



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

*DATE*

APRIL 28, 2022

*TIME*

2:00 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 2022 ANNUAL MEETING  
OF STOCKHOLDERS**

To the Holders of Common Stock  
of Hingham Institution for Savings

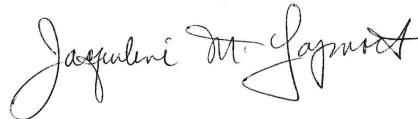
NOTICE IS HEREBY GIVEN that the 2022 Annual Meeting of Stockholders of Hingham Institution for Savings (the “Bank”) will be held at the Old Derby Academy at 34 Main Street, Hingham, Massachusetts 02043, on Thursday, April 28, 2022 at 2:00 p.m. local time (the “Meeting”). Stockholders may also attend the Meeting by means of remote communication via a video conference. The Bank reserves the right to reconsider the format of the meeting so that it is conducted in the best interests of public health and any laws or governmental orders in place on the meeting date. The Meeting is being held for the following purposes, all as set forth in the attached Proxy Statement:

1. To elect five Class I Directors named in the proxy statement, each to serve until the 2025 Annual Meeting of Stockholders, 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 2023 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 approve an amendment to Article 16 of the Bank’s Amended and Restated Charter; and
5. 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 1, 2022, 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 11, 2022

**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.**

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on April 28, 2022:**

**This Proxy Statement and the Bank's Annual Report on Form 10-K for the fiscal year ended 2021 are available electronically at [www.hinghamavings.com](http://www.hinghamavings.com)**

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**HINGHAM INSTITUTION FOR SAVINGS**

**55 Main Street**

**Hingham, Massachusetts 02043**

**(781) 749-2200**

**PROXY STATEMENT  
FOR THE  
2022 ANNUAL MEETING OF STOCKHOLDERS**

Accompanying this Proxy Statement is a Notice of the 2022 Annual Meeting of Stockholders (the “Meeting”) of Hingham Institution for Savings (the “Bank”) to be held at the Old Derby Academy at 34 Main Street, Hingham, Massachusetts 02043, on Thursday, April 28, 2022, at 2:00 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 11, 2022.

**PROXY SUMMARY**

**Date, Time and Place of Annual Meeting**

The Meeting will be held at the Old Derby Academy at 34 Main Street, Hingham, Massachusetts 02043, on Thursday, April 28, 2022, at 2:00 p.m. local time. Stockholders may also attend the Meeting by means of remote communication via a video conference. The Bank reserves the right to reconsider the format of the meeting so that it is conducted in the best interests of public health and any laws or governmental orders in place on the meeting date.

Following the formal meeting, we plan to conduct an informal meeting in person and via video conference to review the performance of the Bank and conduct a question and answer session. Additional information regarding the Meeting, including instructions for registration and attendance, will be provided on the Investors Materials page of the Bank’s website, [www.hinghamavings.com/investor-materials](http://www.hinghamavings.com/investor-materials). Voting will only take place in person or via proxy.

**Purpose of the Annual Meeting**

The purpose of the Meeting is: (1) to elect five Class I Directors of the Bank to serve until the 2025 Annual Meeting of Stockholders; (2) to elect a Clerk of the Bank to serve until the 2023 Annual Meeting of Stockholders; (3) to approve, by advisory vote, the Bank’s named executive officer compensation; (4) to approve an amendment to Article 16 of the Bank’s Amended and Restated Charter; and (5) 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 1, 2022 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, \$1.00 par value per share (the “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 2,142,400 shares of the Bank’s 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 I 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. The affirmative vote of at least 80% of the shares outstanding is necessary to adopt the amendment to Article 16 of the Bank's Amended and Restated Charter. Abstentions and broker non-votes will have the same effect as a vote against the proposal.

