Section 1: DEF 14A (DEF 14A)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.   )

Filed by the Registrant ☑
Filed by a Party other than the Registrant ☐
Check the appropriate box:
☐ Preliminary Proxy Statement
☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☑ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material Pursuant to §240.14a-12

Marlin Business Services Corp.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
☑ No fee required.
☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

☐ Fee paid previously with preliminary materials.
☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed: 
To the Shareholders of Marlin Business Services Corp.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the “Annual Meeting”) of Marlin Business Services Corp. (the “Corporation”), a Pennsylvania corporation, will be held on Wednesday, June 10, 2020, at 9:00 a.m. virtually via the internet for the following purposes:

1. To elect a Board of Directors of seven (7) directors to serve until the next annual meeting of shareholders of the Corporation and until their successors are elected and qualified;
2. To approve the compensation of the Corporation’s named executive officers on an advisory basis; and
3. To ratify the appointment of Deloitte & Touche LLP as the Corporation’s independent registered public accounting firm.

In the proxyholder’s discretion, the proxyholder is authorized to vote upon such other business as may properly be presented at the Annual Meeting or any adjournments or postponements thereof.

The Annual Meeting can be accessed virtually at: www.virtualshareholdermeeting.com/MRLN2020

The Board of Directors has fixed April 24, 2020, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof.

By order of the Board of Directors

Ryan Melcher
Senior Vice President, General Counsel and Corporate Secretary

Your vote is important, regardless of the number of shares you own. Even if you plan to attend the meeting, please date and sign the enclosed proxy form, indicate your choice with respect to the matters to be voted upon, and return it promptly in the enclosed envelope. A proxy may be revoked before exercise by notifying the Secretary of the Corporation in writing or in open meeting, by submitting a proxy of a later date or by attending the meeting and voting.

Dated: April 29, 2020

Important Notice Regarding Availability of Proxy Materials for the Annual Meeting to be Held on June 10, 2020.

The Proxy Statement and Annual Report to Shareholders are available at https://materials.proxyvote.com/571157
This Proxy Statement and the enclosed proxy card are furnished in connection with the solicitation of proxies by the Board of Directors (the “Board of Directors” or the “Board”) of Marlin Business Services Corp. (the “Corporation” or “Marlin”), a Pennsylvania corporation, to be voted at the Annual Meeting of Shareholders (the “Annual Meeting”) of the Corporation to be held on Wednesday, June 10, 2020, at 9:00 a.m., to be held virtually via the internet, or at any adjournment or postponement thereof, for the purposes set forth below:

1. To elect to the Board seven (7) directors to serve until the next annual meeting of shareholders of the Corporation and until their successors are elected and qualified;
2. To approve the compensation of the Corporation’s named executive officers on an advisory basis; and
3. To ratify the appointment of Deloitte & Touche LLP as the Corporation’s independent registered public accounting firm.

In the proxyholder’s discretion, the proxyholder is authorized to vote upon such other business as may properly be presented at the Annual Meeting or any adjournments or postponements thereof.


At the Annual Meeting, the Board of Directors recommends that the shareholders vote:

• “FOR” Proposal 1: the election of John J. Calamari, Lawrence J. DeAngelo, Scott A. Heimes, Jeffrey A. Hilzinger, Matthew J. Sullivan, J. Christopher Teets and James W. Wert to serve on the Board of Directors until the next annual meeting of shareholders and until their successors are elected and qualified;
• “FOR” Proposal 2: the adoption of the resolution indicating approval, on an advisory basis, of the compensation of the Corporation’s named executive officers; and
• “FOR” Proposal 3: the ratification of the appointment of Deloitte & Touche LLP as the Corporation’s independent registered public accounting firm for 2020.

GENERAL INFORMATION ABOUT THE 2020 ANNUAL MEETING

Please take note that the Annual Meeting will be a completely “virtual meeting” of shareholders. Authorized shareholders will be able to attend the Annual Meeting, vote and submit questions during the Annual Meeting via live webcast by visiting www.virtualshareholdermeeting.com/MRLN2020. Prior to the Annual Meeting, authorized shareholders will be able to vote by proxy in the manner and upon the matters described herein.

Proxies and Voting Procedures

Each outstanding share of common stock of the Corporation will entitle the holder thereof to one vote on each separate matter presented for vote at the Annual Meeting. Votes cast at the meeting and submitted by proxy are
counted by the inspectors of the meeting who are appointed by the Corporation. The shares represented by such proxy will be voted at the Annual Meeting and any adjournment or postponement thereof. If you specify a choice, the proxy will be voted as specified. If no choice is specified, the shares represented by the proxy will be voted for the election of all of the director nominees named in the Proxy Statement; for the adoption, on an advisory basis, of the resolution approving the compensation of the Corporation’s named executive officers, as described in the Proxy Statement under “Executive Compensation – Compensation Discussion and Analysis”; for the ratification of Deloitte & Touche LLP as the Corporation’s independent registered public accounting firm for the fiscal year ending December 31, 2020; and in accordance with the judgment of the persons named as proxies with respect to any other matter which may come before the meeting. If you are the shareholder of record, you can also choose to vote your shares electronically at the Annual Meeting.

A proxy may be revoked before exercise by notifying the Secretary of the Corporation in writing or in open meeting, by submitting a proxy of a later date or attending the meeting and voting. You are encouraged to date and sign the enclosed proxy form, indicate your choice with respect to the matters to be voted upon and promptly return it to the Corporation.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker or nominee, who is considered, with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to direct how your broker votes your shares. You are also invited to attend the Annual Meeting. However, because you are not the shareholder of record, you may not vote your street name shares at the Annual Meeting unless you obtain a proxy executed in your favor from the holder of record. Your broker or nominee has enclosed a voting instruction card for you to use in directing the broker or nominee to vote your shares.

Voting of Shares Prior to the Annual Meeting. You can vote prior to the Annual Meeting by valid proxy received by telephone, via the internet or by mail. We urge you to vote by doing one of the following:

**Vote by Telephone**

You can vote your shares by calling the toll free number indicated on your proxy card using a touch tone telephone 24 hours a day. Easy to follow voice prompts enable you to vote your shares and confirm that your voting instructions have been properly recorded. If you are a beneficial owner, or you hold your shares in “street name,” please check your vote instruction form or contact your bank, broker or other nominee to determine whether you will be able to vote by telephone.

**Vote by Internet**

You can also vote via the Internet by following the instructions on your proxy card. The website address for Internet voting is indicated on your proxy card. Internet voting is also available 24 hours per day. If you are a beneficial owner, or you hold your shares in “street name,” please check your vote instruction form or contact your bank, broker or other nominee to determine whether you will be able to vote via the Internet.

**Vote by Mail**

If you choose to vote by mail, complete, sign, date and return your proxy card in the postage paid envelope provided. Please promptly mail your proxy card to ensure that it is received on or before June 9, 2020.

The deadline for voting by telephone or electronically through the Internet is set forth on your proxy card.

**Voting of Shares at the Annual Meeting.** The Annual Meeting will be held entirely online to allow greater participation. Shareholders may participate in the Annual Meeting by visiting the following website: www.virtualshareholdermeeting.com/MRLN2020. To participate in the Annual Meeting, you will need the 16-digit control number included on your Notice, on your proxy card or on the instructions that accompanied
your proxy materials. Shares held in your name as the shareholder of record may be voted electronically during the Annual Meeting. Shares for which you are the beneficial owner but not the shareholder of record also may be voted electronically during the Annual Meeting. However, even if you plan to attend the Annual Meeting, the Corporation recommends that you vote your shares in advance, so that your vote will be counted if you later decide not to attend the Annual Meeting. You are entitled to attend the virtual Annual Meeting only if you were a shareholder of record as of April 24, 2020, the record date for the Annual Meeting, or you hold a valid proxy for the Annual Meeting. If you are not a shareholder of record but hold shares as a beneficial owner in street name, you may be required to provide proof of beneficial ownership, such as your most recent account statement as of the record date, a copy of the voting instruction form provided by your broker, bank, trustee, or nominee, or other similar evidence of ownership. If you do not comply with the procedures outlined above, you will not be admitted to the virtual Annual Meeting.

Quorum and Voting Requirements
The presence, via webcast or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast on a particular matter to be voted upon at the meeting will constitute a quorum for the meeting. If, however, the Annual Meeting cannot be organized because a quorum is not present, the shareholders entitled to vote and present at the Annual Meeting will have the power, except as otherwise provided by statute, to adjourn the meeting to such time and place as they may determine. Those who attend or participate at a meeting that has been previously adjourned for lack of a quorum, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing directors.

The following chart shows the proposals to be acted upon at the Annual Meeting, and the votes needed for the proposals to be adopted.

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Vote Required for Approval</th>
<th>Effect of Abstentions* on Vote</th>
<th>Broker Discretionary Voting Allowed?</th>
<th>Effect of Broker Non-Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Election of directors</td>
<td>Plurality. But if votes “withheld” exceed votes “for” a nominee, then nominee must tender resignation to the Board (as described below)</td>
<td>Not applicable</td>
<td>No</td>
</tr>
<tr>
<td>2</td>
<td>Advisory vote on compensation of named executive officers</td>
<td>Majority of votes cast</td>
<td>No effect</td>
<td>No</td>
</tr>
<tr>
<td>3</td>
<td>Ratification of appointment of independent registered public accounting firm</td>
<td>Majority of votes cast</td>
<td>No effect</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* Note: Abstentions are counted as present for determining whether a quorum is present for each proposal, where applicable.

At the Annual Meeting, in connection with Proposal 1 to elect directors, you will be entitled to cast one vote for each share held by you for each candidate nominated, but will not be entitled to cumulate your votes. Votes may be cast “for” or “withheld” with respect to each candidate nominated. Directors shall be elected by a plurality of the votes cast, which means that seven (7) director nominees receiving the highest number of votes “for” their election will be elected to the Board of Directors. Votes that are withheld will be excluded entirely from the vote and will have no effect, other than for purposes of determining the presence of a quorum. However, the Board has adopted a director resignation policy, pursuant to which, in an uncontested election, any nominee for director
who receives a greater number of votes “withheld” from his or her election than votes “for” such election will, promptly following certification of the shareholder vote, tender his or her resignation to the Board with such resignation expressly stating that it is contingent upon the acceptance of the resignation by the Board. See “Governance of the Corporation—Majority Voting in Director Elections/Director Resignation Policy.”

With respect to Proposal 2 regarding the advisory vote on executive compensation (“say-on-pay” vote), while the Corporation intends to carefully consider the voting results of this proposal, the final vote is advisory in nature and therefore not binding on the Corporation, the Board or the Compensation Committee. The Board and Compensation Committee value the opinions of all of the Corporation’s shareholders and will consider the outcome of this vote when making future compensation decisions for the Corporation’s named executive officers.

Proposal 3 considers ratification of the appointment of Deloitte & Touche LLP as the Corporation’s independent registered public accounting firm. While shareholder approval of this appointment is not required by law, the Corporation’s bylaws (the “Bylaws”) or otherwise, nor binding on the Corporation, the Corporation intends to carefully consider the voting results of this proposal. The Corporation believes that its shareholders should be given the opportunity to express their views on the Corporation’s external financial accounting firm and therefore is submitting this matter to shareholder vote as a matter of good corporate practice. If the shareholders do not ratify the appointment of Deloitte & Touche LLP as the Corporation’s independent auditor, the Audit and Risk Committee of the Board (the “Audit and Risk Committee”) will consider the same in determining whether to continue the engagement of Deloitte & Touche LLP as its independent auditor.

Generally, broker non-votes occur when shares held by a broker, bank or other nominee in “street name” for a beneficial owner are not voted with respect to a particular proposal because the broker, bank or other nominee (1) has not received voting instructions from the beneficial owner and (2) lacks discretionary voting power to vote those shares with respect to that particular proposal. A broker is entitled to vote shares held for a beneficial owner on “routine” matters without instructions from the beneficial owner of those shares, such as Proposal 3. On the other hand, absent instructions from the beneficial owner of such shares, a broker is not entitled to vote shares held for a beneficial owner on “non-routine” matters, such as the election of directors (Proposal 1) or the advisory vote on executive compensation (Proposal 2).

If you hold your shares in street name and you do not indicate how you want your shares voted in the election of directors, then your broker, bank or other nominee is not allowed to vote those shares on your behalf in the election of directors or other “non-routine” matters as they felt appropriate. Thus, if you hold your shares in street name and you do not instruct your broker, bank or other nominee how to vote in the election of directors or other “non-routine” matters, no votes will be cast on your behalf. Such broker non-votes are counted for purposes of determining whether or not a quorum exists for the transaction of business, but will not be counted for purposes of determining the number of shares represented and voted with respect to an individual “non-routine” proposal, and therefore will have no effect on the outcome of the vote on an individual “non-routine” proposal.

As to all other matters properly brought before the Annual Meeting, the majority of the votes cast at the meeting, via webcast or by proxy, by shareholders entitled to vote thereon will decide any question brought before the Annual Meeting, unless the question is one for which, by express provision of statute or of the Corporation’s Articles of Incorporation or Bylaws, a different vote is required. Generally, abstentions and broker non-votes on these matters will have no effect on the vote because under Pennsylvania law abstentions and broker non-votes are not considered votes cast. Broker non-votes and abstentions will be counted, however, for purposes of determining whether a quorum is present.
Proposal 1:

ELECTION OF DIRECTORS

PROPOSAL SUMMARY AND RECOMMENDATION

The Board has nominated for election as directors at the Annual Meeting John J. Calamari, Lawrence J. DeAngelo, Scott A. Heimes, Jeffrey A. Hilzinger, Matthew J. Sullivan, J. Christopher Teets and James W. Wert, each to serve until the 2021 Annual Meeting of Shareholders and until their respective successors are duly elected and qualified, or until their earlier death, retirement or resignation.

Each nominee has consented to being named in this Proxy Statement and to serve if elected. Except to the extent that authority to vote for any directors is withheld in a proxy, shares represented by proxies will be voted for such nominees. In the event that any of the nominees for director should, before the Annual Meeting, become unable to serve if elected, shares represented by proxies will be voted for such substitute nominees as may be recommended by the Corporation’s existing Board, unless other directions are given in the proxies. To the best of the Corporation’s knowledge, all of the nominees will be able to serve.

Recommendation: The Board recommends that the shareholders vote “FOR” the seven (7) nominees listed above. Proxies received will be so voted unless shareholders specify otherwise in the proxy.

BOARD OF DIRECTORS

Currently, the Board has seven (7) members. From January 1, 2019 through December 31, 2019, there were eleven meetings of the Board of Directors, six meetings of the Audit and Risk Committee, five meetings of the Compensation Committee and two meetings of the Nominating and Governance Committee. All of our directors attended at least 75% of the meetings of each of our Board and each Board committee on which they served.

Directors are encouraged, but not required, to attend annual meetings of the Corporation’s shareholders. Each director attended the Corporation’s 2019 Annual Meeting of Shareholders (the “2019 Annual Meeting”) telephonically.

Nominees to Serve as Directors – Term Expires 2021

In general, the Corporation’s directors are elected at each annual meeting of shareholders. Currently, the number of directors of the Corporation is seven (7) with one vacancy.

Consequently, at the Annual Meeting, the Corporation’s shareholders are being asked to elect seven (7) directors to serve until the next annual meeting of shareholders and until their successors are elected and qualified, or until their earlier death, resignation or removal. The nominees receiving the greatest number of votes at the Annual Meeting, up to the number of authorized directors, will be elected.

After the Annual Meeting, there will remain one vacancy on the Board of Directors as the Nominating and Governance Committee has not identified a candidate to fill the remaining independent board member vacancy, but continually searches for candidates. Under the terms of our Amended and Restated Articles of Incorporation and Bylaws, the Board of Directors may fill a board of director vacancy at any time.

All seven (7) of the nominees for election as directors at the Annual Meeting as set forth in the following table are incumbent directors previously elected as directors by the Corporation’s shareholders. For each such nominee, set forth below is biographical and other information as of April 29, 2019, as to each nominee’s positions and offices held with the Corporation, principal occupations during the past five years, directorships of public companies and other organizations held during the past five years and the specific experience,
qualifications, attributes or skills that, in the opinions of the Nominating and Governance Committee and the Board of Directors, make each nominee qualified to serve as a director of the Corporation:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Principal Occupation</th>
<th>Director Since</th>
</tr>
</thead>
<tbody>
<tr>
<td>John J. Calamari</td>
<td>65</td>
<td>Former Executive Vice President and Chief Financial Officer of J.G. Wentworth</td>
<td>2003</td>
</tr>
<tr>
<td>Lawrence J. DeAngelo (Chairman)</td>
<td>54</td>
<td>Managing Director at Houlihan Lokey, Inc., an Investment Bank</td>
<td>2001</td>
</tr>
<tr>
<td>Scott A. Heimes</td>
<td>51</td>
<td>Chief Marketing Officer at Zipwhip</td>
<td>2015</td>
</tr>
<tr>
<td>Jeffrey A. Hilzinger</td>
<td>62</td>
<td>President and Chief Executive Officer of the Corporation</td>
<td>2016</td>
</tr>
<tr>
<td>Matthew J. Sullivan</td>
<td>62</td>
<td>Partner with Peachtree Equity Management</td>
<td>2008</td>
</tr>
<tr>
<td>J. Christopher Teets</td>
<td>47</td>
<td>Partner of Red Mountain Capital Partners LLC</td>
<td>2010</td>
</tr>
<tr>
<td>James W. Wert</td>
<td>73</td>
<td>Managing Member &amp; CEO of CM Wealth Advisors LLC</td>
<td>1998</td>
</tr>
</tbody>
</table>

John J. Calamari:

**Biography.** Mr. Calamari has been a director since November 2003. Since November 2009, Mr. Calamari has served as an independent consultant in accounting and financial matters for various clients in diverse industries. Mr. Calamari served as the Executive Vice President and Chief Financial Officer of J.G. Wentworth from March 2007 until November 2009. Prior to that time, Mr. Calamari was Senior Vice President, Corporate Controller of Radian Group Inc., where he oversaw Radian’s global controllership functions, a position he held after joining Radian in September 2001. From 1999 to August 2001, Mr. Calamari was a consultant to the financial services industry, where he structured new products and strategic alliances, established financial and administrative functions and engaged in private equity financing for startup enterprises. Mr. Calamari served as Chief Accountant of Advanta from 1988 to 1998, as Chief Financial Officer of Chase Manhattan Bank Maryland and Controller of Chase Manhattan Bank (USA) from 1985 to 1988 and as Senior Manager at Peat, Marwick, Mitchell & Co. (now KPMG LLP) prior to 1985 where he earned his certified public accountant license (currently non-active status). In addition, Mr. Calamari served as a director of Advanta National Bank, Advanta Bank USA and Credit One Bank. Mr. Calamari received his undergraduate degree in accounting from St. John’s University in 1976.

