



NOTICE OF
ANNUAL MEETING OF STOCKHOLDERS
AND
PROXY STATEMENT

DATE

APRIL 30, 2020

TIME

4:00 P.M. Local Time

PLACE

Old Derby Academy
34 Main Street
Hingham, MA 02043

HINGHAM INSTITUTION FOR SAVINGS
55 Main Street
Hingham, Massachusetts 02043
(781) 749-2200

**NOTICE OF 2020 ANNUAL MEETING
OF STOCKHOLDERS**

To the Holders of Common Stock
of Hingham Institution for Savings

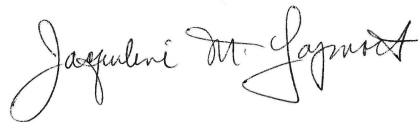
NOTICE IS HEREBY GIVEN that the 2020 Annual Meeting of Stockholders of Hingham Institution for Savings (the "Bank") will be held at the Old Derby Academy, 34 Main Street, Hingham, Massachusetts 02043, on Thursday, April 30, 2020 at 4:00 p.m. local time (the "Meeting") for the following purposes, all as set forth in the attached Proxy Statement:

1. To elect five Class II Directors named in the proxy statement, each to serve for a three-year term and until his or her respective successor is duly elected and qualified;
2. To elect Jacqueline A. Youngworth as the Clerk of the Bank, to hold office until the 2021 Annual Meeting of Stockholders, and until her successor is duly elected and qualified;
3. To approve, by advisory vote, the Bank's named executive officer compensation;
4. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 2, 2020, as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the Meeting and any adjournments thereof.

Your attention is called to the accompanying Proxy Statement.

By Order of the Board of Directors,



Jacqueline M. Youngworth
Clerk

Hingham, Massachusetts
March 13, 2020

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING REGARDLESS OF THE NUMBER OF SHARES YOU MAY HOLD. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE WHICH REQUIRES NO POSTAGE IF MAILED WITHIN THE UNITED STATES. IT IS IMPORTANT THAT PROXIES BE MAILED PROMPTLY.

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Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on April 30, 2020:

This Proxy Statement and the Bank’s Annual Report on Form 10-K for the fiscal year ended 2019 are available electronically at www.hinghamavings.com

HINGHAM INSTITUTION FOR SAVINGS

55 Main Street

Hingham, Massachusetts 02043

(781) 749-2200

**PROXY STATEMENT
FOR THE
2020 ANNUAL MEETING OF STOCKHOLDERS**

Accompanying this Proxy Statement is a Notice of the 2020 Annual Meeting of Stockholders (the “Meeting”) of Hingham Institution for Savings (the “Bank”) to be held at the Old Derby Academy, 34 Main Street, Hingham, Massachusetts 02043, on Thursday, April 30, 2020, at 4:00 p.m. local time. If you need directions to the Meeting location in order to attend and vote in person, please call (781) 749-2200. Also enclosed is a form of proxy for the Meeting (and any adjournment or postponement thereof). This Proxy Statement and the enclosed form of proxy are furnished in connection with the solicitation of proxies by the Board of Directors of the Bank, and are first being sent to stockholders on or about March 13, 2020.

PROXY SUMMARY

Date, Time and Place of Annual Meeting

The Annual Meeting of Stockholders will be held at the Old Derby Academy, 34 Main Street, Hingham, Massachusetts 02043, on Thursday, April 30, 2020, at 4:00 p.m. local time.

Purpose of the Annual Meeting

The purpose of the Meeting is: (1) to elect five Class II Directors of the Bank to serve for a three-year term; (2) to elect a Clerk of the Bank to serve for a one-year term; (3) to approve, by advisory vote, the Bank’s named executive officer compensation; and (4) to transact such other business as may properly come before the Meeting and any adjournment or postponement thereof.

Record Date and Required Stockholder Vote

The Board of Directors has fixed the close of business on March 2, 2020 as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof. Only holders of record of the Bank’s Common Stock at the close of business on the record date will be entitled to notice of, and to vote at, the Meeting or any adjournments thereof. At the close of business on the record date, there were 2,136,750 shares of the Bank’s common stock, \$1.00 par value per share (the “Common Stock”) issued and outstanding. Each outstanding share of Common Stock is entitled to one vote.

The presence, in person or by proxy, of the holders of a majority in interest of all Common Stock issued, outstanding and entitled to vote is necessary to constitute a quorum for the transaction of business at the Meeting. The five Class II Directors and the Clerk will be elected by a plurality of the votes cast. Abstentions and broker non-votes will have no effect on the outcome of the election of Directors and the Clerk. The affirmative vote of the holders of a majority of the shares voting on such matter is necessary to adopt the advisory vote on the Bank’s named executive officer compensation. Abstentions and broker non-votes will have no effect on the outcome of this proposal.

As of February 3, 2020, the Directors and executive officers of the Bank owned in the aggregate

approximately 33% of the issued and outstanding shares of Common Stock which may be voted at the Meeting.

Your proxy may be revoked at any time before it is exercised. Any stockholder of record attending the Meeting may vote in person even though he or she may have previously submitted a proxy. Your proxy may be revoked by written notice to the Bank prior to the Meeting, by delivering to the Bank an executed proxy bearing a later date, or by appearing in person at the Meeting and voting by ballot. If you hold your shares in “street name,” you must request a proxy from your broker, board or other nominee in order to vote at the Meeting.

PROPOSALS

Proposal One: Election of Directors (Page 7)

The Bank’s Amended and Restated Charter (the “Charter”) and By-Laws provide that the Board of Directors shall be divided into three classes, with the Directors in each class serving for a term of three years.

At the Meeting, stockholders of the Bank are being asked to elect five Class II Directors of the Bank to serve for a three-year term and until their successors are elected at the 2023 Annual Meeting of Stockholders. The Board of Directors of the Bank has nominated Brian T. Kenner, Stacey M. Page, Geoffrey C. Wilkinson, Sr., Robert H. Gaughen, Jr. and Patrick R. Gaughen, each of whom is currently serving as a Director of the Bank. See “ELECTION OF DIRECTORS (Notice Item 1).”

The Board of Directors recommends that the stockholders vote FOR the election of the five nominees.

Proposal Two: Election of Clerk (Page 33)

Under Massachusetts law, the Clerk of the Bank is to be elected by the stockholders at an annual meeting or special meeting duly called for that purpose. At the Meeting, the stockholders of the Bank are being asked to elect Jacqueline M. Youngworth, the nominee proposed by the Board of Directors, as Clerk of the Bank to serve until the 2021 Annual Meeting of Stockholders, or special meeting in lieu thereof, and until her successor is elected and qualified. See “ELECTION OF CLERK (Notice Item 2).”

The Board of Directors recommends that the stockholders vote FOR the election of Jacqueline M. Youngworth as Clerk of the Bank.

Proposal Three: Advisory Vote on Executive Compensation (Page 33)

The Board of Directors is committed to excellence in governance and the development and retention of the highest quality management team. At the Meeting, as part of that commitment, the Board is providing stockholders the opportunity to approve an advisory vote on the compensation of our named executive officers. See “ADVISORY VOTE ON EXECUTIVE COMPENSATION (Notice Item 3).”

The Board of Directors recommends that the stockholders vote FOR the approval of the compensation of the Bank’s named executive officers as disclosed pursuant to the Securities and Exchange Commission’s compensation disclosure rules.

Other Business

The Board of Directors knows of no other business to be considered at the Meeting, and the deadline for

stockholders to submit proposals or nominations has passed. However, if (1) other matters are properly presented at the Meeting, or at any adjournment or postponement of the Meeting and (2) you have properly submitted your proxy, then the persons named in the enclosed proxy will vote your shares on those matters as determined by a majority of the Board of Directors.

ELECTION OF DIRECTORS

(Notice Item 1)

The Board of Directors currently consists of fifteen members, divided into three equal classes. Each nominee elected at the Meeting will hold office for a three-year term and until his or her successor is duly elected and qualified, or until his or her earlier resignation, death or removal. Edward L. Sparda, former Director of the Bank, retired after the 2019 Annual Meeting. On September 19, 2019, Kevin W. Gaughen, a Class I Director of the Bank passed away. On September 25, 2019, the Board of Directors elected Kevin W. Gaughen, Jr. as a Class I Director of the Bank to fill the vacancy created by the death of Kevin W. Gaughen.

The names of the five nominees for Class II Directors and certain information received from them are set forth below. All five of the nominees are currently Directors of the Bank and each nominee has consented to serve if elected. If any nominee shall become unable to serve for any reason, the shares represented by the enclosed proxy will be voted in favor of such other person as the Board of Directors may at the time recommend. The following tables list the name of each nominee, his or her age, period of service as a Director of the Bank, positions with the Bank, principal occupation and other directorships held. Other than Robert H. Gaughen, Jr., the Chairman and Chief Executive Officer of the Bank, and Patrick R. Gaughen, President and Chief Operating Officer, none of the Directors or nominees is or has been an employee of the Bank or any of its affiliates. In evaluating Directors and nominees, the Board believes that Directors should possess substantial business or functional expertise, integrity, an owner-oriented attitude, and a deep interest in the Bank's affairs. In the judgment of the Nominating and Personnel Committee, as well as the Board of Directors as a whole, each of the nominees possesses such attributes. A quorum being present, the affirmative vote of the holders of a plurality of shares is required to elect each of the nominees to serve on the Board of Directors.

The Board of Directors recommends that the stockholders vote FOR the election of the five nominees.

**Nominees for Election at the Meeting
with Terms Expiring at the 2023 Annual Meeting
(Class II Directors)**

<u>Director's Name and Age</u>	<u>Positions with Bank</u>	<u>Director of Bank Since</u>	<u>Principal Occupation and Education</u>
Brian T. Kenner, Esq. Age – 68	Director	2011	Retired: former Attorney, GreenPoint Global Syracuse University, B.A. magna cum laude George Washington University, J.D., high honors
Stacey M. Page Age – 56	Director	1992	President, Hingham Jewelers, Inc. Babson College, B.S.
Geoffrey C. Wilkinson, Sr. Age – 68	Director	1993	President, George T. Wilkinson, Inc., a commercial heating company Massachusetts Maritime Academy, B.S. Ph.D. (honorary)
Robert H. Gaughen, Jr., Esq. Age – 71	Chief Executive Officer & Chairman of the Board	1991	Chief Executive Officer and Chairman of the Board of Directors of the Bank Georgetown University, B.A. Suffolk University Law School, J.D. cum laude (1)
Patrick R. Gaughen Age – 39	President and Chief Operating Officer & Director	2012	President and Chief Operating Officer of the Bank (2018 – Present) Executive Vice President of the Bank (2012 – 2018) Former Foreign Service Officer, U.S. Department of State (2008-2012) Yale University, B.A. cum laude Georgetown University Walsh School of Foreign Service, M.A. Duke University, M.A. (1)

DIRECTORS NOT STANDING FOR ELECTION

The tables set forth below provide certain information with respect to the Class I and Class III Directors.

The tables list the name of each Director, his or her age, period of service with the Bank, positions with the Bank, principal occupation and other directorships held. Each individual has been engaged in his or her principal occupation for at least ten years, except as otherwise indicated.