As of February 1, 2022, the Directors and executive officers of the Bank owned in the aggregate approximately 31% 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 8)**

The Bank's Amended and Restated 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 I Directors of the Bank to serve until the 2025 Annual Meeting of Stockholders, and until their successors are duly elected and qualified. The Board of Directors of the Bank has nominated Howard M. Berger, Esq., Kevin W. Gaughen, Jr., Esq., Julio R. Hernando, Esq., Robert K. Sheridan, Esq. and Ronald D. Falcione, 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 34)**

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 2023 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 34)**

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 the Bank's 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.**

**Proposal Four: Amendment to Article 16 of the Bank's Amended and Restated Charter (Page 35)**

Our Board of Directors has adopted a resolution proposing to amend Article 16 of our Amended and Restated Charter, as amended (the "Charter"), to simplify the process by which stockholders may amend the Bank's Bylaws. The amendment facilitates these stockholders actions by removing the requirements for Board of Directors majority approval and submission of the written proposals at least 60 days prior to the meeting at which they are to be considered (unless waived by the affirmative vote of the Board of Directors). If the proposed amendment is approved by the Bank's stockholders, Article 16 of the Charter would read in its entirety as follows:

"ARTICLE 16. Amendment of By-Laws. The By-Laws of the Bank may be adopted, altered, amended, changed or repealed by the Board of Directors or the stockholders of the Bank. Such action by the Board of Directors shall require the affirmative vote of at least two-thirds of the Directors then in office at a duly constituted meeting of the Board of Directors, unless at the time of such action there is an Interested Stockholder, in which case such action shall require the affirmative vote of at least two-thirds of the Continuing Directors then in office. Such action by the stockholders shall require the affirmative vote of at least two-thirds of the total votes eligible to be cast by stockholders at a duly constituted meeting of stockholders called expressly for such purpose."

The proposed amendment, if approved by our stockholders, will become effective upon the filing of the amendment to the Charter with, and acceptance for filing by, the Secretary of the Commonwealth of the Commonwealth of Massachusetts. See "AMENDMENT TO THE BANK'S AMENDED AND RESTATED CHARTER (Notice Item 4)."

**The Board of Directors recommends that the stockholders vote FOR the approval of the amendment to Article 16 of the Bank's Amended and Restated Charter.**

**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. The names of the five nominees for Class I 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, 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 2025 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 – 73	Director	1998	Attorney, Partner, Andover Law Center. Temple University, B.A. Suffolk University Law School, J.D.
Kevin W. Gaughen, Jr., Esq. Age – 39	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 – 51	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 – 74	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 – 72	Director	1993	Self-employed real estate investor. Georgetown University. B.A.

## DIRECTORS NOT STANDING FOR ELECTION

The tables set forth below provide certain information with respect to the Class II 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 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 – 70	Director	2011	Retired: former Attorney, GreenPoint Global Former attorney, Zurich Insurance Syracuse University, B.A. magna cum laude George Washington University, J.D., high honors
Stacey M. Page Age – 58	Director	1992	President, Hingham Jewelers, Inc. Babson College, B.S.
Geoffrey C. Wilkinson, Sr. Age – 70	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 – 73	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 – 41	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)

**Nominees for Election at the Meeting  
with Terms Expiring at the 2024 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 – 72	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 – 55	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 – 50	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 – 38	Director	2015	Community Manager - Digital Therapeutics, Happify Health 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 – 78	Director	1997	Former Chairman of Bay State Metal Products, Inc., a manufacturer of diversified metal products Curry College, B.S.N. cum laude

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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 2021, 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-four times in 2021. 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](http://www.hinghamavings.com/investor-materials). This Committee met three times in 2021. 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](http://www.hinghamavings.com/investor-materials). This Committee met four times in 2021. 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 the Federal Deposit Insurance Corporation (“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 three times in 2021 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 2021, 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 2021 Annual Meeting of Stockholders, which was held remotely via conference call.

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.

The following charts reflect, as of December 31, 2021, the gender diversity and independence of our Board of Directors:

<b>Board Diversity Matrix (As of December 31, 2021)</b>				
Total Number of Directors	15			
	<b>Female</b>	<b>Male</b>	<b>Non-Binary</b>	<b>Did Not Disclose Gender</b>
<b>Part I: Gender Identity</b>				
Directors	<b>3</b>	<b>12</b>	-	-
<b>Part II: Demographic Background</b>				
African American or Black	-	-	-	-
Alaskan Native or Native American	-	-	-	-
Asian			-	-
Hispanic or Latino	-	<b>1</b>	-	-
Native Hawaiian or Pacific Islander	-	-	-	-
White	<b>3</b>	<b>11</b>	-	-
Two or More Races or Ethnicities	-	-	-	-
LGBTQ+	-			
Did Not Disclose Demographic Background	-			

## 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, 2021 are:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Robert H. Gaughen, Jr.	73	Director, Chief Executive Officer
Patrick R. Gaughen	41	Director, President and Chief Operating Officer
Cristian A. Melej	44	Vice President - Chief Financial Officer
Daniel Bagley	37	Vice President - Chief Information Officer
Holly M. Cirignano	42	Vice President - Specialized Deposit Group

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**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 was promoted to Senior Vice President - Chief Strategy and Corporate Development Officer in 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**, 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. Mr. Melej is a CFA® charterholder and a licensed Certified Public Accountant (CPA).

