



SBT Bancorp

**Notice of 2016 Annual Meeting
and Proxy Statement**

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SBT Bancorp

March 30, 2016

Dear Shareholders:

We are pleased to invite you to attend SBT Bancorp, Inc.'s Annual Meeting of Shareholders. The meeting will be held on Tuesday, May 10, 2016 at 5:00 p.m. at the main office of our subsidiary, The Simsbury Bank & Trust Company, Inc., located at 981 Hopmeadow Street, Simsbury, Connecticut.

The enclosed materials describe the matters to be considered and voted upon by shareholders of the Company at the Annual Meeting. Also enclosed for your review is our 2015 Annual Report on Form 10-K, which contains detailed information concerning the activities and performance of the Company for the fiscal year ended December 31, 2015.

It is important that your shares are represented and voted at the Annual Meeting, whether or not you attend the Annual Meeting in person and regardless of the number of shares you own. To make sure your shares are represented and voted, we urge you to complete and submit the enclosed proxy card. The proxy statement explains more about proxy voting. Please read it carefully. We look forward to your participation.

We appreciate your continued interest in SBT Bancorp, Inc. and look forward to seeing you at the Annual Meeting.

Sincerely,

Martin J. Geitz
President and Chief Executive Officer

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SBT Bancorp

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 10, 2016

To the Shareholders of SBT Bancorp, Inc.:

Notice is hereby given that the Annual Meeting of Shareholders of SBT Bancorp, Inc. will be held at the main office of the Company's subsidiary, The Simsbury Bank & Trust Company, Inc., 981 Hopmeadow Street, Simsbury, Connecticut on Tuesday, May 10, 2016 at 5:00 p.m., local time. At the Annual Meeting, the shareholders of SBT Bancorp, Inc. will consider and vote upon the following matters:

1. The election of four Class II directors for a term expiring at the 2019 Annual Meeting;
2. The non-binding advisory approval of the compensation of SBT Bancorp, Inc.'s named executive officers as determined by the Compensation and Human Resources Committee;
3. The ratification of the appointment of Baker Newman & Noyes, LLC, certified public accountants, as independent registered public accounting firm for SBT Bancorp, Inc. for the fiscal year ending December 31, 2016; and
4. The transaction of such other business as may properly be brought before the meeting or any adjournment or postponement thereof.

Only shareholders of record at the close of business on March 4, 2016 are entitled to notice of and to vote at the Annual Meeting and any and all adjournments or postponements thereof.

IT IS IMPORTANT THAT YOUR STOCK BE REPRESENTED AT THE MEETING. WE URGE YOU TO SIGN, DATE AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON. SHAREHOLDERS OF RECORD WHO ATTEND THE MEETING MAY REVOKE THEIR PROXY AND VOTE IN PERSON.

BY ORDER OF THE BOARD OF DIRECTORS

Gary R. Kevorkian,
Secretary

Weatogue, Connecticut
March 30, 2016

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SBT BANCORP, INC.
86 Hopmeadow Street, Weatogue, CT 06089
(860) 408-5493

**PROXY STATEMENT
OF
SBT BANCORP, INC.**

**FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 10, 2016**

This Proxy Statement is furnished to shareholders of common stock of SBT Bancorp, Inc. (the “Company” or “we”) in connection with the solicitation of proxies by the Company’s Board of Directors (the “Board”) for use at the Annual Meeting of Shareholders of the Company to be held at the main office of the Company’s subsidiary, The Simsbury Bank & Trust Company, Inc. (the “Bank”), 981 Hopmeadow Street, Simsbury, Connecticut, at 5:00 p.m. on May 10, 2016, and any and all adjournments or postponements thereof (the “2016 Annual Meeting”).

This Proxy Statement, the Notice of the 2016 Annual Meeting, the enclosed form of proxy and the Annual Report on Form 10-K for the year ended December 31, 2015 for SBT Bancorp, Inc. (the “Annual Report”) are first being made available or mailed to shareholders of our common stock on or about March 30, 2016. We will, upon written request and without charge, furnish you with copies of this Proxy Statement, the Notice of the 2016 Annual Meeting, the enclosed form of proxy and the Annual Report. Please address all such requests to us by mail to SBT Bancorp, Inc., Attention: Gary R. Kevorkian, at the principal executive offices of the Company, which are located at 86 Hopmeadow Street, Weatogue, CT 06089 (telephone number (860) 408-5493).