Directors Whose Terms Will Expire at the 2021 Annual Meeting (Class III Directors)

<u>Nominee's Name and Age</u>	<u>Positions with Bank</u>	<u>Director of Bank Since</u>	<u>Principal Occupation and Education</u>
Michael J. Desmond Age – 70	Director	2010	Vice President, Stewart Title Guarantee Co., responsible for oversight of servicing and underwriting of commercial real estate Georgetown University, B.A.
Robert A. Lane, Esq. Age – 53	Director	1993	Partner, law firm of Gaughen, Gaughen, Lane & Hernando Saint Anselm College, B.A. Suffolk University Law School, J.D. (1)
Scott L. Moser Age – 48	Director	2008	Self-employed investor Former executive IT recruiter for Jade Staffing Former President of Professional Mortgage Advisors, Inc. 2001-2010 Suffolk University, B.S. cum laude, M.B.A. cum laude
Kara Gaughen Smith Age – 36	Director	2015	Independent digital health consultant Former Community Manager, PatientsLikeMe, a venture-backed healthcare technology firm Former Case Manager, WestBridge Community Services. Yale University, B.A. Boston University, M.S. (1)
Jacqueline M. Youngworth Age – 76	Director	1997	Former Chairman of Bay State Metal Products, Inc., a manufacturer of diversified metal products Curry College, B.S.N. cum laude

**Nominees for Election at the Meeting
with Terms Expiring at the 2022 Annual Meeting
(Class I Directors)**

<u>Director's Name and Age</u>	<u>Positions with Bank</u>	<u>Director of Bank Since</u>	<u>Principal Occupation and Education</u>
Howard M. Berger, Esq. Age – 71	Director	1998	Attorney, Partner, Andover Law Center. Temple University, B.A. Suffolk University Law School, J.D.
Kevin W. Gaughen, Jr. Age – 37	Director	2019	Partner, law firm of Gaughen, Gaughen, Lane & Hernando Former Assistant District Attorney, Norfolk County District American University, B.A. Suffolk University Law School, J.D. (1)
Julio R. Hernando, Esq. Age – 49	Director	1994	Partner, law firm of Gaughen, Gaughen, Lane & Hernando Saint Anselm College, B.A. Suffolk University Law School, J.D. (1)
Robert K. Sheridan, Esq. Age – 72	Director	2012	Retired: former President, the Savings Bank Life Insurance Company of Massachusetts Boston College, B.A. cum laude Suffolk University Law School, J.D.
Ronald D. Falcione Age – 70	Director	1993	Self-employed real estate investor. Georgetown University. B.A.

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- (1) Patrick R. Gaughen, President and Chief Operating Officer and a Director of the Bank, and Director Kara Gaughen Smith are the children of Robert H. Gaughen, Jr., Chief Executive Officer and Chairman of the Board of the Bank, and are also cousins of Director Kevin W. Gaughen, Jr., Director Robert A. Lane and Director Julio R. Hernando. Directors Kevin W. Gaughen, Jr., Robert A. Lane and Julio R. Hernando are cousins, and they are nephews of Robert H. Gaughen, Jr. Directors Kevin W. Gaughen, Jr., Robert A. Lane and Julio R. Hernando are partners in the practice of law.

The Board of Directors has determined that Howard M. Berger, Michael J. Desmond, Ronald D. Falcione, Brian T. Kenner, Scott L. Moser, Stacey M. Page, Robert K. Sheridan, Geoffrey C. Wilkinson, Sr. and Jacqueline M. Youngworth, who together constitute a majority of the full Board, are independent as that term is defined by the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the NASDAQ Marketplace Rules.

MEETINGS OF THE BOARD OF DIRECTORS; BOARD STRUCTURE

The Board of Directors, which met twelve times in 2019, has four principal standing committees: the Executive Committee, the Audit Committee, the Nominating and Personnel Committee and the Community Interaction Committee. The Board meets every month to review the Bank’s performance and exposure to risk. Additionally, the independent Directors conduct a quarterly meeting chaired by the Chairperson of the

Nominating and Personnel Committee, the purpose of which is to allow for discussion of items which any member wishes to raise in the absence of the non-independent members.

The Executive Committee, composed of eight Directors, oversees the management policies and affairs of the Bank. This Committee met twenty-three times in 2019. The current members of the Executive Committee are: Michael J. Desmond, Ronald D. Falcione, Patrick R. Gaughen, Kara Gaughen Smith, Robert H. Gaughen, Jr., Robert A. Lane, Julio R. Hernando and Jacqueline M. Youngworth.

The Nominating and Personnel Committee, composed of three Directors, oversees matters pertaining to the nomination of Directors and officers and other personnel and compensation matters. This Committee also serves as the Bank's Compensation Committee and Stock Option Committee. A copy of the charter of the Nominating and Personnel Committee appears on the Investors Materials page of the Bank's website, www.hinghamavings.com/investor-materials. This Committee met four times in 2019. The current members of the Nominating and Personnel Committee are: Howard M. Berger, Michael J. Desmond and Jacqueline M. Youngworth. The Board of Directors has determined that all current members of the Nominating and Personnel Committee are independent, as that term is defined by applicable NASDAQ rules. The Nominating and Personnel Committee is authorized to retain attorneys, advisers, and consultants and to compensate them for their services.

The Nominating and Personnel Committee also makes recommendations to the full Board of Directors for nominations for Directors to be elected at each Annual Meeting of Stockholders and considers stockholder proposals for such nominations. For information regarding procedures for submitting stockholder proposals, see "STOCKHOLDER PROPOSALS."

The Audit Committee, composed of six Directors, approves the Bank's annual audit, retains the Bank's external and internal auditors and presents the audit report to the Board of Directors. A copy of the charter of the Audit Committee appears on the Investors Materials page of the Bank's website, www.hinghamavings.com/investor-materials. This Committee met four times in 2019. The Audit Committee meets at least quarterly with senior management, internal auditors and loan reviewers and also meets at least semi-annually with the Bank's independent auditors. The Committee also meets independently with the internal auditor, loan reviewers, and the independent auditor on a regular basis, without management present. The current members of the Audit Committee are: Howard M. Berger, Brian T. Kenner, Scott L. Moser, Stacey M. Page, Robert K. Sheridan and Geoffrey C. Wilkinson, Sr. The Board of Directors has determined that all members of the Audit Committee are "independent" and "independent of management," within the meaning of applicable rules of the Securities and Exchange Commission, NASDAQ and FDIC Part 363.5, and that Mr. Sheridan, an independent member of the Audit Committee, is an "audit committee financial expert" as that term is defined by the Securities and Exchange Commission, in light of his experience as the long-serving President and Chief Executive Officer of the Savings Bank Life Insurance Company of Massachusetts.

The Community Interaction Committee, currently composed of seven Director members, formulates and reviews Bank policies and practices relating to community reinvestment and fair lending efforts. This Committee met four times in 2019 and the current members are: Ronald D. Falcione, Kevin W. Gaughen, Jr., Robert H. Gaughen, Jr., Julio R. Hernando, Robert K. Sheridan, Kara Gaughen Smith and Geoffrey C. Wilkinson, Sr.

In 2019, each of the Directors of the Bank attended at least 75% of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings held by committees thereof on which any such Director served (for such period of the year as he or she served on such committee). Pursuant to Bank policy, all of the Bank's Directors are encouraged and expected to attend the Bank's Annual Meeting of Stockholders. All of the Bank's current Directors were in attendance at the Bank's 2019 Annual Meeting of

Stockholders, including Kevin W. Gaughen, Jr., who at the time was not serving as a Director of the Bank.

The Board of Directors believes that maintaining a combined Chairman of the Board and Chief Executive Officer role is the appropriate and most effective form of Board leadership structure. Such a structure provides for a focused Board effort which utilizes an involved committee structure to provide comprehensive and meaningful oversight. However, the Board recognizes the critical oversight role it plays in the Bank's corporate governance. Accordingly, the Board employs three bodies – the Executive Committee, the Audit Committee and the full Board – to provide comprehensive and meaningful oversight. The Executive Committee, which includes the Chief Executive Officer and the President, meets two times a month with senior management to review financial information, loan proposals, overdue loans, asset liability management, and exposure to risk. Given the composition of this Committee, which includes the Bank's largest shareholders, the frequency of its meetings, its broad access to operational staff and risk metrics, and its broad oversight mandate, the Board believes that the Executive Committee obviates the need for a (i) lead outside director and (ii) a separation of the Chairman and Chief Executive Officer roles. Finally, the Board conducts executive sessions of independent Directors as deemed necessary from time to time and as otherwise required by the NASDAQ rules.

Director Candidates and Qualifications

Stockholders of the Bank may recommend Director candidates for inclusion by the Board of Directors in the slate of nominees which the Board recommends to stockholders for election. The qualifications of recommended candidates will be reviewed by the Nominating and Personnel Committee (the "Committee"). If the Board determines to nominate a stockholder-recommended candidate and recommends his or her election as a Director to the stockholders, his or her name will be included in the Bank's proxy card for the stockholder meeting at which his or her election is recommended.

Stockholders may recommend individuals to the Committee for consideration as potential Director candidates by submitting their names and background to: Jacqueline M. Youngworth, Chairman of the Nominating and Personnel Committee, Hingham Institution for Savings, 55 Main Street, Hingham, MA 02043. Stockholders recommending individuals for the Committee's consideration must provide, on a timely basis, the biographical and background information as requested in the Bank's By-laws. The process followed by the Committee to identify and evaluate candidates includes requests to Board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the Committee and the Board. The Board will evaluate candidates recommended by stockholders in the same way that it evaluates all other candidates.

In considering whether to recommend any candidate for inclusion in the Board's slate of recommended Director nominees, including candidates recommended by stockholders, the Committee will apply the criteria which are set forth in the Committee's charter and otherwise consider such candidate's qualifications and skill set. These criteria may include the candidate's integrity, business acumen, experience, diligence, conflicts of interest and the ability to provide a diversity of views and experience on issues under consideration and to act in the interests of all stockholders. Directors at Hingham Institution for Savings must be owner-oriented. The Committee and the Board of Directors believe, in general, that Directors should have a meaningful portion of their net worth invested in the Bank. The Committee does not assign specific weights to particular criteria and does not have a formal diversity policy. No particular criterion is necessarily applicable to all prospective nominees. The Bank believes that the backgrounds and qualifications of the Directors, considered as a group, should provide a significant and diverse mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities.

The Board does not have a mandatory retirement age for Directors and has no plans to adopt one. Although such policies are increasingly common in the financial services industry, there is no strong empirical evidence that such policies improve long-term corporate performance. The Board believes, in contrast to received wisdom in the banking industry, that this practice may deprive corporations of substantial expertise and valuable counsel.

Stockholder Communications

The Board will give appropriate attention to written communications that are submitted by stockholders. The Chairman of the Board is primarily responsible for monitoring communications from stockholders and for providing copies or summaries of such communications to the other Directors as he considers appropriate.

Communications are forwarded to all Directors if they relate to important substantive matters and include suggestions or comments that the Chairman of the Board considers to be important for the Directors to know.

Stockholders who wish to send communications on any topic to the Board or to specified Directors should address such communications in care of Robert H. Gaughen, Jr., Chairman of the Board of Directors, at Hingham Institution for Savings, 55 Main Street, Hingham, MA 02043.