**Qualifications.** Mr. Calamari has over 40 years of banking and financial experience, including five years serving in the role of Chief Financial Officer for a bank and a financial services company. Mr. Calamari achieved the level of certified public accountant, and he has served as Chairman of the Corporation’s Audit and Risk Committee since July 2004. He has seven years of past service as a director of several non-public banks and financial services companies. Mr. Calamari currently serves on the Nominating and Governance Committee of the Corporation. Mr. Calamari has also had leadership positions with various community organizations. The Board has determined that Mr. Calamari is an independent director and is financially literate and an audit committee financial expert within the meaning of applicable United States Securities and Exchange Commission (“SEC”) rules. The Board views Mr. Calamari’s independence, his banking and financial experience, his experience as a director of other companies and his demonstrated leadership roles in business and community activities as important qualifications, skills and experience for the Board’s conclusion that Mr. Calamari should serve as a director of the Corporation.

Lawrence J. DeAngelo:

**Biography.** Mr. DeAngelo has been a director since July 2001 and has served as the Chairman of the Board since June 2014. Mr. DeAngelo is a Managing Director with Houlihan Lokey Inc., an Investment Bank, and is based in Atlanta, Georgia. From 2010 to 2016, Mr. DeAngelo was a Managing Director with Sun Trust Robinson
Humphrey, an investment bank based in Atlanta, Georgia. Mr. DeAngelo served as a Managing Director with Roark Capital Group, a private equity firm based in Atlanta, Georgia from 2005 until January 2010. Prior to joining Roark in 2005, Mr. DeAngelo was a Managing Director of Peachtree Equity Partners, a private equity firm based in Atlanta, Georgia. Prior to co-founding Peachtree in April 2002, Mr. DeAngelo held numerous positions at Wachovia Capital Associates, the private equity investment group of Wachovia Bank, from 1996 to April 2002, the most recent of which was Managing Director. From 1995 to 1996, Mr. DeAngelo worked at Seneca Financial Group, and from 1992 to 1995, Mr. DeAngelo worked in the Corporate Finance Department at Kidder, Peabody & Co. From 1990 to 1992, Mr. DeAngelo attended business school. From 1988 to 1990, Mr. DeAngelo was a management consultant with Peterson & Co. Consulting. Mr. DeAngelo received his undergraduate degree in economics from Colgate University and his MBA from the Yale School of Management.

Qualifications. Mr. DeAngelo has over 27 years of experience as an investment banker and private equity professional, including 18 years serving in the role of Managing Director for a variety of private equity firms. He served as Chairman of the Corporation’s Nominating and Governance Committee from November 2003 to March 2009 and as Chairman of the Corporation’s Compensation Committee from March 2009 to June 2014. He currently serves on the Corporation’s Nominating and Governance Committee (as Chairman) and on the Compensation Committee. He has served as a director of ten privately held companies. The Board has determined that Mr. DeAngelo is an independent director and is financially literate within the meaning of applicable SEC rules. The Board views Mr. DeAngelo’s independence, his investment banking and private equity experience, his experience as a director of other companies and his demonstrated leadership roles in business as important qualifications, skills and experience for the Board’s conclusion that Mr. DeAngelo should serve as a director of the Corporation.

Scott A. Heimes:

Biography. Mr. Heimes has been a director of the Corporation since April 2015. Mr. Heimes is the Chief Marketing Officer at Zipwhip. From 2015 to 2018, Mr. Heimes was the Chief Marketing Officer for SendGrid, Inc. and from 2012 to 2015, he was the Chief Marketing Officer for Digital River, Inc., a global e-commerce, payments, and marketing services provider. From 2009 to 2012, Mr. Heimes worked as a Chief Marketing Officer for WebMD Health Corp. and from 2006 to 2009, Mr. Heimes worked with UnitedHealth Group in a variety of senior marketing roles. Mr. Heimes has worked in various other executive management positions between 1998 and 2006 with most of that time was spent in marketing roles. In 1991, Mr. Heimes received his undergraduate degree in English literature with a minor in French and Business Administration from the University of St. Thomas in St. Paul, Minnesota.

Qualifications. The Board has determined that Mr. Heimes is an independent director. The Board views Mr. Heimes’ independence, his business and marketing experience, and his demonstrated leadership roles in business activities as important qualifications, skills and experience for the Board’s conclusion that Mr. Heimes should serve as a director of the Corporation.

Jeffrey A. Hilzinger:

Biography. Mr. Hilzinger has been the Corporation’s Chief Executive Officer, President and Director since June 2016. Mr. Hilzinger was most recently President of EverBank Commercial Finance, Inc. From 2010 until 2013, Mr. Hilzinger served as Chief Operating Officer of EverBank Commercial Finance, Inc. From 2008 until 2010, Mr. Hilzinger served as Chief Financial Officer of Tygris Vendor Finance. In 2004, Mr. Hilzinger co-founded US Express Leasing, Inc. and served as Chief Financial Officer from 2004 until 2008. In 2002, Mr. Hilzinger co-founded Aternus Partners, LLC, a management consulting firm, and served as a Managing Director until 2004. From 1979 until 2002, Mr. Hilzinger served in various regional and global leadership roles with Heller Financial, Inc. and certain of its subsidiaries and affiliates. Since September 2019, Mr. Hilzinger has served on the board of directors of Encore Capital Group, Inc. (NASDAQ: ECPG), an international specialty finance company providing debt recovery solutions and other related services for consumers. Mr. Hilzinger earned a bachelor’s degree in Economics from the University of Michigan in 1979.
Qualifications. Mr. Hilzinger has over 40 years of experience in financial services, including over 15 years in the equipment leasing industry. Mr. Hilzinger is Chief Executive Officer and has served as Director of the Corporation since joining the Corporation in June 2016. The Board views Mr. Hilzinger’s leadership ability along with his significant industry knowledge and broad financial services expertise as important qualifications, skills and experience for the Board’s conclusion that Mr. Hilzinger should serve as director of the Corporation.

Matthew J. Sullivan:

Biography. Mr. Sullivan has been a director since April 2008. Mr. Sullivan is a Partner with Peachtree Equity Management (“Peachtree”), a private equity investment firm. Mr. Sullivan co-founded Peachtree in 2002. From 1994 to 2002, Mr. Sullivan held numerous positions at Wachovia Capital Associates, the private equity investment group of Wachovia Bank, the most recent of which was Managing Director. From 1983 to 1994, Mr. Sullivan worked in the Corporate Finance Department at Kidder, Peabody & Co. and previously with Arthur Andersen & Company where he earned his certified public accountant license (currently non-active status). Mr. Sullivan received his undergraduate degree in finance from the University of Pennsylvania and his MBA from Harvard Business School.

Qualifications. Mr. Sullivan has over 30 years of experience as an investment banker and private equity professional, including over 20 years serving in the role of Managing Director for a variety of private equity firms. He has over ten years of past service as a director of privately held companies. Mr. Sullivan currently serves on the Corporation’s Audit and Risk Committee, Compensation Committee and Nominating and Governance Committee. Mr. Sullivan has also had leadership positions with various cultural and community organizations. The Board has determined that Mr. Sullivan is an independent director and is financially literate and an audit committee financial expert within the meaning of applicable SEC rules. The Board views Mr. Sullivan’s independence, his investment banking and private equity experience, his experience as a director of other companies and his demonstrated leadership roles in business and community activities as important qualifications, skills and experience for the Board’s conclusion that Mr. Sullivan should serve as a director of the Corporation.

J. Christopher Teets:

Biography. Mr. Teets has been a director since May 2010. Mr. Teets has served as a Partner of Red Mountain Capital Partners LLC (“Red Mountain”), an investment firm, since February 2005. Before joining Red Mountain in 2005, Mr. Teets was an investment banker at Goldman Sachs & Co. Prior joining Goldman Sachs in 2000, Mr. Teets worked in the investment banking division of Citigroup. Mr. Teets currently serves on the boards of directors of Air Transport Services Group, Inc., Nature’s Sunshine Products, Inc. and Intrinsic LLC and previously served on the board of directors of Affirmative Insurance Holdings, Inc., Encore Capital Group, Inc. and Yuma Energy, Inc. Mr. Teets holds a bachelor’s degree from Occidental College and an MSc degree from the London School of Economics.

Qualifications. Mr. Teets has over 20 years of experience as an investment banker and investment professional, which includes advising and investing in financial institutions. Mr. Teets’ experience also includes 15 years serving as a Partner for an investment firm. He has 13 years of service as a director of other public companies and currently sits on the boards of three such companies. Mr. Teets currently serves on both the Corporation’s Audit and Risk Committee and Compensation Committee. In considering the independence of Mr. Teets, the Board considered the fact that he is a Partner of Red Mountain, the beneficial owner (via certain affiliates) of approximately 24.95% of the Corporation’s outstanding shares (reported as of December 22, 2014) as of April 1, 2020, and concluded that his relationship with Red Mountain does not impact his independence as a director of the Corporation. In reaching this conclusion, the Board took into account the fact that Red Mountain and certain of its affiliates made certain customary passivity commitments to the Federal Reserve Board in a commitment letter to ensure that Red Mountain and such affiliates will not, without the prior approval of the Federal Reserve Board or its staff, (i) exercise or attempt to exercise a controlling influence over the management or policies of
the Corporation or any of its subsidiaries, (ii) own, control or hold with power to vote securities that represent 25% or more of any class of voting securities of the Corporation or any of its subsidiaries, (iii) propose a director or slate of directors in opposition to a nominee or slate of nominees proposed by the Corporation’s management or Board, (iv) solicit or participate in soliciting proxies with respect to any matter presented to the Corporation’s shareholders or (v) dispose or threaten to dispose (explicitly or implicitly) of equity interests of the Corporation in any manner as a condition or inducement of specific action or non-action by the Corporation, among other things. The Board has determined that Mr. Teets is an independent director and is financially literate and an audit committee financial expert within the meaning of applicable SEC rules. The Board views Mr. Teets’ independence, his investment banking and public and private investing experience, his experience with financial institutions, his experience as a director of other public companies and his demonstrated leadership roles in business as important qualifications, skills and experience for the Board’s conclusion that Mr. Teets should serve as a director of the Corporation.

James W. Wert:

Biography. Mr. Wert has been a director since February 1998. Mr. Wert is Managing Member and CEO of CM Wealth Advisors LLC f/k/a Clanco Management Corp., which is a wealth management and investment advisory firm headquartered in Cleveland, Ohio. Prior to joining Clanco in May 2000, Mr. Wert served as Chief Financial Officer and then Chief Investment Officer of KeyCorp, a financial services company based in Cleveland, Ohio, and its predecessor, Society Corporation, until 1996, holding a variety of capital markets and corporate banking leadership positions. Mr. Wert received his undergraduate degree in finance from Michigan State University in 1971 and completed the Stanford University Executive Program in 1982. Mr. Wert also serves as lead Director of Park-Ohio Holdings Corp.

Qualifications. Mr. Wert has over 30 years of experience in the banking and financial services industries, including 20 years as a senior officer of a bank. He served as Chairman of the Corporation’s Audit and Risk Committee from November 2003 to July 2004. Mr. Wert presently serves as Chairman of the Corporation’s Compensation Committee and on the Corporation’s Audit and Risk Committee and Nominating and Governance Committee. He has over 22 years of service as a director of public companies, and has also spent over 19 years serving on the boards of several non-public entities. Mr. Wert has also had leadership positions with various cultural and community organizations. The Board has determined that Mr. Wert is an independent director and is financially literate and an audit committee financial expert within the meaning of applicable SEC rules. The Board views Mr. Wert’s independence, his banking and financial services experience, his experience as a director of other companies and his demonstrated leadership roles in business and community activities as important qualifications, skills and experience for the Board’s conclusion that Mr. Wert should serve as a director of the Corporation.

Independence of the Board of Directors

The Board has affirmatively determined that John J. Calamari, Lawrence J. DeAngelo, Scott A. Heimes, Matthew J. Sullivan, J. Christopher Teets and James W. Wert are each independent directors. Our Board has also determined that Mr. Hilzinger, who serves as a director and our Chief Executive Officer, is not an independent director. Accordingly, 86% of our current incumbent directors, who also constitute our director nominees, are independent. The standards applied by the Board in affirmatively determining whether a director is “independent” are those objective standards set forth in the listing standards of the NASDAQ Global Select Market (“NASDAQ”).

Only independent directors serve on our Audit and Risk Committee, Compensation Committee and Nominating and Governance Committee. Mr. DeAngelo, a non-employee independent director, serves as the Chairman of the Board. He was elected to that position in June 2014. The Board is responsible for ensuring that independent directors do not have a material relationship with the Corporation or any of the Corporation’s affiliates or any of our executive officers or their affiliates.
It is the policy of the Board and NASDAQ’s rules require listed companies to have a board of directors with at least a majority of independent directors, as defined under NASDAQ’s Marketplace Rules. The Board has affirmatively determined that each member of our Board (other than the Corporation’s Chief Executive Officer, Jeffrey A. Hilzinger), is an independent director, and all standing committees of the Board are composed entirely of independent directors, in each case under NASDAQ’s independence definition. The NASDAQ independence definition includes a series of objective tests, such as that the director is not an employee of the Corporation and has not engaged in various types of business dealings with the Corporation. In addition, the Board has made a subjective determination as to each independent director that no relationship exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the directors reviewed and discussed information provided by the directors and the Corporation with regard to each director’s business and other activities as they may relate to the Corporation and the Corporation’s management.

COMMITEES OF THE BOARD

The Corporation has three standing committees: the Audit and Risk Committee, the Compensation Committee and the Nominating and Governance Committee.

Audit and Risk Committee

The Audit and Risk Committee currently consists of four independent directors: Messrs. Calamari (chairman), Sullivan, Teets and Wert. The Board has determined that Messrs. Calamari, Sullivan, Teets and Wert each qualify as an audit committee financial expert as defined under current rules and regulations of the SEC and under NASDAQ listing standards, and that all the members of the Audit and Risk Committee satisfy the independence and other requirements for audit committee members under such rules, regulations and listing standards.

The Audit and Risk Committee’s primary purpose is to assist the Board in overseeing and reviewing:

(1) the integrity of the Corporation’s financial reports and financial information provided to the public and to governmental and regulatory agencies;

(2) the adequacy of the Corporation’s internal accounting systems and financial controls;

(3) the annual independent audit of the Corporation’s financial statements, including the independent registered public accountant’s qualifications and independence; and

(4) the Corporation’s compliance with law and ethics programs as established by management and the Board.

In this regard, the Audit and Risk Committee, among other things, (a) has sole authority to select, evaluate, terminate and replace the Corporation’s independent registered public accountants; (b) has sole authority to approve in advance all audit and non-audit engagement fees and terms with the Corporation’s independent registered public accountants; and (c) reviews the Corporation’s audited financial statements, interim financial results, public filings and earnings press releases prior to issuance, filing or publication.

The Board has adopted a written charter for the Audit and Risk Committee, which is accessible in the Investors section of the Corporation’s website at www.marlincapitalsolutions.com. The Corporation’s website is not part of this Proxy Statement and references to the Corporation’s website address are intended to be inactive textual references only.

Compensation Committee

The Compensation Committee of the Board (the “Compensation Committee”) currently consists of four independent directors: Messrs. Wert (chairman), DeAngelo, Sullivan and Teets.
The functions of the Compensation Committee include:

- evaluating the performance of the Corporation’s named executive officers and approving their compensation;
- preparing an annual report on executive compensation for inclusion in the Corporation’s proxy statement;
- reviewing and approving compensation plans, policies and programs and considering their design and competitiveness; and
- reviewing the Corporation’s non-employee independent director compensation levels and practices and recommending changes as appropriate.

The Compensation Committee reviews and approves corporate goals and objectives relevant to chief executive officer compensation, evaluates the chief executive officer’s performance in light of those goals and objectives, and recommends to the Board the chief executive officer’s compensation levels based on its evaluation. The Compensation Committee also administers the Corporation’s 2003 Equity Compensation Plan, as amended (the “2003 Equity Plan”), 2014 Equity Compensation Plan (the “2014 Equity Plan”), 2019 Equity Compensation Plan (the “2019 Equity Plan”) and 2012 Employee Stock Purchase Plan. The Compensation Committee is governed by a written charter that is accessible on the Investors page of the Corporation’s website at www.marlincapitalsolutions.com.

Nominating and Governance Committee

The Nominating and Governance Committee of the Board (the “Nominating and Governance Committee”) currently consists of four independent directors: Messrs. DeAngelo (chairman), Calamari, Sullivan and Wert. The Nominating and Governance Committee is responsible for seeking, considering and recommending to the Board qualified candidates for election as directors and proposing a slate of nominees for election as directors at the Corporation’s Annual Meeting of Shareholders. The Nominating and Governance Committee is responsible for reviewing and making recommendations on matters involving general operation of the Board and its committees, and will annually recommend to the Board nominees for each committee of the Board. The Nominating and Governance Committee is governed by a written charter that is accessible on the Investors page of the Corporation’s website at www.marlincapitalsolutions.com.

The Nominating and Governance Committee has determined that no one single criterion should be given more weight than any other criteria when it considers the qualifications of a potential nominee to the Board. Instead, it believes that it should consider the total “skill set” of an individual. In considering potential nominees for director, the Nominating and Governance Committee will consider each potential nominee’s personal abilities and qualifications, independence, knowledge, judgment, character, leadership skills, education and the diversity of such nominee’s background, expertise and experience in fields and disciplines relevant to the Corporation, including financial literacy or expertise. In addition, potential nominees should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated and be selected based upon contributions that they can make to the Corporation. The Nominating and Governance Committee considers all of these qualities when selecting, subject to ratification by the Board, potential nominees for director.