INFORMATION ABOUT SOLICITATION AND VOTING

A shareholder of record of the common stock who executes the enclosed form of proxy may revoke it at any time before it is voted by written notice of such revocation or a duly executed proxy bearing a later date delivered to the Secretary of the Company at the address set forth above or by attending the 2016 Annual Meeting and revoking the proxy at such time. Attendance at the 2016 Annual Meeting will not itself revoke a proxy. Shares represented by properly executed proxies will be voted at the 2016 Annual Meeting in accordance with the specifications thereon. Shareholders of record of the common stock who are present at the 2016 Annual Meeting may vote by ballot.

This proxy solicitation is being made by the Board. The expense of soliciting proxies in favor of the Company’s proposals will be borne by the Company. In addition to solicitation of proxies by mail, proxies may also be solicited by telephone or personal contact by employees and/or directors of the Company who will not receive additional compensation for soliciting proxies.

Only shareholders of record of the Company’s common stock at the close of business on March 4, 2016 (the “Record Date”) are entitled to notice and to vote at the 2016 Annual Meeting. On the Record Date, there were 1,360,700 outstanding shares of the Company’s common stock, no par value. Each share of common stock is entitled to one vote. The presence, in person or by proxy, of a majority of the outstanding shares of common stock on the Record Date, or 680,351 shares, is necessary to constitute a quorum at the 2016 Annual Meeting. Abstentions and broker non-votes are counted as present for establishing a quorum. When a record holder (*e.g.*, a bank or brokerage firm) holding shares for a beneficial owner votes on one proposal but does not vote on another proposal because the beneficial owner has not provided voting instructions, this is referred to as a “broker non-vote.”

If the shares you own are held in “street name” by a bank or brokerage firm, your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the instructions your bank or brokerage firm provides you.

If your shares are held in “street name,” you must bring an account statement or letter from your brokerage firm or bank showing that you are the beneficial owner of the shares as of the record date in order to be admitted to

the 2016 Annual Meeting. To be able to vote your shares held in street name at the 2016 Annual Meeting, you will need to obtain a proxy card from the holder of record.

With respect to the proposals at the 2016 Annual Meeting concerning the approval of the appointment of the Company's independent registered public accounting firm, your broker is entitled to use its discretion in voting your shares, even if you do not give your broker instructions as to how to vote.

Directors will be elected by a plurality of the votes cast at the 2016 Annual Meeting. Thus, an abstention or a broker "non-vote" will have no effect on the outcome of the vote on election of directors at the meeting. The non-binding advisory proposal regarding the compensation of our named executive officers will be approved if a majority of the votes cast are FOR the proposal. Abstentions and broker "non-votes" will have no impact on the approval of this non-binding advisory proposal. The ratification of the appointment of Baker Newman & Noyes, LLC will be approved if a majority of the votes cast are FOR the proposal. Abstentions and broker "non-votes" will have no impact on the ratification of Baker Newman & Noyes, LLC.

Each proxy received will be voted as directed. However, if no direction is indicated, the proxy will be voted: in Item 1, **FOR** the election to the Board of Directors of four Class II director nominees; in Item 2, **FOR** the non-binding approval of the compensation of the Company's named executive officers as determined by the Compensation and Human Resources Committee; in Item 3, **FOR** the ratification of Baker Newman & Noyes, LLC as independent registered public accounting firm for the Company for the fiscal year ending December 31, 2016; and on such other matters as may properly come before the 2016 Annual Meeting, in such manner as the persons so named in the proxy shall decide.

We will report the voting results in a current report on Form 8-K, which we expect to file with the Securities and Exchange Commission, within four business days of the date of the 2016 Annual Meeting.

If you have any questions about the 2016 Annual Meeting or your ownership of our common stock, please contact Gary R. Kevorkian, our corporate secretary, by mail at SBT Bancorp, Inc., Attention: Gary R. Kevorkian, Secretary, 86 Hopmeadow Street, Weatogue, Connecticut 06089, or by email to Mr. Kevorkian's attention at sbtinfo@simsburybank.com.

IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 10, 2016

Under rules adopted by the Securities and Exchange Commission, we are furnishing proxy materials on the Internet in addition to mailing paper copies of the materials to our shareholders upon request. The following proxy materials are available at <http://investors.simsburybank.com/docs.aspx?iid=4100578>:

- Notice of Annual Meeting of Shareholders to be held May 10, 2016; and
- Proxy Statement for the Annual Meeting of Shareholders to be held May 10, 2016; and
- Annual Report on Form 10-K for 2015; and
- Shareholder Letter.