EXECUTIVE COMPENSATION

Named Executive Officers

Our named executive officers for the year ended December 31, 2019 are:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Robert H. Gaughen, Jr.	71	Director, Chief Executive Officer
Patrick R. Gaughen	39	Director, President and Chief Operating Officer
Cristian A. Melej, CFA	42	Vice President - Chief Financial Officer
Shawn T. Sullivan	58	Vice President - Commercial Lending
James J. Dell'Anno	58	Vice President - Retail Lending

Robert H. Gaughen, Jr., the Bank's principal executive officer, has served as Chief Executive Officer since 1993.

Patrick R. Gaughen joined the Bank in 2012 as Vice President - Chief Strategy and Corporate Development Officer and served as Senior Vice President - Chief Strategy and Corporate Development Officer since April of 2013. In April 2014, he was promoted to Executive Vice President and in April 2018 was promoted to President and Chief Operating Officer. Before joining the Bank, Mr. Gaughen was a Foreign Service Officer with the U.S. Department of State providing analytical and decision-support for senior U.S. policymakers regarding U.S. foreign policy in the Near East.

Cristian A. Melej, CFA, the Bank's Principal Financial and Accounting Officer, joined the Bank in 2016 as Vice President and Chief Financial Officer. Before joining the Bank, Mr. Melej was an Executive Vice President and Chief Financial Officer at C1 Financial (and its subsidiary C1 Bank) from 2013 to 2016, and previously served as Financial Officer for Restoque Comércio e Confecção de Roupas

S.A., a publicly listed Brazilian clothing retailer from 2011 to 2013.

Shawn T. Sullivan joined the Bank in 1996 as an Assistant Vice President - Commercial Lending and has served as Vice President - Commercial Lending since 1998.

James J. Dell'Anno joined the Bank in 2018 to serve as Vice President - Retail Lending. Before joining the Bank, Mr. Dell'Anno was Director of Mortgage Banking at Northeast Bank and prior to this was Vice President - Loan Administration at Stoneham Bank.

Compensation Discussion and Analysis

The Nominating and Personnel Committee of the Board, in addition to its other responsibilities, serves as the Bank's Compensation Committee. It annually reviews the compensation and benefits of senior management and makes recommendations about compensation to the full Board of Directors. It solicits observations and recommendations from the Chief Executive Officer with regard to the performance of other individual members of senior management and invites his participation in their discussions before they deliberate and make their decisions. As part of the Bank's commitment to strong corporate governance, given the family relationship between the Chief Executive Officer and the President and Chief Operating Officer, the Nominating and Personnel Committee also directly reviews the performance of the President and Chief Operating Officer and reviews the same with the full Board of Directors.

The Committee's compensation philosophy is to set management compensation at such levels as to attract and retain senior executives who will contribute to the long-term success and growth of the Bank. Senior management is compensated primarily through annual base salary and the long-term and short-term employee benefits described below, supplemented occasionally by bonuses and stock option grants. The single instance where the Committee employs a limited bonus plan to reward performance is a plan for loan officers which is intended to reward the effective administration of a high-quality loan portfolio. These awards take into consideration established internal performance goals but are made at the complete discretion of the Committee and the Board of Directors taking into account all factors which become relevant during the course of the year and are not driven solely or primarily by volume. The Committee does not consider these awards to be "incentive" compensation as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act. The awards do not generally exceed 15% of a listed individual's total compensation and any risks arising from the Bank's compensation policies and practices are not reasonably likely to have a material adverse effect on the Bank, as the loan officers have no individual lending authority. The Committee's practices in regard to the mix of components within the executives' overall compensation packages has developed for a number of reasons:

- The Committee's philosophy is to compensate primarily by means of annual base compensation due to its belief that a larger base compensation reflects management's actual long-term value to the Bank. In this respect, the Committee does not believe in providing an arbitrarily low base compensation.
- The Committee believes that short-term period-to-period changes in performance metrics do not drive the intrinsic value of the Bank in a fundamental way. The Committee is also cognizant of relevant experience within the commercial banking and thrift industries which counsels against providing management with strong incentives to attain short-term performance goals. As such, the Committee limits the number of short-term bonuses which are provided to executives. The two most senior officers - Mr. R. Gaughen and Mr. P. Gaughen - do not receive bonuses.
- The Committee also believes that existing levels of stock ownership by management and the Board generally establish sufficient alignment of stockholder and management interests. The ownership

interests of the two most senior officers - Mr. R. Gaughen and Mr. P. Gaughen - and their immediate family are such that their pro-rata interest in the earnings of the Bank significantly exceed their direct compensation. In 2019, the Vice President and Chief Financial Officer was awarded 2,000 options in his capacity as an officer of the Bank.

In establishing its annual compensation recommendations for Messrs. Gaughen and the other executives, the Committee considers the Bank's current and long-term return on assets, return on equity, increases in book value per share and dividends declared, and operational efficiency. Long-term increases in the size of the loan and deposit portfolios are considered insofar as they may drive performance in the above metrics. The Committee additionally considers statistics regarding general compensation levels in the industry and the Committee's qualitative assessment of each executive's own performance for the year as that performance relates to maximizing long-term value for the Bank's ownership. In doing so, the Committee relies on its own good judgement without relying on specific quantitative formulas tying compensation to particular measures of financial performance or to industry-wide or peer-group compensation benchmarks. The Committee is particularly skeptical of complex compensation systems designed and implemented by external consultants. In 2018, the Committee retained Arthur T. Warren and Associates for the purpose of reviewing the reasonability of the Bank's executive compensation levels and practices with respect to the Bank's peers. The firm confirmed the reasonability of both the Bank's executive compensation levels and practices. The Committee plans to engage a compensation consultant to conduct a similar review in 2020.

The Bank has employment agreements in place with Mr. R. Gaughen, Mr. P. Gaughen, and Mr. Sullivan and change in control agreements in place with Mr. Melej and Mr. Dell'Anno. See "Employment Agreements and Change in Control Agreements." The Committee considers that such agreements offer reasonable incentives to retain valued executives.

Although the Bank has historically had in place supplemental retirement provisions for Mr. R. Gaughen, in April 2018, at the mutual agreement of the Bank and Mr. Gaughen, the Supplemental Executive Retirement Plan ("SERP") was terminated as part of a recodification of Mr. Gaughen's employment agreement. This allowed the Bank to simplify its internal pay and benefit processes. It did not result in a material change to the level of Mr. Gaughen's total compensation. The Bank does not maintain deferred compensation arrangements or supplemental retirement provisions for any members of management. All executives benefit from the Bank's matching contributions to the Bank's 401(k) plan, which provides for an option for all full-time employees to purchase shares in the Bank at market prices.

The Committee considers the results of the shareholder advisory vote on the Bank's executive compensation as part of its determination regarding the amount and mix of compensation awarded to our executive officers. At our 2018 Annual Meeting, our stockholders approved an advisory vote on executive compensation with approximately 96.8% of shares present and voting on such matter voting in favor. At our 2019 Annual Meeting, our stockholders approved an advisory vote on the Bank's executive compensation with approximately 93.5% of shares present and voting on such matter voting in favor. The Committee believes that the support received from our stockholders at the 2018 and 2019 Annual Meetings serves to validate the Committee's approach to compensation, and the Committee did not make any changes in 2019 in response to the votes at the 2018 and 2019 Annual Meetings.

Compensation Committee Report

We have reviewed and discussed the foregoing compensation discussion and analysis with management. Based on our review and discussion with management, we have recommended to the Board of Directors that the compensation discussion and analysis be included in this proxy statement and in the Bank's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Submitted by: Howard M. Berger, Esq.
 Michael J. Desmond
 Jacqueline M. Youngworth
 Members, Nominating and Personnel Committee

Notwithstanding anything to the contrary set forth in any of the Bank's previous filings under the Exchange Act, that incorporate future filings, including this proxy statement, in whole or in part, the foregoing compensation committee report shall not be incorporated by reference into any such filings.

Summary Compensation Table

The remuneration paid to or accrued during the years ended December 31, 2019, 2018 and 2017 for the named executive officers was as follows.

SUMMARY COMPENSATION TABLE

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Option Awards (\$)</u>	<u>Nonqualified Deferred Compensation Earnings (\$)</u>	<u>All Other Compensation (\$)</u>	<u>Total (\$)</u>
Robert H. Gaughen, Jr. Chief Executive Officer	2019	1,937,281	-	-	-	31,931 ⁽¹⁾	1,969,212
	2018	1,661,552	-	-	-	233,110 ⁽¹⁾	1,894,662
	2017	1,217,115	-	-	-	632,366 ⁽¹⁾	1,849,481
Patrick R. Gaughen President and Chief Operating Officer	2019	711,539	-	-	-	16,800 ⁽²⁾	728,339
	2018	611,539	-	-	-	16,500 ⁽²⁾	628,039
	2017	508,462	-	-	-	16,200 ⁽²⁾	524,662
Cristian A. Melej Vice President and Chief Financial Officer	2019	439,344	-	78,214 ⁽³⁾	-	16,800 ⁽²⁾	534,358
	2018	415,200	-	-	-	16,500 ⁽²⁾	431,700
	2017	400,200	-	-	-	16,200 ⁽²⁾	416,400
Shawn T. Sullivan Vice President - Commercial Lending	2019	363,356	42,000	-	-	16,800 ⁽²⁾	422,156
	2018	348,132	40,000	-	-	16,500 ⁽²⁾	404,632
	2017	332,170	35,000	-	-	16,117 ⁽²⁾	383,287
James J. Dell'Anno Vice President - Retail Lending ⁽⁴⁾	2019	225,000	-	-	-	5,192 ⁽²⁾	230,192
	2018	12,981	-	-	-	-	12,981
	2017	-	-	-	-	-	-

- (1) The amounts represent (a) taxable income of \$9,591, \$10,070 and \$8,423 in 2019, 2018 and 2017, respectively, for Mr. Gaughen's pro rata portion of annual lease payments made by the Bank on a vehicle leased by the Bank, which pro rata portion is based on Mr. Gaughen's personal use of the vehicle, (b) \$5,540, \$5,318 and \$4,077 paid by the Bank in 2019, 2018, and 2017, respectively, to Cohasset Golf Club for both business and personal use, (c) contributions of \$16,800, \$16,500 and \$16,200 paid by the Bank to Mr. Gaughen's 401(k) plan in 2019, 2018, and 2017, respectively, and (d) \$201,222 and \$603,666 paid by the Bank to Mr. Gaughen in 2018 and 2017, respectively, under the terms of a supplemental employment retirement plan established on September 1, 2002, amended on November 5, 2003, April 27, 2006 and October 21, 2009 and terminated on April 26, 2018. See "Retirement and Other Post-Employment Compensation" for additional information regarding the item in (c) and (d) above.
- (2) These amounts represent contributions to the 401(k) plan for 2019, 2018 and 2017, respectively, and for both Mr. P. Gaughen and Mr. Melej were \$16,800, \$16,500 and \$16,200; for Mr. Sullivan were \$16,800, \$16,500 and \$16,117. For Mr. Dell'Anno, these contributions were \$5,192 for 2019. See "Retirement and Other Post-Employment Compensation" for additional information.
- (3) The amounts shown reflect the grant date fair value computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718 (excluding the effect of estimated forfeitures). In 2019, Mr. Melej was granted 2,000 stock options which vest on the third anniversary of the date of grant. Refer to the Bank's Form 10-K for the fiscal year dated December 31, 2019, filed on March 3, 2020 with the Federal Deposit Insurance Corporation for the assumptions relating to these awards.
- (4) Mr. Dell'Anno joined the Bank on November 26, 2018.

