996
	11/20/2018							14,360	109,998
Eric W. Schreck		45,000	135,000	180,000					-
	11/20/2018				4,406	5,875	8,813		45,003
	11/20/2018							3,916	29,997

(1) The dates in this column represent the grant date for the equity incentive plan awards reported in this table (performance shares and restricted stock units).

(2) The amounts in these columns indicate the estimated possible payouts available for 2018 under the Executive Officer Incentive Plan. Threshold refers to the minimum amount payable under the Executive Officer Incentive Plan assuming the minimum performance levels established under the plan are satisfied. Maximum refers to the maximum payout possible under the plan, and target refers to the amount payable if the specified performance targets under the plan are achieved. Please refer to the discussion below and to the Compensation Discussion and Analysis. The amounts actually earned by the named executive officers for 2018 are set forth in the Summary Compensation Table above in the Non-Equity Incentive Plan Awards column.

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EXECUTIVE COMPENSATION

(3) The amounts in these columns indicate the estimated future payouts available to the named executive officers with respect to awards of performance shares under the Equity Incentive Plan. Threshold refers to the minimum amount of performance shares for which payment may be made assuming the minimum performance levels established under the November 20, 2018 awards under the plan are satisfied. Maximum refers to the maximum payout possible under such awards. If the conditions to the awards are satisfied, settlement of the awards will be made only in cash. Please refer to the discussion below and to the Compensation Discussion and Analysis.

(4) The amount reflected in this column assumed that all goals are met at the Threshold level. The amount paid would be reduced on a pro rata basis for each goal not met.

(5) The amount reflected in this column represents 45% of base salary and assumes that the Bank s performance is better than the prior year on an absolute basis. If the performance was within the 50th and 59th percentile of the peer group but the year-over-year absolute performance of the Bank was not higher, the target award payment would be reduced to 30%.

(6) The period of restriction applicable to the awards of restricted stock units under this heading lapse in three equal vesting periods in November of 2019, 2020, and 2021, respectively. In addition, vesting of units and the lapse of the restrictions may accelerate upon certain events, including the death, disability, or retirement of an award holder. Following lapse of the period of restriction, settlement of the awards will be made only in cash.

(7) The amounts in these columns are the grant date fair value, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 Compensation-Stock Compensation (FASB ASC 718) for the stock awards (consisting of restricted stock units and performance shares) in 2018. The assumptions made in the valuation of the awards are described in note 9 to TrustCo s consolidated financial statements for the years ended December 31, 2018 under the heading Stock Based Compensation Plans-Equity Awards. For financial reporting purposes, the estimated values of these grants are spread over future periods; however, for this table the total cost of the grants are reflected in the year of the grant. For purposes of calculating the grant date fair value of the performance shares set forth above, the Company assumed the achievement of the performance goal at the target level.

The Company s Compensation Committee established three weighted performance measures for 2018 under the Executive Officer Incentive Plan. The performance measures for 2018 were (i) Return on Average Assets, (ii) Efficiency Ratio and, (iii) the tier 1 Risk-Based Capital Ratio. The ROAA and Efficiency Ratio measures each had a 30% weighting and the tier 1 Risk-Based Capital Ratio had a weighting of 40%. Bonus payments under the plan were subject to the Company s achievement of specified, weighted performance measures for 2018 relative to the performance of TrustCo s peer group for 2018 as follows:

If TrustCo s results under a performance measure were equal to 40th to 49th percentile of the peer group performance (provided performance is better than 2017 performance on an absolute basis) the bonus was to be 15% of base salary multiplied by the weighting factor of that performance measure.

For Target 1, If TrustCo s results under a performance measure were equal to 50th to 59th percentile of the peer group median performance the bonus was to be 30% of base salary multiplied by the weighting factor of that performance measure.

For Target 2, If TrustCo s results under a performance measure were equal to 50th to 59th percentile of the peer group median performance (provided performance is better than 2017 performance on an absolute basis) the bonus was to be 45% of base salary multiplied by the weighting factor of that performance measure.

If TrustCo s results under a performance measure were 60th percentile or greater than that of the peer group median performance the bonus was to be 60% of base salary multiplied by the weighting factor of that performance measure.

The Compensation, Discussion and Analysis describes in greater detail the performance measures established under the Executive Officer Incentive Plan for 2018.

On November 20, 2018, TrustCo approved awards of restricted stock units and performance shares to its named executive officers, all of which were made under the 2010 Equity Incentive Plan. The restricted stock unit awards will settle in cash in three equal increments in November 2019, 2020, and 2021, respectively. In addition, vesting of units may accelerate upon certain events, including the death, disability, or retirement of an award holder. Each performance share represents the right to receive upon settlement an amount in cash equal to the fair market value of one share of TrustCo common stock as of the last trading day of the performance period. The performance shares generally will vest at the end

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of a three-year performance period based upon continued employment through the end of the performance period and the achievement of corporate performance goals. The three-year performance period for the 2018 awards runs from January 1, 2019 through December 31, 2021. Additional information regarding the performance shares is provided above in the Compensation Discussion and Analysis.

The following table provides information on the stock options, shares of restricted stock, restricted stock units and performance shares held by the named executive officers as of December 31, 2018.

Outstanding Equity Awards as of December 31, 2018

		Option Awards	Stock Awards
Name	Grant Date (1)	Number of Securities Underlying Unexercised Options	