

PATRIOT NATIONAL BANCORP INC  
Form DEF 14C  
November 21, 2018

---

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

---

**SCHEDULE 14C INFORMATION STATEMENT**

**Information Statement Pursuant to Section 14(c)**

**of the Securities Exchange Act of 1934**

---

Check the appropriate box:

Preliminary Information Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))

Definitive Information Statement  
**PATRIOT NATIONAL BANCORP, INC.**

**(Name of Registrant as Specified In Its Charter)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

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

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

Edgar Filing: PATRIOT NATIONAL BANCORP INC - Form DEF 14C

(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:

---

November 16, 2018

Dear Patriot National Bancorp Shareholder,

I am very pleased to provide you with our Financial Report for 2017. The past year saw significant achievement and results at Patriot National Bancorp (“Company”), as its bank operating subsidiary, Patriot Bank N.A. continued to perform, elevating its market presence in communities that it services.

We have been building and strengthening our leadership at both the executive and branch levels, diversifying our product offerings and enhancing the banking experience for customers.

The results are clear and positive, and we expect this trend to continue. Post turnaround, Patriot’s assets have reached \$852.1 million, up \$95.4 million from a year earlier, loans increased 23.7% to \$713.4 million, and deposits climbed 20.4% to \$637.4 million. The combined growth and improved operating efficiencies is aimed at creating value for our shareholders and we are building strength overall with each fiscal quarter. Our recent acquisition of New Haven County-based, Prime Bank was successfully integrated and will add to Patriot’s economic performance, as well as having a positive effect in the community.

I look forward to your participation at the Patriot National Bancorp Annual Meeting to be held at the offices of Robinson & Cole LLP, 1055 Washington Boulevard, 10<sup>th</sup> Floor, Stamford, CT 06901 at 10 a.m. on December 19, 2018.

Sincerely,

Michael Carrazza  
Chairman

**PATRIOT NATIONAL BANCORP, INC.**

900 Bedford Street

Stamford, Connecticut 06901

**NOTICE OF 2018 ANNUAL MEETING OF SHAREHOLDERS**

To the Shareholders of Patriot National Bancorp, Inc.:

You are cordially invited to attend the 2018 Annual Meeting of Shareholders (the “Annual Meeting”) of Patriot National Bancorp, Inc., a Connecticut corporation (the “Company”), which will be held on December 19, 2018, starting at 10:00 a.m., Eastern Standard Time, at the offices of Robinson & Cole LLP, 1055 Washington Boulevard, 10th Floor, Stamford, Connecticut 06901, for the following purposes:

- (1) To elect seven directors to serve until our Annual Meeting of Shareholders to be held in 2019 and until their successors are elected;
- (2) To approve and ratify the appointment of RSM US LLP to serve as the independent registered public accounting firm for Patriot National Bancorp, Inc. for the 2018 fiscal year; and
- (3) To transact any other business which may properly come before the meeting.

Only shareholders of record of outstanding shares of common stock of the Company at the close of business on November 9, 2018 are entitled to notice of, and to vote, at the Annual Meeting or any adjournment or postponement thereof.

This Notice of 2018 Annual Meeting of Shareholders and the attached Information Statement dated November 16, 2018 should be read in conjunction with the Company’s Annual Report on Form 10-K, as amended, for the year ended December 31, 2017. Collectively, these documents contain all of the information and disclosures required in connection with the 2018 Annual Meeting of Shareholders. Copies of all these materials can be found on the Company’s website at [www.bankpatriot.com](http://www.bankpatriot.com).

*By Order of the Board of Directors,*

Michael A. Carrazza  
Chairman of the Board  
November 16, 2018

---

## **INFORMATION STATEMENT**

**For the Annual Meeting of Shareholders to be held on  
December 19, 2018  
at the offices of Robinson & Cole LLP,  
1055 Washington Boulevard, 10th Floor  
Stamford, Connecticut 06901  
at 10:00 a.m.**

**WE ARE NOT ASKING YOU FOR A PROXY**

**AND YOU ARE REQUESTED NOT TO SEND US A PROXY**

## **INTRODUCTION**

This Information Statement is being furnished to the shareholders of Patriot National Bancorp, Inc., a Connecticut corporation (“we,” “us,” “our,” the “Company” or “Patriot”). We are the bank holding company of Patriot Bank, N.A. (the “Bank”). This Information Statement relates to our resolutions to (a) elect seven directors to serve until our next annual meeting, (b) approve and ratify the appointment of RSM USA LLP as our independent registered public accounting firm for the 2018 fiscal year, and (c) transact any other business which may properly come before the meeting. These resolutions will be adopted by our Board of Directors prior to the 2018 Annual Meeting of Shareholders in accordance with statutes governing Connecticut corporations (the “Connecticut Law”) and will be presented to an annual meeting of our shareholders to be held on December 19, 2018, as outlined in the Notice of 2018 Annual Meeting of Shareholders (the “Annual Meeting”) that accompanies this Information Statement.

Our majority shareholder, PNBK Holdings LLC (“Holdings”), which beneficially owns approximately 63.91% of our outstanding voting securities, has indicated that it will vote in favor of these resolutions. Holdings is managed by PNBK Sponsor, LLC (“Sponsor”). Michael A. Carrazza, the Chairman of our Board, is the manager of Sponsor. No other votes are required or necessary to elect directors for the coming year or to retain RSM US LLP as our independent registered public accounting firm for the 2018 fiscal year.

The election of directors and the retention of RSM US LLP as our independent registered public accounting firm are outlined below.

## QUORUM AND VOTING REQUIREMENTS

### **Quorum Requirement**

A majority of our outstanding common stock, \$0.01 par value per share (the “Common Stock”), represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law. If less than a quorum is represented at a meeting, a majority of the shares so represented may adjourn the meeting without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

### **Vote Required**

If a quorum is present, action by the shareholders on the retention of RSM US LLP as our independent registered public accounting firm is approved if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action. Each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders.

In the election of directors, shareholders may cumulate their votes. Cumulative voting allows a shareholder to allocate among the director nominees, as the shareholder sees fit, the total number of votes equal to the number of director positions to be filled multiplied by the number of shares held by the shareholder. For example, if a shareholder owns 100 shares of stock, and there are seven directors to be elected at the Annual Meeting, a shareholder may allocate 700 “for” votes (seven multiplied by 100) among as few or as many of the seven nominees to be voted on at the Annual Meeting as the shareholder chooses. Cumulative voting

applies only to the election of directors. For all other matters, each share of Common Stock outstanding as of the close of business on the Record Date (as defined below), is entitled to one vote.

In determining the number of votes cast for or against the election of directors or the retention of RSM US LLP as our independent registered public accounting firm, shares abstaining from voting will not be treated as a vote for or against the proposal or election.