Pay Ratio Disclosure

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

For 2019, our last completed fiscal year:

- the median of the annual total compensation of all employees of the Bank (other than our CEO) was \$68,359; and
- the annual total compensation of our CEO, as reported in the Summary Compensation Table included elsewhere in this Proxy Statement, was \$1,969,212.

Based on this information, for 2019 the ratio of our Chief Executive Officer's annual total compensation was 28.8 times that of the median of the annual total compensation of all employees.

To identify the median of the annual total compensation of all our employees, as well as to determine the annual total compensation of our median employee and our CEO, we took the following steps:

1. We determined that, as of December 31, 2019, our employee population consisted of approximately 106 individuals, all located in the United States. This population consisted of our full-time, part-time, and temporary employees.

2. To identify the “median employee” from our employee population, we compared the amount of salary, wages, and tips of our employees as reflected in our payroll records as reported to the Internal Revenue Service on Form W-2 for 2019.
3. We identified our median employee using this compensation measure, which was consistently applied to all our employees included in the calculation. Since all our employees are located in the United States, as is our CEO, we did not make any cost-of-living adjustments in identifying the “median employee.”
4. Once we identified our median employee, we combined all of the elements of such employee’s compensation for 2019 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in annual total compensation of \$68,359. The difference between such employee’s salary, wages, tips, and overtime pay and the employee’s annual total compensation represents the estimated value of the 401(k) plan matching and profit sharing contributions paid to the employee by the Bank.
5. With respect to the annual total compensation of our CEO, we used the amount reported in the “Total” column of our 2019 Summary Compensation Table included in this Proxy Statement.

GRANTS OF PLAN-BASED AWARDS

<u>Name</u>	<u>Grant Date</u>	All Other Option Awards: Number of Securities Underlying <u>Options (#)</u>	Option Exercise Price <u>(\$/Sh)</u>	Grant Date Fair Value of Stock and <u>Option Awards (\$)</u>
Cristian A. Melej	04-25-2019	2,000 ⁽¹⁾	182.95	78,214

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- (1) Options were granted as part of the Hingham Institution for Savings 2014 Nonstatutory Stock Option Plan (the “2014 Stock Option Plan”), which was approved by stockholders at the April 24, 2014 Annual Meeting. Mr. Melej’s options vest on the third anniversary of the effective date.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Option Awards ⁽¹⁾					
<u>Name</u>	<u>Number of Securities Underlying Unexercised Options (#) Exercisable</u>	<u>Number of Securities Underlying Unexercised Options (#) Unexercisable</u>	<u>Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)</u>	<u>Option Exercise Price (\$/Sh)</u>	<u>Option Expiration Date</u>
Robert H. Gaughen, Jr.	22,000	-	-	70.93	04-24-2024
Patrick R. Gaughen	3,000 ⁽²⁾	-	-	57.92	04-26-2022
	22,000	-	-	70.93	04-24-2024
	-	13,000	-	126.17	04-28-2026
Cristian A. Melej	5,000	-	-	138.30	10-17-2026
	-	2,000	-	182.95	04-25-2029

- (1) All options were granted with exercise prices equal to 100% of the fair market value on the date of grant. None of the options is an incentive stock option. The 20,000 options granted on April 24, 2014 to each of Mr. R. Gaughen and Mr. P. Gaughen, vested 25% on each anniversary date beginning with April 24, 2015. Additionally, 2,000 options granted to Mr. R. Gaughen and Mr. P. Gaughen were exercisable when granted on April 24, 2014. The 13,000 options granted on April 28, 2016 to Mr. P. Gaughen vest on the fifth anniversary of the grant date. The 5,000 options granted to Mr. Melej on October 17, 2016 vested on the third anniversary of the grant date. The 2,000 options granted to Mr. Melej on April 25, 2019 vest on the third anniversary of the grant date. The Stock Option Committee retains discretion, subject to the limitations set forth in the stock option plan, to modify the terms of outstanding options but under no circumstances may the options be repriced. Full details regarding these options are contained in the 2014 Stock Option Plan. The options were granted for a term of 10 years, subject to earlier termination in certain events relating to termination of employment.
- (2) The 3,000 options were granted to Mr. P. Gaughen in 2012 in his capacity as Director only, before he joined the Bank as an Officer.

Options Exercises and Stock Vested

No options were exercised during 2019 by any of the named executive officers.

Retirement and Other Post-Employment Compensation

Each employee having completed three months of continuous service beginning with such employee's date of employment, becomes a participant in the Bank's 401(k) plan, administered by the Savings Bank Employee Retirement Association. Bank officers participate in the plan on the same basis as all other employees. Each participant may defer up to 75% of his or her income on a tax-favored basis, up to applicable Internal Revenue Service limits. The Bank's matching contribution policy is to contribute \$0.50 for each dollar contributed by the employee up to a maximum matching contribution equal to 3% of the employee's yearly compensation. Additionally, the Bank makes a contribution equal to 3% of yearly compensation for all 401(k) participants, whether or not they choose to make any contributions. All participants become fully vested after two years of service or age 59½, if earlier.

The Bank does not have a defined benefit retirement plan or SERP.

Employment Agreements and Change in Control Agreements

Robert H. Gaughen, Jr., the Bank's Chief Executive Officer, entered into an employment agreement with the Bank dated April 26, 2018. This agreement superseded the prior employment agreement dated November 20, 1995. The 2018 employment agreement terminated the SERP, increased Mr. Gaughen's salary, and incorporated existing death and health benefits as provided below:

- *Bank Owned Life Insurance:* Mr. Gaughen's employment agreement incorporates a death benefit of \$4,000,000 payable by the Bank to his designated beneficiaries, provided that the benefit will be reduced to \$2,183,000 upon his attaining the age of 80. The Bank makes annual non-cash charges against earnings in anticipation of this event. In 2019, these charges amounted to \$78,000, which amount is based on actuarial assumptions rather than on insurance premiums or contributions. The cash surrender value of all the insurance policies owned by the Bank at December 31, 2019 was \$12,727,000. The death benefit of the insurance policies owned by the Bank at December 31, 2019 was approximately \$21,997,500.
- *Post-Retirement Health Care:* In 2006, Mr. Gaughen's employment agreement was revised to provide for post-retirement health insurance coverage ("health benefit"). It was also amended to reflect his voluntary waiver of his right to accelerate payment of all supplemental retirement benefits upon early retirement on a date of his choosing. The Bank established an unfunded post-retirement health benefit plan for Mr. Gaughen at that time and began making non-cash charges against earnings. The health benefit was incorporated in the 2018 Employment Agreement in the same terms. In 2019, the Bank expensed non-cash charges of \$23,440 in accordance with generally accepted accounting principles, although no cash premiums or contributions were paid.

Mr. Gaughen's salary is subject to review and adjustment no less frequently than annually, in an amount reflecting cost-of-living increases as well as any merit increases which the Board of Directors may consider appropriate. Mr. Gaughen's annual salary is currently \$1,966,369, and he is eligible to participate on an equitable basis in all of the Bank's bonus and fringe benefit plans, subject to applicable eligibility requirements. Furthermore, Mr. Gaughen's employment agreement provides that he may not be required to relocate outside the Bank's primary geographic area. The contract currently provides for a term ending in April 2022. Unless either party gives written notice to the contrary, the term of the agreement shall be extended for successive one-year periods in April of each year, provided that the then remaining term of the contract never exceeds three years.

Patrick R. Gaughen, the Bank's President and Chief Operating Officer, entered into an employment agreement with the Bank dated April 24, 2014, which provides that Mr. Gaughen's salary is subject to review and adjustment no less frequently than annually, in an amount reflecting cost-of-living increases as well as any merit increases which the Board of Directors may consider appropriate. This agreement was amended on April 26, 2018 to update Mr. Gaughen's title to President and Chief Operating Officer. All other terms and conditions of the contract remained unchanged. Mr. Gaughen's annual salary is currently \$750,000, and he is eligible to participate on an equitable basis in all of the Bank's bonus and fringe benefit plans, subject to applicable eligibility requirements. Furthermore, Mr. Gaughen's employment agreement provides that he may not be required to relocate outside the Bank's primary geographic area. The contract currently provides for a term ending in April 2022. Unless either party gives written notice to the contrary, the term of the agreement shall be extended for successive one-year periods in April of each year, provided that the then remaining term of the contract never exceeds three years.

Cristian A. Melej, the Bank's Vice President - Chief Financial Officer, has entered into a change in control agreement with the Bank dated October 17, 2016. Mr. Melej's annual salary is currently \$450,684, and he is eligible to participate on an equitable basis in all of the Bank's bonus and fringe benefit plans, subject to applicable eligibility requirements. The contract is reviewed annually to determine whether it will be extended for one-year periods and currently provides for a term ending in April 2021. Unless either party gives written notice to the contrary, the term of the agreement shall be extended for successive one-year periods in April of each year, provided that the then remaining term of the contract never exceeds two years.

Shawn T. Sullivan, the Bank's Vice President - Commercial Lending, has entered into an employment agreement with the Bank dated April 29, 1999. Mr. Sullivan's annual salary is currently \$368,812 and he is eligible to participate on an equitable basis in all of the Bank's bonus and fringe benefit plans, subject to applicable eligibility requirements. Furthermore, Mr. Sullivan's employment agreement provides that he may not be required to relocate outside the Bank's primary geographic area. The contract is reviewed annually to determine whether it will be extended for one-year periods and currently provides for a term ending in April 2021. Unless either party gives written notice to the contrary, the term of the agreement shall be extended for successive one-year periods in April of each year, provided that the then remaining term of the contract never exceeds two years.

James J. Dell'Anno, the Bank's Vice President - Retail Lending, has entered into a change in control agreement with the Bank dated November 26, 2018. Mr. Dell'Anno's annual salary is currently \$225,000, and he is eligible to participate on an equitable basis in all of the Bank's bonus and fringe benefit plans, subject to applicable eligibility requirements. The contract is reviewed annually to determine whether it will be extended for one-year periods and currently provides for a term ending in April 2021. Unless either party gives written notice to the contrary, the term of the agreement shall be extended for successive one-year periods in April of each year, provided that the then remaining term of the contract never exceeds two years.

Each of the employment agreements described above for Mr. R. Gaughen, Mr. P. Gaughen and Mr. Sullivan has similar termination and change in control provisions. Should the executive resign during the term of the contract, without the approval of the Board of Directors or in some circumstances following a change in control, as described below, the executive will forfeit all rights under the agreement and the Bank is entitled, among other things, to have the executive enjoined from working for another bank or thrift institution in Plymouth, Barnstable, or Norfolk County or certain other areas of Massachusetts during the remaining term. The Bank is entitled to terminate the executive's employment at any time with or without cause. Termination without cause requires the payment of severance pay in amounts equal to the executive's salary over the remaining term of the contract, plus continuation of employee benefits during such period for Mr. R. Gaughen and Mr. P. Gaughen. Such payment is not to be reduced by any compensation which the executive may

subsequently earn from other sources.