**Daniel Bagley** joined the Bank in 2021 as Vice President - Chief Information Officer. Prior to joining the Bank, Mr. Bagley served as Director of Information Technology for Northeast Bank and prior to that he served as Technology Director for Santander Bank.

**Holly M. Cirignano** joined the Bank in 2003 and since 2017 has served as Vice President - Specialized Deposit Group, where she is responsible for a team of relationship managers focused on the Bank's largest and most complex deposit customers, as well as the Bank's digital-first customer acquisition initiatives.

### 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 and the President and Chief Operating Officer with regard to the performance of other individual members of senior management and invites their participation in their discussions before they deliberate and make their decisions. 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 primary 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 even 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. It is the Committee's intention to phase out the practice of awarding bonuses in the future and will appropriately adjust base compensation to reflect the value of each individual to the success of the Bank. 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 has limited, and in the future plans to eliminate, short-term bonuses. Although their employment agreements provide for the possibility of a discretionary bonus, the three most senior officers - Mr. R. Gaughen, Mr. P. Gaughen and Mr. Melej - 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 interest 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 capital and earnings of the Bank significantly exceeds their direct compensation.

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 judgment 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 2020, 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 2022.

The Bank has employment agreements in place with Mr. R. Gaughen and Mr. P. Gaughen, and a change in control agreement in place with Mr. Melej. See "Employment Agreements and Change in Control Agreements." The Committee believes that such agreements offer reasonable incentives to retain valued executives. The Bank does not have an employment agreement or change in control agreement in place with either Mr. Bagley or Mrs. Cirignano.

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. Executives participate in this plan according to the same terms as all employees.

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 2020 Annual Meeting of Stockholders, our stockholders approved an advisory vote on executive compensation with approximately 92.1% of shares present and voting on such matter voting in favor. At our 2021 Annual Meeting of Stockholders, our stockholders approved an advisory vote on the Bank's executive compensation with approximately 96.7% of shares present and voting on such matter voting in favor. The Committee believes that the support received from our stockholders at the 2020 and 2021 Annual Meetings of Stockholders serves to validate the Committee's approach to compensation, and the Committee did not make any changes in 2021 in response to the votes at the 2020 and 2021 Annual Meetings of Stockholders.

## **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, 2021.

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, 2021, 2020 and 2019 for the named executive officers was as follows.

### SUMMARY COMPENSATION TABLE

Name and <u>Principal Position</u>	<u>Year</u>	<u>Salary (\$)<sup>(4)</sup></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	2021	2,034,128	-	-	-	34,938 <sup>(1)</sup>	2,069,266
	2020	2,041,988	-	-	-	32,402 <sup>(1)</sup>	2,074,400
	2019	1,937,281	-	-	-	31,931 <sup>(1)</sup>	1,969,212
Patrick R. Gaughen President and Chief Operating Officer	2021	1,062,616	-	-	-	17,400 <sup>(2)</sup>	1,080,016
	2020	841,208	-	-	-	17,100 <sup>(2)</sup>	858,308
	2019	711,539	-	-	-	16,800 <sup>(2)</sup>	728,339
Cristian A. Melej Vice President - Chief Financial Officer	2021	491,346	-	-	-	17,400 <sup>(2)</sup>	508,476
	2020	483,917	-	-	-	17,100 <sup>(2)</sup>	501,017
	2019	439,344	-	78,214 <sup>(3)</sup>	-	16,800 <sup>(2)</sup>	534,358
Daniel Bagley Vice President - Chief Information Officer <sup>(5)</sup>	2021	69,577	55,000	-	-	4,020 <sup>(2)</sup>	128,597
Holly M. Cirignano Vice President - Specialized Deposit Group	2021	216,346	30,000	-	-	12,644 <sup>(2)</sup>	258,990
	2020	188,462	20,000	-	-	10,923 <sup>(2)</sup>	219,385