The Board views both demographic and geographic diversity among the directors as desirable. The Board does not have a formal diversity policy, but the Nominating and Governance Committee takes into account a candidate’s ability to contribute to the cognitive diversity of backgrounds on the Board. To this end, we consider attributes such as race, ethnicity, gender, age, cultural background and professional experience. The Nominating and Governance Committee reviews its effectiveness in balancing these considerations when assessing the
composition of the Board. In 2017, the Board retained Korn Ferry, a leading global recruiting firm to perform a board assessment with an emphasis on diversity.

The Nominating and Governance Committee’s process for identifying and evaluating potential nominees includes soliciting recommendations from existing directors and officers of the Corporation, reviewing the Board and Committee assessments completed by the directors and, when deemed advisable by the Nominating and Governance Committee, engaging third parties to assist in identifying and evaluating potential nominees.

The Nominating and Governance Committee will also consider recommendations from shareholders regarding potential director candidates provided that such recommendations are made in compliance with the nomination procedures set forth in the Corporation’s Bylaws. The procedures in the Corporation’s Bylaws require the shareholder to submit written notice of the proposed nominee to the Secretary of the Corporation no less than 90 days prior to the anniversary date of the immediately preceding annual meeting of shareholders. To be in proper form, such written notice must include, among other things, (i) the name, age, business address and residence of the proposed nominee, (ii) the principal occupation or employment of such nominee, (iii) the class and number of shares of capital stock of the Corporation owned beneficially or of record by such nominee and (iv) any other information relating to the proposed nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors. In addition, as to the shareholder giving the notice, the notice must also provide (a) such shareholder’s name and record address, (b) the class and number of shares of capital stock of the Corporation owned beneficially or of record by such shareholder, (c) a description of all arrangements or understandings between such shareholder and each proposed nominee and any other persons (including their names) pursuant to which the nominations are to be made by such shareholder, (d) a representation that such shareholder (or his or her authorized representative) intends to attend the meeting, or have the shareholder’s proxy attend the meeting, to nominate the persons named in the notice and (e) any other information relating to the shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors. If the shareholder of record is not the beneficial owner of the shares, then the notice to the Secretary of the Corporation must include the name and address of the beneficial owner and the information referred to in clauses (c) and (e) above (substituting the beneficial owner for such shareholder).

**GOVERNANCE OF THE CORPORATION**

<table>
<thead>
<tr>
<th>Governance Highlights</th>
<th>Governance Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Six out of seven of our directors are independent</td>
<td>• The Corporation has implemented proxy access</td>
</tr>
<tr>
<td>• Our Audit and Risk, Compensation, and Nominating and Governance Committees are 100% independent</td>
<td>• Shareholders have the same voting rights- one vote per share</td>
</tr>
<tr>
<td>• Our Chairman of the Board is an independent director who fosters effective collaboration among our independent directors and our CEO</td>
<td>• Director compensation is reviewed annually by our Compensation Committee to ensure competitiveness relative to our peers.</td>
</tr>
<tr>
<td>• Our Board and management are subject to a Code of Ethics and Business Conduct</td>
<td>• Our internal Disclosure Committee oversees the Corporation’s disclosure obligations to ensure timely and accurate reporting and support our disclosure controls and procedures processes</td>
</tr>
<tr>
<td>• All of our directors attended at least 75% of the aggregate number of meetings of our Board and Board committees on which they served</td>
<td>• The Corporation has established a Management Risk Committee to oversee the risk profile and risk strategy of the Corporation</td>
</tr>
<tr>
<td>• Independent Board members meet regularly in Executive Session without management present</td>
<td>• The Corporation has adopted a director resignation policy applicable if the votes “withheld” exceed the votes “for” a nominee in an uncontested election</td>
</tr>
</tbody>
</table>
Board Leadership Structure

The Board believes that separating the roles of Chairman of the Board and Chief Executive Officer strengthens the independence of each role and enhances overall corporate governance. As a result, in June 2014, the Board elected an independent director, Lawrence J. DeAngelo, to serve as the Board’s second non-executive Chairman of the Board. In his capacity as non-executive Chairman of the Board, Mr. DeAngelo leads all meetings of our Board at which he is present but does not serve as an employee or corporate officer. The non-executive Chairman of the Board serves on appropriate committees as requested by the Board, sets meeting schedules and agendas and manages information flow to the Board to assure appropriate understanding of, and discussion regarding matters of interest or concern to the Board. The Board believes that it is appropriate for the Chairman of the Board to be an independent, non-employee director to ensure that the Board operates independently of management in the fulfillment of its oversight function and that the matters presented for consideration by the Board and its committees reflect matters of key importance to the Corporation and its shareholders as determined by the independent directors.

Majority Voting in Director Elections/Director Resignation Policy

Pursuant to the Board’s director resignation policy, in an uncontested election, any nominee for director who receives a greater number of votes “withheld” from his or her election than votes “for” such election will, promptly following certification of the shareholder vote, tender his or her resignation to the Board with such resignation expressly stating that it is contingent upon the acceptance of the resignation by the Board. The Nominating and Governance Committee will consider such tendered resignation and recommend to the Board whether to accept or reject the tendered resignation, or whether other action should be taken. The Board will act on the tendered resignation, taking into account the Nominating and Governance Committee’s recommendation, and publicly disclose its decision regarding the tendered resignation and, if such tendered resignation is rejected, the rationale behind the decision, within 90 days following certification of the shareholder vote. The Nominating and Governance Committee in making its recommendation, and the Board in making its decision, may consider factors and other information that they consider relevant, including as a principal factor whether the issue(s) that caused the high withhold/against vote have been or will be addressed. Notwithstanding the foregoing, to the extent a director has received a greater number of votes “withheld” from his or her election than votes “for” such election in an uncontested election in two consecutive elections, the Board will accept such tendered resignation.

The director who has tendered his or her resignation will not participate in the Nominating and Governance Committee’s or the Board’s deliberations or decision with respect to the tendered resignation, but shall remain active and engaged in all other committee deliberations and decisions pending completion of the Nominating and Governance Committee and Board process. If a majority of the members of the Nominating and Governance Committee are required to tender resignations pursuant to our director resignation policy following any election, then the independent directors that are not required to tender their resignations will appoint a Board committee amongst themselves solely for the purpose of considering the tendered resignations and making a recommendation to the Board. In addition, if the only directors who are not required to tender resignations pursuant to the policy following any election constitute three or fewer directors, then all directors may participate in the Board action regarding whether to accept the tendered resignations.

Shareholder Nominations

Our Bylaws permit shareholders to submit director nominations for consideration at an annual meeting. Such nominations are subject to certain eligibility, procedural and disclosure requirements set forth in Article II Section 2.3 of the Bylaws, including the requirement that the notice of such nominations to the Corporate Secretary of the Corporation must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than ninety (90) days prior to the anniversary date of the previous year’s annual meeting; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days
before or after such anniversary date, then notice by the shareholder to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and in the case of a special meeting of shareholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs. A copy of the Bylaws can be obtained from the Corporation’s Corporate Secretary at 300 Fellowship Road, Mount Laurel, NJ 08054.

In addition, our Bylaws provide for proxy access for properly nominated directors under certain circumstances. Article II Section 2.15 of the Bylaws permits a shareholder who has owned shares of the Corporation, or a group of up to 20 shareholders, representing an aggregate of at least three percent of the voting power entitled to vote in the election of directors continuously for at least three years (an “Eligible Shareholder”) to nominate and include in the Corporation’s annual meeting proxy materials director nominees in a number up to 25 percent of the Board of the Directors in office as of the last day on which a proxy access notice may be delivered under the Bylaws, provided the nominating shareholder(s) and the director nominee(s) satisfy all of the specified eligibility and other requirements in Section 2.15 of the Bylaws. The proxy access provision may only be used in connection with an annual meeting of shareholders. To use the proxy access provision, a shareholder must provide the Corporation with a notice of proxy access nomination and other important information, which must include certain representations and agreements by the shareholder, no earlier than one hundred and fifty (150) and no later than one hundred and twenty (120) days before the first anniversary of the date the Corporation mailed its proxy statement for the prior year’s annual meeting of shareholders; provided, however, that in the event that the annual meeting is not scheduled to be held within a period that commences thirty (30) days before and ends sixty (60) days after the first anniversary date of the previous year’s annual meeting, then the proxy access notice must be so delivered to, and received by, the Corporate Secretary of the Corporation no earlier than one hundred and eighty (180) days and no later than the tenth (10th) day following the date such annual meeting is first publicly announced or disclosed. The required information includes, but is not limited to, shareholder statements verifying qualifying stock ownership as of the date of the notice of proxy access nomination and a copy of the shareholder’s Schedule 14N as filed with the SEC. The required representations and agreement include, but are not limited to, the shareholder’s lack of intent to change or influence control at the Corporation and intent to maintain qualifying stock ownership through the date of the annual meeting. The Corporation may also require each shareholder nominee to provide any additional information that may be reasonably requested to determine if such nominee is independent or that may be reasonably required to determine the eligibility of such nominee to serve as a director of the Corporation.

Shareholder Proposals

Our Bylaws permit shareholders to submit proposals for consideration at future shareholder meeting. Such proposals are subject to certain eligibility, procedural and disclosure requirements set forth in Article II Section 2.3 of the Bylaws, including the requirement that the notice of such proposals to Corporate Secretary of the Corporation must delivered to or mailed and received at the principal executive offices of the Corporation not less than one hundred and twenty (120) days prior to the date of the Corporation’s proxy statement released to shareholders in connection with the previous year’s annual meeting; provided, however, that in the event that the current year’s annual meeting has been changed by more than thirty (30) days from the date of the previous year’s meeting, then notice by the shareholder to be timely must be so received within a reasonable time before the Corporation begins to print and mail its proxy materials.

Risk Management Oversight

The Corporation is subject to a variety of risks, including credit risk, liquidity risk, operational risk, regulatory risk, reputational risk and market risk. The Board oversees risk management through a combination of processes.
The Audit and Risk Committee, in conjunction with the Corporation’s management team, has developed risk management processes intended to:

- timely identify the material risks that the Corporation faces;
- communicate necessary information with respect to material risks to senior executives and, as appropriate, to the Board or relevant Board committee;
- implement appropriate and responsive risk management strategies consistent with Corporation’s risk profile; and
- integrate risk management into the Corporation’s decision-making.

The Board regularly reviews information regarding the Corporation’s credit, liquidity and operations, as well as the risks associated with each, during the Board meetings scheduled throughout the year.

The Corporation has established a Management Risk Committee (“Management Risk Committee”) comprised of the following voting members: the Corporation’s Chief Executive Officer; Chief Risk Officer; Chief Financial Officer; Chief Sales Officer; General Counsel; and Chief Operations Officer, and the President of the Corporation’s wholly owned bank subsidiary, Marlin Business Bank. In addition, the Management Risk Committee includes non-voting members comprised of senior and other management throughout the organization. The Management Risk Committee’s main task is to manage the risk profile and risk strategy of the Corporation by defining the risk appetite, defining the risk strategy, and actively monitoring the risk performance against the risk appetite and strategy as defined by the Management Risk Committee’s Charter, in each case ultimately subject to oversight by the Audit and Risk Committee. The Management Risk Committee Charter is subject to approval by the Board.

The Audit and Risk Committee, in consultation with management and the Corporation’s internal auditors, also discusses the Corporation’s policies and guidelines regarding risk assessment and risk management, as well as the Corporation’s significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. The Compensation Committee considers the risks that may be presented by the structure of the Corporation’s compensation programs and the metrics used to determine individual compensation under that program. Among its other duties, the Nominating and Governance Committee develops corporate governance guidelines applicable to the Corporation and recommends such guidelines or revisions of such guidelines to the Board. The Nominating and Governance Committee reviews such guidelines at least annually and, when necessary or appropriate, recommends changes to the Board. The Board believes that the present leadership structure, along with the Corporation’s corporate governance policies and procedures, permits the Board to effectively perform its role in the risk oversight of the Corporation.

Whistleblower Procedures

The Corporation has established procedures that provide employees with the ability to make anonymous submissions directly to the Audit and Risk Committee regarding concerns about accounting or auditing matters. The independent directors that comprise the Audit and Risk Committee will review, investigate and, if appropriate, respond to each submission made. Additionally, the Corporation has reminded employees of its policy to not retaliate or take any other detrimental action against employees who make submissions in good faith.

Code of Ethics and Business Conduct

All of the Corporation’s directors, officers and employees (including its senior executive, financial and accounting officers) are held accountable for adherence to the Corporation’s Code of Ethics and Business Conduct (the “Code”). The Code is posted in the Investors section of the Corporation’s website at www.marlincapitalsolutions.com. The purpose of the Code is to establish standards to deter wrongdoing and to
promote honest and ethical behavior. The Code covers many areas of professional conduct, including compliance with laws, conflicts of interest, fair dealing, financial reporting and disclosure, confidential information and proper use of the Corporation’s assets. Employees are obligated to promptly report any known or suspected violation of the Code through a variety of mechanisms made available by the Corporation. Waiver of any provision of the Code for a director or executive officer (including our principal executive, financial and accounting officers) may only be granted by the Board of Directors or the Audit and Risk Committee. The Code is available free of charge in the Investors section of our website at www.marlincapitalsolutions.com. We intend to post on our website any amendments and waivers to the Code that are required to be disclosed by SEC rules, or file a Form 8-K, Item 5.05, to the extent required by NASDAQ listing standards.

Communications with the Board
Shareholders may communicate with the Board or any of the directors by sending written communications addressed to the Board or any of the directors, c/o Corporate Secretary, Marlin Business Services Corp., 300 Fellowship Road, Mount Laurel, New Jersey 08054. All communications are compiled by the Corporate Secretary and forwarded to the Board or the individual director(s) accordingly.

CERTAIN RELATED PERSON TRANSACTIONS
Under the Code, the Audit and Risk Committee must review and approve transactions with “related persons” (directors, director nominees and executive officers or their immediate family members, or shareholders owning 5% or greater of the Corporation’s outstanding common stock) in which the amount exceeds $120,000 and in which the related person has a direct or indirect material interest. Under this policy, full written disclosure must be submitted in writing to the Corporation’s General Counsel, who will submit it to the Audit and Risk Committee for review. The transaction must receive Audit and Risk Committee approval prior to the consummation of the transaction.

The March 20, 2007 (the “Order”) of the Federal Deposit Insurance Company (“FDIC”) originally approving the application for federal deposit insurance for the Corporation’s wholly-owned subsidiary, Marlin Business Bank, an industrial bank chartered by the State of Utah (the “Bank”) is subject to certain conditions set forth in the Order. The Order provided that the approval was conditioned on, among other things, Peachtree Equity Investment Management, Inc. (“Peachtree”) and WCI (Private Equity) LLC (“WCI”), whose sole manager is Peachtree, executing a passivity agreement with the FDIC to eliminate Peachtree’s and WCI’s ability to control the Bank. As a result, on June 18, 2007, Peachtree, WCI and the FDIC entered into a Passivity Agreement (the “Passivity Agreement”) and Peachtree, WCI and the Corporation entered into a related Letter Agreement (the “Letter Agreement”). On March 11, 2008, the Corporation received approval from the FDIC for federal deposit insurance for the Bank, and approved the Bank to commence operations effective March 12, 2008. As a result of the approval, the Corporation became subject to the Letter Agreement, pursuant to which the Corporation agreed to create one vacancy on the Board by increasing the size of the Board. The Corporation also agreed to take all necessary action to appoint one individual proposed by Peachtree and WCI as a member of the Board to serve as a director. On April 17, 2008, Matthew J. Sullivan was appointed to the Board under the terms of the Letter Agreement, and Mr. Sullivan has continued to serve as a Board member under the provisions of the Letter Agreement that requires the Corporation to include an individual proposed by Peachtree and WCI on the Board’s slate of nominees for election as a director of the Corporation and to use its best efforts to cause the election of such individual so long as Peachtree and WCI are subject to the terms and conditions of the Passivity Agreement. While on March 24, 2020, the FDIC issued an amended order that eliminated many of the conditions in the Order, the amended order specifically requires Peachtree and WCI to keep the Passivity Agreement in place.

NON-EMPLOYEE DIRECTORS’ COMPENSATION
Members of the Board who are not employees are eligible for compensation in the form of cash and equity as described below. Frederic W. Cook & Co., Inc. (“FW Cook”) conducted a comprehensive evaluation of the
compensation programs for non-employee independent members of the Board of Directors, which resulted in updates to the program in 2017. No subsequent refinements were made to the program in 2018 or 2019.

Cash Compensation

Annual Retainer. Each outside (non-employee independent) director receives an annual cash retainer of $50,000 for serving on the Board of Directors. The cash retainers are paid quarterly and prorated for fractional periods.

Chairman of the Board Retainer. In addition to the compensation described above, the non-employee Chairman of the Board of the Corporation receives an additional $50,000 annual retainer (payable in quarterly installments).

Committee and Chair Retainers. The chairpersons and non-chair members of the Board’s three standing committees are entitled to the following additional cash retainers each year (paid quarterly and prorated for fractional periods):

<table>
<thead>
<tr>
<th>Board Committee</th>
<th>Chairperson Retainer</th>
<th>Non-Chair Member Retainer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit and Risk Committee</td>
<td>$21,000</td>
<td>$9,000</td>
</tr>
<tr>
<td>Compensation Committee</td>
<td>$14,000</td>
<td>$6,500</td>
</tr>
<tr>
<td>Nominating and Governance Committee</td>
<td>$10,000</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

None of the above-described cash retainers have changed since 2017.

Equity Compensation

Annual Equity Award. In 2019, independent members of the Board of Directors received annual grants under the Corporation’s 2019 Equity Plan of restricted stock yielding a fair market value of $60,000 at the stock award grant date. The transfer restrictions on restricted stock granted pursuant to the annual equity awards lapse at the earlier of (a) seven years from the grant date and (b) six months following the non-employee independent director’s termination of Board service.