If the executive were to be terminated by the Bank other than for cause or resign for good reason in connection with or within one year after such a change in control, he or she would be entitled to receive a lump sum cash payment (in lieu of his or her regular severance pay) equal to a multiple of their average annual compensation (three times, in the case of Mr. R. Gaughen, 2.99 times in the case of Mr. P. Gaughen and twice this amount in the case of Mr. Sullivan) with respect to the five most recent taxable years ending prior to such change in control (or such portion thereof as they were full-time employees of the Bank), less one dollar and less any special bonus paid in connection with the change in control. If such lump sum cash payments had been made on December 31, 2019, the approximate amounts payable would have been \$5,504,961 for Mr. R. Gaughen, \$1,646,773 for Mr. P. Gaughen and \$891,031 for Mr. Sullivan. If the executive were to terminate his or her employment voluntarily for good reason, as defined below, in connection with or within one year after a change in control, he or she would be entitled to receive a similar lump sum cash payment. “Good reason” includes a reduction in compensation, a forced relocation, material increase in the executive’s duties, or a material decrease in the executive’s position.

In the case of Mr. Melej and Mr. Dell’Anno, the change in control agreement provides for payment equal to two times the highest rate of base salary and annual cash bonus earned during the calendar year of termination or either for the two preceding years, as well as certain employee benefits. If such lump sum cash payments had been made on December 31, 2019, the approximate amount payable to Mr. Melej would have been \$901,369 and the amount payable to Mr. Dell’Anno would have been \$450,000. If the executive were to terminate his or her employment voluntarily in connection with or within one year after a change in control, he or she would be entitled to receive a similar lump sum cash payment.

Finally, all unvested stock options granted to the executives will vest in the event of a change in control of the Bank.

The executives are not entitled to receive any of the foregoing payments to the extent that such payments would be considered excess “parachute payments” under the Internal Revenue Code of 1986, as amended. In addition, federal legislation authorizes the Federal Deposit Insurance Corporation under certain circumstances to prohibit or limit payments that are contingent on the termination of a person’s employment with an insured depository institution.

More Information about Plans and Agreements

The preceding discussion of executive compensation contains descriptions of various employee benefit plans and employment-related agreements. These descriptions are qualified in their entirety by reference to the full text or detailed descriptions of the plans and agreements which are incorporated by reference as exhibits to the Bank’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

DIRECTOR COMPENSATION

Directors of the Bank receive \$1,575 for each Board of Directors meeting they attend. No such fees were paid to members of the Board of Directors who are also full-time employees of the Bank. The clerk of the Bank receives a stipend of \$12,500 per annum plus an additional fee of \$260 per meeting attended.

Each member of a committee of the Board of Directors receives \$1,575 for each committee meeting attended. The clerk and chairman of these committees each receive an additional fee of \$260 per meeting attended. None of these fees applies to any Director who is also an employee of the Bank. In addition to the above, Executive Committee members may perform certain construction loan inspections. Members are paid \$300 per construction inspection. No such fees were paid to members of the Board of Directors who are also full-time employees of the Bank. Board compensation is reviewed and approved by the Board annually. The Board believes that Directors should be owner-oriented and should have a meaningful portion of their net worth invested in the Bank.

The following table presents Director compensation for the year ended December 31, 2019.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$) ⁽¹⁾	Total (\$)
Howard M. Berger	\$ 32,475	\$ -	\$ 32,475
Michael J. Desmond	64,010	-	64,010
Ronald D. Falcione	63,450	-	63,450
Kara Gaughen Smith	30,070	32,895	62,965
Kevin W. Gaughen, Jr.	6,300	32,895	39,195
Kevin W. Gaughen	35,025	-	35,025
Patrick R. Gaughen	-	-	-
Robert H. Gaughen, Jr.	-	-	-
Julio R. Hernando	65,980	-	65,980
Brian T. Kenner	27,355	-	27,355
Robert A. Lane	58,725	-	58,725
Scott L. Moser	26,325	-	26,325
Stacey M. Page	25,855	-	25,855
Robert K. Sheridan	27,900	-	27,900
Edward L. Sparda	1,500	-	1,500
Geoffrey C. Wilkinson, Sr.	27,825	-	27,825
Jacqueline M. Youngworth	82,028	-	82,028

- (1) The amounts shown reflect the grant date fair value computed in accordance with FASB ASC Topic 718 (excluding the effect of estimated forfeitures). At December 31, 2019, the aggregate number of shares subject to option awards outstanding for Directors were: Howard M. Berger (1,000); Michael J. Desmond (5,000); Ronald D. Falcione (2,000); Kevin W. Gaughen, Jr. (1,000); Julio R. Hernando (2,000); Brian T. Kenner (2,500); Robert A. Lane (2,000); Scott L. Moser (1,000); Stacey M. Page (1,000); Robert K. Sheridan (1,000); Kara Gaughen Smith (2,000); Geoffrey C. Wilkinson, Sr. (1,000); and Jacqueline M. Youngworth (2,000). For Patrick R. Gaughen and Robert H. Gaughen, Jr., see

“Outstanding Equity Awards at Fiscal Year-End.”

Compensation Committee Interlocks and Insider Participation

The current members of the Nominating and Personnel Committee, the Bank’s Compensation Committee, are Mr. Berger, Mr. Desmond and Mrs. Youngworth. No member of the Nominating and Personnel Committee was an employee of the Bank at any time during the fiscal year ended December 31, 2019, and none was an officer of the Bank with the exception of Mrs. Youngworth, the Director who serves as the Bank’s Clerk, nor has any member of the Nominating and Personnel Committee had any relationship with the Bank requiring disclosure under Item 404 of Regulation S-K under the Exchange Act.

None of the Bank’s executive officers has served as a Director or member of the Compensation Committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers served as a Director of or member of the Nominating and Personnel Committee.

CERTAIN TRANSACTIONS WITH MANAGEMENT AND ASSOCIATES

Indebtedness of Management and Associates

In November 1993, the Bank adopted a policy providing that the Bank will not extend credit (excluding passbook loans) to Directors and Officers of the Bank, Principal Stockholders, their related interests, or any entities in which Directors or Officers or Principal Stockholders have a significant financial interest. This policy was informed by the experience of the Directors at that time as private investors in New England banks and thrifts, including the Bank, that suffered significant losses because of poor controls over insider lending. The Board believes this policy has been validated by more recent bank failures in which insider lending contributed to significant losses. The Board strongly believes that insider lending, even when well-intentioned and subject to strong and functioning internal controls, poses an unacceptable risk to banks. Through this policy, the Bank seeks to eliminate this risk rather than manage it.

To the extent the Bank has extended any fully secured passbook loans to Directors, Officers, Principal Stockholders, or related interests, Bank’s management at the time of the origination of such loans represented them as having been made in the ordinary course of business and on substantially the same terms, including interest rates, as those prevailing at the time for comparable transactions with unaffiliated persons. On December 31, 2019, no such loans were outstanding.

Other Transactions

The Bank may engage in additional transactions with, or use products or services of, Directors, nominees for Director, principal officers, principal stockholders or various organizations in which such persons may have interests or of which such persons may be Directors, nominees for Director, officers, partners or principal stockholders. With respect to the year ended December 31, 2019, unless specifically disclosed herein, any amounts so involved have not been material in relation to the business of the Bank, and it is believed that other than as described below, the amount involved in any such transaction or series of transactions did not exceed \$60,000 and was not otherwise material in relation to the business of any such person or other organization.

During 2019, the Bank paid legal fees to the law firm of Gaughen, Gaughen, Lane & Hernando LLP. These fees amounted to \$2,073,481 in connection with representation of the Bank in connection with commercial and residential mortgage loan originations, foreclosure and collection actions and certain other routine litigation. Additionally, the Bank paid \$942,033 in agency fees for title insurance due to the firm in

connection with loan originations. All of the above described legal fees and title insurance fees paid to the law firm of Gaughen, Gaughen, Lane & Hernando LLP have been reimbursed to the Bank by its borrowers, with the exception of \$169,148. These “unreimbursed” fees are primarily associated with foreclosure and collection matters and the Bank generally collects these fees from borrowers upon resolution of a troubled loan through foreclosure, litigation, or the loan returning to performing status. The Bank believes that the foregoing sums have been reasonable in relation to the services provided to the Bank. All of these services are provided pursuant to a written master agreement between the Bank and the law firm of Gaughen, Gaughen, Lane & Hernando LLP. This agreement was reviewed and approved by the independent Directors of the Board.

The Bank strongly believes that using a single law firm to oversee all conveyancing, transactional, and collection activity provides material benefits to the Bank with respect to operational efficiency, quality, and speed of execution. The Bank also believes that the transparent alignment of interests between the Bank and the firm solves certain principal-agent problems that would arise if multiple, unrelated firms represented the Bank. In accordance with the terms of this agreement, the above fees are presented to the Board of Directors on a monthly basis. It is expected that the Bank will continue to have similar transactions with, and use the services of, the law firm of Gaughen, Gaughen, Lane & Hernando LLP in the future. Directors Kevin W. Gaughen, Jr., Robert A. Lane and Julio R. Hernando are partners of Gaughen, Gaughen, Lane & Hernando LLP.

It is expected that any future transactions between the Bank and its Directors, officers, holders of 5% or more of the shares of any class of its voting stock or any affiliates thereof will be on terms no less favorable to the Bank than could be obtained by the Bank in arm’s length negotiation with unaffiliated third parties. Any such transactions would be subject to review and approval by members of the Board of Directors independent with respect to said transactions.

**PRINCIPAL STOCKHOLDERS:
SECURITY OWNERSHIP OF MANAGEMENT**

The following table sets forth information with respect to ownership of the Common Stock, the Bank's only voting security, by the Bank's Directors, nominees for Director and executive officers as of February 3, 2020. Information presented as to the Common Stock includes the number of shares beneficially owned by such person and the percentage of such number of shares to the total amount of Common Stock outstanding in accordance with Rule 13d-3 under the Exchange Act.