- (1) The amounts represent (a) taxable income of \$11,342, \$9,899 and \$9,591 in 2021, 2020 and 2019, 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) \$6,196, \$5,403 and \$5,540 paid by the Bank in 2021, 2020, and 2019, respectively, to Cohasset Golf Club for both business and personal use and (c) contributions of \$17,400, \$17,100 and \$16,800 paid by the Bank to Mr. Gaughen’s 401(k) plan in 2021, 2020, and 2019, respectively. See “Retirement and Other Post-Employment Compensation” for additional information regarding the item (c) above.
- (2) These amounts represent contributions to the 401(k) plan for 2021, 2020 and 2019, respectively, and for Mr. P. Gaughen and Mr. Melej, were \$17,400, \$17,100 and \$16,800. For Mr. Bagley, these contributions were \$4,020 for 2021 and for Ms. Cirignano, these contributions were \$12,644 and \$10,923 for 2021 and 2020, respectively. 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 under the Hingham Institution for Savings 2014 Nonstatutory Stock Option Plan (the “2014 Stock Option Plan”) 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) Due to a calendar effect, 2020 included an extra pay period, which resulted in 27 biweekly pay periods processed during the year (as compared to amounts reported for 2021 and 2019, each of which included only 26 biweekly pay periods). The salary included in the last pay period of 2020 for Mr. R. Gaughen, Mr. P. Gaughen, Mr. Melej and Ms. Cirignano was \$75,630, \$38,154, \$18,269 and \$7,692, respectively.
- (5) Mr. Bagley joined the Bank on October 12, 2021. He received a \$55,000 bonus upon joining the Bank. Mr. Bagley will receive an annual salary of \$335,000.

## **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 2021, our last completed fiscal year:

- the median of the annual total compensation of all employees of the Bank (other than our CEO) was \$91,793; and
- the annual total compensation of our CEO, as reported in the Summary Compensation Table included elsewhere in this Proxy Statement, was \$2,069,266.

Based on this information, for 2021 the ratio of our Chief Executive Officer's annual total compensation was 22.5 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, 2021, our employee population consisted of approximately 76 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 and wages of our employees as reflected in our payroll records as reported to the Internal Revenue Service on Form W-2 for 2021.
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 2021 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in annual total compensation of \$91,793. The difference between such employee's salary, wages, and overtime pay and the employee's annual total compensation represents the 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 2021 Summary Compensation Table included in this Proxy Statement.

### GRANTS OF PLAN-BASED AWARDS

No grants were made to management in 2021.

### OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Option Awards <sup>(1)</sup>					
<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 <sup>(2)</sup>	-	-	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 are incentive stock options. 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 vested 100% 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 100% 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 the terms and conditions of 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 2021 by any of the named executive officers.

## Retirement and Other Post-Employment Compensation

Each employee, on the date of hire, 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:

- *Death Benefit:* 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 2021, these charges amounted to \$88,000, which amount is based on actuarial assumptions rather than on insurance premiums or contributions. The Bank maintains Bank Owned Life Insurance (BOLI) as a partial hedge against this event. In total, the Bank has accrued \$1,517,000 to cover this future liability. The cash surrender value of all the insurance policies owned by the Bank at December 31, 2021 was \$12,980,000. The death benefit of the insurance policies owned by the Bank at December 31, 2021 was approximately \$18,729,000.
- *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 2021, the Bank expensed non-cash charges of \$9,000 in accordance with generally accepted accounting principles, although no cash premiums or contributions were paid. In total, the Bank has accrued \$608,000 to cover this future liability.

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 \$2,070,000, 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 2024. 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 \$1,100,000, 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 2024. 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 \$500,000, 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 2023. 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 and Mr. P. Gaughen 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. 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 (3.0 times, in the case of Mr. R. Gaughen and 2.99 times in the case of Mr. P. Gaughen) 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, 2021, the approximate amounts payable would have been \$5,914,000 for Mr. R. Gaughen and \$2,284,000 for Mr. P. Gaughen. 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, the change in control agreement provides for payment equal to 2.0 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, 2021, the approximate amount payable to Mr. Melej would have been \$1,000,000. If the executive were to terminate his employment voluntarily in connection with or within one year after a change in control, he 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, 2021.

### **Anti-Hedging Policy**

The Bank’s Insider Trading Policy prohibits Directors, officers and employees from trading in options, warrants, puts and calls or similar instruments designed to hedge or offset any decrease in the market value of the Bank’s securities, other than the exercise of options granted to directors, officers, or employees by the Bank.