Total 2019 Director Compensation

The following table sets forth compensation from the Corporation for the non-employee independent members of the Board of Directors in 2019. The table does not include reimbursement of travel expenses related to attending Board, Committee and Corporation business meetings.

<table>
<thead>
<tr>
<th>Name</th>
<th>Fees Earned or Paid In Cash</th>
<th>Stock Awards(1)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawrence J. DeAngelo</td>
<td>$ 116,500</td>
<td>$ 59,993</td>
<td>$176,493</td>
</tr>
<tr>
<td>John J. Calamari</td>
<td>$  75,000</td>
<td>$ 59,993</td>
<td>$134,993</td>
</tr>
<tr>
<td>Scott A. Heimes</td>
<td>$  50,000</td>
<td>$ 59,993</td>
<td>$109,993</td>
</tr>
<tr>
<td>Matthew J. Sullivan</td>
<td>$  69,500</td>
<td>$ 59,993</td>
<td>$129,493</td>
</tr>
<tr>
<td>J. Christopher Teets</td>
<td>$  65,500</td>
<td>$ 59,993</td>
<td>$125,493</td>
</tr>
<tr>
<td>James W. Wert</td>
<td>$  77,000</td>
<td>$ 59,993</td>
<td>$136,993</td>
</tr>
</tbody>
</table>

(1) Represents the grant date fair value of stock awards granted to the Directors of the Corporation in 2019 in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Stock Compensation ("FASB ASC Topic 718"). Please refer to Note 2 under “Summary of Significant Accounting Policies” subtitled “Stock-Based”
The following table sets forth information with respect to the beneficial ownership of our common stock held by our independent directors as of April 1, 2020.

Security Ownership of Directors Table

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares of Common Stock Owned (#)</th>
<th>Number of Shares of Common Stock that have not yet Vested (#)</th>
<th>Total Number of Shares Beneficially Owned (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>John J. Calamari</td>
<td>28,509</td>
<td>16,924</td>
<td>45,433</td>
</tr>
<tr>
<td>Lawrence J. DeAngelo</td>
<td>173,018</td>
<td>20,940</td>
<td>193,958</td>
</tr>
<tr>
<td>Scott A. Heimes</td>
<td>0</td>
<td>12,896</td>
<td>12,896</td>
</tr>
<tr>
<td>Matthew J. Sullivan(1)</td>
<td>261,044</td>
<td>16,924</td>
<td>277,968</td>
</tr>
<tr>
<td>J. Christopher Teets(2)</td>
<td>13,525</td>
<td>16,924</td>
<td>30,449</td>
</tr>
<tr>
<td>James W. Wert</td>
<td>56,803</td>
<td>16,924</td>
<td>73,727</td>
</tr>
</tbody>
</table>

(1) Includes 234,483 reported shares owned by Peachtree CIP, L.P., whose general partner is Peachtree Equity Management, LLC (the “General Partner”). Mr. Sullivan is the Managing Director of the General Partner and could be deemed to be an indirect holder of the shares. Mr. Sullivan disclaims beneficial ownership of these shares, except to the extent of his pecuniary interest therein.

(2) The information for Mr. Teets does not include shares beneficially owned by Red Mountain Capital Partners LLC (“Red Mountain”). Mr. Teets, a Partner of Red Mountain, disclaims beneficial ownership of the shares of the Corporation beneficially owned by Red Mountain.

Director Ownership Guidelines

The Board of Directors believes that non-employee independent directors should own and hold common stock of the Corporation to further align their interests and actions with the interests of the Corporation’s shareholders. The Corporation’s current Director Stock Ownership Guidelines require each non-employee independent director to own an amount of the Corporation’s stock having a value (based on the applicable prior day’s closing stock price) equal to five times his or her annual board cash retainer. Restricted shares count toward the ownership requirement. Each non-employee independent director receives an annual grant of restricted shares for which the transfer restrictions lapse at the earlier of (a) seven years from the grant date and (b) six months following the non-employee director’s termination of Board service. As of April 1, 2020, all of the non-employee independent directors were in compliance with the ownership requirement except Mr. Heimes, who as of such date remained within his five-year phase-in period for compliance.
Proposal 2:

ADVISORY APPROVAL OF OUR NAMED EXECUTIVE OFFICERS’ PAY

PROPOSAL SUMMARY AND RECOMMENDATION

In accordance with Section 14A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and rules promulgated by the SEC, we are requesting the approval of the following advisory resolution:

“RESOLVED, that the compensation paid to the Corporation’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.”

Although the foregoing resolution is only advisory in nature and is not binding on the Board or the Corporation, the Board and the Compensation Committee intend to review the voting results so that such voting results may be taken into consideration in connection with future executive compensation decisions.

Recommendation. The Board of Directors recommends a vote “FOR” the adoption of the above resolution indicating approval, on an advisory basis, of the compensation of the Corporation’s named executive officers.

Why the Board recommends a vote FOR the “say-on-pay” proposal. The Board believes that the Corporation’s executive compensation program is effective and aligned with shareholders’ interests. In 2017, the Corporation instituted a new rigorous performance based approach to its compensation programs. The following highlights key objectives of our executive pay program:

- Balances short-term and long-term performance goals and commensurate rewards.
- Aligns the interests of our executives and our shareholders to create long-term value.
- Enables the Corporation to attract and retain key executive talent.

We hold “say-on-pay” votes annually in support of our Board’s policy. The next “say-on-pay” vote will occur at the Corporation’s 2021 annual meeting of shareholders.

COMPENSATION COMMITTEE REPORT

The Compensation Committee reviewed and discussed the Compensation Discussion and Analysis set forth below with management and, based on such review and discussion, recommended to the Board of Directors that it be included in the Corporation’s Proxy Statement and Annual Report on Form 10-K for the year ended December 31, 2019.

This report is submitted by the members of the Compensation Committee of the Board of Directors.

James W. Wert (Chairman)
Lawrence J. DeAngelo
Matthew J. Sullivan
J. Christopher Teets

Date: April 20, 2020
OUR EXECUTIVE OFFICERS

The Board chooses executive officers, who then serve at the Board’s discretion. There is no family relationship between any of the Corporation’s directors or executive officers and any other director or executive officer of the Corporation or its subsidiaries. Our executive officers as of April 29, 2020, and the ages of such officers at such date, were as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Principal Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeffrey A. Hilzinger</td>
<td>62</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Michael R. Bogansky</td>
<td>42</td>
<td>Senior Vice President, Chief Financial Officer</td>
</tr>
<tr>
<td>Laura C. Anger</td>
<td>56</td>
<td>Senior Vice President, Chief Human Resources Officer</td>
</tr>
<tr>
<td>Louis E. Maslowe</td>
<td>57</td>
<td>Senior Vice President, Chief Risk Officer</td>
</tr>
<tr>
<td>Ryan S. Melcher</td>
<td>40</td>
<td>Senior Vice President, General Counsel and Corporate Secretary</td>
</tr>
<tr>
<td>Aswin Rajappa</td>
<td>49</td>
<td>Senior Vice President, Chief Marketing Officer</td>
</tr>
<tr>
<td>James Sherlock</td>
<td>50</td>
<td>Senior Vice President, Chief Information Officer</td>
</tr>
<tr>
<td>Gregory L. Sting</td>
<td>57</td>
<td>Senior Vice President, Chief Operations Officer</td>
</tr>
</tbody>
</table>

Mr. Hilzinger’s biographical information is set forth above in “Proposal 1 – Election of Directors – Board of Directors”.

Mr. Bogansky joined the Corporation on February 1, 2019 as Senior Vice President, Chief Financial Officer. Prior to joining the Corporation, Mr. Bogansky worked for PHH Corporation, a New York Stock Exchange listed company (“PHH”), where he was most recently Senior Vice President and Chief Financial Officer from March 2017 until PHH was acquired by Ocwen Financial Corporation on October 4, 2018. Prior to that, Mr. Bogansky served as the Senior Vice President and Controller of PHH since April, 2014. Mr. Bogansky joined PHH’s subsidiary, PHH Mortgage Corporation (“PHH Mortgage”), in 2003 as Manager, Financial Reporting and held roles of increasing responsibility in the accounting and finance functions of PHH and its subsidiaries, including serving as Vice President, Financial Reporting of PHH Mortgage from 2009 to 2010, as PHH’s Vice President and Assistant Controller from 2010 to 2012 and as PHH’s Vice President and Controller from to 2012 until 2014. Prior to joining PHH in 2003, Mr. Bogansky served as a Senior Auditor with Deloitte & Touche LLP, which currently serves as the Corporation’s independent registered public accounting firm.

Ms. Anger joined the Corporation in July 2017 as Senior Vice President, Chief Human Resources Officer. Ms. Anger has an extensive background in human resources with over 30 years of experience, much of it in the commercial finance and banking industries. Prior to joining the Corporation, Ms. Anger led the human resources function for the North American Connected Car unit of Harman International, a Samsung company from November 2014 to July 2017. Prior to joining Harman International, she held the top human resources leadership role at Flagstar Bancorp, Inc. and Crain Communications Inc. Earlier in her career, she also held human resources leadership positions at AT&T Capital, Heller Financial and GE Capital.

Mr. Maslowe joined the Corporation in January 2017 as Chief Risk Officer. Mr. Maslowe manages all of Marlin’s underwriting practices, policies, procedures, risk appetite and overall credit risk management across all of Marlin’s businesses. Mr. Maslowe has an extensive background in commercial finance with over 30 years of credit experience. Prior to joining Marlin, he was Senior Vice President and Chief Risk Officer of the Americas for DLL, a global provider of asset-based financial solutions and a wholly owned subsidiary of Rabobank Group from 2005 until January 2017. In his role at DLL, Mr. Maslowe was responsible for all credit adjudication, enterprise risk management and credit scorecard management for the Americas. In addition, he served as Co-Chairman of the Global Model Risk Committee and was a member of DLL’s Global Risk, Credit and Audit
Committees. Previously, Mr. Maslowe held senior leadership positions in credit and risk management with several other leading bank owned, independent and captive leasing companies.

**Mr. Melcher** joined the Corporation as Senior Vice President, Deputy General Counsel on November 1, 2019, and assumed the role of Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary on January 1, 2020. Prior to joining the Corporation, Mr. Melcher worked for PHH Corporation, a New York Stock Exchange listed company (“PHH”), where he was most recently Vice President, Deputy General Counsel and Corporate Secretary from January 2018 until February 2019, following the acquisition of PHH by Ocwen Financial Corporation in October 2018. Prior to that, Mr. Melcher served as Assistant General Counsel and Assistant Secretary of PHH since October 2013. Prior to joining PHH, Mr. Melcher was an associate and subsequently counsel in the corporate department of the law firm Lowenstein Sandler LLP from 2004 to 2013.

**Mr. Rajappa** joined the Corporation in September 2017 as Senior Vice President, Chief Marketing Officer. Prior to joining the Corporation, Mr. Rajappa was Vice President, Digital Marketing & Product Development at CAN Capital from January 2016 to June 2017. Prior to that, from June 2014 to December 2015 he was Senior Vice President, Head of Marketing at Lendkey Technologies, a leading lending-as-a-service fintech platform for banks and credit unions. Mr. Rajappa spent the fourteen years prior to that in increasing roles in marketing and product development at Capital One Financial.

**Mr. Sherlock** has been with the Corporation since 2007, and has served as Senior Vice President, Chief Information Officer since 2016. Prior to that, he served as the Corporation’s Vice President of Information Technology. Prior to joining the Corporation in 2007, Mr. Sherlock worked at PHH Mortgage Corporation from 2003 to 2007 as Director of Applications Development, and prior to that held various positions in increasing technology roles at Wave Systems Corp., a platform security company and MFS Trans Tech, an electronic toll and traffic management company.

**Mr. Sting** joined the Corporation in late 2014 to manage the Corporation’s lease and loan portfolio and drive improvements in the servicing departments. Prior to joining the Corporation, Mr. Sting worked for seven years for CIT Group in Jacksonville, Florida. In 2007, he joined CIT Group as Vice President of Operations for Vendor Healthcare and through the subsequent four years was given various promotions. By July 2011, Mr. Sting became the Chief Operations Officer of CIT Finance LLC. Mr. Sting’s areas of responsibility in this role included collections, customer care, bad debt recovery, accounts payable, accounts receivable, booking, sales support, onboarding and asset management. Prior to working at CIT, Mr. Sting held various positions with Dana Commercial Credit in Ohio, including his final position there as Corporate Director.

**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

In this Compensation Discussion and Analysis (“CD&A”) section, we provide an overview of our performance and the business environment during 2019, followed by a description of the components of our executive compensation program for our Named Executive Officers, or “NEOs,” whose compensation is set forth in the Summary Compensation Table and other compensation tables contained in this CD&A. Also, this CD&A includes an overview of our executive compensation philosophy and our executive compensation program, as well as an explanation of how and why the Compensation Committee arrived at specific compensation policies and decisions involving our NEOs.

**Named Executive Officers**

Our NEOs for 2019 are:

- Jeffrey A. Hilzinger, President and Chief Executive Officer
- Michael R. Bogansky, Senior Vice President and Chief Financial Officer
- Edward R. Dietz, Former Senior Vice President, General Counsel, Chief Compliance Officer and Secretary
Executive Summary

Our 2019 executive compensation program was designed to tie pay to performance, with a significant portion of our NEOs’ compensation based on the attainment of operating and financial goals that influence creation of shareholder value. The Compensation Committee considered the following principles while designing our 2019 executive compensation program: (i) base salaries should be competitive based upon peer group data; (ii) annual cash incentives should be directly connected to company performance and the achievement of corporate goals; (iii) equity compensation should align the interests of our NEOs with those of our shareholders; and (iv) total compensation opportunity should attract, motivate and retain talented executives in a competitive environment. As discussed in more detail below, under the above guiding principles, in 2019 the Compensation Committee adjusted our CEO’s base salary to ensure market competitiveness, instituted an annual cash incentive plan with rigorous financial objectives and awarded equity compensation to NEOs in the form of 35% restricted stock units (“RSUs”) and 65% performance stock units (“PSUs”) with performance measured based on three-year average return on equity. In addition, Messrs. Hilzinger and Bogansky were granted supplemental performance stock units (“Supplemental PSUs”) that were designed to provide motivating and retentive value while rewarding only exceptional financial performance over a three-year measurement period.

The Corporation delivered strong financial performance in 2019:

- Net income of $27.1 million, or $2.20 per diluted share; up 8.6% from $25.0 million, or $2.00 per diluted share in 2018.
- Total sourced origination volume of $877.9 million; up 18.7% from 2018 and more than double the prior year’s growth rate. Direct channel origination volume grew 29% from 2018.
- Increases in ROE and operating efficiency compared to 2018.
- Returned capital through share repurchases totaling $6.8 million, in addition to regular quarterly dividends.

The Corporation’s rigorous incentive compensation goal setting is reflected in the amounts earned by our NEOs for the fiscal year. Despite our strong financial performance in 2019, the corporate performance metrics under the NEOs’ annual cash incentive plan resulted in funding at 75.6% of target. Furthermore, two previously granted PSU awards had performance periods concluding in 2019, with one award earned at below-target levels and the other award forfeited in its entirety. Particularly, PSUs granted on September 16, 2016, which based performance upon the highest 30 day average total shareholder return over the three years following the grant date, were earned at two-thirds of target (with vesting remaining subject to continued employment through September 16, 2020) and PSUs granted on March 31, 2017, which based performance upon our three-year average return on equity for 2017, 2018 and 2019, were forfeited in their entirety as performance fell below the threshold level set forth in the award.

Compensation Philosophy, Structure and Governance Process and Considerations

Compensation Philosophy. The Compensation Committee believes that the most effective executive compensation program is one that rewards the achievement of specific annual, long-term and strategic goals by the Corporation, and which aligns executives’ interests with those of our shareholders, with the ultimate objective of creating long-term shareholder value. The Compensation Committee evaluates both performance and compensation levels to ensure that compensation provided to key employees remains competitive in the marketplace and allows us to attract and retain superior talent needed to execute on the business strategy. To that end, the Compensation Committee believes compensation packages provided by us to our executives, including the NEOs, should include both cash and equity-based compensation that rewards performance against rigorous established goals.
Key Governance Considerations. Our executive compensation program is heavily weighted toward compensating based on the Corporation’s financial and operational performance. To that end, we have implemented executive compensation policies and practices that reinforce our pay-for-performance philosophy and align with sound governance principles, as follows:

<table>
<thead>
<tr>
<th>What We Do</th>
<th>What We Do Not Do</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ Double-trigger change in control agreements</td>
<td>☒ No guaranteed incentive awards for senior executives</td>
</tr>
<tr>
<td>✔ PSUs with a three-year performance period</td>
<td>☒ No excessive perquisites or related tax gross-ups</td>
</tr>
<tr>
<td>✔ Performance-based short-term cash incentive compensation heavily weighted to financial performance against rigorous goals</td>
<td>☒ No hedging of stock by executive officers and directors</td>
</tr>
<tr>
<td>✔ Stock ownership guidelines for executive officers and directors</td>
<td>☒ No post-employment retirement or pension type benefits</td>
</tr>
<tr>
<td>✔ Independent compensation consultant directly engaged by our Compensation Committee</td>
<td>☒ No stock option repricing or stock option cash buyouts</td>
</tr>
</tbody>
</table>

Say-on-Pay Vote. At the 2019 Annual Meeting, shareholders approved our executive compensation policies and programs with approximately 99% support. The Compensation Committee believes this strongly affirms shareholders’ support of our approach to executive compensation. The Compensation Committee appreciates and values the views of our shareholders. In considering the results of the favorable 2019 advisory vote on executive compensation, the Compensation Committee recognizes that executive pay practices and governance principles continue to evolve. While no changes were specifically made as a result of the vote, the Compensation Committee intends to continue to pay close attention to the advice and counsel of its compensation advisors and invites our shareholders to communicate any concerns or opinions on executive pay directly to the Compensation Committee or the Board.