DISCUSSION OF PROPOSALS

ITEM 1

ELECTION OF DIRECTORS

As of the date of this Proxy Statement, the Company's Certificate of Incorporation provides that the Board of Directors shall be divided into three classes, as nearly equal in number as possible, with each class having a three-year term. The size of the Board is currently set at 11 directors that is comprised as follows: three Class I directors, four Class II directors and four Class III directors. There are presently 11 persons serving as directors of the Company. Proxies solicited from shareholders cannot be voted for a greater number of persons than the number of nominees named in this Proxy Statement.

The terms of the classes are staggered so that the term of a class expires at each annual meeting of the Company. The terms of the four incumbent Class II directors, Martin J. Geitz, Gary R. Kevorkian, Jerry W. Long and Peter C. Pabich, expire at the 2016 Annual Meeting.

At a meeting held on February 17, 2016, the Board of Directors voted unanimously to recommend the following four persons for election to the Board of Directors with terms expiring on the dates set forth below:

<u>Nominee</u>	<u>Class</u>	<u>Term Expiration</u>
Martin J. Geitz	Class II	2019 Annual Meeting of Shareholders
Gary R. Kevorkian	Class II	2019 Annual Meeting of Shareholders
Jerry W. Long	Class II	2019 Annual Meeting of Shareholders
Peter C. Pabich	Class II	2019 Annual Meeting of Shareholders

The nominees each currently serve as a director of the Company and are nominated to serve a three year term expiring at the 2019 Annual Meeting of Shareholders and until his or her successor is elected and qualified. For more information about the background of each nominee for director, please see "Information about our Directors and Executive Officers" on page 12. In the event that any of the nominees become unable to serve, an event which the Board does not expect, the shares represented by proxy may be voted for a substitute nominee to be designated by the Board or a committee thereof, unless the proxy withholds authority to vote for all nominees.

If a quorum is present at the 2016 Annual Meeting, the election of directors will require the affirmative vote of a plurality of the votes cast. Abstentions by shareholders and broker non-votes with respect to the election of directors will not be included in determining whether nominees have received the vote of such plurality. Certain information about the business experience of the director nominees, including their service as directors of other corporations, is listed below in "Information about our Directors and Executive Officers" on page 12. References to terms of service as a director or officer of the Company include service as a director or officer of the Bank prior to the date of the holding company reorganization on March 2, 2006.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors intends to vote all proxies held by it in favor of all director nominees, unless shareholders direct otherwise. Election to the Board of the four Class II directors of the Company shall require the affirmative vote of a plurality of the votes cast at the 2016 Annual Meeting. Abstentions and broker non-votes with respect to the election of directors will not be included in determining whether nominees have received the votes of such plurality.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" ELECTION OF MESSRS. GEITZ, KEVORKIAN, LONG AND PABICH TO THE BOARD OF DIRECTORS.

ITEM 2

NON-BINDING ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

The Board of Directors believes that the Company's current executive compensation program is focused on pay-for-performance principles, directly links executive compensation to the Company's short and long-term financial performance and aligns the interests of its executive officers with those of its shareholders. We also believe that both we and our shareholders benefit from responsive corporate governance policies and constructive and consistent dialogue. The proposal described below, commonly known as a "Say on Pay" proposal, gives you as a shareholder the opportunity to endorse or not endorse the compensation for our named executive officers by voting to approve or not approve such compensation as described in this proxy statement.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") requires publicly traded companies to give their shareholders a non-binding vote on executive compensation at least once every three years. Because the Company qualifies as a "smaller reporting company" under the rules of the Securities and Exchange Commission, the "Say on Pay" requirement became applicable to the Company commencing with its annual meeting of shareholders in 2013. In the Company's 2013 annual meeting of shareholders held on May 14, 2013, an advisory vote was held on the frequency of the advisory vote on executive compensation. In such advisory vote, the Company's shareholders voted for the holding of an advisory vote on the compensation of the Company's named executive officers once every year (1 year).

We are asking you to approve the compensation of the Company's named executive officers as described under "COMPENSATION AND OTHER MATTERS" in this proxy statement. Because your vote is advisory, it will not be binding upon or overrule any decisions of the Board of Directors, nor will it create any additional fiduciary duty on the part of the Board of Directors. This advisory vote also does not seek to have the Board of Directors or Compensation and Human Resources Committee take any specific action. However, the Board of Directors and the Compensation and Human Resources Committee value the view expressed by the Company's shareholders in their vote on this proposal and will take into account the outcome of the vote when considering executive compensation matters in the future. In considering the outcome of this advisory vote, the Board of Directors will review and consider all shares voted in favor of the proposal and not in favor of the proposal. Broker non-votes will have no impact on the outcome of this advisory vote.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors intends to vote all proxies held by it in favor of approving the compensation of the named executive officers as determined by the Compensation and Human Resources Committee.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE NON-BINDING APPROVAL OF THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS AS DETERMINED BY THE COMPENSATION AND HUMAN RESOURCES COMMITTEE.