### **Dissenters' Right of Appraisal**

Our shareholders do not have dissenters' rights of appraisal with respect to the proposals to be considered at the Annual Meeting.

### **Other Business**

At the date hereof, our management has no knowledge of any business other than that described in the notice for the Annual Meeting that will be presented for consideration at the Annual Meeting.

## **BENEFICIAL OWNERSHIP AND OTHER MATTERS**

### **Record Date**

The record date for determining the shareholders entitled to vote at the Annual Meeting was the close of business on November 9, 2018 (the "Record Date"), at which time we had issued and outstanding 3,942,762 shares of Common Stock which were owned by 318 shareholders of record. The shares of Common Stock constitute the only outstanding voting securities of the Company entitled to be voted at the Annual Meeting.

### **Beneficial Ownership**

Edgar Filing: PATRIOT NATIONAL BANCORP INC - Form DEF 14C

The table below provides certain information about beneficial ownership of Common Stock of the Company as of the Record Date with respect to: (i) each person, or group of affiliated persons, who is known to the Company to own more than five percent (5%) of Company's Common Stock; (ii) each of the Company's directors; (iii) each of the Company's executive officers; and (iv) all of the Company's directors and executive officers as a group.

Except as otherwise noted, to the knowledge of the Company, all persons listed below have sole voting and dispositive power with respect to all shares of Common Stock they beneficially own, except to the extent authority is shared by spouses under applicable law. Applicable percentage ownership is based on 3,942,762 shares of Common Stock outstanding as of the Record Date. In computing the number of shares of Common Stock beneficially owned by a person and applicable percentage of ownership of that person, we deemed outstanding shares of Common Stock subject to options held by that person that are currently exercisable or exercisable within sixty (60) days of the Record Date. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each shareholder is in care of Patriot National Bancorp, Inc., 900 Bedford Street, Stamford, CT 06901.

| Name of Beneficial Owner             | Shares of                 |                  |
|--------------------------------------|---------------------------|------------------|
|                                      | Common Stock              | Percent of Class |
|                                      | <b>Beneficially Owned</b> |                  |
| Michael A. Carrazza                  | 2,537,581                 | (1) 64.36%       |
| Richard A. Muskus                    | 1,114                     | (2) *            |
| Joseph D. Perillo                    | 175                       | *                |
| Frederick K. Staudmyer               | 4,175                     | *                |
| Judith P. Corprew                    | 851                       | *                |
| Scott W. Laughinghouse               | 29                        | *                |
| David W. Christiansen                | -                         | *                |
| Edward N. Constantino                | 6,313                     | *                |
| Raymond Smyth                        | 7,495                     | (3) *            |
| Emile Van den Bol                    | 19,694                    | *                |
| Michael J. Weinbaum                  | 10,313                    | *                |
| All Directors and Executive Officers | <b>2,587,740</b>          | 65.63%           |

\* Less than one percent (1%)

(1) Includes 2,520,000 shares held by PNBK Holdings. Mr. Carrazza is the manager of PNBK Sponsor, LLC, which is the manager of PNBK Holdings; therefore, Mr. Carrazza may be deemed to indirectly beneficially own the shares directly owned by PNBK Holdings. PNBK Holdings has sole voting and dispositive power with regard to all 2,520,000 shares; Sponsor and Carrazza have shared voting and shared dispositive power of said shares. Also includes 5,700 shares held by Solaia Capital Management Profit Sharing Plan for the benefit of Mr. Carrazza. Mr. Carrazza has sole voting and dispositive power with regard to such shares. Mr. Carrazza additionally owns 11,881

shares individually.

(2) Includes 59 shares held in an IRA for the benefit of Mr. Muskus.

(3) Includes 626 shares held in an IRA for the benefit of Mr. Smyth.

None of our directors has informed us in writing that he intends to oppose any action to be taken by us at the Annual Meeting.

### **Changes in Control**

There are no arrangements known to management that may result in a change of control of the Company.

## **ITEM 1. ELECTION OF DIRECTORS**

The first item to be acted upon at the Annual Meeting is the election of seven directors to our Board of Directors. Each of the persons elected will serve a term of one year and until the election and qualification of his successor or until his earlier resignation, death or removal. Each nominee is currently serving as one of our directors. We are not aware of any material proceedings to which any of the nominee directors, or any associate of any such director, is a party adverse to us or has a material interest adverse to us. Each nominee has consented to being named as a nominee and to serve if elected.

If any director nominee named in this information statement shall become unable or decline to serve (an event which the Board of Directors does not anticipate), a substitute may be nominated and elected.

### **Nominees for Election as Directors**

The nominees for election as directors have provided the following information about themselves:

| <b><u>Name</u></b>    | <b><u>Age</u></b> | <b><u>Current Position with the Company</u></b>                                                  |
|-----------------------|-------------------|--------------------------------------------------------------------------------------------------|
| Michael A. Carrazza   | 52                | Chairman of the Board of Directors and Chief Executive Officer of Patriot and Patriot Bank, N.A. |
| Richard A. Muskus Jr. | 50                | President and Director; President of Patriot Bank, N.A.                                          |
| Edward N. Constantino | 72                | Director                                                                                         |
| Raymond B. Smyth      | 72                | Director                                                                                         |

|                        |    |          |
|------------------------|----|----------|
| Emile Van<br>den Bol   | 55 | Director |
| Michael J.<br>Weinbaum | 52 | Director |
| Brent M.<br>Ciurlino   | 60 | Director |

The nominees for election as directors have provided the following information about themselves:

**Michael A. Carrazza**

Mr. Carrazza has been Chairman of the Board of Directors of the Company since 2010 and Chief Executive Officer since August 2016. Through PNBK Sponsor, Mr. Carrazza manages PNBK Holdings, LLC (“PNBK Holdings”), the Company’s largest shareholder. Mr. Carrazza is also CEO of Solaia Capital Advisors, an investment management company. In 2012, Mr. Carrazza led the spin-out of the Bank of Ireland’s U.S. Asset-Based Lending Group, now known as Siena Lending Group, and serves as its Chairman. In 2004, he co-founded Bard Capital Group where he sponsored several transactions in the industrial sector. From 2001 until 2003, he was principal at The Glen Rock Group, a middle market investment firm, where he structured and financed the buyout of International Surface Preparation Group, Inc. (“ISPC”) from U.S. Filter/Vivendi. He subsequently worked at ISPC as Vice President in the office of the Chairman, managing the company’s financings, restructure and subsequent sale. Mr. Carrazza led the financing and restructuring of Mitchell Madison Group and served on the firm’s Executive Team, where he assisted in the firm’s global expansion and managed its subsequent sale to US Web/CKS. Mr. Carrazza began his career at Goldman, Sachs & Co. Mr. Carrazza earned his MBA in Finance from The Stern School of Business at New York University and his B.S. in Electrical Engineering from The Pennsylvania State University.