Parties Involved in the Corporate Governance of our Executive Compensation Programs. The governance of our executive compensation programs generally occurs through interaction of three groups: the Compensation Committee, management and the Compensation Committee’s independent compensation consultant. In 2019, on occasion and as appropriate, the Compensation Committee also enlisted the advice of Morgan, Lewis & Bockius, LLP, independent counsel specializing in executive and non-employee director compensation matters.

Role of the Compensation Committee. The Compensation Committee, consisting of four independent directors, is responsible for the review and approval of our executive compensation program. The Compensation Committee considers a diverse set of factors in setting executive compensation, including individual performance, company performance, internal equity and competitive market pay levels. Specifically, the Compensation Committee’s review of NEO compensation includes:

- approval of corporate goals and objectives relevant to incentive compensation;
- evaluation of performance results based on these goals and individual objectives;
- determining long-term incentive compensation, while considering the Corporation’s performance and relative shareholder return;
- evaluation of the competitiveness of the Corporation’s executive compensation program to ensure appropriate retention and motivation of our executive officers and to align the interests of our executive officers with those of the Corporation’s long-term shareholders; and
- approval of changes to compensation, including, but not limited to, base salary, annual and long-term incentive award opportunities and other significant terms of executive officer employment.
Role of Management. The Compensation Committee makes all compensation decisions relating to our NEOs; however, certain of our executive officers play a role, including:

- managing the process for plan/metrics approvals; and
- recommending salary and cash incentive levels and equity awards for plan participants other than the CEO, whose compensation is independently reviewed and approved without recommendations from management.

The CEO, with the assistance of our Chief Human Resources Officer, works with the Compensation Committee Chairman in establishing the agenda for Compensation Committee meetings. Management also prepares information for each Compensation Committee meeting. The CEO also occasionally participates in Compensation Committee meetings at the Compensation Committee Chairman’s request to provide:

- background information regarding the Corporation’s strategic objectives;
- a tally sheet for each NEO, setting forth total compensation and aggregate equity awards;
- performance evaluations for each NEO (other than himself); and
- cash compensation and equity award recommendations for each NEO (other than himself).

The Compensation Committee regularly meets without management present, including an annual evaluation of the CEO’s performance. The Committee also determines and approves the CEO’s pay considering the outcome of the performance evaluation. A formal review is conducted with the CEO to share the Committee’s evaluation and compensation decisions.

The Compensation Committee is ultimately responsible for approving any recommendations provided to it and retains full discretion to modify (or reject) recommendations developed by management. The Compensation Committee operates under a written charter (accessible on the Investors page of our website at www.marlincapitalsolutions.com) and only independent directors serve on the Compensation Committee.

External Consultants and Market Data. The Compensation Committee has utilized the services of independent consulting firms in order to provide advice on the design of the executive compensation program and related policies, senior executive pay levels, and non-employee director compensation.

In 2019, the Compensation Committee engaged FW Cook to assess the market competitiveness of our executive compensation programs and to provide general advice around the design of the 2019 executive compensation program, which largely mirrored the prior year’s design.

Furthermore, when evaluating our executive compensation program, the Compensation Committee refers to data from a peer group that includes companies similar in industry and size. Specifically, peers were identified based on Global Industry Classification Standards (GICS) code, and include those in the Diversified Financials, Trading Companies and Distributors and Technology Distributors industries, with a focus on companies in the equipment leasing space. At the time of selection, peer companies were limited to those with both revenue and market capitalization value of 0.25x to 4.0x the Corporation’s size.

The Committee-approved peer group used to help inform 2019 pay decisions consisted of the following 12 companies:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Peer Group Name</th>
<th>Peer Group Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agilysys, Inc. (AGYS)</td>
<td>KCAP Financial Inc. (KCAP)</td>
<td>On Deck Capital Company (ONDK)</td>
</tr>
<tr>
<td>Cai International Inc. (CAI)</td>
<td>McGrath Rentcorp Company (MGRC)</td>
<td>Regional Management Corp. (RM)</td>
</tr>
<tr>
<td>Consumer Portfolio, Inc. (CPSS)</td>
<td>Medallion Financial Corp. (MFIN)</td>
<td>Transcat Inc. (TRNS)</td>
</tr>
<tr>
<td>General Finance Corporation (GFN)</td>
<td>Nicholas Financial Company (NICK)</td>
<td>Willis Lease Finance Corp. (WLFC)</td>
</tr>
</tbody>
</table>

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Compensation for Named Executive Officers in 2019

Direct NEO compensation for 2019 consisted primarily of base salary, a cash incentive opportunity and grants of equity-based incentives in the form of RSUs, PSUs, and for Messrs. Hilzinger and Bogansky, Supplemental PSUs. Each of those categories of compensation is discussed in more detail below.

**Base Salary.** Our NEOs’ current base salaries are intended to provide a competitive ongoing level of pay and are the only element of our direct compensation program for executives not tied to performance. Salary determinations are informed by positioning relative to competitive market practice, experience, tenure, performance and contributions to our success. The NEOs’ base salary rates as of December 31, 2019 are listed in the below table.

<table>
<thead>
<tr>
<th>Named Executive Officer</th>
<th>2019 Salary Rate</th>
<th>2018 Salary Rate</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeffery A. Hilzinger</td>
<td>$550,103</td>
<td>$517,500</td>
<td>6.3%</td>
</tr>
<tr>
<td>Michael R. Bogansky</td>
<td>$350,000</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Edward R. Dietz</td>
<td>$301,350</td>
<td>$294,000</td>
<td>2.5%</td>
</tr>
<tr>
<td>Louis E. Maslowe</td>
<td>$336,000</td>
<td>$336,000</td>
<td>0%</td>
</tr>
<tr>
<td>Gregory L. Sting</td>
<td>$293,150</td>
<td>$286,000</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Effective March 1, 2019, Messrs. Dietz and Sting each received a merit increase to their annual base salary rate, which merit increases are considered for all officers of the Corporation annually. At the same time, the Compensation Committee increased Mr. Hilzinger’s base salary rate to more closely align with our peer group. Particularly, our financial performance (including with respect to revenue, pre-tax income and total asset growth) over the preceding eight fiscal quarters was well above our peer group median, and consequently Mr. Hilzinger’s 2018 base salary rate was increased to closer align with typical peer group practices.

**Annual Cash Incentive Plan.** Our annual cash incentive plan is designed to motivate and reward NEOs for achieving short-term performance objectives, with earned amounts paid in the first quarter of the following year after the certification of results by the Compensation Committee.

The performance criteria and weightings under the 2019 cash incentive plan were identical to the 2018 plan. Specifically, incentive payments were based 80% on corporate financial objectives and 20% on individual personal goal objectives. Corporate objectives were based on two independently evaluated measures that serve as primary indicators of short-term financial performance, with two-thirds of the corporate objective weighting (and 53.3% of the overall weighting) on fully-diluted earnings per share (“EPS”) and one-third of the corporate objective weighting (and 26.7% of the overall weighting) on adjusted net interest income (“NIM”). Target performance is tied to internally defined objectives, with maximum earn-out of 200% of target for results at 115% of goal or greater and threshold earn-out of 50% of target at 85% of goal. Below the threshold performance level (i.e., below 85% of goal), there is no payout. The maximum, target and threshold performance goals under the corporate objectives were as follows (with various additional target amounts enumerated in the plan and linear interpolation in between):

<table>
<thead>
<tr>
<th>Performance</th>
<th>EPS Metric</th>
<th>Funding</th>
<th>NIM (in millions)</th>
<th>Metric</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threshold</td>
<td>$ 2.07</td>
<td>50%</td>
<td>$106,945</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>$ 2.43</td>
<td>100%</td>
<td>$125,818</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>$ 2.79</td>
<td>200%</td>
<td>$144,691</td>
<td>200%</td>
<td></td>
</tr>
</tbody>
</table>

25
Under the above-described framework, actual corporate financial results and funding under the 2019 cash incentive plan for the NEOs were as follows:

<table>
<thead>
<tr>
<th>Metric</th>
<th>Result</th>
<th>Performance (% of Target)</th>
<th>Metric Funding (% of Target)</th>
<th>Weight (Target)</th>
<th>Total Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS Performance</td>
<td>$2.20</td>
<td>90.5%</td>
<td>68.6%</td>
<td>53.3%</td>
<td>36.6%</td>
</tr>
<tr>
<td>NIM Performance*</td>
<td>$121.872</td>
<td>96.9%</td>
<td>89.5%</td>
<td>26.7%</td>
<td>23.9%</td>
</tr>
<tr>
<td>Total Company Performance</td>
<td>—</td>
<td>—</td>
<td>75.6%</td>
<td>80%</td>
<td>60.5%</td>
</tr>
</tbody>
</table>

* NIM consists of net interest and fee income adjusted for gain on sale of leases and loans, servicing revenue and referral income.

Individual performance objectives, which include both objective and subjective components, comprise 20% of the opportunity under the cash incentive plan and the Compensation Committee may, for each NEO, award funding between 0-125% for individual objectives. For 2019, Mr. Hilzinger, our CEO, was awarded funding at 100% of target for the individual performance portion of the cash incentive plan given his efforts in guiding our growth and financial performance during the year, while Mr. Bogansky, our CFO, was the only NEO to receive funding in excess of target for the individual performance portion. Particularly, Mr. Bogansky received 125% funding for individual objectives, as the Compensation Committee recognized his strong execution upon joining the Corporation in February 2019 in improving our financial reporting and capital markets functions, as well as implementing an effective expense management framework.

As a result of the above, the NEOs’ 2019 total annual cash incentive payments, which were approved by the Compensation Committee and paid in the first quarter of 2020, were as follows:

<table>
<thead>
<tr>
<th>Named Executive Officer</th>
<th>2019 Target (% of Wages Earned)</th>
<th>2019 Target ($)</th>
<th>Actual Award for 2019 Performance</th>
<th>% of 2019 Target Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeffery A. Hilzinger</td>
<td>90%</td>
<td>$489,562</td>
<td>$391,650</td>
<td>80%</td>
</tr>
<tr>
<td>Michael R. Bogansky</td>
<td>60%</td>
<td>$185,769</td>
<td>$157,904</td>
<td>85%</td>
</tr>
<tr>
<td>Edward R. Dietz</td>
<td>55%</td>
<td>$164,981</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Louis E. Maslowe</td>
<td>60%</td>
<td>$201,600</td>
<td>$149,474</td>
<td>74%</td>
</tr>
<tr>
<td>Gregory L. Sting</td>
<td>50%</td>
<td>$145,902</td>
<td>$110,885</td>
<td>76%</td>
</tr>
</tbody>
</table>

On August 1, 2019, the Corporation announced that Mr. Dietz resigned from his position as Senior Vice President and General Counsel of the Corporation effective at year-end 2019. The Corporation entered into a separation and release agreement with Mr. Dietz on August 1, 2019 (which agreement was re-affirmed as of December 31, 2019), pursuant to which in exchange for, among other things, Mr. Dietz’s agreement to remain in his role through year end and assist with the transition of the Corporation’s legal and compliance functions, the Corporation agreed to make a cash payment to Mr. Dietz in an amount of $164,981, which equals his target annual incentive under the Corporation’s cash incentive plan. This payment was in lieu of any award he would have otherwise been eligible to receive under the cash incentive plan and was paid at the same time the annual cash incentive payments were paid to the other NEOs in the first quarter of 2020.

**Annual Equity-Based Incentives.** In March 2019, the Compensation Committee reviewed and approved stock-based awards for our Named Executive Officers that were designed to align the NEOs’ interests with those of our long-term shareholders while simultaneously providing a competitive award opportunity relative to our peer group. The number of shares underlying each award, and the terms and conditions of each award, are determined...
by the Compensation Committee after consultation with management and FW Cook. The standard stock-based awards for the NEOs in 2019 consisted of 65% PSUs and 35% RSUs, a structure the Compensation Committee moved to from the 50% PSU, 25% RSU and 25% time-vested nonqualified stock options structure used in 2018 in order to increase the retentive value of the equity awards while at the same time continuing to emphasize pay-for-performance. In addition, Messrs. Hilzinger and Bogansky were granted Supplemental PRSUs designed to reward for exceptional performance over a three-year measurement period.

Grants made to our NEOs in 2019 under the 2014 Equity Plan are described below. At our 2019 Annual Meeting, held on May 30, 2019, our shareholders approved the 2019 Equity Plan, which is intended as a successor plan to the 2014 Equity Plan. No awards were issued to our NEOs under the 2019 Equity Plan in calendar year 2019. In connection with Mr. Dietz’s resignation effective December 31, 2019, he forfeited all equity awards granted to him in 2019, as none had vested as of his last day of employment.

**Restricted Stock Unit Awards:** The RSUs issued to NEOs in 2019 vest in equal 33.3% annual installments on each anniversary date of the grant. In March 2019, the Compensation Committee made the following RSU awards to the NEOs:

- Mr. Hilzinger — 11,395
- Mr. Bogansky — 4,069
- Mr. Dietz — 2,441
- Mr. Maslowe — 4,069
- Mr. Sting — 2,441

**PSUs based on Return on Equity:** The number of PSUs, if any, granted to our NEOs in 2019 that may become earned and vested will be determined based on the Corporation’s three-year average Return on Equity (“2019-2021 ROE”) during the performance period of fiscal years 2019, 2020 and 2021. PSUs can be earned from 0-200% of target. The Performance Goals for the 2019 PSU awards are set forth in the chart below (with linear interpolation between the listed levels):

<table>
<thead>
<tr>
<th>% Target</th>
<th>2019-2021 ROE</th>
<th>% of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥109%</td>
<td>16.00%</td>
<td>200%</td>
</tr>
<tr>
<td>107%</td>
<td>180%</td>
<td></td>
</tr>
<tr>
<td>105%</td>
<td>160%</td>
<td></td>
</tr>
<tr>
<td>104%</td>
<td>140%</td>
<td></td>
</tr>
<tr>
<td>102%</td>
<td>120%</td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>14.75%</td>
<td>100%</td>
</tr>
<tr>
<td>98%</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>97%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>95%</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>93%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Threshold</td>
<td>13.50%</td>
<td>50%</td>
</tr>
<tr>
<td>&lt; 91%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

In March 2019, the Compensation Committee made the following PSU awards (target amounts) to the NEOs:

- Mr. Hilzinger — 21,162
- Mr. Bogansky — 7,558
Supplemental PSUs based on ROE and Total Shareholder Return. In addition to the PSU awards granted to all NEOs, in March 2019 the Compensation Committee granted Supplemental PSUs to Messrs. Hilzinger and Bogansky that were designed to be realized only upon exceptional financial performance of the Corporation. Mr. Hilzinger was granted 21,162 Supplemental PSUs based upon his prior performance and to provide further motivation and retentive value, while Mr. Bogansky was granted 7,558 Supplemental PSUs given the significant role he will play in the Corporation’s long term financial performance.

The Supplemental PSU award only starts to be earned if 2019-2021 ROE exceeds 100% of the target level for the standard 2019 PSU award described above, and the 2019-2021 ROE would have to reach 15.375% in order for the target number of Supplemental PSUs to vest. Furthermore, even if the ROE metric results in achievement, (i) the number of Supplement PSUs awarded would be reduced if the Corporation’s total shareholder return (“TSR”) over the three year measurement period is below the 65th percentile in relation to a 69 company comparison group and (ii) regardless of 2019-2021 ROE performance, the Supplemental PSU award would be forfeited entirely if the TSR was less than the 40th percentile relative to that comparison group. The Performance Goals for the 2019 Supplemental PSU awards and the potential downward adjustment based upon relative TSR rank are set forth in the charts below (with linear interpolation between the listed levels).

### 2019 Supplemental PSU Award Metrics

<table>
<thead>
<tr>
<th>Relative TSR Modifier for 2019 Supplemental PSU Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-2021 Relative TSR Percentile</td>
</tr>
<tr>
<td>65% or greater</td>
</tr>
<tr>
<td>55%</td>
</tr>
<tr>
<td>45%</td>
</tr>
<tr>
<td>40%</td>
</tr>
<tr>
<td>Less than 40%</td>
</tr>
</tbody>
</table>

### PSU Awards with Performance Periods Concluding in 2019

In 2019, the performance periods closed for two previously granted PSU awards. Specifically, PSU awards granted on September 16, 2016 to our NEOs other than Mr. Bogansky and Mr. Maslowe (both of whom were not
employed with us at the time of the grant), were earned at two-thirds of target. These awards were designed such that one-sixth of the target PSUs were earned based on achievement of six unique performance thresholds set at the highest level of 30 day average TSR during the performance period of the grant date until the three-year anniversary of the grant date reaching +25%, +50%, +75%, +100%, +125%, and 150% of a baseline stock price of $14.84. In November 2019, the Compensation Committee certified that the highest 30 day average TSR achieved during the performance period was $31.99, or +116% of the baseline stock price, resulting in two-thirds of the target PSUs being earned. The vesting of the PSUs remained conditioned upon continued employment with the Corporation until September 16, 2020. As a result, Mr. Dietz forfeited all earned units upon his resignation from the Corporation effective December 31, 2019.

Separately, PSU awards granted on March 31, 2017 to all NEOs other than Mr. Bogansky (who was not employed with us at the time of the grant) required that the average ROE for fiscal years 2017, 2018 and 2019 be at least 11.77% for any PSUs under those awards to be earned. The Compensation Committee certified in March 2020 that these awards were forfeited in their entirety as our average ROE over the performance period was 11.18%.

In sum, over 48% of the target PSUs with a performance measurement period closing in 2019 were not earned by our NEOs. The table below provides further detail on the number of units earned and forfeited under each PSU award described above.