ITEM 3

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit and Compliance Committee has selected Baker Newman & Noyes, LLC (“BNN”) as independent registered public accounting firm to audit the financial statements of the Company for the fiscal year ending December 31, 2016. BNN served as the Company’s independent registered public accounting firm since August 17, 2015 and has reported on the Company’s financial statements for the fiscal year ended December 31, 2015. Prior to August 17, 2015, Shatswell, MacLeod & Company, P. C. (“Shatswell”), which combined its audit practice with BNN effective August 17, 2015, had served as the Company’s independent registered accounting firm since the Company’s incorporation on February 17, 2006. Prior to the reorganization that occurred in March 2006, Shatswell served as the independent registered public accounting firm of the Bank.

A representative of BNN is expected to be present at the 2016 Annual Meeting and will have the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions from shareholders.

Change in Independent Registered Public Accounting Firm

As previously disclosed by the Company in a Current Report on Form 8-K filed on August 18, 2015 with the Securities and Exchange Commission (the “SEC”), the Company was notified that Shatswell, the Company’s independent registered public accounting firm, combined its audit practice (the “Merger”) with BNN. As a result of the Merger, effective August 17, 2015, Shatswell resigned as the Company’s independent registered public accounting firm and BNN, as the successor to Shatswell following the Merger, was engaged as the Company’s independent registered public accounting firm. The Company’s Audit Committee was notified of the Merger and the effective resignation of Shatswell and approved the engagement of BNN.

During the years ended December 31, 2014 and 2013, and the subsequent interim period prior to the engagement of BNN on August 17, 2015, (i) the Company did not consult with BNN regarding the application of accounting principles to a specific completed or proposed transaction or regarding the type of audit opinion that might be rendered by BNN on the Company’s financial statements, (ii) BNN did not provide any written or oral advice that was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue, and (iii) the Company did not consult with BNN regarding any matter that was either the subject of a “disagreement” (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K) or a “reportable event” (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

The reports of Shatswell on the financial statements of the Company for the years ended December 31, 2014 and 2013 contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle. In connection with its audits for the years ended December 31, 2014 and 2013 and reviews of the Company’s financial statements through August 17, 2015, there were no disagreements with Shatswell on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Shatswell, would have caused Shatswell to make reference thereto in its reports, and there have been no “reportable events” (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

The Company previously provided Shatswell with a copy of the foregoing disclosure and requested that Shatswell furnish the Company with a letter addressed to the SEC stating whether it agrees with the above statements and, if it does not agree, the respects in which it does not agree. A copy of the letter, dated August 17, 2015, was filed as Exhibit 16.1 to the Company’s Current Report on Form 8-K filed on August 18, 2015 with the SEC.

Principal Accountant Fees and Services

The Audit and Compliance Committee has not developed detailed pre-approval policies because all engagements of independent accountants for audit and non-audit services must be approved by the Audit and Compliance Committee.

The following table reflects the aggregate fees billed for the last two fiscal years for professional services by the independent registered public accounting firm for the Company and the Bank in connection with the audit of their respective annual financial statements and the aggregate fees billed in each of the last two fiscal years for professional services rendered by BNN and Shatswell for tax compliance, tax advice and tax planning.

	<u>2015</u>	<u>2014</u> ⁽¹⁾
Audit Fees	\$72,300 ⁽²⁾	\$71,797
Audit-Related Fees	\$0	\$0
Tax Fees ⁽³⁾	9,600 ⁽⁴⁾	9,361
All Other Fees	85,000 ⁽⁵⁾	4,919 ⁽⁶⁾
Total	<u>\$166,900</u> ⁽⁷⁾	<u>\$86,077</u>

- (1) Consists of fees billed by Shatswell for the period from January 1, 2014 to December 31, 2014.
- (2) Consists of \$8,200 in fees billed by Shatswell for the period from January 1, 2015 to August 16, 2015 and \$64,100 in fees billed by BNN for the period from August 17, 2015 to December 31, 2015.
- (3) The fees were for the preparation of tax returns and estimates for each year.
- (4) Consists of fees billed by Shatswell for the period from January 1, 2015 to August 16, 2015.
- (5) For 2015, the Company paid \$85,000 to BNN to complete work relating to BNN's consent and comfort letter and the Company's Form S-1 in connection with the Company's common stock offering.
- (6) For 2014, the Company paid \$4,919 to Shatswell to complete a social engineering review.
- (7) Consists of aggregate fees of \$8,200 billed by Shatswell for the period from January 1, 2015 to August 16, 2015 and aggregate fees of \$158,700 billed by BNN for the period from August 17, 2015 to December 31, 2015.