### **Richard A. Muskus**

Mr. Muskus has been President of the Company since January 26, 2017 and a Director since July 19, 2017. He also serves as President and Chief Lending Officer of Patriot Bank, N.A. (the “Bank”). Prior to becoming President of the Company and the Bank, Mr. Muskus had served as the Bank’s Executive Vice President and Chief Lending Officer since February 2014. He helped significantly expand the size and scope of the Bank’s commercial loan portfolio, introducing new products and initiatives, as well as overseeing the financing objectives of numerous vital community projects such as the Wall Street Theater restoration and the Greenwich Skating Club’s recent expansion. Throughout his Patriot banking career, Mr. Muskus has been responsible for developing new and successful commercial loan underwriting methods and credit standards for the Bank. Mr. Muskus is well known in the Greenwich community and is a highly respected second-generation banker with over 25 years of financial and lending experience. He began his career at State Street Bank in Boston and then expanded into analytical roles with Merrill Lynch and J.P. Morgan Investment Management. Mr. Muskus became SVP of Commercial Lending of The Greenwich Bank & Trust Company in 2000 before serving as President of the bank from 2010 to 2014. He is Director Emeritus and former President of the Board of Directors of the Transportation Association of Greenwich, a nonprofit operating 17 vehicles transporting the elderly and disabled. He serves as President of the Joseph Pilsudski Society of Greenwich and is the Fiduciary and Administrator of the Jane C. Bausman Scholarship Fund, administered by the Greenwich Scholarship Association. Mr. Muskus earned his Bachelor of Science in Accountancy from Bentley University in Waltham, MA.

### **Edward N. Constantino**

Mr. Constantino has been a director of the Company since 2010 and the Lead Independent Director since October 2018. He has over 40 years of audit, advisory and tax experience working for two major accounting firms, Arthur Anderson LLP and KPMG LLP. Mr. Constantino retired from KPMG in late 2009, where he was an Audit Partner in charge of the Firm’s real estate and asset management businesses. Mr. Constantino is a member of the Board of Directors of ARC Property Trust and a member of the Board and Audit Committee Chair of NexPoint Residential Trust. Mr. Constantino also serves as a consultant for the law firm of Skadden Arps. Mr. Constantino’s specific skills include auditing national and multinational organizations, internal control and compliance, financial reporting, regulatory reporting, risk management, asset valuation, accounting and finance and transaction structuring. He is a licensed CPA, a Member of the American Institute of Certified Public Accountants and a Member of the New York State Society of Public Accountants. He is currently a Member of the Board of Trustees and the Audit Committee.

### **Raymond Smyth**

Mr. Smyth has served as our director from November 2008 until 2010 and since 2011. He is a retired partner in the accounting firm of Masotti & Masotti. In addition, he is a CPA and a financial expert.

**Emile Van den Bol**

Mr. Van den Bol has been a director of the Company since 2010. He is currently the Chief Executive Officer of Brooklawn Capital, LLC, which is an investment management company which advises and invests in real estate and securities, and a Director of Siena Lending Group, which is a company pioneering in asset-based lending. Mr. Van den Bol retired in 2010 as Managing Director of the Commercial Real Estate Group of Deutsche Bank Securities, Inc. Mr. Van den Bol joined Deutsche Bank in 2001 as Managing Director and held several executive positions in the Commercial Real Estate Group including Global Co-Head Structured Finance, Global Head Commercial Real Estate CDO Group and Member of the Global Commercial Real Estate Executive Committee. Mr. Van den Bol was a Governor of the Board of the Commercial Mortgage Securities Association from 2005 to 2009. From 1996 to 2001 Mr. Van den Bol was employed by Lehman Brothers where he held a number of positions including Head of Esoteric Principal Finance Group and Co-Head of Lehman Brothers Franchise Conduit. Mr. Van den Bol was a member of Morgan Stanley's Structured Finance Group from 1991 to 1996.

**Michael J. Weinbaum**

Mr. Weinbaum has been a director of the Company since 2010. He has been the Vice President of Real Estate Operations for United Capital Corp. for more than twenty years. Mr. Weinbaum has extensive experience in real estate operations and transactions. He is a member of the International Council of Shopping Centers and has been a member of United Capital's Board of Directors since 2005. Mr. Weinbaum currently serves on the Finance Board and Board of Trustees for St. Mary's Healthcare for Children.

**Brent M. Ciurlino**

Mr. Ciurlino has been a director of the Company since October 2018. He currently leads a specialized risk management and regulatory practice at Ivorhill Financial Advisers in Washington, D.C., where he has handled international assignments with the World Bank, the International Finance Corporation (IFC) and the International Monetary Fund (IMF). He has a broad background

and expertise in credit and risk, having served in numerous roles in the private and public sectors. From 2015 to recently, Mr. Ciurlino served as Chief Operating and Risk Officer for Freedom Mortgage Corporation and Freedom Small Business Lending BIDCO, and led its sale and divestiture to ReadyCap Lending, the largest SBA lending company. From 2012 to 2015, Mr. Ciurlino served as Director of the Office of Credit Risk Management (OCRM) for the Small Business Administration (SBA), where he implemented the PARRiS/SMART risk protocols and supervised the \$105 billion SBA 7(a) and 504 loan debenture and portfolio programs. He also supervised and regulated more than 4,000 SBA financial institutions across the United States. From 2009 to 2011, Mr. Ciurlino was appointed by former Chairman of the Federal Deposit Insurance Corporation (FDIC), Sheila Bair, as Senior Asset Management Executive responsible for the Western Region of the FDIC Branch of Franchise and Asset Services. He served as designated voting member of the Regional Credit, Strategic Bank Resolution and Bank Oversight Committees. From 2002 to 2009, he served as Managing Director at RSM Global International, where he managed diverse banking engagements for domestic and international banks, the FDIC, SBA, HUD, World Bank/IFC, and the IMF. From 1998 to 2002, he also served as Managing Director/CEO of UnionBank Holding Company and UnionBank, a \$2 billion international banking group, with 32 domestic and international branches and two international credit card processing centers, which merged with Royal Bank of Canada. Prior to UnionBank, he served as Senior Vice President – Chief Credit and Underwriting Officer at RSM-Unicorp, where he worked on numerous domestic and international assignments representing several banks, financial institutions and government agencies. His first FDIC appointment was in 1990, where he was appointed Deputy Director of Asset Management Services for the Resolution Trust Corp and the FDIC. Mr. Ciurlino graduated from the University of Maine with a B.S. degree and earned his M.S. degree in Economics and Finance from Washington State University.