## DIRECTOR COMPENSATION

Directors of the Bank receive \$1,700 for each Board of Directors meeting they attend. Messrs. Gaughen do not receive any fees in conjunction with their Board service. The Clerk of the Bank receives a stipend of \$13,200 per annum plus an additional fee of \$270 per meeting attended.

Each member of a committee of the Board of Directors receives \$1,700 for each committee meeting attended. The Clerk and Chairman of these committees each receive an additional fee of \$270 per meeting attended. 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, 2021.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$) <sup>(1)</sup>	Total (\$)
Howard M. Berger	\$ 31,775	\$ -	\$ 31,775
Michael J. Desmond	65,790	-	65,790
Ronald D. Falcione	65,325	-	65,325
Kara Gaughen Smith	62,735	-	62,735
Kevin W. Gaughen, Jr.	25,125	-	25,125
Patrick R. Gaughen	-	-	-
Robert H. Gaughen, Jr.	-	-	-
Julio R. Hernando	66,135	-	66,135
Brian T. Kenner	27,905	-	27,905
Robert A. Lane	60,300	-	60,300
Scott L. Moser	26,825	-	26,825
Stacey M. Page	26,205	-	26,205
Robert K. Sheridan	31,850	-	31,850
Geoffrey C. Wilkinson, Sr.	31,850	-	31,850
Jacqueline M. Youngworth	86,403	-	86,403

- (1) No option awards were granted to Directors in 2021. On December 31, 2021, the aggregate number of shares subject to option awards outstanding for Directors were: Howard M. Berger (1,000); Michael J. Desmond (2,000); Ronald D. Falcione (2,000); Kevin W. Gaughen, Jr. (1,000); Julio R. Hernando (2,000); Brian T. Kenner (1,000); Robert A. Lane (2,000); Stacey M. Page (1,000); Robert K. Sheridan (850); Kara Gaughen Smith (2,000); 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, who also serves as the Bank’s Clerk. No member of the Nominating and Personnel Committee was an employee of the Bank at any time during the fiscal year ended December 31, 2021, and none was an officer of the Bank, 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, 2021, no such loans were outstanding and no such loans were extended during 2021.

### **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, 2021, 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 2021, the Bank paid legal fees, including disbursements, to the law firm of Gaughen, Gaughen, Lane & Hernando LLP. These fees amounted to \$3,683,809 in connection with representation of the Bank in commercial and residential mortgage loan originations, foreclosure and collection actions and certain other routine litigation. Additionally, the Bank paid \$1,907,000 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 \$250,359. 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 1, 2022. 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.

Name of <u>Beneficial Owner</u>	Amount and Nature of <u>Beneficial Ownership</u>	Percent <u>of Class (1)</u>
Howard M. Berger	6,925 (2)	*
Michael J. Desmond	7,877 (3)	*
Ronald D. Falcione	23,638 (4)	1.10
Kevin W. Gaughen, Jr.	21,167 (5)	*
Patrick R. Gaughen	341,802 (6)	15.51
Robert H. Gaughen, Jr.	341,802 (6)	15.51
Julio R. Hernando	168,903 (7)	7.88
Brian T. Kenner	7,550 (8)	*
Robert A. Lane	119,587 (9)	5.58
Scott L. Moser	11,402 (10)	*
Stacey M. Page	9,804 (11)	*
Robert K. Sheridan	2,000 (12)	*
Kara Gaughen Smith	341,802 (6)	15.51
Geoffrey C. Wilkinson, Sr.	18,813 (13)	*
Jacqueline M. Youngworth	44,590 (14)	2.08
Cristian A. Melej	6,697 (15)	*
Holly M. Cirignano	85 (16)	*
Directors, nominees for Director and Executive Officers as a group (18 persons)	694,395 (17)	31.22 %

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- (1) An asterisk denotes less than 1%. Applicable percentages are based on 2,142,400 shares outstanding as of February 1, 2022, adjusted as required by rules of the Securities and Exchange Commission.
- (2) Includes (i) 2,800 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 1, 2022.
- (3) Includes (i) 4,500 shares of Common Stock held directly by Mr. Desmond, (ii) 1,377 shares of Common Stock held in Mr. Desmond's IRA, and (iii) 2,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 1, 2022.
- (4) Includes (i) 14,974 shares of Common Stock held directly by Mr. Falcione, (ii) 4,000 shares held by Dorothy E. Falcione, his wife, (iii) 2,664 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 1, 2022.
- (5) Includes (i) 941 shares of Common Stock held directly by Mr. Gaughen, (ii) 2,259 shares of Common