All of the fees paid to BNN and Shatswell in 2015 were pre-approved by the Audit & Compliance Committee.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors intends to vote all proxies held by it in favor of ratifying the selection of Baker Newman & Noyes, LLC as the Company's independent registered public accounting firm for the year ending December 31, 2016 (unless shareholders direct otherwise).

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" RATIFICATION OF THE SELECTION OF THE FIRM OF BAKER NEWMAN & NOYES, LLC AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE COMPANY FOR THE YEAR ENDING DECEMBER 31, 2016.

AUDIT AND COMPLIANCE COMMITTEE REPORT

The Audit and Compliance Committee of the Board is responsible for providing independent, objective oversight of the Company's accounting functions, internal controls and financial reporting process. The Audit and Compliance Committee is comprised of five directors, each of whom is independent as defined by the NASDAQ listing standards. The members of the Audit and Compliance Committee are the same as the members of the Bank's Audit and Compliance Committee.

Management is responsible for the Company's internal controls and financial reporting process. The Company's independent registered public accounting firm, Baker Newman & Noyes, LLC, is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and to issue a report thereon. The Audit and Compliance Committee's responsibility is to monitor and oversee the financial reporting and audit processes.

In connection with these responsibilities, the Company's Audit and Compliance Committee met with management and the Company's independent registered public accounting firm to review and discuss the Company's December 31, 2015 consolidated financial statements. The Audit and Compliance Committee also discussed with the independent registered public accounting firm the matters required to be discussed by the Public Company Accounting Oversight Board in Auditing Standard No. 16, *Communications with Audit Committee*. The Audit and Compliance Committee also received written disclosures and the letter from the Company's independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding such independent registered public accounting firm's communications with the Audit and Compliance Committee concerning independence, and discussed with such independent registered public accounting firm that firm's independence.

Based upon the Audit and Compliance Committee's discussions with management and the Company's independent registered public accounting firm, and its review of the information described in the preceding paragraph, the Audit and Compliance Committee recommended that the Board include the audited consolidated financial statements of the Company in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 for filing with the Securities and Exchange Commission.

Audit Committee

Nicholas B. Mason (Chairman)
James T. Fleming
Michael D. Nicastro
Peter C. Pabich
Penny R. Woodford

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of the common stock of the Company as of March 4, 2016 by (i) each director and nominee for director of the Company, (ii) named executive officers, (iii) all directors and executive officers as a group and (iv) shareholders of record who beneficially own five percent or more of the Company's common stock. Except as indicated by footnote, the persons named in the table have sole voting and investment powers with respect to all shares shown as beneficially owned by them. All persons listed are directors of both the Company and the Bank unless noted otherwise. All directors and executive officers can receive mail in care of SBT Bancorp, Inc., 86 Hopmeadow Street, Weatogue, CT 06089. The addresses of the shareholders of record who beneficially own five percent or more of the Company's common stock are listed below their respective names in the following table. The percent of class is based on 1,360,700 shares outstanding as of March 4, 2016.