<u>Name of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class (1)</u>
Howard M. Berger	6,625 (2)	*
Michael J. Desmond	7,877 (3)	*
Ronald D. Falcione	54,840 (4)	2.56
Kevin W. Gaughen, Jr.	18,827 (5)	*
Patrick R. Gaughen	325,208 (6)	14.88
Robert H. Gaughen, Jr.	325,208 (6)	14.88
Julio R. Hernando	208,151 (7)	9.73
Brian T. Kenner	7,790 (8)	*
Robert A. Lane	155,143 (9)	7.25
Scott L. Moser	15,642 (10)	*
Stacey M. Page	9,804 (11)	*
Robert K. Sheridan	2,000 (12)	*
Kara Gaughen Smith	325,208 (6)	14.88
Geoffrey C. Wilkinson, Sr.	18,813 (13)	*
Jacqueline M. Youngworth	69,615 (14)	3.25
Cristian A. Melej	6,697 (15)	*
Shawn T. Sullivan	2,000 (16)	*
Directors, nominees for Director and Executive Officers as a group (17 persons)	737,718 (17)	33.36 %

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- (1) An asterisk denotes less than 1%. Applicable percentages are based on 2,136,750 shares outstanding as of February 3, 2020, adjusted as required by rules of the Securities and Exchange Commission.
- (2) Includes (i) 2,500 shares of Common Stock held directly by Mr. Berger, (ii) 3,125 shares of Common Stock held in Mr. Berger's wife's Individual Retirement Account ("IRA"), and (iii) 1,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.
- (3) Includes (i) 1,500 shares of Common Stock held directly by Mr. Desmond, (ii) 1,377 shares of Common Stock held in Mr. Desmond's IRA, and (iii) 5,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.
- (4) Includes (i) 46,176 shares of Common Stock held directly by Mr. Falcione, (ii) 4,664 shares held by Dorothy E. Falcione, his wife, (iii) 2,000 shares of Common Stock that Mr. Falcione owns jointly with his wife, and (iv) 2,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.
- (5) Includes (i) 471 shares of Common Stock held directly by Mr. Gaughen, (ii) 596 shares of Common

Stock that Mr. Gaughen owns jointly with his wife, (iii) 1,290 shares of Common Stock held in Mr. Gaughen's IRA, (iv) 56 shares of Common Stock held in Mr. Gaughen's wife's IRA account, (v) 10,250 shares of Common Stock held by the KAM Family Trust, of which Mr. Gaughen is a trustee and a beneficiary of, (vi) 5,158 shares of Common Stock held by the Gaughen Family Irrevocable Trust, of which Mr. Gaughen is a trustee and a beneficiary of, (vii) 6 shares held by Mr. Gaughen as custodian for his minor daughter, Catherine Gaughen, and (viii) 1,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.

- (6) Includes (i) 70,000 shares held in the Achill Island 2012 Irrevocable Trust, of which Robert H. Gaughen, Jr. and Patrick R. Gaughen are Co-Trustees and in which Robert H. Gaughen, Jr. disclaims any beneficial ownership and voting authority is shared subject to the Gaughen Family Bank Stock Agreement III ("GFBSA III") as detailed below, (ii) 70,843 shares held in the Ballina 2012 Irrevocable Trust, of which Margaret A. Corrigan and Patrick R. Gaughen are Co-Trustees and in which Margaret A. Corrigan disclaims any beneficial ownership and for which voting authority is shared subject to GFBSA III, (iii) 23,642 shares held in Robert H. Gaughen, Jr.'s IRA for which voting authority is shared subject to GFBSA III and in which Patrick R. Gaughen and Kara Gaughen Smith disclaim any beneficial interest, (iv) 40,782 shares held directly by Robert H. Gaughen, Jr. for which voting authority is shared subject to GFBSA III and in which Patrick R. Gaughen and Kara Gaughen Smith disclaim any beneficial interest, (v) 8,457 shares held in Robert H. Gaughen, Jr.'s Savings Bank Employee Retirement Association ("SBERA") account for which voting authority is shared subject to GFBSA III and in which Patrick R. Gaughen and Kara Gaughen Smith disclaim any beneficial interest, (vi) 1,647 shares held in Patrick R. Gaughen's SBERA account for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (vii) 1,597 shares held in Patrick R. Gaughen's IRA for which voting authority is shared subject to GFBSA III and in which Kara Gaughen Smith and Robert H. Gaughen, Jr. disclaim any beneficial interest, (viii) 1,737 shares held in Katherine L. Gaughen's IRA for which voting authority is shared subject to GFBSA III and in which Kara Gaughen Smith and Robert H. Gaughen, Jr. disclaim any beneficial interest, (ix) 31,090 shares held directly by Margaret A. Corrigan for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr., Patrick R. Gaughen, and Kara Gaughen Smith disclaim any beneficial interest, (x) 23,118 shares held by Margaret A. Corrigan in her IRA for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr., Patrick R. Gaughen and Kara Gaughen Smith disclaim any beneficial interest, (xi) 1,864 shares held by Patrick R. Gaughen and Katherine L. Gaughen and for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (xii) 9 shares held by Patrick R. Gaughen as custodian for his minor daughter, Elizabeth Ann Gaughen, and for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (xiii) 3 shares held by Patrick R. Gaughen as custodian for his minor son, Benjamin Patrick Gaughen, and for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (xiv) 3 shares held by Patrick R. Gaughen as custodian for his minor son, John Robert Gaughen, and for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (xv) 38 shares held in Patrick R. Gaughen's Roth IRA and for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (xvi) 1,378 shares held by Kara Gaughen Smith directly, for which voting authority is shared subject to GFBSA III, and in which Robert H. Gaughen, Jr. and Patrick R. Gaughen disclaim any beneficial interest, (xvii) 25,000 shares of Common Stock issuable to Patrick R. Gaughen pursuant to stock options exercisable on or within 60 days of February 3, 2020 and for which voting authority would be shared subsequent to exercise subject to GFBSA III, (xviii) 22,000 shares of Common Stock issuable to Robert H. Gaughen, Jr. pursuant to stock options

exercisable on or within 60 days of February 3, 2020 and for which voting authority would be shared subject to GFBSA III, and (xix) 2,000 shares of Common Stock issuable to Kara Gaughen Smith pursuant to stock options exercisable on or within 60 days of February 3, 2020 and for which voting authority would be shared subject to GFBSA III. The Gaughen Family Bank Stock Agreement III (GFBSA III) dated January 12, 2015, to which Robert H. Gaughen, Jr., Patrick R. Gaughen, Margaret A. Corrigan, and Kara Gaughen Smith are parties, is an agreement that, to the extent permissible by law and regulation, the parties shall jointly share all voting authority over all shares of the common stock of Hingham Institution for Savings currently or in the future held by any of the parties to the agreement, whether individually or in a fiduciary capacity. This agreement was in force as of the Record Date.

- (7) Includes (i) 1,136 shares of Common Stock held in Mr. Hernando's IRA, (ii) 23,634 shares of Common Stock which Mr. Hernando owns jointly with Jill Hernando, his wife, (iii) 743 shares of Common Stock held in the IRA of Jill Hernando, Mr. Hernando's wife, (iv) 17,704 shares of Common Stock held by Bay State Investment LLC, of which Mr. Hernando shares voting and dispositive power as a manager and as to which Mr. Hernando disclaims any beneficial ownership, (v) 19,672 shares of Common Stock held by the Youngworth Family Investment Trust, of which Mr. Hernando shares voting and dispositive power as a trustee and as to which Mr. Hernando disclaims any beneficial ownership, (vi) 393 shares of Common Stock held by the Shane Ryan Trust, of which Mr. Hernando shares voting and dispositive power as a trustee and as to which Mr. Hernando disclaims any beneficial ownership, (vii) 32,786 shares of Common Stock held by the Jacqueline M. Youngworth G.P.O. Revocable Trust, of which Mr. Hernando shares voting and dispositive power as a trustee and as to which Mr. Hernando disclaims any beneficial ownership, (viii) 31,442 shares of Common Stock held by the Consentino Family Trust III, of which Mr. Hernando shares voting and dispositive power as a co-trustee and as to which Mr. Hernando disclaims any beneficial ownership, (ix) 11,603 shares of Common Stock held by the Shane Ryan Investment Trust, of which Mr. Hernando shares voting and dispositive power as a trustee and as to which Mr. Hernando disclaims any beneficial ownership, (x) 11,603 shares of Common Stock held by the Thomas H. Youngworth Jr. Investment Trust, of which Mr. Hernando shares voting and dispositive power as a trustee and as to which Mr. Hernando disclaims any beneficial ownership, (xi) 10,303 shares of Common Stock held by the Kim L. Youngworth Investment Trust, of which Mr. Hernando shares voting and dispositive power as a trustee and as to which Mr. Hernando disclaims any beneficial ownership, (xii) 11,603 shares of Common Stock in the Dawn A. Ryan Investment Trust, of which Mr. Hernando shares voting and dispositive power as a trustee and as to which Mr. Hernando disclaims any beneficial ownership, (xiii) 33,529 shares of Common Stock in the Hernando Family Investment Trust, of which Mr. Hernando shares voting and dispositive power as a trustee and as to which Mr. Hernando disclaims any beneficial ownership, and (xiv) 2,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.
- (8) Includes (i) 1,675 shares of Common Stock that Mr. Kenner owns jointly with his wife, (ii) 3,015 shares of Common Stock held in Mr. Kenner's IRA, (iii) 600 shares of Common Stock held by David Kenner as to which Mr. Kenner has trading authority, and (iv) 2,500 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.
- (9) Includes (i) 33,187 shares of Common Stock held directly by Mr. Lane, (ii) 2,732 shares of Common Stock held in Mr. Lane's IRA, (iii) 1,957 shares of Common Stock held in the IRA of Martha Lane, Mr. Lane's wife, (iv) 13,270 shares of Common Stock held directly by Mrs. Lane, (v) 17,704 shares of Common Stock held by Bay State Investment LLC, of which Mr. Lane shares voting and dispositive power as a manager and as to which Mr. Lane disclaims any beneficial ownership, (vi) 19,672 shares of Common Stock held by the Youngworth Family Investment Trust, of which Mr. Lane shares voting and dispositive power as a trustee and as to which Mr. Lane disclaims any beneficial ownership, (vii) 393

shares of Common Stock held by the Shane Ryan Trust, of which Mr. Lane shares voting and dispositive power as a trustee and as to which Mr. Lane disclaims any beneficial ownership, (viii) 32,786 shares of Common Stock held by the Jacqueline M. Youngworth G.P.O. Revocable Trust, of which Mr. Lane shares voting and dispositive power as a trustee and as to which Mr. Lane disclaims any beneficial ownership, (ix) 31,442 shares of Common Stock held by the Consentino Family Trust III, of which Mr. Lane shares voting and dispositive power as a co-trustee and as to which Mr. Lane disclaims any beneficial ownership, and (x) 2,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.