### **Executive Officers**

Our executive officers who do not serve as directors and/or who are not nominees for election as directors are:

| <b><u>Name</u></b>     | <b><u>Age</u></b> | <b><u>Current Position with the Company</u></b>                                                                                  |
|------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Joseph D. Perillo      | 62                | Executive Vice President and Chief Financial Officer; Executive Vice President and Chief Financial Officer of Patriot Bank, N.A. |
| Frederick K. Staudmyer | 63                | Secretary and Chief Human Resources Officer; Executive Vice President and Chief Administrative Officer of Patriot Bank, N.A.     |
| Judith P. Corprew      | 56                | Executive Vice President and Chief Compliance & Risk Officer of Patriot and Patriot Bank, N.A.                                   |
| Scott Laughinghouse    | 57                | Executive Vice President and Chief Lending Officer of Patriot Bank, N.A.                                                         |
| David W. Christiansen  | 50                | Executive Vice President and Chief Credit Officer of Patriot Bank, N.A.                                                          |

**Joseph D. Perillo**

Mr. Perillo is Executive Vice President and Chief Financial Officer of the Company and the Bank. He served as a senior executive consultant for several months beginning in January 2017, tasked with assessing the finance department's processes and improving operations and internal controls. Mr. Perillo is a recognized finance industry leader with over two decades of experience in the banking industry, having served as Chief Accounting Officer and Chief Financial Officer for iQor Inc., a \$1.5 billion global leader in business process outsourcing. He began in public accounting with KPMG and then spent over 20 years in banking with Citibank, NatWest and as Senior Vice President & Controller for GreenPoint Financial, then one of the 50 largest banking companies in the U.S. Mr. Perillo earned his Bachelor of Science in accounting from St. John's University and is a Certified Public Accountant.

#### **Frederick K. Staudmyer**

Mr. Staudmyer has served as the Company's Secretary and Chief Human Resources Officer since November 2014. He is also the Executive Vice President and Chief Administrative Officer of Patriot Bank, N.A., overseeing human resources, retail and deposit operations, corporate governance, the customer support center, property development and facilities management. Mr. Staudmyer previously served as Assistant Dean at Cornell University's Johnson Graduate School of Management. Bringing more than 30 years of human resources, general management and corporate leadership experience, he has served at leading financial institutions where he directed talent acquisition and development, including this role at Chase Manhattan Bank, now JPMorgan Chase. He also served as President and COO at a national legal services and staffing company for over seven years. Mr. Staudmyer earned his MBA from the Johnson Graduate School of Management at Cornell and his Bachelor of Science at Cornell's School of Industrial & Labor Relations. He has served on the board of directors of the MBA Career Services Council and as an Advisory Council Member of Cornell University's Entrepreneurial and Personal Enterprise Program.

#### **Judith P. Corprew**

Ms. Corprew has served as Executive Vice President and Chief Compliance & Risk Officer of the Bank since March 2015, ensuring compliance with local, state and federal regulations, and risk management. She serves as Chair of the Bank's Compliance & Enterprise Risk Committee, as well as a member of its Audit, Steering and CRA Committees. She holds a Certified

Regulator Compliance Manager certification, a highly regarded recognition by the American Bankers Association. With three decades of credit and risk management experience, she has held leadership positions at community-focused financial institutions and mortgage companies throughout the Tri-State area. Early in her banking career, Ms. Corprew was awarded honors for establishing a profitable mortgage center. A staunch advocate for teaching financial literacy skills, Ms. Corprew has led educational seminars and events at local schools, clubs and community organizations. She has also held workshops on first-time home buying, credit and budgeting. She is a member of the United Way and Stamford Financial Stability Collaborative, and has served as a financial coach for United Way. She is a member of the Bank Compliance Association of Connecticut, Institute of Certified Bankers and Regulatory Compliance Group of Fairfield County. She is also a board member of The Helpers Club Scholarship Foundation of Stamford. Ms. Corprew earned her bachelor's degree from Rutgers University and a master's degree in finance from Post University in Waterbury, CT.

### **Scott Laughinghouse**

Mr. Laughinghouse has served as Executive Vice President and Chief Lending Officer of the Bank since October 2017. Mr. Laughinghouse has been in the community banking industry for nearly 30 years. He joined Patriot from First American International Bank in Brooklyn, NY where as Chief Lending Officer from 2015 to 2017 he led significant organic growth in both commercial real estate and home mortgage lending. In 1989, he began his banking career at Fleet National Bank in Providence, RI as a commercial credit trainee and quickly rose through the ranks to Vice President, Commercial Lending in the Community Lending Group in 1993. As First Senior Vice President and Executive Director of Financial Services at Lake Sunapee Bank in Newport, NH from 2012 to 2015, he served on an executive team that grew the bank from \$600 million to a \$1.5 billion organization through the acquisition of four banks an insurance agency and a trust and wealth management company with an additional \$1.5 billion in assets under management. Throughout his career, Mr. Laughinghouse has served as a Credit Analyst, Workout Officer, Lender, Chief Credit Officer, Chief Lending Officer, and Director of Financial Services (insurance and investments). His goal-oriented approach has enabled him to exceed loan growth targets both as a Commercial Lender and as Chief Lending Officer.

### **David Christiansen**

Mr. Christiansen became Executive Vice President and Chief Credit Officer of the Bank in June 2018, overseeing the Bank's loan portfolio, lending activities and compliance as well as ensuring operating policies, procedures, objectives and goals. He joined the Bank from First American International Bank of New York, where he was also Executive Vice President & Chief Credit Officer from 2017 to 2018. His experience in credit administration, credit risk management, underwriting, closing, loan servicing and portfolio management provides a useful foundation for his role at the Bank. From 2006 to 2016, he previously held senior roles at National Cooperative Bank, Credit Agricole and JPMorgan Chase. As a strategic senior credit risk management officer with extensive commercial banking, capital markets, corporate finance, regulatory & compliance, and business development experience, he has led a strong credit culture while providing excellent customer service for industry-leading multinational companies. Key strengths include: strategic leadership, global perspective, and consultative credit risk management leadership, yielding a broad

and deep understanding of the business, management, financial, and competitive risks faced by clients. Mr. Christiansen holds a Bachelor of Arts Degree in Economics from the University of Virginia.