Name of Beneficial Owner	Amount and Nature Of Beneficial Ownership	Percent Of Class
Directors and Executive Officers		
Robert J. Bogino, <i>Chairman</i>	27,541 (1)	2.0%
James T. Fleming, <i>Director</i>	1,950 (2)	*
Martin J. Geitz, <i>President, Chief Executive Officer and Director</i>	34,417 (3)	2.5%
Gary R. Kevorkian, <i>Director</i>	52,371 (4)	3.8%
Jerry W. Long, <i>Director</i>	4,781 (5)	*
Nicholas B. Mason, <i>Director</i>	6,143 (6)	*
Michael D. Nicasastro, <i>Director</i>	3,084 (7)	*
Peter C. Pabich, <i>Director</i>	1,000	*
David W. Sessions, <i>Vice Chairman</i>	18,913 (8)	1.4%
Ann G. Taylor, <i>Director</i>	3,300 (9)	*
Penny R. Woodford, <i>Director</i>	4,276 (10)	*
Richard J. Sudol, <i>Senior Vice President and Chief Financial Officer</i>	4,129 (11)	*
Gary W. Burdick, <i>Senior Vice President and Chief Commercial Banking Officer</i>	4,952 (12)	*
All directors and executive officers as a group (16 Persons)	184,169 (13)	13.5%
Principal Shareholders		
Banc Fund VI L.P. Banc Fund VII L.P. Banc Fund VIII L.P. Banc Fund IX L.P. 20 North Wacker Drive Suite 3300 Chicago, IL 60606	102,618 (14)	7.5%
PRB Investors, L.P. PRB Advisors, L.L.C. Stephen J. Paluszek Andrew P. Bergman 245 Park Avenue, 39th Floor New York, New York 10167	78,300 (15)	5.8%

RMB Capital Holdings, LLC RMB Capital Management, LLC Iron Road Capital Partners, LLC RMB Mendon Managers, LLC 115 S. LaSalle Street 34th Floor Chicago, IL 60603	67,200 (16)	4.9%
Manulife Financial Corporation 200 Bloor Street East Toronto, Ontario, Canada, M4W 1E5 Manulife Asset Management (US) LLC 197 Clarendon Street Boston, Massachusetts 02116	96,233 (17)	7.1%

* Less than 1%

- (1) Includes an aggregate 100 shares of restricted stock which will vest on November 20, 2016. Also includes 6,600 shares owned jointly with Mr. Bogino's spouse, 861 shares held in a trust for which Mr. Bogino serves as trustee and 11,500 shares owned by his spouse. Mr. Bogino disclaims beneficial ownership of the shares beneficially owned by his spouse.
- (2) Includes an aggregate 100 shares of restricted stock which will vest on November 20, 2016.
- (3) Includes an aggregate 5,292 shares of restricted stock, of which 1,000 shares will vest on December 18, 2016, 520 shares will vest on April 25, 2016, 522 shares will vest on April 25, 2017, 1,083 shares will vest on March 19, 2016, 1,083 shares will vest on March 19, 2017 and 1,084 shares will vest on March 19, 2018. Also includes options to purchase 4,500 shares that vested on December 21, 2015. For purposes of calculating his percent of class, his options are added to the number of shares outstanding.
- (4) Includes an aggregate 100 shares of restricted stock which will vest on November 20, 2016. Also includes 37,114 shares held in trusts for which Mr. Kevorkian is the trustee, and 4,064 shares for which Mr. Kevorkian's spouse is either the beneficial owner or trustee. Mr. Kevorkian disclaims beneficial ownership of the shares beneficially owned by his spouse and by the trusts for which his spouse is the trustee.
- (5) Includes an aggregate 100 shares of restricted stock which will vest on November 20, 2016.
- (6) Includes an aggregate 100 shares of restricted stock which will vest on November 20, 2016.
- (7) Includes an aggregate 100 shares of restricted stock which will vest on November 20, 2016.
- (8) Includes an aggregate 100 shares of restricted stock which will vest on November 20, 2016. Also includes 1,564 shares owned jointly with Mr. Sessions' spouse, 1,001 shares owned by his spouse, 1,357 shares owned by a private corporation owned by Mr. Sessions and his siblings and 1,252 shares owned by his children. Mr. Sessions disclaims beneficial ownership of the shares beneficially owned by his spouse and his children.
- (9) Includes an aggregate 100 shares of restricted stock which will vest on November 20, 2016.
- (10) Includes an aggregate 100 shares of restricted stock which will vest on November 20, 2016.
- (11) Includes an aggregate 1,559 shares of restricted stock, of which 334 shares will vest on December 18, 2016, 408 shares will vest on March 19, 2016, 408 shares will vest on March 19, 2017 and 409 shares will vest on March 19, 2018.