<table>
<thead>
<tr>
<th>Executive Officer</th>
<th>Grant Date</th>
<th>Performance Period End Date</th>
<th>Target PSU Award (#)</th>
<th>Units Earned (#)</th>
<th>Units Forfeited (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeffrey A. Hilzinger</td>
<td>09/16/2016</td>
<td>09/16/2019</td>
<td>60,000</td>
<td>39,996</td>
<td>20,004</td>
</tr>
<tr>
<td></td>
<td>03/31/2017</td>
<td>12/31/2019</td>
<td>12,621</td>
<td>0</td>
<td>12,621</td>
</tr>
<tr>
<td>Michael R. Bogansky</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Edward R. Dietz</td>
<td>09/16/2016</td>
<td>09/16/2019</td>
<td>6,000</td>
<td>4,000</td>
<td>2,000</td>
</tr>
<tr>
<td></td>
<td>03/31/2017</td>
<td>12/31/2019</td>
<td>2,912</td>
<td>0</td>
<td>2,912</td>
</tr>
<tr>
<td>Louis E. Maslowe</td>
<td>03/31/2017</td>
<td>09/16/2019</td>
<td>4,854</td>
<td>0</td>
<td>4,854</td>
</tr>
<tr>
<td>Gregory L. Sting</td>
<td>09/16/2016</td>
<td>09/16/2019</td>
<td>12,000</td>
<td>7,999</td>
<td>4,001</td>
</tr>
<tr>
<td></td>
<td>03/31/2017</td>
<td>12/31/2019</td>
<td>2,912</td>
<td>0</td>
<td>2,912</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>—</td>
<td>—</td>
<td><strong>101,299</strong></td>
<td><strong>51,995</strong></td>
<td><strong>49,304</strong></td>
</tr>
</tbody>
</table>

(1) Represents PSUs granted on September 26, 2016 under the 2014 Equity Plan, the vesting of which remains conditioned upon continued employment until September 16, 2020. As a result, Mr. Dietz forfeited the PSUs earned based on performance because of his resignation from the Corporation effective December 31, 2019. See “Outstanding Equity Awards at Fiscal Year-End 2019” table below for further detail.

(2) Represents PSUs granted on March 31, 2017 under the 2014 Equity Plan. See “Outstanding Equity Awards at Fiscal Year-End 2019” table below for further detail.

**Change of Control and Other Severance Arrangements**

Our NEOs are all participants in our Severance Pay Plan for Senior Management (the “Severance Plan”). The purpose of the Severance Plan is to provide severance benefits to certain key eligible executives whose employment is terminated without “cause” or for “good reason” (each as defined in the Severance Plan) and contains different levels of benefits for terminations independent of, and related to, a change in control (“CIC”). Payments under the Severance Plan are subject to the NEO executing a release and complying with certain restrictive covenants. Payments and benefits under the Severance Plan would also cease upon any subsequent finding of any actions that constitute “cause” under the Severance Plan.
On August 1, 2019, the Corporation entered into a separation and release agreement with Mr. Dietz, which agreement was re-affirmed as of December 31, 2019. Under the agreement, Mr. Dietz agreed to remain in his role through year end, assist with the transition of the Corporation’s legal and compliance functions and not solicit Corporation employees for employment for twelve (12) months following his separation from employment. As consideration, the Corporation agreed to make a cash payment to Mr. Dietz in an amount equal to his target annual incentive payment under the Corporation’s cash incentive plan. Mr. Dietz was not provided any additional severance amounts or other benefits in connection with his separation.

Termination Independent of Change in Control

Upon a termination without cause, or by the executive for good reason, that occurs independent of a CIC (as further described below), Mr. Hilzinger would be eligible to receive the following severance benefits for 18 months following termination, and Messrs. Bogansky, Maslowe and Sting would be eligible to receive such benefits for 12 months following termination (plus any accrued payments or benefits):

Salary Continuation. A continuation of their annual base salary for the severance period, paid in accordance with the Corporation’s regular payroll schedule.

Annual Cash Incentive. A pro rata annual cash incentive payment for the year of termination, based on actual performance results and paid at the same time as for then-employed participants, as well as, solely for Mr. Hilzinger, a target cash incentive payment for the year of termination.

Health Benefits Continuation. Continuation of the executive’s eligibility to participate in the Corporation’s medical, dental, vision and prescription drug plans in which the executive was participating (including dependents) immediately prior to termination. Specifically, the Corporation will reimburse the executive for the difference between the executive’s monthly COBRA premium and the amount the executive would be required to pay for such coverage if employed by the Corporation at such time, subject to termination upon subsequent full-time employment.

Termination in Connection with Change in Control

Upon a qualifying termination of employment (a termination without “cause” or for “good reason”) during the protected period of 24 months following a CIC, the Severance Plan provides that the NEOs will be eligible to receive the following severance benefits (in addition to any accrued benefits or payments):

Change in Control Payment. A lump sum amount equal to the sum of (i) the executive’s annual base salary, multiplied by 2.0 for Mr. Hilzinger and 1.5 for Messrs. Bogansky, Maslowe and Sting, and (ii) the executive’s target cash incentive payment for the year of termination.

Change of Control Benefits Continuation. Health care continuation on the same terms as described above for a non-CIC related termination. However, the coverage may run up to 18 months following termination for all NEOs.

Retirement Benefits and Other Perquisites and Compensation

The Named Executive Officers participate in employee benefits plans generally available to all of our employees, including medical and health plans, the 401(k) plan (which includes, for all employees, a 25% company match for the first 6% of employee contribution) and the 2012 Employee Stock Purchase Plan. Mr. Maslowe was provided with an immaterial amount of relocation benefits in 2019. See the Summary Compensation Table below for further detail.
Executive Compensation Tax Considerations

Under Section 162(m) of the Internal Revenue Code of 1986, as amended (“Section 162(m)”), a public company generally may not deduct compensation in excess of $1 million paid to its CEO and other covered officers. The Tax Cuts and Jobs Act made certain changes to Section 162(m), including repealing the exemption for qualified performance-based compensation for taxable years beginning after December 31, 2017 and expanding the scope of persons covered by the limitations on deductibility. Accordingly, compensation paid after 2017 to our covered executive officers in excess of $1 million will not be deductible, unless it qualifies for transition relief with respect to certain arrangements that were in place as of November 2, 2017 and not modified in any material respect on or after such date. The elimination of the performance-based exemption from Section 162(m)’s deduction limit has not altered the Compensation Committee’s commitment to a pay-for-performance executive compensation program. The Compensation Committee believes that the Section 162(m) related tax deduction is one of several relevant considerations in setting compensation and that the Section 162(m) tax deduction limitation should not compromise its ability to design and maintain executive compensation arrangements that, among other things, are intended to attract, retain and motivate talented, high-performing people. In 2019, the Compensation Committee considered the potential effect on the limitation of deductibility of compensation under Section 162(m) when determining NEO compensation and the Compensation Committee intends to continue consider the potential future effects of Section 162(m) when determining future NEO compensation.

Compensation Risk Assessment

As part of its oversight of our executive compensation program and in light of regulatory guidance on sound incentive compensation policies, the Compensation Committee considers the impact of our executive compensation program, and the incentives created by the compensation awards that it administers, on the Corporation’s risk profile. In addition, we review all of our compensation plans, policies and procedures, including the incentives that they create and factors that may reduce the likelihood of excessive risk taking, to determine whether they present a significant risk to the Corporation. Based on this review, the Compensation Committee has concluded that its compensation policies and procedures are not reasonably likely to have a material adverse effect on the Corporation.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee consists entirely of “non-employee directors” under SEC Rule 16b-3 and “independent” directors as affirmatively determined by the Board pursuant to the NASDAQ Listing Standards. The current members of the Compensation Committee, all of whom have served on the committee at all times since January 1, 2019, are the individuals named as signatories to the Compensation Committee Report set forth above. None of those individuals are current or former officers or employees of the Corporation. There were no compensation committee “interlocks” during 2019, which generally means that none of our executive officers served as a director or member of the compensation committee of another entity, one of whose executive officers served as a member of the Board or as a member of the Compensation Committee.
**SUMMARY COMPENSATION TABLE**

The following table sets forth the compensation awarded or paid or earned or accrued for services rendered to the Corporation in all capacities during fiscal years 2019, 2018 and 2017 by our NEOs. In accordance with SEC rules, the compensation described in the table does not include medical, group life insurance or other benefits which are available generally to all our salaried employees.

<table>
<thead>
<tr>
<th>Name &amp; Principal Position</th>
<th>Year</th>
<th>Salary ($)</th>
<th>Bonus ($)</th>
<th>Stock Awards ($)</th>
<th>Option Awards ($)</th>
<th>Non-Equity Incentive Plan Compensation ($)</th>
<th>All Other Compensation ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jeffrey A. Hilzinger</strong></td>
<td>2019</td>
<td>543,958</td>
<td>—</td>
<td>973,177</td>
<td>—</td>
<td>391,650</td>
<td>3,429</td>
<td>1,912,214</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>2018</td>
<td>521,394</td>
<td>—</td>
<td>487,482</td>
<td>162,498</td>
<td>428,490</td>
<td>93,265</td>
<td>1,693,129</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>450,000</td>
<td>—</td>
<td>487,473</td>
<td>162,498</td>
<td>401,835</td>
<td>79,202</td>
<td>1,581,008</td>
</tr>
<tr>
<td><strong>Michael R. Bogansky</strong></td>
<td>2019</td>
<td>309,615</td>
<td>—</td>
<td>347,554</td>
<td>—</td>
<td>157,904</td>
<td>3,836</td>
<td>818,909</td>
</tr>
<tr>
<td>SVP and Chief Financial Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Edward R. Dietz</strong></td>
<td>2019</td>
<td>299,965</td>
<td>—</td>
<td>149,963</td>
<td>—</td>
<td>—</td>
<td>169,862</td>
<td>619,790</td>
</tr>
<tr>
<td>SVP and General Counsel</td>
<td>2018</td>
<td>296,808</td>
<td>—</td>
<td>112,463</td>
<td>37,499</td>
<td>148,764</td>
<td>4,531</td>
<td>600,065</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>275,000</td>
<td>—</td>
<td>112,476</td>
<td>37,497</td>
<td>150,068</td>
<td>897</td>
<td>575,938</td>
</tr>
<tr>
<td><strong>Louis E. Maslowe</strong></td>
<td>2019</td>
<td>336,000</td>
<td>—</td>
<td>249,981</td>
<td>—</td>
<td>149,474</td>
<td>7,038</td>
<td>742,493</td>
</tr>
<tr>
<td>SVP and Chief Risk Officer</td>
<td>2018</td>
<td>339,385</td>
<td>—</td>
<td>187,467</td>
<td>62,496</td>
<td>184,274</td>
<td>6,421</td>
<td>780,043</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>308,923</td>
<td>35,000</td>
<td>377,806</td>
<td>62,497</td>
<td>204,394</td>
<td>3,990</td>
<td>992,610</td>
</tr>
<tr>
<td><strong>Gregory L. Sting</strong></td>
<td>2019</td>
<td>291,803</td>
<td>—</td>
<td>149,963</td>
<td>—</td>
<td>110,885</td>
<td>5,522</td>
<td>558,173</td>
</tr>
<tr>
<td>SVP and Chief Operations Officer</td>
<td>2018</td>
<td>288,500</td>
<td>—</td>
<td>112,463</td>
<td>37,499</td>
<td>131,560</td>
<td>4,107</td>
<td>574,129</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>260,000</td>
<td>—</td>
<td>94,035</td>
<td>37,497</td>
<td>110,000</td>
<td>3,836</td>
<td>506,425</td>
</tr>
</tbody>
</table>

(1) Represents the grant date fair value of stock awards granted under the 2014 Equity Plan in 2019 in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 and the amendments issued in ASU 2017-09. Please refer to the Note 2 under “Summary of Significant Accounting Policies” subtitled “Stock-Based Compensation” included in the Corporation’s 2019 Annual Report on Form 10-K for a discussion of the assumptions used to calculate these amounts. The fair value of the awards is based on the grant date of the award and are reported at probable outcome. PSUs and Supplemental PSUs will be earned from 0-200% achievement. The Target and Maximum payouts for the PSUs granted in 2019 are as follows: for Mr. Hilzinger, $454,983 at Target and $909,966 at Maximum; for Messrs. Bogansky and Maslowe, $162,497 at Target and $324,994 at Maximum; and for Messrs. Dietz and Sting, $97,481 at Target and $194,966 at Maximum. With respect to the Supplemental PSUs, the Target and Maximum payouts are $0 and 909,966, respectively, for Mr. Hilzinger and $0 and $324,994, respectively, for Mr. Bogansky.

(2) Represents the grant date fair value of options granted (adjusted, however, to exclude the effects of estimated forfeitures) under the 2014 Equity Plan in accordance with FASB ASC Topic 718. Please refer to Note 2 under “Summary of Significant Accounting Policies” subtitled “Stock-Based Compensation” included in the Corporation’s 2019 Annual Report on Form 10-K for a discussion of the assumptions used to calculate these amounts.

(3) Figures represent the cash incentive payment earned for that year (but paid in first quarter of the following year).

(4) Other compensation in 2019 consisted of: (i) for Mr. Hilzinger, entirely of dividend payments; (ii) for Mr. Bogansky, entirely of contributions made to the 401(k) plan; (iii) for Mr. Dietz, a $164,981 termination payment paid in first quarter 2020 pursuant to his separation and release agreement with the Corporation, $4,090 of contributions made to the 401(k) plan and $791 in dividend payments; (iv) for Mr. Maslowe, $5,060 of contributions made to the 401(k) plan, $1,319 in dividend payments, $589 in relocation benefits and $70 for a recognition award; and (v) for Mr. Sting, $4,364 of contributions made to the 401(k) plan, $791 in dividend payments and $70 for a recognition award. Contributions made by the Corporation to the 401(k) plan on behalf of the Named Executive Officers was made pursuant to a program available to all employees.

(5) Mr. Bogansky joined the Corporation on February 1, 2019; as a result, his 2019 salary is pro-rated.

(6) Mr. Dietz resigned from the Corporation effective on December 31, 2019.

(7) Mr. Maslowe joined the Corporation in January 2017; as a result, his 2017 salary is pro-rated.
The following Grants of Plan-Based Awards table provides information about equity and cash incentive plan awards granted to our NEOs during the fiscal year ended December 31, 2019. The annual cash incentive plan under which the cash incentive amounts in the following table were made is described above in “Compensation for Executive Officers in 2019 — Annual Cash Incentive Plan.” The equity-based incentive plans under which the equity grants in the following table were made are described above in “Compensation for Executive Officers in 2019 — Annual Equity-Based Incentives.”

<table>
<thead>
<tr>
<th>Name</th>
<th>Grant Date</th>
<th>Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)</th>
<th>Estimated Future Payouts Under Equity Incentive Plan Awards</th>
<th>All other Stock Awards: Number of Shares of Stock or Units(2)</th>
<th>Grant Date Fair Value of Stock and Option Awards ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeffrey A. Hilzinger</td>
<td>03/29/2019</td>
<td>$ 195,825 $ 489,562 $ 905,834</td>
<td>— — —</td>
<td>— — —</td>
<td>— — — $ 244,993</td>
</tr>
<tr>
<td></td>
<td>03/29/2019</td>
<td>— — —</td>
<td>10,581 21,162(5) 42,324</td>
<td>— — —</td>
<td>— — — $ 454,983</td>
</tr>
<tr>
<td></td>
<td>03/29/2019</td>
<td>— — —</td>
<td>8,465 21,162(6) 42,324</td>
<td>— — —</td>
<td>— — — $ 273,201</td>
</tr>
<tr>
<td>Michael R. Bogansky</td>
<td>03/29/2019</td>
<td>$ 74,308 $ 185,769 $ 343,673</td>
<td>— — —</td>
<td>— — —</td>
<td>— — — $ 87,484</td>
</tr>
<tr>
<td></td>
<td>03/29/2019</td>
<td>— — —</td>
<td>3,779 7,558(5) 15,116</td>
<td>— — —</td>
<td>— — — $ 162,497</td>
</tr>
<tr>
<td></td>
<td>03/29/2019</td>
<td>— — —</td>
<td>3,023 7,558(6) 15,116</td>
<td>— — —</td>
<td>— — — $ 97,574</td>
</tr>
<tr>
<td>Edward R. Dietz(7)</td>
<td>03/29/2019</td>
<td>$ 65,993 $ 164,981 $ 305,215</td>
<td>— — —</td>
<td>— — —</td>
<td>— — — $ 52,482</td>
</tr>
<tr>
<td></td>
<td>03/29/2019</td>
<td>— — —</td>
<td>2,267 4,534(5) 9,068</td>
<td>— — —</td>
<td>— — — $ 97,484</td>
</tr>
<tr>
<td>Louis E. Maslowe</td>
<td>03/29/2019</td>
<td>$ 80,640 $ 201,600 $ 372,960</td>
<td>— — —</td>
<td>— — —</td>
<td>— — — $ 87,484</td>
</tr>
<tr>
<td></td>
<td>03/29/2019</td>
<td>— — —</td>
<td>3,779 7,558(5) 15,116</td>
<td>— — —</td>
<td>— — — $ 162,497</td>
</tr>
<tr>
<td>Gregory L. Sting</td>
<td>03/29/2019</td>
<td>$ 58,361 $ 145,902 $ 269,919</td>
<td>— — —</td>
<td>— — —</td>
<td>— — — $ 52,482</td>
</tr>
<tr>
<td></td>
<td>03/29/2019</td>
<td>— — —</td>
<td>2,267 4,534(5) 9,068</td>
<td>— — —</td>
<td>— — — $ 97,481</td>
</tr>
</tbody>
</table>

(1) Represents award opportunities under the 2019 cash incentive plan. The actual cash incentive payment received by each NEO under the 2019 plan is set forth above in “Compensation for Executive Officers in 2019 — Annual Cash Incentive Plan” and the “Non-Equity Incentive Plan Compensation” column of the Summary Compensation Table.

(2) Represents Restricted Stock Unit Awards with a grant date stock price of $21.50 that vest at the rate of 33.33% per year, with vesting dates of March 29, 2020, March 29, 2021 and March 29, 2022.

(3) Assumes threshold performance of the corporate objectives, and no payment under the individual performance objectives, under the Corporation’s 2019 cash incentive plan, as detailed in “Compensation for Executive Officers in 2019 — Annual Cash Incentive Plan” above.

(4) Assumes maximum performance of the corporate objectives, and maximum payment under the individual performance objectives, under the Corporation’s 2019 cash incentive plan, as detailed in “Compensation for Executive Officers in 2019 — Annual Cash Incentive Plan” above.