Stock that Mr. Gaughen owns jointly with his wife, (iii) 1,963 shares of Common Stock held in Mr. Gaughen's IRA, (iv) 59 shares of Common Stock held in Mr. Gaughen's wife's IRA account, (v) 975 shares of Common Stock held by Mr. Gaughen's wife's directly, (vi) 8,800 shares of Common Stock held by the KAM Family Trust, of which Mr. Gaughen is a trustee and a beneficiary of, (vii) 5,158 shares of Common Stock held by the Gaughen Family Irrevocable Trust, of which Mr. Gaughen is a trustee and a beneficiary of, (viii) 10 shares held by Mr. Gaughen as custodian for his minor daughter, Catherine Gaughen, (ix) 2 shares held by Mr. Gaughen as custodian for his minor daughter, Mary Gaughen, and (x) 1,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 1, 2022.

- (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) 99,343 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) 23,461 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) 13,447 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) 1,658 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) 1,772 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) 32,189 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) 24,043 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) 2,354 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) 38,000 shares of Common Stock issuable to Patrick R. Gaughen pursuant to stock options exercisable on or within 60 days of February 1, 2022 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 1, 2022 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 1, 2022 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) 1,173 shares of Common Stock held in Mr. Hernando's IRA, (ii) 23,694 shares of Common Stock which Mr. Hernando owns jointly with Jill Hernando, his wife, (iii) 760 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) 12,625 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) 15,722 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) 11,053 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) 7,872 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) 11,103 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 1, 2022.
- (8) Includes (i) 3,175 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) 360 shares of Common Stock held by David Kenner as to which Mr. Kenner has trading authority, and (iv) 1,000 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 1, 2022.
- (9) Includes (i) 10,762 shares of Common Stock held directly by Mr. Lane, (ii) 2,870 shares of Common Stock held in Mr. Lane's IRA, (iii) 2,069 shares of Common Stock held in the IRA of Martha Lane, Mr. Lane's wife, (iv) 35,770 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) 12,625 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) 15,722 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 1, 2022.

- (10) Includes (i) 7,850 shares of Common Stock held directly by Mr. Moser, (ii) 150 shares of Common Stock held in Mr. Moser's IRA, (iii) 350 shares of Common Stock held by the Alexa Margaret Adams Trust, of which Mr. Moser is a co-trustee, (iv) 400 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) 400 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) 350 shares of Common Stock held by the Ava Ruth Adams Trust, of which Mr. Moser is a co-trustee, (vii) 750 shares of Common Stock held by the Charlotte Moser Trust, of which Mr. Moser is a co-trustee, (viii) 400 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) 200 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 1, 2022.
- (12) Includes (i) 1,150 shares of Common Stock held directly by Mr. Sheridan and (ii) 850 shares of Common Stock issuable pursuant to stock options exercisable on or within 60 days of February 1, 2022.
- (13) Includes (i) 12,851 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, and (iv) 1,875 shares of Common Stock held directly by Nancy S. Wilkinson, his wife.
- (14) Includes (i) 17,704 shares of Common Stock held by Bay State Investment LLC, of which Mrs. Youngworth is an owner, (ii) 12,625 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) 11,261 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 1, 2022.
- (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 1, 2022.
- (16) Includes 85 shares of Common Stock held directly by Mrs. Holly M. Cirignano.

- (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 12,625 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 15,722 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 the Gaughen Family Bank Stock Agreement III ("GFBSA III") as detailed below, (ii) 99,343 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) 23,461 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) 13,447 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) 1,658 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) 1,772 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) 32,189 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) 24,043 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) 2,354 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) 38,000 shares of Common Stock issuable to Patrick R. Gaughen pursuant to stock options exercisable on or within 60 days of February 1, 2022 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 1, 2022 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 1, 2022 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. Brian T. Kenner, Director of the Bank, exercised stock options to purchase 1,500 shares on March 11, 2021, and on March 16, 2021 filed a Form 4 with the FDIC.

**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 1, 2022. 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)	341,802	15.51%
Julio R. Hernando (3)	168,903	7.88%
Robert A. Lane (4)	119,587	5.58%
Port Capital LLC (5)	160,767	7.50%

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- (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.
- (5) Number of shares based on the most recent Form 13F for the quarter ended September 30, 2021 filed by Port Capital LLC with the Securities and Exchange Commission.