- (10) Includes (i) 10,190 shares of Common Stock held directly by Mr. Moser, (ii) 150 shares of Common Stock held in Mr. Moser's IRA, (iii) 700 shares of Common Stock held by the Alexa Margaret Adams Trust, of which Mr. Moser is a co-trustee, (iv) 250 shares of Common Stock held by the Jared I. Moser Trust, of which Mr. Moser is a co-trustee (Jared I. Moser is Mr. Moser's son), (v) 500 shares of Common Stock held by the Shana Ella Moser Trust, of which Mr. Moser is a co-trustee (Shana Ella Moser is Mr. Moser's daughter), (vi) 700 shares of Common Stock held by the Ava Ruth Adams Trust, of which Mr. Moser is a co-trustee, (vii) 1,500 shares of Common Stock held by the Charlotte Moser Trust, of which Mr. Moser is a co-trustee, (viii) 500 shares of Common Stock held by the Gavin R. Moser Trust, of which Mr. Moser is a co-trustee (Gavin R. Moser is Mr. Moser's son), (ix) 600 shares of Common Stock held by the Grace Irene Moser Trust, of which Mr. Moser is a co-trustee, (x) 276 shares of Common Stock held by the Benjamin J. Moser Trust, of which Mr. Moser is a co-trustee, and (xi) 276 shares of Common Stock held by the Elyse G. Moser Trust, of which Mr. Moser is a co-trustee.
- (11) Includes (i) 2,262 shares of Common Stock held directly by Mrs. Page, (ii) 6,542 shares of Common Stock which Mrs. Page owns jointly with David B. Page, her husband, and (iii) 1,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.
- (12) Includes (i) 1,000 shares of Common Stock held directly by Mr. Sheridan and (ii) 1,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.
- (13) Includes (i) 11,851 shares of Common Stock which Mr. Wilkinson, Sr. owns jointly with Nancy S. Wilkinson, his wife, (ii) 2,587 shares of Common Stock held by New England Combustion Products owned by Mr. Wilkinson, (iii) 1,500 shares of Common Stock held in Mr. Wilkinson's IRA, (iv) 1,875 shares of Common Stock held directly by Nancy S. Wilkinson, his wife, and (v) 1,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.
- (14) Includes (i) 17,704 shares of Common Stock held by Bay State Investment LLC, of which Mrs. Youngworth is an owner, (ii) 32,786 shares of Common Stock held by the Jacqueline M. Youngworth G.P.O. Revocable Trust, as to which Mrs. Youngworth is a beneficiary thereof, (iii) 16,125 shares of Common Stock held by the Youngworth Security Trust U/DEC, as to which Mrs. Youngworth is a trustee and beneficiary thereof, (iv) 1,000 shares of Common Stock held by the Estate of Thomas H. Youngworth, Sr., as to which Mrs. Youngworth is executrix of, and (v) 2,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.
- (15) Includes (i) 1,550 shares of Common Stock which Mr. Melej owns jointly with Karin A. Jahnke, his wife, (ii) 147 shares held in Mr. Melej's SBERA account, and (iii) 5,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 3, 2020.
- (16) Comprised of 2,000 shares of Common Stock held directly by Mr. Shawn T. Sullivan.
- (17) Shared voting and dispositive power as managers of 17,704 shares of Common Stock held by the Bay

State Investment LLC is attributed to both Mr. Robert A. Lane and Mr. Julio R. Hernando in the above table. Mr. Lane and Mr. Hernando disclaim any beneficial ownership. Such shares are reflected in Mrs. Youngworth's total and are counted only once in this total.

Shared voting and dispositive power as trustees of 19,672 shares of Common Stock held by the Youngworth Family Investment Trust is attributed to both Mr. Robert A. Lane and Mr. Julio R. Hernando in the above table. Mr. Lane and Mr. Hernando disclaim any beneficial ownership. Such shares are reflected in Mr. Lane's and Mr. Hernando's total and are counted only once in this total.

Shared voting and dispositive power as trustees of 393 shares of Common Stock held by the Shane Ryan Trust is attributed to both Mr. Robert A. Lane and Mr. Julio R. Hernando in the above table. Mr. Lane and Mr. Hernando disclaim any beneficial ownership. Such shares are reflected in Mr. Lane's and Mr. Hernando's total and are counted only once in this total.

Shared voting and dispositive power as trustees of 32,786 shares of Common Stock held by the Jacqueline M. Youngworth G.P.O. Revocable Trust is attributed to both Mr. Robert A. Lane and Mr. Julio R. Hernando in the above table. Mr. Lane and Mr. Hernando disclaim any beneficial ownership. Such shares are reflected in Mrs. Youngworth's total and are counted only once in this total.

Shared voting and dispositive power as co-trustees of 31,442 shares of Common Stock held by the Consentino Family Trust III is attributed to both Mr. Robert A. Lane and Mr. Julio R. Hernando in the above table. Mr. Lane and Mr. Hernando disclaim any beneficial ownership. Such shares are reflected in Mr. Lane's and Mr. Hernando's total and are counted only once in this total.

Includes (i) 70,000 shares held in the Achill Island 2012 Irrevocable Trust, of which Robert H. Gaughen, Jr. and Patrick R. Gaughen are Co-Trustees and in which Robert H. Gaughen, Jr. disclaims any beneficial ownership and voting authority is shared subject to GFBSA III as detailed below, (ii) 70,843 shares held in the Ballina 2012 Irrevocable Trust, of which Margaret A. Corrigan and Patrick R. Gaughen are Co-Trustees and in which Margaret A. Corrigan disclaims any beneficial ownership and for which voting authority is shared subject to GFBSA III, (iii) 23,642 shares held in Robert H. Gaughen, Jr.'s IRA for which voting authority is shared subject to GFBSA III and in which Patrick R. Gaughen and Kara Gaughen Smith disclaim any beneficial interest, (iv) 40,782 shares held directly by Robert H. Gaughen, Jr. for which voting authority is shared subject to GFBSA III and in which Patrick R. Gaughen and Kara Gaughen Smith disclaim any beneficial interest, (v) 8,457 shares held in Robert H. Gaughen, Jr.'s SBERA account for which voting authority is shared subject to GFBSA III and in which Patrick R. Gaughen and Kara Gaughen Smith disclaim any beneficial interest, (vi) 1,647 shares held in Patrick R. Gaughen's SBERA account for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (vii) 1,597 shares held in Patrick R. Gaughen's IRA for which voting authority is shared subject to GFBSA III and in which Kara Gaughen Smith and Robert H. Gaughen, Jr. disclaim any beneficial interest, (viii) 1,737 shares held in Katherine L. Gaughen's IRA for which voting authority is shared subject to GFBSA III and in which Kara Gaughen Smith and Robert H. Gaughen, Jr. disclaim any beneficial interest, (ix) 31,090 shares held directly by Margaret A. Corrigan for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr., Patrick R. Gaughen, and Kara Gaughen Smith disclaim any beneficial interest, (x) 23,118 shares held by Margaret A. Corrigan in her IRA for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr., Patrick R. Gaughen and Kara Gaughen Smith disclaim any beneficial interest, (xi) 1,864 shares held by Patrick R. Gaughen and Katherine L. Gaughen and for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (xii) 9 shares held by Patrick R. Gaughen as custodian for his minor daughter, Elizabeth Ann Gaughen, and for which voting

authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (xiii) 3 shares held by Patrick R. Gaughen as custodian for his minor son, Benjamin Patrick Gaughen, and for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (xiv) 3 shares held by Patrick R. Gaughen as custodian for his minor son, John Robert Gaughen, and for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (xv) 38 shares held in Patrick R. Gaughen's Roth IRA and for which voting authority is shared subject to GFBSA III and in which Robert H. Gaughen, Jr. and Kara Gaughen Smith disclaim any beneficial interest, (xvi) 1,378 shares held by Kara Gaughen Smith directly, for which voting authority is shared subject to GFBSA III, and in which Robert H. Gaughen, Jr. and Patrick R. Gaughen disclaim any beneficial interest, (xvii) 25,000 shares of Common Stock issuable to Patrick R. Gaughen pursuant to stock options exercisable on or within 60 days of February 3, 2020 and for which voting authority would be shared subsequent to exercise subject to GFBSA III, (xviii) 22,000 shares of Common Stock issuable to Robert H. Gaughen, Jr. pursuant to stock options exercisable on or within 60 days of February 3, 2020 and for which voting authority would be shared subject to GFBSA III, and (xix) 2,000 shares of Common Stock issuable to Kara Gaughen Smith pursuant to stock options exercisable on or within 60 days of February 3, 2020 and for which voting authority would be shared subject to GFBSA III. The Gaughen Family Bank Stock Agreement III (GFBSA III) dated January 12, 2015, to which Robert H. Gaughen, Jr., Patrick R. Gaughen, Margaret A. Corrigan, and Kara Gaughen Smith are parties, is an agreement that, to the extent permissible by law and regulation, the parties shall jointly share all voting authority over all shares of the common stock of Hingham Institution for Savings currently or in the future held by any of the parties to the agreement, whether individually or in a fiduciary capacity. This agreement was in force as of the Record Date. These shares are subject to the terms and provisions of the GFBSA III and are reflected in Robert H. Gaughen, Jr.'s, Patrick R. Gaughen's, and Kara Gaughen Smith's totals and are counted only once in this total.

Delinquent Section 16(a) Reports

The Bank is required to identify in its annual proxy statement each officer, Director and 10% stockholder who has failed to file on a timely basis reports required by Section 16(a) of the Exchange Act. Kara Gaughen Smith and Kevin W. Gaughen, Jr., Directors of the Bank, were each granted 1,000 options to purchase the Bank's Common Stock on September 25, 2019 and on October 3, 2019 filed a Form 4 and amended Form 3, respectively, with the FDIC for these transactions.

**PRINCIPAL STOCKHOLDERS:
PERSONS OWNING MORE THAN FIVE PERCENT OF COMMON STOCK**

The following table sets forth information with respect to the ownership of the Common Stock by persons (including any “group” as that term is used in Rule 13d-3 of the Exchange Act) who are known to be the beneficial owners of more than five percent (5%) of the Common Stock of the Bank as of February 3, 2020. Information presented as to the Common Stock includes the number of shares beneficially owned by such person and the percentage of such number of shares to the total amount of Common Stock outstanding. Unless otherwise indicated, the address is c/o Hingham Institution for Savings, 55 Main Street, Hingham, MA 02043.

<u>Name of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership (1)</u>	<u>Percent of Class</u>
Patrick R. Gaughen (2) <i>and</i> Robert H. Gaughen, Jr. (2) <i>and</i> Margaret Corrigan (2) <i>and</i> Kara Gaughen Smith (2)	325,208	14.88%
Julio R. Hernando (3)	208,151	9.73%
Robert A. Lane (4)	155,143	7.25%

- (1) Sole voting and investment power, except as noted in the footnotes to the Management Stockholder Table. See “PRINCIPAL STOCKHOLDERS: SECURITY OWNERSHIP OF MANAGEMENT.”
- (2) See footnote 6 to the Security Ownership of Management table.
- (3) See footnote 7 to the Security Ownership of Management table.
- (4) See footnote 9 to the Security Ownership of Management table.

ELECTION OF CLERK

(Notice Item 2)

At the Meeting, the Clerk is to be elected to hold office until the next annual meeting and until his or her successor is duly elected and qualified. It is the responsibility of the Clerk to maintain a complete and accurate record of all votes and proceedings of the stockholders and of the Board of Directors at their respective meetings, as well as to perform such additional duties as the Board of Directors may from time to time determine.

The Board of Directors recommends that Jacqueline M. Youngworth be elected as Clerk of the Bank, to serve until the next annual meeting and until her successor is duly elected and qualified or until her earlier resignation, death or removal.

Mrs. Youngworth has served as a Director of the Bank since 1997 and as Clerk since 2015. Mrs. Youngworth has never been employed by the Bank. Biographical information about Mrs. Youngworth is set forth under “ELECTION OF DIRECTORS.”

Unless contrary instructions are given, shares represented by proxies solicited by the Board of Directors will be voted FOR the election of Jacqueline M. Youngworth as Clerk of the Bank to serve until the next annual meeting and until her successor is duly elected and qualified or until her earlier resignation, death or removal. A quorum being present, the affirmative vote of the holders of a plurality of shares is required to elect the Clerk of the Bank.