### **Certain Relationships, Related Transactions and Director Independence**

There are no family relationships among our executive officers and directors. In the ordinary course of business, the Bank has made loans to officers and directors (including loans to members of their immediate families and loans to companies of which a director owns 10% or more). Other than a home equity line of credit in the amount of \$175,000 by the Bank to a director of the Company, Raymond Smyth, there were no other loans outstanding to officers and directors as of December 31, 2017 and as of the Record Date. In the opinion of management, all of such loans were made in the ordinary course of business of the Bank on substantially the same terms, including interest rates and collateral requirements, as those then prevailing for comparable transactions with persons not related to the lender. The Bank believes that at the time of origination these loans neither involved more than the normal risk of collectibility nor presented any other unfavorable features.

Information about transactions involving related persons is assessed by Patriot's independent directors. Related persons include Patriot's directors and executive officers as well as immediate family members of directors and officers. If the independent directors approve or ratify a material transaction involving a related person, then the transaction would be disclosed in accordance with the Securities and Exchange Commission (the "SEC") rules. If the related person is a director, or a family member of a director, then that director would not participate in those discussions.

### **Involvement in Certain Legal Proceedings**

During the past ten years, none of our current directors or executive officers have been involved in any legal proceedings identified in Item 401(f) of Regulation S-K.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers, directors and persons who own more than ten percent of the issued and outstanding shares of Common Stock to file reports of beneficial ownership and changes in beneficial ownership with the SEC and to furnish copies of all Section 16(a) forms to the Company. Based solely upon a review of Section 16(a) forms furnished to the Company, the Company believes that all applicable Section 16(a) filing requirements were met during the year ended December 31, 2017, except that Judith P. Corprew, Executive Vice President and Chief Compliance & Risk Officer, and Scott W. Laughinghouse, Executive Vice President and Chief Lending Officer, each were late in filing a Form 3, and Edward N. Constantino, Raymond Smyth, Emile Van den Bol, Michael J. Weinbaum, Directors, each of whom were late in filing a Form 4.

### **CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS**

Our business affairs are managed under the direction of the Board of Directors in accordance with the Connecticut Business Corporation Act, our certificate of incorporation and our bylaws. Members of our Board of Directors are kept informed of our business through discussions with the Chairman of the Board, our Chief Executive Officer and other officers, by reviewing materials provided to them, and by participating in meetings of the Board of Directors and its committees. Our corporate governance practices are summarized below.

During the fiscal year ended December 31, 2017, our Board of Directors met 11 times. During 2017, each of our directors attended 100% of the meetings of our Board of Directors and at least 90% of the meetings of the committees of the Board on which each director served.

#### **Director Attendance at Annual Meetings**

We have a policy encouraging attendance by members of the Board of Directors at our Annual Meetings of shareholders. All of our directors attended the 2017 Annual Meeting of Shareholders.

#### **Independence of Board of Directors and Members of Its Committees**

We are a controlled company under NASDAQ rules because more than 50% of the voting power for the election of our directors is held by one shareholder. As a result, we are not required to maintain a majority of independent

directors on our Board of Directors, nominating committee or compensation committee. The Board of Directors has determined that the following nominees for election as directors at the Annual Meeting are independent: Edward N. Constantino (Lead Independent Director), Emile Van den Bol, Michael J. Weinbaum, Raymond B. Smyth and Brent M. Ciurlino. The Board of Directors has also determined that the Audit Committee is comprised entirely of independent directors within the meaning of applicable laws and regulations, the listing standards of the NASDAQ stock market and our corporate guidelines set forth in the Audit Committee Charter.

### **Independence Standards**

The Board of Directors examines the independence of the directors annually. For a director to be considered independent, the Board of Directors must determine that the director does not have any relationship with us or any of our affiliates, either directly or as a partner, shareholder or officer of an organization that has such a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

A director will not be considered independent if, among other things, the director has:

Been employed by the Company or its affiliates at any time in the current year or during the past three years.

Accepted any payments from the Company or its affiliates in excess of \$120,000 during any period of twelve consecutive months within the preceding three years (except for Board services, retirement plan benefits, non-discretionary compensation or loans made by the Bank in accordance with applicable banking regulations).

An immediate family member who is, or has been in the past three years, employed by the Company or its affiliates as an executive officer.

Been a partner, controlling shareholder or an executive officer of any “for profit” business to which the Company made or from which it received, payments (other than those which arise solely from investments in the Company’s securities) that exceed 5% of the entity’s or the Company’s consolidated gross revenues for that year, or \$200,000, whichever is more, in any of the preceding three years.

Been employed as an executive officer of another entity where any of the Company's executive officers serve on that entity's compensation committee.

Been, or has a family member been, employed as a partner or employee of the Company's outside auditors in any of the receding three years.

### **Board Leadership Structure and Role in Risk Oversight**

The Board of Directors' primary responsibility is to seek to maximize long-term shareholder value. The Board of Directors selects our management, monitors management and Company performance, and provides advice and counsel to management. Among other things, the Board of Directors regularly reviews our business strategy and approves our budget. In fulfilling the Board of Directors' responsibilities, non-employee directors have full access to our management, external auditors and outside advisers.

### **Committees of the Board of Directors**

The members of our Board of Directors devote time and talent to certain standing committees. Among these committees are the Audit Committee, Compensation Committee, Executive Committee, Nominating and Corporate Governance Committee, Asset and Liability Committee and Loan Committee. The principal functions and members of each committee are described below.

The functions of the Audit Committee include (i) reviewing and recommending policies regarding internal audit and credit review, (ii) establishing and implementing policies to comply with applicable regulations, (iii) causing suitable audits to be made by auditors engaged by the Audit Committee on our behalf, and (iv) pre-approving all audit services and permitted non-audit services provided by the auditors. The Audit Committee or its Chairman also discusses with the independent auditors the auditors' review of our unaudited quarterly financial statements. The Audit Committee operates pursuant to a written charter, as amended by the Board of Directors on September 17, 2013. Shareholders may request a copy of the Audit Committee Charter, without charge, by contacting Joseph D. Perillo, Chief Financial Officer, Patriot National Bancorp, Inc., 900 Bedford Street, Stamford, Connecticut 06901, (203) 252-5954. The members of the Audit Committee are Messrs. Constantino (Chairman), Smyth and Van den Bol, each of whom is an independent director as defined by SEC and NASDAQ rules. The Board has determined that Messrs. Constantino and Smyth have the professional experience necessary to qualify as Audit Committee financial experts under SEC rules. During 2017, the Audit Committee met 12 times.

The Compensation Committee determines executive compensation. The members of the Compensation Committee are Messrs. Constantino (Chairman) and Van den Bol. In performing its duties, the Compensation Committee may engage

consultants to assist it in determining the amount or form of executive and director compensation. The Compensation Committee consults with our executive officers in determining executive and director compensation. During 2017, the Compensation Committee met 3 times.

The Executive Committee exercises, if needed and when the Board of Directors is not in session, all powers of the Board of Directors that may lawfully be delegated. The members of the Executive Committee are Messrs. Carrazza (Chairman), Constantino and Van den Bol. During 2017, the Executive Committee met once.