(5) Represents the number of Performance Stock Units granted on March 29, 2019, that may be earned and vested determined based on the level of achievement of the performance goals determined based on the Corporation’s three-year average ROE during the performance period, as described in more detail above.

(6) Represents the number of Supplemental PSUs granted on March 29, 2019, that may be earned and vested determined based on the level of achievement of the performance goals determined based on the Corporation’s three-year average ROE during the performance period and subject to downward adjustment based upon TSR over that period, as described in more detail in “Compensation for Executive Officers in 2019 — Annual Equity-Based Incentives” above.

(7) In connection with Mr. Dietz’s separation and release agreement with Corporation dated August 1, 2019 (and re-affirmed as of December 31, 2019) and his resignation effective December 31, 2019, Mr. Dietz (i) received a cash payment in an amount equal to his target annual cash incentive under the Corporation’s cash incentive plan and (ii) forfeited all equity awards granted to him in 2019 prior to vesting of any units.
## OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2019

The following table summarizes the equity awards we have made to our NEOs which are outstanding as of December 31, 2019.

<table>
<thead>
<tr>
<th>Name</th>
<th>Option Awards</th>
<th>Stock Awards</th>
<th>Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ($) (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Securities Underlying Unexercised Options (#)</td>
<td>Number of Securities Underlying Unexercised Options (#)</td>
<td>Option Exercise Price ($)</td>
</tr>
<tr>
<td>Jeffrey A. Hilzinger</td>
<td>16,513(1)</td>
<td>8,258(1)</td>
<td>$25.75</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Michael R. Bogansky</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Edward R. Dietz</td>
<td>3,810(1)</td>
<td>1,906(1)</td>
<td>$25.75</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Louis E. Maslowe,</td>
<td>6,351(1)</td>
<td>3,176(1)</td>
<td>$25.75</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gregory L. Sting</td>
<td>3,810(1)</td>
<td>1,906(1)</td>
<td>$25.75</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Note: The table includes information on the number of securities underlying option awards, the number of unexercised options, the exercise price, the option expiration date, the number of shares or units of stock that have not vested, the market value of the shares or units of stock that have not vested, and the number of unearned shares, units, or other rights that have not vested.
<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Securities Underlying Unexercised Options (#) Exercisable</th>
<th>Number of Securities Underlying Unexercised Options (#) Unexercisable</th>
<th>Equity Incentive Plan Awards; Number of Securities Underlying Unexercised Unearned Options (#)</th>
<th>Option Exercise Price ($)</th>
<th>Option Expiration Date</th>
<th>Option Awards</th>
<th>Number of Shares or Units of Stock that Have Not Vested (#)</th>
<th>Market Value of Shares or Units of Stock that Have Not Vested (#)</th>
<th>Equity Incentive Plan Awards; Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)</th>
<th>Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,912(3)</td>
<td></td>
<td></td>
<td>486(4)</td>
<td>03/20/2025</td>
<td>2,912(3)</td>
<td>$64,006</td>
<td>$10,682</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>486(4)</td>
<td></td>
<td></td>
<td>885(5)</td>
<td>03/20/2025</td>
<td>486(4)</td>
<td>2,654(6)</td>
<td>$19,452</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,733(7)</td>
<td>3,468(7)</td>
<td></td>
<td></td>
<td></td>
<td>03/20/2025</td>
<td>1,733(7)</td>
<td>2,654(6)</td>
<td>$19,452</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,441(10)</td>
<td></td>
<td></td>
<td></td>
<td>03/20/2025</td>
<td>2,441(10)</td>
<td>4,534(11)</td>
<td>$53,653</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Calculated using the closing price of the Corporation’s common stock on December 31, 2019 ($21.98 per share).

(1) Represents Option grants on March 31, 2017 (the grant date exercise price was $25.75) that vest at the rate of 33.33% per year, with a remaining vesting date of March 31, 2020.

(2) Represents a September 16, 2016 PSU grant that earned two-thirds of target PSUs based on the specific level of TSR achievement measured from the grant date to September 16, 2019 and remains subject to continuous employment with the Corporation through September 16, 2020.

(3) Represents the number of PSUs granted on March 31, 2017, that may be earned subject to the Corporation’s three-year average ROE during the performance period of January 1, 2017 through December 31, 2019. The three-year average ROE did not meet the threshold level set forth in the award, thus all units were forfeited.

(4) Represents RSUs granted on March 31, 2017 (the grant date stock price was $25.75) that vest at the rate of 33.33% per year, with a remaining vesting date of March 31, 2020.

(5) Represents RSUs granted on March 20, 2018 (the grant date stock price was $28.25) that vest at the rate of 33.33% per year, with remaining vesting dates of March 20, 2020 and March 20, 2021.

(6) Represents the number of PSUs granted on March 20, 2018 (the grant date stock price was $28.25) that may be earned subject to the Corporation’s three-year average ROE during the performance period of January 1, 2018 through December 31, 2020.

(7) Represents Option grants on March 20, 2018 (the grant date exercise price was $28.25) that vest at the rate of 33.33% per year, with remaining vesting dates of March 20, 2020 and March 20, 2021.

(8) Represents Restricted Stock grants (the grant date stock price was $14.75) that vest at the rate of 25% per year, with a remaining vesting date of January 22, 2020.

(9) Represents a March 31, 2017, PSU grant (the grant date stock price was $25.75) that may be earned based on specific levels of TSR achievement measured from the grant date to the third anniversary of the grant date and subject to continuous employment with the Corporation through the fourth anniversary of the grant date.

(10) Represents RSUs granted on March 29, 2019 (the grant date stock price was $21.50) that vest at the rate of 33.33% per year, with vesting dates of March 29, 2020, March 29, 2021 and March 29, 2022.

(11) Represents PSUs granted on March 29, 2019 (the grant date stock price was $21.50) that may be earned subject to the Corporation’s three-year average ROE during the performance period of January 1, 2019 through December 31, 2021.

(12) Represents Supplemental PSUs granted on March 29, 2019 (the grant date stock price was $21.50) that may be earned based on specific levels of ROE achievement in excess of target measured from January 1, 2019 through December 31, 2021, subject to downward adjustment based on specific levels of relative TSR during such measurement period.
OPTION EXERCISES AND STOCK VESTED DURING 2019

<table>
<thead>
<tr>
<th>Name</th>
<th>Option Awards</th>
<th>Stock Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Shares Acquired on Exercise (#)</td>
<td>Value Realized on Exercise ($)</td>
</tr>
<tr>
<td>Jeffrey A. Hilzinger</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Michael R. Bogansky</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Edward R. Dietz</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Louis E. Maslowe</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gregory L. Sting</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Value is based on the closing price of a share of the Corporation’s common stock as quoted on the vesting date.

POTENTIAL PAYMENTS UPON TERMINATION OF EMPLOYMENT OR CHANGE IN CONTROL

The following tables were calculated as per the applicable provisions of the Severance Plan discussed in “Change of Control and Other Severance Arrangements” above. In addition to the benefits designated under the Severance Plan, our NEOs are also entitled to benefits pursuant to the terms of the 2014 Equity Plan. Pursuant to the terms of the 2014 Equity Plan, upon a change of control (as defined in the 2014 Equity Plan) and an involuntary termination of employment without cause within twenty-four (24) months following a change of control all the restrictions and conditions on all outstanding awards (other than performance-based awards) granted under the 2014 Equity Plan shall immediately lapse.

For purposes of calculating the amounts in the table below, we have assumed that the termination or change in control event took place on December 31, 2019, as required by SEC rules. For purposes of calculating the value of any equity based awards in accordance with the SEC rules, we used the closing price of our common stock on December 31, 2019 of $21.98 per share.

Jeffrey A. Hilzinger

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Termination without Cause or for Good Reason ($)</th>
<th>Change in Control with Termination without Cause or for Good Reason ($)</th>
<th>Death or Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Severance Payments</td>
<td>1,804,281</td>
<td>1,589,769</td>
<td>—</td>
</tr>
<tr>
<td>Benefits Continuation</td>
<td>19,203</td>
<td>19,203</td>
<td>—</td>
</tr>
<tr>
<td>Equity Award Acceleration</td>
<td>—</td>
<td>2,720,662*</td>
<td>**</td>
</tr>
<tr>
<td>Total of Payments</td>
<td>1,823,484</td>
<td>4,329,634</td>
<td>—</td>
</tr>
</tbody>
</table>

Michael R. Bogansky

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Termination without Cause or for Good Reason ($)</th>
<th>Change in Control with Termination without Cause or for Good Reason ($)</th>
<th>Death or Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Severance Payments</td>
<td>535,769</td>
<td>710,769</td>
<td>—</td>
</tr>
<tr>
<td>Benefits Continuation</td>
<td>21,395</td>
<td>21,395</td>
<td>—</td>
</tr>
<tr>
<td>Equity Award Acceleration</td>
<td>—</td>
<td>421,680*</td>
<td>**</td>
</tr>
<tr>
<td>Total of Payments</td>
<td>557,164</td>
<td>1,153,850</td>
<td>—</td>
</tr>
</tbody>
</table>
On August 1, 2019, the Corporation entered into a separation and release agreement with Mr. Dietz, which agreement was reaffirmed as of December 31, 2019. Under the agreement, Mr. Dietz agreed to remain in his role through year end, assist with the transition of the Corporation’s legal and compliance functions and not solicit Corporation employees for employment for twelve (12) months following his separation from employment. As consideration, the Corporation agreed to make a cash payment to Mr. Dietz in an amount equal to $164,981 (his target annual incentive under the Corporation’s cash incentive plan). Mr. Dietz was not provided any additional severance amounts or other benefits in connection with his separation.

**CEO Pay Ratio**

As required by Section 953(b) of the Dodd-Frank Reform and Consumer Protection Act, we are providing the ratio of the annual total compensation of Jeffrey Hilzinger, our CEO, to the annual total compensation of our median compensated employee as of December 31, 2019. For 2019, our CEO Jeffrey Hilzinger’s total compensation was $1,912,214 and the annual total compensation of our median compensated employee was $77,576. The ratio between these two amounts is 24.6 to 1. This pay ratio is a reasonable estimate and was determined using the below-described methodology.
As of December 31, 2019, our total employee population consisted of 348 employees. We used gross taxable income from our payroll data to determine our median employee, which we annualized for all permanent employees who did not work for the entire year. We calculated the annual total compensation of our median employee for 2019 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K. Since all of our employees, including the CEO, are located within the United States, we did not make any cost of living adjustments in identifying the median employee. For the annual total compensation of our CEO, we used the amount reported in the “Total” column of the 2019 Summary Compensation Table set forth above.

The SEC rules allow for companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices when identifying the median compensation employee and the calculation the pay ratio based on that employee’s annual total compensation. Therefore, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.
Proposal 3:

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PROPOSAL SUMMARY AND RECOMMENDATION

The Audit and Risk Committee has appointed Deloitte & Touche LLP (“Deloitte”) as the Corporation’s independent registered public accounting firm (its “independent auditor”) to perform the audit of the consolidated financial statements and internal control over financial reporting of the Corporation and its subsidiaries for the fiscal year ending December 31, 2020. Deloitte has served as the Corporation’s independent auditor since June 24, 2005, and the Corporation’s shareholders are being asked to ratify the Corporation’s designation of Deloitte as its independent auditor the fiscal year ending December 31, 2020. The submission of this matter for approval by shareholders is not required by law, our Bylaws or otherwise, or binding on the Corporation; however, the Board believes that such submission provides shareholders an opportunity to provide feedback to the Board on an important issue of corporate governance and therefore is submitting this matter to shareholder vote as a matter of good corporate practice.

Recommendation. The Board of Directors unanimously recommends that our shareholders vote “FOR” the ratification of the appointment of Deloitte & Touche LLP as the Corporation’s independent registered public accounting firm for the fiscal year ending December 31, 2020.

The Corporation’s Review of Deloitte’s Independence

The Audit and Risk Committee annually reviews Deloitte’s independence and performance in deciding whether to retain Deloitte or engage a different independent auditor. In the course of these reviews, the committee considers, among other factors:

- Deloitte’s historical and recent performance on the Corporation’s audit;
- the quality and candor of Deloitte’s communications with the Audit and Risk Committee and management;
- Deloitte’s capability and expertise in handling the breadth and complexity of the Corporation’s operations;
- an analysis of Deloitte’s known legal risks and any significant legal or regulatory proceedings in which it is involved;
- external data on audit quality and performance, including recent Public Company Accounting Oversight Board reports on Deloitte and its peer firms;
- the appropriateness of Deloitte’s fees for audit and non-audit services, on both an absolute basis and as compared to its peer firms;
- Deloitte’s independence; and
- Deloitte’s tenure as the Corporation’s independent auditor, including the benefits of having a long-tenured auditor and controls and processes that help ensure Deloitte’s independence.

Based on this evaluation, the Audit and Risk Committee believes that Deloitte is independent and that it is in the best interests of the Corporation and its shareholders to retain Deloitte as its independent auditor for 2020.

The Audit and Risk Committee’s policy is to pre-approve all audit and non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other permissible non-audit services. The pre-approval authority details the particular service or category of service that the independent auditors will perform. The Audit and Risk Committee’s policy also requires management to inform the Audit and Risk Committee throughout the year when the actual fees charged by the independent auditors for service are not consistent with the estimated fees for service.
During the year, circumstances may arise when it may be necessary to engage the independent auditors for additional services not contemplated in the original pre-approval authority. In those instances, the Audit and Risk Committee approves the services before we engage the independent auditors.

During 2019, the Audit and Risk Committee pre-approved all audit and non-audit services provided by the independent auditors.

**Voting-Related Considerations**

If the shareholders do not ratify the appointment of Deloitte as the Corporation’s independent auditor, the Audit and Risk Committee will consider this vote in determining whether to continue the engagement of Deloitte as its independent auditor. Even if the designation is ratified, the Audit and Risk Committee may designate a different independent auditor at any time during the year if it determines that this would be in the best interests of the Corporation and/or its shareholders. Approval of this proposal will require the affirmative vote of a majority of the votes cast at the Annual Meeting, present via webcast or by proxy, by the shareholders entitled to vote thereon.

If you are a shareholder of record and return a signed and dated proxy card without marking any voting selections with respect to this proposal, or if you are a beneficial owner of shares held in street name and return a signed and dated voting instruction card without marking any voting selection with respect to this proposal, your shares will be considered as present and entitled to vote for the purpose of determining whether a quorum is present at the meeting, and your shares will be voted “FOR” Proposal 3.

A representative from Deloitte will be present at the meeting with an opportunity to make a statement if the representative desires to do so and to respond to appropriate questions.

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The following sets forth the fees paid to Deloitte & Touche LLP, the Corporation’s independent registered public accounting firm, for the last two fiscal years:

<table>
<thead>
<tr>
<th>Service</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Fees</td>
<td>$1,124,201</td>
<td>$1,169,579</td>
</tr>
<tr>
<td>Audit-Related Fees</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Tax Fees</td>
<td>$10,421</td>
<td>$9,902</td>
</tr>
<tr>
<td>All Other Fees</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$1,134,622</td>
<td>$1,179,481</td>
</tr>
</tbody>
</table>

**Audit Fees.** Consists of fees related to the performance of the audit or review of the Corporation’s financial statements and internal control over financial reporting, including services in connection with assisting the Corporation in its compliance with its obligations under Section 404 of the Sarbanes-Oxley Act and related regulations.

**Tax Fees.** Consists of assistance rendered in preparation of proxy disclosures.

The Audit and Risk Committee has the sole authority to consider and approve in advance any audit, audit-related and tax work to be performed for the Corporation by its independent registered public accountants.

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REPORT OF THE AUDIT AND RISK COMMITTEE

Management is responsible for the Corporation’s internal financial controls and the financial reporting process. The Corporation’s outside independent registered public accounting firm, Deloitte & Touche LLP, is responsible for performing an independent audit of the Corporation’s consolidated financial statements and to express an opinion as to whether those financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Corporation, in conformity with generally accepted accounting principles in the United States (“GAAP”). The Audit and Risk Committee’s responsibility is to monitor and oversee these processes. In addition, the Audit and Risk Committee meets at least quarterly with our management and outside independent registered public accountants to discuss our financial statements and earnings press releases prior to any public release or filing of the information.

The Audit and Risk Committee has reviewed and discussed the audited financial statements of the Corporation for the year ended December 31, 2019, with the Corporation’s management. The Audit and Risk Committee has discussed with the outside independent registered public accountants the matters required to be discussed by the rules adopted by the Public Company Accounting Oversight Board (the “PCAOB”). The outside independent registered public accounting firm provided to the Audit and Risk Committee the written disclosure required by the PCAOB. The Audit and Risk Committee discussed with the outside independent registered public accountants their independence and considered whether the non-audit services provided by the outside independent registered public accountants are compatible with maintaining their independence.

Based on the Audit and Risk Committee’s review and discussions noted above, on March 11, 2020 the Audit and Risk Committee recommended to the Board that the Corporation’s audited financial statements be included in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2019, for filing with the SEC.

Date: April 21, 2020

Audit and Risk Committee of the Board of Directors:

John J. Calamari (Chairman)
Matthew J. Sullivan
J. Christopher Teets
James W. Wert

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EQUITY COMPENSATION PLAN INFORMATION

Securities Authorized for Issuance under Equity Compensation Plans. The following table discloses, as of December 31, 2019, the number of outstanding options and other rights granted by the Corporation to participants in equity compensation plans, as well as the number of securities remaining available for future issuance under these plans. The table provides this information separately for equity compensation plans that have and have not been approved by shareholders.

### Ownership Guidelines

The Board believes that it is important for our NEOs to have a financial stake in the Corporation so that their interests align with those of the Corporation’s long-term shareholders. To support this objective, the Corporation maintains stock ownership guidelines. Each Named Executive Officer is expected to acquire and hold during his or her employment with the Corporation, ownership of the Corporation’s stock having a value (measured annually based on the closing stock price on the last day of the calendar year) equal to the multiple of his or her annual base salary as indicated below. A Named Executive Officer who holds more than one title indicated below will be expected to satisfy the highest applicable ownership requirement. Named Executive Officers will have five years to satisfy these guidelines after the date of adoption of these guidelines or the date of being designated as an executive officer, whichever is later.