The Board of Directors recommends that the stockholders vote FOR the election of Jacqueline M. Youngworth as Clerk of the Bank.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

(Notice Item 3)

The Board of Directors is committed to excellence in governance and the development and retention of the highest quality management team. As part of that commitment, the Board of Directors is providing the Bank’s stockholders with an annual opportunity to approve an advisory vote on the compensation of our named executive officers as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the “Compensation Discussion and Analysis,” the compensation tables and the related narrative discussion contained in this proxy statement.

This proposal, commonly known as a “say-on-pay” proposal, gives the Bank’s stockholders the opportunity to endorse or not endorse the Bank’s executive pay program and policies. We are asking stockholders to indicate their support for the compensation of the Bank’s named executive officers as disclosed in this Proxy Statement by voting FOR the following advisory resolution:

“RESOLVED, that the compensation paid to the Bank’s named executive officers, as disclosed pursuant to applicable rules in this proxy statement is hereby approved.”

As an advisory vote, this proposal is not binding upon the Bank. The Board of Directors and Nominating and Personnel Committee value the opinions expressed by our stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for named executive officers. At our 2018 Annual Meeting, stockholders approved an advisory vote on executive

compensation with approximately 96.8% of the shares present and voting on such matter voting in favor. At our 2019 Annual Meeting, stockholders approved an advisory vote on the Bank's executive compensation with approximately 93.5% of the shares present and voting on such matter voting in favor. The Board of Directors believes that the support received from stockholders at the 2018 and 2019 Annual Meetings serves to validate the Bank's approach to compensation, and did not make any changes in 2019 in response to the votes.

The Board of Directors recommends that the stockholders vote FOR the approval of the compensation of the Bank's named executive officers as disclosed pursuant to the Securities and Exchange Commission's compensation disclosure rules.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has selected the independent registered public accounting firm of Wolf & Company, P.C. ("Wolf"), to be the independent auditors of the Bank for the fiscal year ending December 31, 2020. Wolf has no direct or indirect financial interest in the Bank nor has it had any connection with the Bank in a capacity of promoter, voting trustee, Director, officer or employee. A representative of Wolf is expected to be present at the Annual Meeting to respond to appropriate questions and will have the opportunity to make a statement if such representative so desires.

Wolf has served as independent auditors of the Bank since July 23, 1993 and, prior to the year ending December 31, 1990, Wolf served as independent auditors of the Bank for more than ten years. For the two fiscal years ending December 31, 1991 and 1992, the Bank selected the firm of KPMG, independent certified public accountants, to be the Bank's independent auditors.

The consolidated financial statements of the Bank as of December 31, 2019 and 2018 and for each of the years in the three-year period ended December 31, 2019, have been audited by Wolf. All such financial statements are included in the Bank's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, which may be obtained at www.hinghamavings.com.

The Audit Committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by the Bank's independent auditor. This policy provides that the Bank will not engage its independent auditor to render audit or non-audit services unless the service is specifically approved in advance by the Audit Committee or the engagement is entered into pursuant to appropriate pre-approval procedures. To date, the Bank has not adopted any pre-approval procedures. The Audit Committee pre-approved all services and fees of Wolf set forth below.

Audit Fees

Wolf billed the Bank an aggregate of \$201,900 and \$195,000 in fees for professional services rendered in connection with the audit of the Bank's consolidated financial statements for the fiscal years ended December 31, 2019 and 2018, respectively, and reviews of the financial statements included in each of the Bank's Quarterly Reports on Form 10-Q. The fees for both 2019 and 2018 included an audit of internal controls over financial reporting.

Audit-Related Fees

Wolf billed the Bank an aggregate of \$2,100 and \$2,000 in audit-related fees for professional services rendered to the Bank for the fiscal years ended December 31, 2019 and 2018, respectively. These fees related to agreed-upon procedures in connection with the Bank's Savings Bank Employee Retirement Association

(SBERA) 401(k) plan.

Tax Fees

Wolf billed the Bank an aggregate of \$28,000 in fees for tax related services rendered to the Bank and its affiliates for both the fiscal years ended December 31, 2019 and 2018. These fees included the quarterly estimation of taxes due, the annual preparation of Federal and State tax returns for the Bank and its subsidiaries, and an annual tax planning meeting.

All Other Fees

Wolf did not bill the Bank for other fees for professional services for the fiscal years ended December 31, 2019 and 2018.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Bank's management is responsible for the Bank's internal controls and financial reporting process. The Bank's independent registered public accounting firm is responsible for performing an independent audit of the Bank's consolidated financial statements, issuing an opinion on the conformity of those financial statements with generally accepted accounting principles, and issuing a report on internal control over financial reporting. The Audit Committee of the Board of Directors oversees the Bank's internal controls and financial reporting process on behalf of the Board of Directors.

The Audit Committee is currently composed of six members and acts under a written charter first adopted and approved in 1993. The Board has determined that all members of the Audit Committee are independent Directors, as defined by its charter, the applicable NASDAQ rules and Part 363 of the FDIC Rules and Regulations. The Board has designated Robert K. Sheridan as the "audit committee financial expert" as that term is defined by the Securities and Exchange Commission, whose rules are made applicable to the Bank by FDIC regulations, in light of his experience as the long-serving president and CEO of the Savings Bank Life Insurance Company of Massachusetts.

The Audit Committee held four meetings during the fiscal year ended December 31, 2019. The Committee has met and held discussions with management and the independent registered public accounting firm. Management represented to the Audit Committee that the Bank's consolidated financial statements were prepared in accordance with generally accepted accounting principles and the Audit Committee has reviewed and discussed the audited consolidated financial statements with management and the independent registered public accounting firm. The Audit Committee discussed with the independent registered public accounting firm matters required to be discussed by Auditing Standard No. 1301, Communication With Audit Committees, including the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements.

The Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board and has discussed with the independent registered public accounting firm the firm's independence from the Bank and its management.

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

Based on its discussions with management and the independent auditor, and its review of the representations and information provided by management and the independent auditors, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Bank's Annual Report on Form 10-K for the year ended December 31, 2019.

By the Audit Committee of the Board of Directors of Hingham Institution for Savings.

Howard M. Berger, Esq.
Brian T. Kenner, Esq.
Scott L. Moser
Stacey M. Page
Robert K. Sheridan, Esq.
Geoffrey C. Wilkinson, Sr.

OTHER MATTERS

The Board of Directors knows of no business which will be presented for consideration at the Meeting other than that set forth in this Proxy Statement. The enclosed form of proxy confers upon each proxy holder discretionary authority to vote the shares represented by such proxy in accordance with his or her best judgment with respect to any other matter which may be properly presented for action at the Meeting.

STOCKHOLDER PROPOSALS

No person who intends to present a proposal for action at the 2021 Annual Meeting of the Stockholders of the Bank may seek to have the proposal included in the proxy statement or form of proxy for the meeting unless that person (a) is a record or beneficial owner of shares of Common Stock representing at least \$2,000 in market value or 1% of the securities entitled to be voted on the proposal at the meeting, which shares have been continuously held by such person for at least one year, continue to be owned by such person at the time the proposal is submitted and through the date on which the meeting is held, (b) notifies the Bank in writing of his or her intention to appear personally or by appropriate representative at that meeting to present his or her proposal for action, (c) submits his or her proposal so that it is received at the Bank's principal executive office on or before November 13, 2020 for inclusion in the appropriate proxy statement and form of proxy relating to such meeting, and (d) otherwise satisfies the requirements of Rule 14a-8 under the Exchange Act. The Bank's By-Laws govern the submission of nominations for director or other business proposals that a stockholder wishes to have considered at a meeting of shareholders. These advance notice provisions are in addition to, and separate from, the requirements that a stockholder must meet in order to have a proposal included in the proxy statement under Securities and Exchange Commission rules. In this regard, the Bank's By-Laws provide that any Director nominations and new business submitted by stockholders must be filed with the Clerk of the Bank at the principal executive offices of the Bank at least 90 days (January 30, 2021), but not more than 120 days (December 31, 2020), prior to the first anniversary of the preceding year's annual meeting unless the date of the annual meeting is advanced by more than 20 days, or delayed by more than 60 days, from the first anniversary of the preceding year's annual meeting, in which event the By-Laws state different notice requirements. The By-Laws also provide that no other nominations or proposals by stockholders shall be acted upon at the meeting. Any such Rule 14a-8 proposal or nomination submitted pursuant to the advance notice provision should be mailed to: Clerk, Hingham Institution for Savings, 55 Main Street, Hingham, MA 02043.

STOCKHOLDERS SHARING THE SAME ADDRESS

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of our proxy statement or

annual report may have been sent to multiple stockholders in the same household. We will promptly deliver a separate copy of either document to any stockholder upon request submitted in writing to us in care of Robert H. Gaughen, Jr., Chief Executive Officer, Hingham Institution for Savings, 55 Main Street, Hingham, MA 02043, or submitted over the phone by calling us at (781) 749-2200. Any stockholder who wants to receive separate copies of the annual report and proxy statement in the future, or who is currently receiving multiple copies and would like to receive only one copy for his or her household, should contact his or her bank, broker or other nominee record holder, or contact us at the above address and phone number.

EXPENSES OF SOLICITATION

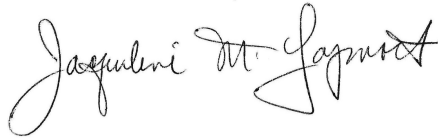
The Bank will bear the cost of preparing, assembling and mailing the Notice, Proxy Statement and form of proxy for the Meeting. Solicitation of proxies will be primarily through the use of mails, but regular employees of the Bank may solicit proxies by personal interview, by telephone or by mail without additional remuneration therefore. The Bank will also provide persons, firms, banks and corporations holding shares in their names, or in the names of their nominees, which in either case are beneficially owned by others, with proxy materials for transmittal to such beneficial owners and will reimburse such record holders for their reasonable expenses in so doing. In addition, the Bank has retained Regan & Associates, Inc. to aid in the solicitation of proxies from individuals, brokers, bank nominees and other institutional holders for the 2020 Annual Meeting, for which a base fee of \$6,500 (plus out-of-pocket expenses) will be paid.

The Board of Directors would like to have you attend the Meeting in person. However, whether or not you expect to attend the Meeting, it is very important that your shares be represented. Therefore, it would be helpful if you would sign and date the enclosed form of proxy and promptly return it.

ANNUAL DISCLOSURE STATEMENT; ANNUAL REPORT ON FORM 10-K

The Bank's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as filed with the Federal Deposit Insurance Corporation, can be obtained at www.hinghamavings.com and constitutes the annual disclosure statement of the Bank and is also available to the public at the main office and each branch office of the Bank. In addition, a copy of the Bank's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (including exhibits), may be obtained without charge, by any stockholder of the Bank upon written request addressed to Robert H. Gaughen, Jr., Chief Executive Officer, Hingham Institution for Savings, 55 Main Street, Hingham, MA 02043, telephone (781) 749-2200. This Proxy Statement and the Bank's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 are available electronically at www.hinghamavings.com. The Bank intends to make the same annually provided documents available in future years on the same website.

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Jacqueline M. Youngworth". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Jacqueline M. Youngworth
Clerk

Dated: March 13, 2020