- (12) Includes an aggregate 1,557 shares of restricted stock, of which 334 shares will vest on December 18, 2016, 124 shares will vest on April 25, 2016, 124 shares will vest on April 25, 2017, 325 shares will vest on March 19, 2016, 325 shares will vest on March 19, 2017 and 325 shares will vest on March 19, 2018.
- (13) Includes an aggregate 4,500 shares which an executive officer may acquire beneficial ownership within 60 days through the exercise of stock options. For purposes of calculating the percent of class, these options are added to the number of shares outstanding.
- (14) Consists of 0 shares owned by Banc Fund VI L.P. (“BF VI”), 45,981 shares owned by Banc Fund VII L.P. (“BF VII”), 35,454 shares owned by Banc Fund VIII L.P. (“BF VIII”) and 21,183 shares owned by Banc Fund IX L.P. (“BF IX”) and is based on information set forth in a Schedule 13G/A filed jointly on February 9, 2016 by BF VI, BF VII, BF VIII and BF IX, which are Illinois limited partnerships. The general partner of BF VI is MidBanc VI L.P. (“MidBanc VI”), whose principal business is to be a general partner of BF VI. The general partner of BF VII is MidBanc VII L.P. (“MidBanc VII”), whose principal business is to be a general partner of BF VII. The general partner of BF VIII is MidBanc VIII L.P. (“MidBanc VIII”), whose principal business is to be a general partner of BF VIII. The general partner of BF IX is MidBanc IX L.P. (“MidBanc IX”), whose principal business is to be a general partner of BF IX. MidBanc VI, MidBanc VII, MidBanc VIII and MidBanc IX are Illinois limited partnerships. The general partner of MidBanc VI, MidBanc VII, MidBanc VIII and MidBanc IX is The Banc Funds Company, L.L.C. (“TBFC”), whose principal business is to be a general partner of MidBanc VI, MidBanc VII, MidBanc VIII and MidBanc IX. TBFC is an Illinois corporation whose principal shareholder is Charles J. Moore. Mr. Moore has been the manager of BF VI, BF VII, BF VIII and BF IX since their respective inceptions. As manager, Mr. Moore has voting and dispositive power over the securities of the Company held by each of those entities. As the controlling member of TBFC, Mr. Moore controls TBFC, and therefore each of the partnership entities are directly and indirectly controlled by TBFC.
- (15) Consists of 78,300 shares that may be deemed beneficially owned by PRB Investors, L.P., a Delaware limited partnership (“PRB Investors”), PRB Advisors, L.L.C., a Delaware limited liability company (“PRB Advisors”), Stephen J. Paluszek, a United States citizen, and Andrew P. Bergman, a United States citizen (collectively, the “PRB Reporting Persons”) and is based on information set forth in a Schedule 13G filed jointly on November 16, 2015 by the PRB Reporting Persons. The PRB Reporting Persons share voting and dispositive power of the 78,300 shares. PRB Advisors, Stephen J. Paluszek and Andrew P. Bergman disclaim beneficial ownership in the 78,300 shares except to the extent of their pecuniary interest therein. Stephen J. Paluszek is the principal of PRB Advisors, which is the General Partner of PRB Investors.
- (16) Consists of 67,200 shares for which RMB Capital Holdings, LLC, a Delaware limited liability company (“RMB Capital Holdings”), and RMB Capital Management, LLC, a Delaware limited liability company (“RMB Capital Management”) share voting and dispositive power and is based on information set forth in a Schedule 13G filed jointly on February 1, 2016 by RMB Capital Holdings, RMB Capital Management, Iron Road Capital Partners, LLC, a Delaware limited liability company (“Iron Road”), and RMB Mendon Managers, LLC, a Delaware limited liability company (“RMB Mendon”). Of the 67,200 shares, Iron Road shares voting and dispositive power of 29,400 shares and RMB Mendon shares voting and dispositive power of 37,800 shares. RMB Capital Holdings is the Manager of RMB Capital Management, which is the Manager of Iron Road and RMB Mendon.
- (17) Consists of 0 shares owned by Manulife Financial Corporation, a Canadian corporation (“MFC”), and 96,233 shares owned by Manulife Asset Management (US) LLC, a Delaware limited liability company (“MAM (US)”), and is based on information set forth in a Schedule 13G filed jointly on February 16, 2016 by MFC and MAM (US). MAM (US), an indirect, wholly-owned subsidiary of MFC, has beneficial ownership of 96,233 shares. Through its parent-subsidiary relationship to MAM (US), MFC may be deemed to have beneficial ownership of these same shares.

INFORMATION ABOUT OUR DIRECTORS AND EXECUTIVE OFFICERS

Certain information about the business experience of the remaining incumbent directors and the non-director officers of the Company, including their service as directors of other companies, is listed below. References to terms of service as a director or officer of the Company include service as a director or officer of the Bank prior to the date of the holding company reorganization on March 2, 2006.