## 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 2020 Annual Meeting, stockholders approved an advisory vote on executive

compensation with approximately 92.1% of the shares present and voting on such matter voting in favor. At our 2021 Annual Meeting, stockholders approved an advisory vote on the Bank's executive compensation with approximately 96.7% 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 2020 and 2021 Annual Meetings serves to validate the Bank's approach to compensation, and did not make any changes in 2021 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.**

## **AMENDMENT TO THE BANK'S AMENDED AND RESTATED CHARTER**

(Notice Item 4)

Our Board of Directors has adopted a resolution proposing to amend Article 16 of our Amended and Restated Charter, as amended (the "Charter"), to simplify the process by which stockholders may amend the Bank's Bylaws. If the proposed amendment is approved by the Bank's stockholders, Article 16 of the Charter would read in its entirety as follows:

"ARTICLE 16. Amendment of By-Laws. The By-Laws of the Bank may be adopted, altered, amended, changed or repealed by the Board of Directors or the stockholders of the Bank. Such action by the Board of Directors shall require the affirmative vote of at least two-thirds of the Directors then in office at a duly constituted meeting of the Board of Directors, unless at the time of such action there is an Interested Stockholder, in which case such action shall require the affirmative vote of at least two-thirds of the Continuing Directors then in office. Such action by the stockholders shall require the affirmative vote of at least two-thirds of the total votes eligible to be cast by stockholders at a duly constituted meeting of stockholders called expressly for such purpose."

The proposed amendment, if approved by our stockholders, will become effective upon the filing of the amendment to the Charter with, and acceptance for filing by, the Secretary of the Commonwealth of the Commonwealth of Massachusetts.

**The Board of Directors recommends that the stockholders vote FOR the approval of the amendment to Article 16 of the Bank's Amended and Restated Charter.**

## **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, 2022. 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 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, 2021 and 2020 and for each of the

years in the three-year period ended December 31, 2021, 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, 2021, which may be obtained on the Investors Materials page of the Bank's website, [www.hinghamavings.com/investor-materials](http://www.hinghamavings.com/investor-materials).

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 \$210,000 and \$205,000 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, 2021 and 2020, respectively, and reviews of the financial statements included in each of the Bank's Quarterly Reports on Form 10-Q. The fees for both 2021 and 2020 included an audit of internal controls over financial reporting.

### **Audit-Related Fees**

Wolf billed the Bank an aggregate of \$2,250 and \$2,200 in audit-related fees for professional services rendered to the Bank for the fiscal years ended December 31, 2021 and 2020, 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 \$29,000 and \$28,500 in fees for tax related services rendered to the Bank and its affiliates for the fiscal years ended December 31, 2021 and 2020, respectively. 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 provide any other professional services to the Bank during the fiscal years ended December 31, 2021 and 2020 other than the audit-related and tax fees described above.

## **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, 2021. 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, 2021.

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**

If stockholder proposals are to be considered by the Bank for inclusion in a proxy statement for a future meeting of the Bank's stockholders, such proposals must be submitted on a timely basis and must meet the requirements established by Rule 14a-8 for stockholder proposals. Stockholder proposals seeking inclusion in

the proxy statement for the Bank's 2023 Annual Meeting of Stockholders will not be deemed to be timely submitted pursuant to Rule 14a-8 unless they are received by the Bank at its principal executive offices no later than November 11, 2022. 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 27, 2023), but not more than 120 days (December 29, 2022), 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**

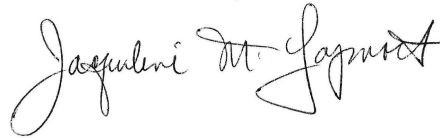
The Bank will bear the cost of preparing, assembling and mailing the Notice, Proxy Statement and form of proxy for the Meeting. Solicitation of proxies will be primarily through the use of mails, but regular employees of the Bank may solicit proxies by personal interview, by telephone or by mail without 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 2022 Annual Meeting of Stockholders, for which a base fee of \$9,500 (plus out-of-pocket expenses) will be paid.

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, 2021, as filed with the Federal Deposit Insurance Corporation, can be obtained at [www.hinghamavings.com](http://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, 2021 (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, 2021 are available electronically at [www.hinghamavings.com](http://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 fluid and cursive, with the first name being the most prominent.

Jacqueline M. Youngworth  
*Clerk*

Dated: March 11, 2022