The principal function of the Nominating and Corporate Governance Committee is to consider and recommend to the full Board of Directors nominees for directors of Patriot and the Bank. The Nominating and Corporate Governance Committee is also responsible for reporting and recommending from time to time to the Board of Directors matters relative to corporate governance. The members of the Nominating and Corporate Governance Committee are Messrs. Van den Bol (Chairman), Carrazza, Constantino and Weinbaum. During 2017, the Nominating and Corporate Governance Committee did not meet.

The Asset and Liability Committee has the power and responsibility to ensure adherence to the investment policy, to recommend amendments thereto, to purchase and sell securities, to exercise authority regarding investments and liquidity and to exercise, when the Board is not in session, all other powers of the Board regarding investment securities that may be lawfully delegated. The members of the Asset and Liability Committee are Messrs. Van den Bol, Weinbaum, Smyth and Muskus. During 2017, the Asset and Liability Committee met 5 times.

The Loan Committee has the power to discount and purchase bills, notes and other evidences of debt, to buy and sell bills of exchange, to examine, review and approve loans and discounts, to exercise authority regarding loans and discounts, and to exercise, when the Board is not in session, all other powers of the Board regarding extensions of credit that may lawfully be delegated. The members of the Loan Committee are Messrs. Van den Bol, Smyth and Muskus. During 2017, the Loan Committee met 34 times.

### **Nomination Process**

The process of reviewing and making recommendations for nominations and appointments to the Board of Directors is the responsibility of the Nominating and Corporate Governance Committee. Our directors have a critical role in guiding our strategic direction and in overseeing management. The Nominating and Corporate Governance Committee will consider candidates for the Board of Directors based upon several criteria, including their broad-based business and professional skills and experiences, concern for the long-term interests of shareholders, personal integrity and judgment. Candidates should have reputations, both personal and professional, consistent with our image and reputation. Directors must have time available to devote to Board activities and to enhance their knowledge of the banking industry. Accordingly, the Board of Directors seeks to attract and retain highly qualified directors who have sufficient time to attend to their substantial duties and responsibilities for us, and who are expected to contribute to an effective Board of Directors.

The Nominating and Corporate Governance Committee utilizes the following process for identifying and evaluating nominees to the Board of Directors. In the case of incumbent directors, each year the Board of Directors informally reviews each director's overall service to us during the term, including the number of meetings attended, level of participation and performance. In the case of new director candidates, the Nominating and Corporate Governance Committee may solicit from existing directors the names of potential candidates who meet the criteria above; the Nominating and Corporate Governance Committee may discuss candidates suggested by our shareholders; and, if deemed appropriate by the Board of Directors, the Nominating and Corporate Governance Committee may engage a professional search firm. To date, the Nominating and Corporate Governance Committee has not engaged a professional search firm to identify or evaluate potential nominees, but it retains the right to do so in the future, if necessary. The Nominating and Corporate Governance Committee meets to discuss and consider these candidates' qualifications and then chooses new candidates by majority vote.

### **Shareholder Nominations**

Under our by-laws, nominations for directors may be made by any shareholder of any outstanding class of our capital stock who delivers notice, along with the additional information and materials required by our by-laws and certificate of incorporation, to our President not fewer than 14 days and not more than 50 days before the Annual Meeting. Shareholders may obtain a copy of our certificate of incorporation and by-laws by writing to our Corporate Secretary, 900 Bedford Street, Stamford, Connecticut 06901.

To be considered, the shareholder's nomination must contain: (i) the name and address of each proposed nominee; (ii) the principal occupation of each proposed nominee; (iii) the total number of shares of our capital stock that will be voted for each proposed nominee; (iv) the name and residence address of the notifying shareholder; and (v) the number of our shares of capital stock owned by the notifying shareholder. In addition, the nomination should include any other information relating to the proposed nominee required to be included in a proxy statement filed pursuant to

the proxy rules of the SEC and the nominee's written consent to serve as a director if elected.

### **Communications with the Board**

Interested parties, including shareholders, wishing to communicate directly with the Board of Directors or any independent directors should send written communications to Michael A. Carrazza, Chairman of the Board, Patriot National Bancorp, Inc., 900 Bedford Street, Stamford, Connecticut 06901. Each communication will be reviewed by Mr. Carrazza who will make appropriate recommendations to the Board of Directors, which may include discussing the matter raised with the Board of Directors as a whole, with only the independent directors, and/or with other members of the senior management team. We believe that this procedure allows the Board of Directors to be responsive to shareholder communications in a timely and appropriate manner.

### **Code of Conduct**

Each of our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer is required to comply with the Patriot National Bancorp, Inc. Code of Conduct for Senior Executive Financial Officers adopted by our Board of Directors. The Code of Conduct was adopted to deter wrongdoing and promote honest and ethical conduct; full, fair, accurate and timely disclosure in public documents; compliance with law; prompt internal reporting of Code of Conduct violations, and accountability for adherence to the Code of Conduct. The Code of Conduct was filed with the SEC as an exhibit to our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2004. All of our directors, officers and employees are also required to comply with a general Code of Conduct that satisfies the rules set out in Section 406(c) of the Sarbanes-Oxley Act of 2002. Shareholders may request a copy of either Code, without charge, by contacting Joseph D. Perillo, Chief Financial Officer, Patriot National Bancorp, Inc., 900 Bedford Street, Stamford, Connecticut 06901, (203) 252-5920.

**EXECUTIVE COMPENSATION****Director Compensation**

The following table details the compensation paid to or accrued for each of the Company's non-management directors in the year ended December 31, 2017:

| Name                  | Fees<br>Earned<br>or<br>Paid in<br>Cash<br>(\$) | Cash<br>Awards<br>(\$) | Stock<br>Awards<br>(1)<br>(\$) | Option<br>Awards<br>(\$) | Non-Equity<br>Incentive<br>Plan<br>Compensation<br>(\$) | Change in<br>Pension<br>Value<br>and<br>Nonqualified<br>Deferred<br>Compensation<br>Earnings | All Other<br>Compensation<br>(\$) | Total<br>(\$) |
|-----------------------|-------------------------------------------------|------------------------|--------------------------------|--------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------|---------------|
|                       |                                                 |                        |                                |                          |                                                         |                                                                                              |                                   |               |
| Edward N. Constantino | 56,025                                          | -0-                    | 18,912                         | -0-                      | -0-                                                     | -0-                                                                                          | -0-                               | 74,937        |
| Raymond Smyth         | 66,975                                          | -0-                    | 18,912                         | -0-                      | -0-                                                     | -0-                                                                                          | -0-                               | 85,887        |
| Emile Van den Bol     | 74,200                                          | -0-                    | 18,912                         | -0-                      | -0-                                                     | -0-                                                                                          | -0-                               | 93,112        |
| Michael J. Weinbaum   | 32,850                                          | -0-                    | 18,912                         | -0-                      | -0-                                                     | -0-                                                                                          | -0-                               | 51,762        |

(1) The table provides the dollar value of any restricted stock awards that vested during the period. The awards may have been granted during the current period or prior periods.