<table>
<thead>
<tr>
<th>Position</th>
<th>Salary Multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>5x</td>
</tr>
<tr>
<td>Chief Financial Officer, Chief Risk Officer, &amp; Chief Operations Officer</td>
<td>2x</td>
</tr>
<tr>
<td>Other Executive Officers</td>
<td>1.5x</td>
</tr>
</tbody>
</table>

Furthermore, our Insider Trading Policy strongly discourages our directors, officers and employees from: (i) trading in our securities on a short-term basis by requiring any of our securities that are purchased in the open market by such persons to be held for a minimum of six (6) months; (ii) purchasing our securities on margin; (iii) short-selling our securities; and (iv) trading in puts, calls and straddles on our securities.

Included Holdings. The Corporation’s stock holdings that count toward meeting the ownership requirements include: shares owned outright (including shares held in the Corporation’s Employee Stock Purchase Plan) or

<table>
<thead>
<tr>
<th>Plan Category</th>
<th>Number of Securities to be Issued Upon Exercise of Outstanding Options and Other Rights</th>
<th>Weighted Average Exercise Price of Outstanding Options and Other Rights</th>
<th>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans Excluding Securities Reflected in Column (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Compensation Plans Approved by Shareholders</td>
<td>(a)</td>
<td>(b)</td>
<td>(c)</td>
</tr>
<tr>
<td>2019 Equity Compensation Plan</td>
<td>None</td>
<td>$</td>
<td>820,990</td>
</tr>
<tr>
<td>2014 Equity Compensation Plan</td>
<td>492,586</td>
<td>7.35</td>
<td>0*</td>
</tr>
<tr>
<td>2003 Equity Compensation Plan, as amended</td>
<td>None</td>
<td>n/a</td>
<td>0**</td>
</tr>
<tr>
<td>2012 Employee Stock Purchase Plan</td>
<td>None</td>
<td>n/a</td>
<td>14,891</td>
</tr>
<tr>
<td>Equity Compensation Plans Not Approved by Shareholders</td>
<td>None</td>
<td>n/a</td>
<td>None</td>
</tr>
<tr>
<td>Totals</td>
<td>492,586</td>
<td>7.35</td>
<td>835,881</td>
</tr>
</tbody>
</table>

* From and after the effectiveness of the 2019 Equity Plan on May 30, 2019, no further grants can be made under the 2014 Equity Plan.

** The 2003 Equity Plan terminated by its terms on October 11, 2013 and no further grants can be made under the 2003 Equity Plan as a result of its termination.
beneficially by the Named Executive Officer (or his or her immediate family members); restricted shares; and shares subject to RSUs. Unexercised stock options and unearned PSUs do not count toward meeting the ownership requirements.

**Share Retention Requirements.** If a Named Executive Officer is not in compliance with the ownership guidelines, such Named Executive Officer will be required to retain 100% of net after-tax shares from option exercise or share vesting until the ownership requirements are achieved. If a Named Executive Officer’s guideline requirement changes due to a change in position or in the Named Executive Officer’s annual base salary, the number of shares required to be held will be adjusted accordingly.

The Compensation Committee monitors compliance with the guidelines and must approve any exceptions in the case of compelling circumstances, of which there are none. All Named Executive Officers are either in compliance with such ownership guidelines or are on track to be in compliance within the required time period.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information with respect to the beneficial ownership of our common stock as of April 1, 2020, by:

- each person or entity known by us to beneficially own more than 5% of our common stock;
- each of our named executive officers in the Summary Compensation Table below;
- each of our directors; and
- all of our executive officers and directors as a group.
As of April 1, 2020, there were 11,931,745 shares of our common stock issued and outstanding. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities for which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed to be the beneficial owner of securities as to which such person has no economic interest.

<table>
<thead>
<tr>
<th>Name of Beneficial Owner</th>
<th>Number of Shares Beneficially Owned</th>
<th>Percent of Class</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Named Executive Officers and Directors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeffrey A. Hilzinger(1)</td>
<td>63,603</td>
<td>*</td>
</tr>
<tr>
<td>Michael R. Bogansky</td>
<td>943</td>
<td>*</td>
</tr>
<tr>
<td>Edward R. Dietz(2)</td>
<td>23,062</td>
<td>*</td>
</tr>
<tr>
<td>Louis E. Maslowe(3)</td>
<td>16,258</td>
<td>*</td>
</tr>
<tr>
<td>Gregory L. Sting(4)</td>
<td>19,649</td>
<td>*</td>
</tr>
<tr>
<td>John J. Calamari(5)</td>
<td>45,433</td>
<td>*</td>
</tr>
<tr>
<td>Lawrence J. DeAngelo(6)</td>
<td>193,958</td>
<td>1.63</td>
</tr>
<tr>
<td>Scott A. Heimes(7)</td>
<td>12,896</td>
<td>*</td>
</tr>
<tr>
<td>Matthew J. Sullivan(8)</td>
<td>277,968</td>
<td>2.33</td>
</tr>
<tr>
<td>J. Christopher Teets(9)</td>
<td>30,449</td>
<td>*</td>
</tr>
<tr>
<td>James W. Wert(10)</td>
<td>73,727</td>
<td>*</td>
</tr>
<tr>
<td><strong>All current executive officers and current directors as a group (14 persons)</strong></td>
<td>634,431</td>
<td>5.32</td>
</tr>
</tbody>
</table>

**Beneficial Owners of More Than 5% of Common Stock**

- **Red Mountain Capital Partners LLC**(11)
  - 10250 Constellation Blvd, Suite 2300
  - Los Angeles, CA 90067
  - 2,976,925
  - 24.95

- **Broad Run Investment Management, LLC**(12)
  - 1530 Wilson Blvd, Suite 530
  - Arlington, VA 22209
  - 1,188,509
  - 9.96

- **Dimensional Fund Advisors L.P.**(13)
  - Building One
  - 6300 Bee Cave Road
  - Austin, TX 78746
  - 1,018,030
  - 8.53

- **Basswood Capital Management, L.L.C.**(14)
  - 64 Madison Avenue, 10th Floor
  - New York, NY 10022
  - 711,435
  - 5.96

- **BlackRock Inc.**(15)
  - 55 East 52nd Street
  - New York, NY 10055
  - 662,541
  - 5.55

* Represents less than 1%.

(1) Represents 23,807 shares of our common stock held directly by Mr. Hilzinger and 39,796 shares of our common stock underlying stock options that are currently exercisable.

(2) Represents 17,519 shares of our common stock held directly by Mr. Dietz and 5,543 shares of our common stock underlying stock options that are currently exercisable. The shares of common stock represent those held by Mr. Dietz when he separated from the Corporation on December 31, 2019. Because of Mr. Dietz’s separation from the Corporation, the Corporation does not have access to Mr. Dietz’s current common stock holdings, if any.

(3) Represents 3,653 shares of our common stock held directly by Mr. Maslowe and 12,605 shares of our common stock underlying stock options that are currently exercisable.

(4) Represents 10,466 shares of our common stock held directly by Mr. Sting and 9,183 shares of our common stock underlying stock options that are currently exercisable.
Represented 28,509 shares of our common stock held directly by Mr. Calamari, 16,218 shares for which Mr. Calamari has shared voting and dispositive power. Also represents 16,924 shares of restricted stock held by Mr. Calamari, of which 1,540 shares become fully vested within 60 days of April 1, 2020. See “Proposal 1: Election of Directors – Non-Employee Directors’ Compensation – Equity Compensation” above for more information.

Represents 173,018 shares of our common stock held directly by Mr. DeAngelo, 29,358 shares for which Mr. DeAngelo has shared voting and dispositive power. Also represents 20,940 shares of restricted stock, of which 5,556 shares become fully vested within 60 days of April 1, 2020. See “Proposal 1: Election of Directors – Non-Employee Directors’ Compensation – Equity Compensation” above for more information.

Represents 12,896 shares of restricted stock held by Mr. Heimes. See “Proposal 1: Election of Directors – Non-Employee Directors’ Compensation – Equity Compensation” above for more information.

Represents 26,561 shares of our common stock held directly by Mr. Sullivan and 16,924 shares of restricted stock, of which 1,540 shares become fully vested within 60 days of April 1, 2020. See “Proposal 1: Election of Directors – Non-Employee Directors’ Compensation – Equity Compensation” above for more information. The information for Mr. Teets does not include shares beneficially owned by Red Mountain Capital Partners LLC (“Red Mountain”), as described in footnote 11 below. Mr. Teets, a Partner of Red Mountain, disclaims beneficial ownership of the shares of the Corporation beneficially owned by Red Mountain.

Represents 36,803 shares of our common stock held directly by Mr. Wert and 16,924 shares of restricted stock, of which 1,540 shares become fully vested within 60 days of April 1, 2020. See “Proposal 1: Election of Directors – Non-Employee Directors’ Compensation – Equity Compensation” above for more information.

The shares reported as beneficially owned by Red Mountain are reported as of December 22, 2014, based solely on a Schedule 13D/A (Amendment No. 4 to Schedule 13D) jointly filed on December 22, 2014 by Red Mountain and certain of its related persons. Mr. Teets, a Partner of Red Mountain, disclaims beneficial ownership of these shares, except to the extent of his pecuniary interest therein.

Represents 13,525 shares of our common stock held directly by Mr. Teets and 16,924 shares of restricted stock, of which 1,540 shares become fully vested within 60 days of April 1, 2020. See “Proposal 1: Election of Directors – Non-Employee Directors’ Compensation – Equity Compensation” above for more information. The information for Mr. Teets does not include shares beneficially owned by Red Mountain Capital Partners LLC (“Red Mountain”), as described in footnote 11 below. Mr. Teets, a Partner of Red Mountain, disclaims beneficial ownership of the shares of the Corporation beneficially owned by Red Mountain.

The shares reported as beneficially owned by Broad Run Investment Management, LLC (“Broad Run”) are reported as of December 31, 2019, based solely on a Schedule 13G/A filed by Broad Run on February 14, 2020. Broad Run reported that it possessed sole voting power over 1,177,137 shares and sole dispositive power over 1,188,509 shares. Broad Run also reported that it did not possess shared voting or shared dispositive power over any shares beneficially owned. Broad Run reported that as of December 31, 2019, Hennessy Focus Fund, a series of The Hennessy Funds Trust, an investment company registered under the Investment Company Act of 1940, may be deemed to beneficially own 5% or more of the total shares reported by Broad Run.

The shares reported as beneficially owned by Dimensional Fund Advisors L.P. (“Dimensional”) are reported as of December 31, 2019, based solely on a Schedule 13G/A filed by Dimensional on February 12, 2020. Dimensional reported that it possessed sole voting power over 978,665 shares and sole dispositive power over 1,018,030 shares. Dimensional also reported that it did not possess shared voting or shared dispositive power over any shares beneficially owned. Dimensional disclaims beneficial ownership of the shares reported.

The shares reported as beneficially owned by Basswood Capital Management, L.L.C. (“Basswood”) are reported as of December 31, 2019, based solely on a Schedule 13G/A filed by Basswood on February 11, 2020. Basswood reported that it possessed shared voting and shared dispositive power over 711,435 shares. Basswood also reported that it did not possess sole voting or sole dispositive power over any shares beneficially owned.

The shares reported as beneficially owned by BlackRock, Inc. (“BlackRock”) are reported as of December 31, 2019, based solely on a Schedule 13G/A filed by BlackRock on February 5, 2020. BlackRock reported that it possessed sole voting power over 647,640 shares and sole dispositive power over 662,541 shares. BlackRock also reported that it did not possess shared voting or shared dispositive power over any shares beneficially owned.

**SECTION 16(A) REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires the Corporation’s directors, executive officers and shareholders who beneficially own more than 10% of the Corporation’s outstanding equity stock to file initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Corporation with the
SEC. Based on a review of copies of the reports we received and on the statements of the reporting persons, to the best of the Corporation’s knowledge, all required reports in 2019 were filed on time except for a report for Ms. Anger and a report for Mr. Rajappa, each filed in February 2020.

**SHAREHOLDER PROPOSALS & NOMINATION OF DIRECTORS FOR 2021 ANNUAL MEETING**

In order to be considered for inclusion in the Corporation’s proxy statement for the annual meeting of shareholders to be held in 2021, all shareholder proposals must be delivered to or mailed and received by the Corporate Secretary at the Corporation’s office, 300 Fellowship Road, Mount Laurel, New Jersey, 08054 on or before December 30, 2020. We suggest that you send any such proposals by certified mail. The Board has the right to review shareholder proposals to determine if they meet the SEC requirements for being included in the proxy statement.

Shareholders may submit director nominations for consideration at the 2021 annual meeting if they meet the requirements set forth in the Bylaws. Notice of such nominations to the Corporate Secretary of the Corporation must be delivered to or mailed and received at the principal executive offices of the Corporation not later than March 12, 2021, provided, however, that in the event that the 2021 annual meeting is called for a date that is not within thirty (30) days before or after June 10, 2021, then to be timely notice by the shareholder must be received not later than the close of business on the tenth (10th) day following the day on which notice of the date of the 2021 annual meeting is mailed or such public disclosure of the date of the 2021 annual meeting is made, whichever first occurs.

In addition, our Bylaws provide for proxy access for properly nominated directors under certain circumstances. An Eligible Shareholder, or a group of up to 20 Eligible Shareholders, may nominate and include in the Corporation’s 2021 annual meeting proxy materials director nominees in a number up to 25 percent of the Board of Directors in office as of January 1, 2021. To use the proxy access provision, a notice of proxy access nomination and information required by the Bylaws, which must include certain representations and agreements by the shareholder, must be received no earlier than November 30, 2020, and no later than December 30, 2020; provided, however, that in the event that the 2021 annual meeting is not scheduled to be held within a period that commences May 11, 2021, and ends August 9, 2021, then the proxy access notice must be so delivered to, and received by, the Corporate Secretary of the Corporation no earlier than one hundred and eighty (180) days and no later than the tenth (10th) day following the date the 2021 annual meeting is first publicly announced or disclosed.

The Corporation reserves the right to vote all proxies as it determines in its discretion on any shareholder proposals or nominations, pursuant to authority provided on the proxy card. Also, see the Corporation’s Director Nominations policy described above under “Governance of the Corporation.” We suggest that you send any such proposals and nominations by certified mail. The Board has the right to review nominations to determine if they meet the requirements set forth in the Bylaws for being included in the proxy statement.

**ADDITIONAL INFORMATION**

Any shareholder may obtain a copy of the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2019, including the financial statements and related schedules and exhibits, required to be filed with the SEC, without charge, by submitting a written request to the Corporate Secretary, Marlin Business Services Corp., 300 Fellowship Road, Mount Laurel, New Jersey, 08054. You may also view these documents in the Investors section of the Corporation’s website at www.marlincapitalsolutions.com.
OTHER MATTERS

As of April 29, 2020, the Board of Directors knows of no matters other than those discussed in this Proxy Statement that will be presented at the Annual Meeting. However, if any other matters are properly brought before the meeting, any proxy given pursuant to this solicitation will be voted in accordance with the recommendations of the Board of Directors.

BY ORDER OF THE BOARD OF DIRECTORS

Ryan Melcher
Senior Vice President, General Counsel and Corporate Secretary
VOTE BY INTERNET
Before the Meeting - Go to www.proxyvote.com or scan the QR barcode above
Use the internet to transmit your voting instructions and for electronic shareholder information.
Vote by 11:59 p.m., Eastern Time on June 9, 2020 for shares held directly by 11:59 p.m.,
Eastern Time on June 7, 2020 for shares held in a plan. Have your proxy card in hand when
you access the web site and follow the instructions to obtain your records and to create an
electronically voting instruction form.

During The Meeting - Go to www.virtualshareholdermeeting.com/MAR2020
You may attend the meeting at the internet address and vote during the meeting. Have the information
that is printed in the box marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions. Vote by
11:59 p.m., Eastern Time on June 9, 2020 for shares held directly and by 11:59 p.m.,
Eastern Time on June 7, 2020 for shares held in a plan. Have your proxy card in hand when
you call and then follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

1. Election of Directors
   All
   For
   Withhold
   Except
   01 John J. Calamari
   02 Lawrence J. DeAngelis
   03 J. Christopher Reis
   04 Scott Heise
   05 Jeffrey A. Hiltzinger

The Board of Directors recommends you vote FOR the following:

   2. To approve the compensation of the Corporation’s named executive officers, on an advisory basis.

   3. To ratify the appointment of Deloitte & Touche LLP as the Corporation’s independent registered public accounting firm.

NOTE: Other business may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appears(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature (PLEASE SIGN WITHIN BOX) Date
Signature (Joint Owners) Date
Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

PROXY
MARLIN BUSINESS SERVICES CORP.
2020 Annual Meeting of Shareholders
June 10, 2020, 9:00 a.m. EDT

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF MARLIN BUSINESS SERVICES CORP.

I/We hereby appoint Jeffrey A. Hilzinger and Ryan Melcher and each of them (with full power to act alone), as proxyholders for me/us, and hereby authorize each of them (with full power to act alone) to represent me/us at the 2020 Annual Meeting of Shareholders of Marlin Business Services Corp. to be held virtually via the internet at www.virtualshareholdermeeting.com/MBN2020 on June 10, 2020, at 9:00 a.m. EDT, and at any adjournment thereof, and at this meeting and any adjournment, to vote, as designated below, the same number of shares as I/we would be entitled to vote if then personally present.

THIS PROXY, WHEN PROPERLY SIGNED BY YOU, WILL BE VOTED IN THE MANNER YOU DIRECT ON THIS CARD. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE LISTED NOMINEES IN THE ELECTION OF DIRECTORS, AND FOR PROPOSALS 2 AND 3. NOTE: IN THE PROXYHOLDER'S DISCRETION, THE PROXYHOLDER IS AUTHORIZED TO VOTE UPON SUCH OTHER BUSINESS AS MAY PROPERLY BE PRESENTED AT THE MEETING OR ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF. THIS PROXY MAY BE REVOKED BY YOU AT ANY TIME BEFORE IT IS VOTED AT THE ANNUAL MEETING.

Continued and to be signed on reverse side