The Company's directors who are also executive officers do not receive compensation for service on the Board of Directors or any of its committees. Effective July 1, 2015, non-employee directors of the Company received pro-rated compensation increases for board and committee meeting attendance as well as retainer fees. On an annual basis, each non-employee director receives \$1,150 for each board meeting in which they participate and annual retainer fees totaling \$19,100. They also receive fees ranging from \$375 to \$750 for each committee meeting in which they participate. In addition, non-employee directors who serve as the chair of a committee receive additional retainer fees ranging from \$3,000 to \$9,200 per year.

The Company's directors are also reimbursed for reasonable and necessary out-of-pocket expenses incurred in connection with their service to the Company, including travel expenses.

### **Summary Compensation Table**

The table below sets forth, for the last two fiscal years, the compensation earned by our Chief Executive Officer, Chief Financial Officer and other executive officers who received the highest annual compensation.

| <b>Name and Principal Position(s)</b>                                                                                                                        | <b>Year</b> | <b>Salary</b> | <b>Bonus</b> | <b>Restricted<br/>Stock</b> | <b>All Other<br/>Annual<br/>Compensation</b> | <b>Total</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------|--------------|-----------------------------|----------------------------------------------|--------------|
| Michael A. Carrazza (2)<br>Chairman and Chief<br>Executive Officer                                                                                           | 2017        | \$300,000     | \$—          | \$—                         | \$ 5,398 (1)                                 | \$305,398    |
|                                                                                                                                                              | 2016        | \$300,000     | \$—          | \$—                         | \$ 5,288 (1)                                 | \$305,288    |
| Joseph D. Perillo (3)<br>Chief Financial Officer                                                                                                             | 2017        | \$152,238     | \$—          | \$—                         | \$ 2,723 (4)                                 | \$154,961    |
|                                                                                                                                                              | 2016        | \$—           | \$—          | \$—                         | \$—                                          | \$—          |
| Neil M. McDonnell (5)<br>Chief Financial Officer                                                                                                             | 2017        | \$89,723      | \$50,000     | \$—                         | \$ 8,866 (6)                                 | \$148,589    |
|                                                                                                                                                              | 2016        | \$225,000     | \$—          | \$—                         | \$—                                          | \$225,000    |
| Richard A. Muskus (7)<br>President and Director                                                                                                              | 2017        | \$281,154     | \$—          | \$ 10,758                   | \$ 9,060 (1)                                 | \$300,972    |
|                                                                                                                                                              | 2016        | \$228,654     | \$—          | \$ 21,349                   | \$ 6,860 (1)                                 | \$256,863    |
| Frederick K. Staudmyer<br>Secretary and Chief Human Resources Officer;<br>Executive Vice President and Chief Administrative<br>Officer of Patriot Bank, N.A. | 2017        | \$222,630     | \$15,000     | \$ 17,850                   | \$ 6,906 (1)                                 | \$262,386    |
|                                                                                                                                                              | 2016        | \$218,654     | \$20,000     | \$ 28,040                   | \$ 5,619 (1)                                 | \$272,313    |

|                                                      |      |           |          |          |            |           |
|------------------------------------------------------|------|-----------|----------|----------|------------|-----------|
| Samuel Davis (8)                                     | 2017 | \$222,693 | \$20,000 | \$10,299 | \$9,261(1) | \$262,253 |
| Executive Vice President<br>and Chief Credit Officer | 2016 | \$217,308 | \$10,000 | \$8,107  | \$7,181(1) | \$242,596 |

- (1) Includes a 401(k) company match contribution.
- (2) Mr. Carrazza was appointed as Interim Chief Executive Officer in August 2016.
- (3) Mr. Perillo was appointed as Chief Financial Officer as of May 2017.
- (4) Includes \$1,000 car allowance and \$1,328 401(k) company match contribution.
- (5) Mr. McDonnell was appointed as Chief Financial Officer as of January 2016 and resigned from the position as of May 2017.
- (6) Included \$8,654 severance.
- (7) Mr. Muskus has been President of the Company since January 2017.
- (8) Mr. Davis resigned from the position of Chief Credit Officer as of June 2018.

#### **401(k) Plan**

The Bank maintains a tax-qualified 401(k) Plan under Section 401(a) of the Internal Revenue Code with a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code. Employees become eligible to make salary reduction contributions to the 401(k) Plan on the first day of the month coinciding with or next following the date that the employee has attained 21 years of age and completed 1 month of service. Employees become eligible to receive any matching or discretionary contributions made to the 401(k) by the Bank after the completion of six months and at least 500 hours of service.

Under the 401(k) Plan, participants may elect to have the Bank contribute a portion of their compensation each year, subject to certain limitations imposed by the Internal Revenue Code. The 401(k) Plan permits the Bank to make discretionary matching and additional discretionary contributions to the 401(k) Plan. Participants in the 401(k) Plan may direct the investment of their accounts in several types of investment funds.

Participants are always 100% vested in their elective deferrals, matching and discretionary matching contributions and related earnings under the 401(k) Plan.

**Patriot National Bancorp, Inc. 2012 Stock Plan**

In 2011, the Company adopted the Patriot National Bancorp, Inc. 2012 Stock Plan (the “2012 Plan”). The 2012 Plan is administered by the Compensation Committee of the Company’s Board of Directors. Grants under the 2012 Plan may be made in the form of stock options, restricted stock and phantom stock units. The 2012 Plan authorizes 3,000,000 shares of the Company’s Common Stock for issuance. Phantom stock units may be granted under the 2012 Plan up to 1,000,000 units.

Under the terms of the 2012 Plan, only the Company’s employees and employees of its subsidiaries may receive stock options. The exercise price of the stock options shall be not less than the fair market value of the stock on the date of grant. The Compensation Committee shall determine the dates upon which the options may be exercisable, which shall not exceed 10 years from the date of grant. The options may be exercised on a cashless basis if approved by the Compensation Committee.

Only directors and employees of the Company are eligible to receive grants of restricted stock under the 2012 Plan. The vesting of these grants generally occurs in annual installments over a five year period. The vesting of restricted stock awards and options may be accelerated in accordance with terms of the 2012 Plan. The Compensation Committee shall make the terms and conditions applicable to the vesting of restricted stock awards and stock options.

Only the Company’s employees and employees of its subsidiaries are eligible to receive phantom stock units under the 2012 Plan. The phantom stock units entitle the holder to receive upon exercise, in cash or shares of Common Stock, the appreciation in the value of the Common Stock from the date of grant. The Plan Committee shall determine the terms and conditions of each phantom stock unit award. Upon a change of control of the Company, the grantee shall be required to redeem all of his or her phantom stock units. In the event of a sale of substantially all of the Company’s assets, all outstanding phantom stock units will be redeemed.

Under the 2012 Plan, 32,964 shares of restricted stock were awarded in 2013, 73,558 shares of restricted stock were awarded in 2014, 12,700 shares of restricted stock were awarded in 2015, 58,084 shares of restricted stock were awarded in 2016 and 5,084 shares of restricted stock were awarded in 2017.

**ITEM 2. RATIFICATION OF INDEPENDENT AUDITORS**

The second item to be acted upon at the Annual Meeting is the approval and ratification of the Board of Directors' selection of our independent registered public accounting firm.

The Board of Directors has appointed RSM US LLP ("RSM") as our independent registered public accounting firm to examine our financial statements for the current fiscal year ending December 31, 2018 and to perform other appropriate accounting services. RSM has been engaged as our independent registered public accounting firm since May 16, 2017, and has no relationship with us other than that arising from their employment as our independent registered public accounting firm.

**Audit Fees**

The following table sets forth the aggregate amounts of principal accounting fees we paid to our independent registered public accountants for professional services performed in fiscal years ended December 31, 2017 and 2016 for: (i) audit fees – consisting of fees billed for services rendered for the audit of our annual financial statements and the review of our quarterly financial statements; (ii) audit-related fees – consisting of fees billed for services rendered that are reasonably related to the performance of the audit or review of our financial statements and that are not reported as audit fees; (iii) tax fees – consisting of fees billed for services rendered in connection with tax compliance, tax advice and tax planning; and (iv) all other fees – consisting of fees billed for all other services rendered.

|                        | <b>Year Ended<br/>December 31,</b> |                 |
|------------------------|------------------------------------|-----------------|
|                        | <b>2017 (1)</b>                    | <b>2016 (2)</b> |
| Audit fees (3)         | 220,914                            | \$218,490       |
| Audit-related fees (4) | 60,000                             | 30,000          |
| Tax fees (5)           | 15,844                             | 21,509          |
| All other fees         | 29,358                             | —               |
| Total fees             | 326,116                            | \$269,999       |

(1) On May 16, 2017, RSM replaced BDO USA, LLP ("BDO"), and was appointed as the Company's new independent registered public accounting firm.

(2) On April 8, 2015, BDO replaced KPMG LLP ("KPMG"), and was appointed as the Company's independent registered public accounting firm.

(3) Audit fees with respect to the year ended December 31, 2017 represent payments made by the Company to RSM for professional services rendered starting from May 16, 2017 and to BDO for review of our first quarterly financial statements in the year. Audit fees with respect to the year ended December 31, 2016 represent payments

made by the Company to BDO for professional services.

Audit-related fees with respect to the year ending December 31, 2017 and December 31, 2016 represent a (4) payment made by the Company to BDO and KPMG, respectively, for professional services related to the Company's 2017 and 2016 Annual Reports on Form 10-K.

Tax fees with respect to the years ended December 31, 2017 and December 31, 2016 represent payments made by (5) the Company to RSM and BDO, respectively, for their preparation of the Company's federal and state income tax returns, tax advice and planning.

#### **Audit Committee Pre-Approval Policies and Procedures**

The Audit Committee has adopted a policy for pre-approval of audit and permitted non-audit services by the Company's independent registered public accountants. The Audit Committee will consider annually and, if appropriate, approve the provision of audit services by its external auditor and consider and, if appropriate, pre-approve the provision of certain defined audit and non-audit services. The Audit Committee also will consider on a case-by-case basis and, if appropriate, approve specific engagements that are not otherwise pre-approved.

Any proposed engagement that does not fit within the definition of a pre-approved service may be presented to the Audit Committee for consideration at its next regular meeting or, if earlier consideration is required, to the Audit Committee or one or more of its members. The member or members to whom such authority is delegated shall report any specific approval of services at its next regular meeting. The Audit Committee will regularly review summary reports detailing all services being provided to the Company by its external auditor.

The Audit Committee approved the audit-related fees, tax fees and all other fees set forth above for the years ended December 31, 2017 and 2016.

## **REPORT OF AUDIT COMMITTEE**

The Audit Committee reviewed and discussed the audited financial statements with management, and discussed with the independent auditors the matters required to be discussed by the statement on Auditing Standards No. 61, as amended. The Audit Committee received the written disclosures and the letter from the independent accountant required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with the independent accountant the independent accountant's independence. Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K, as amended.

Edward N. Constantino  
Raymond B. Smyth  
Emile Van den Bol

## **ADDITIONAL INFORMATION**

The 2018 Annual Meeting of Shareholders is scheduled to be held on December 19, 2018. Pursuant to Rule 14a-8 promulgated under the Exchange Act, our shareholders may present proper proposals for inclusion in our proxy or information statement and for consideration at the next annual meeting of shareholders by submitting their proposals to our Secretary in a timely manner. In order to be included in the proxy or information statement for the 2019 Annual Meeting of Shareholders, shareholder proposals must be received by our Secretary no later than August 1, 2019 and must otherwise comply with the requirements of Rule 14a-8.

We file annual, quarterly and current reports, information statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C., 20549. Please call the SEC at 1-800-SEC-0330 for further information on the SEC's public reference rooms. Our SEC filings are also available to the public at the SEC's website at <http://www.sec.gov> and our website at [www.bankpatriot.com](http://www.bankpatriot.com).

Any person, including any beneficial owner, to whom this Information Statement is delivered may request copies of our periodic reports, information statements or other information concerning us, without charge, by written request, directed to Frederick Staudmyer, Secretary, Patriot National Bancorp, Inc., 900 Bedford Street, Stamford, Connecticut 06901 or by telephone at 203252-5921. If you would like to request documents, please do so by November 30, 2018 in order to receive them before the Annual Meeting.

THIS INFORMATION STATEMENT IS DATED NOVEMBER 16, 2018. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS INFORMATION STATEMENT IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ABOVE, UNLESS EXPRESSLY PROVIDED, AND THE MAILING OF THIS INFORMATION STATEMENT TO SHAREHOLDERS DOES NOT CREATE ANY IMPLICATION TO THE CONTRARY.

**By Order of the Board of Directors,**

Michael A. Carrazza  
Chairman of the Board  
November 16, 2018