Director Nominees, Class II Directors

Martin J. Geitz (59) – Mr. Geitz is the President and Chief Executive Officer of the Company and the Bank and has held these positions since 2004. He has been a member of the Board since 2005. He brings over 30 years of senior management experience in banking to the Company. He is a member of the board of directors of the Federal Home Loan Bank of Boston and a member of the Federal Reserve Bank of Boston’s Community Depository Institutions Advisory Council. He is a past Chairman of the Connecticut Bankers Association and past President of the Connecticut Community Bankers Association. He is a Trustee and Treasurer of Simsbury Free Library and Trustee of McLean Affiliates, Inc. He is also a member of the Simsbury/Granby Rotary Club. Mr. Geitz holds a B.A. from Johns Hopkins University and an MBA from Cornell University. Mr. Geitz’s extensive experience in banking and his leadership ability make him a valuable member of the Board.

Gary R. Kevorkian (62) – Mr. Kevorkian has been Secretary of the Company since 2007 and a director of the Company since 1994. Mr. Kevorkian serves as Chairman of the Compensation and Human Resources Committee. He is an attorney-at-law and has maintained his own practice in Granby, Connecticut since 1981. In his practice, he specializes in real estate and trust and estates matters. As an attorney and business owner, he brings his legal and financial insight to the Board. Mr. Kevorkian is not an employee of the Company and is not compensated for his service as the Company’s Secretary.

Jerry W. Long (64) – Mr. Long has been a director of the Company since 2010. He is the founder of PCC Technology, LLC, an information technology consulting firm (“PCC Technology”), and served as CEO of PCC Technology from 1994 to 2016, which is when he sold such entity. Mr. Long is a board director of the Bloomfield Chamber of Commerce; Board Emeriti of the Connecticut Business & Industry Association, former Vice Chairman of Charter Oak State College Board of Trustees, a director for Hartford Youth Scholars Foundation; Chairman of the Bloomfield Economic Development Commission; Past Chairman of the Metro Hartford Chamber of Commerce; Past President of the Bloomfield Chamber of Commerce; Board of Director for Rideshare Company, a member of the Asylum Hill Congregational Church; Chairman of the Board of the Hebrew Home Corporation; an Advisory Board member of the Institute for Industrial and Engineering Technology at Central Connecticut State University; and Past Treasurer of the Hartford Chapter of the Black Data Processing Associates. Mr. Long holds a Bachelor’s of Science Degree in Business Administration from Middle Tennessee State University and an MBA from the University of Tennessee. Mr. Long’s many years of business ownership and managerial and technology experience are valuable assets for the Board.

Peter C. Pabich (45) – Mr. Pabich has been a director of the Company since November 2015 and of the Bank since April 2015. Mr. Pabich has served as a partner and Certified Financial Planner™ with APW Wealth Advisors, LLC since 2005. Prior to that position, he was a small business lender with Simsbury Bank. Mr. Pabich currently serves on the Board of Directors for the Boy Scouts of America. He is a past President of the Simsbury Chamber of Commerce and past Chairman of their Government Affairs Committee. He is an active member and past President of the Simsbury-Granby Rotary Club. Peter also serves as Treasurer of the Simsbury Fire District. Mr. Pabich holds a Master’s of Science degree in Finance from Rensselaer Hartford. Mr. Pabich brings valuable business ownership experience, detailed knowledge of financial products and local knowledge of our primary market area to the Board.

Class III Directors, Terms Expiring at the 2017 Annual Meeting of Shareholders

Robert J. Bogino (73) - Mr. Bogino is the Chairman of the Company and the Bank and has been a director of the Company since 1994. Mr. Bogino served as the Company’s Vice Chairman from 2005 to 2010 and Secretary from 2002 to 2005. He currently serves as Chairman of the Corporate Governance Committee. He was the President, Treasurer and co-owner of Bogino & DeMaria, Inc. in Avon, Connecticut, an insurance agency for which he was a

founder in 1972. The firm was sold in 2003 and he retired in 2004. As Treasurer of Bogino & DeMaria, Inc., he was responsible for all financial and accounting matters, including monthly financial statement preparation and analysis, coordination with outside accounting firm for the preparation and filing of local, State and Federal tax returns and annual corporate financial statements. Mr. Bogino received an MBA in Finance from Columbia University Graduate School of Business. Mr. Bogino brings his many years of business ownership, management and insurance expertise to the Board.

Nicholas B. Mason (71) - Mr. Mason has been a director of the Company since March 2011 and a director of the Bank since 2010. He is a retired financial consultant. Mr. Mason had a long career as Chief Financial Officer of the Savings Bank of Manchester from 1988 to 2000, where he directed and managed the financial, treasury, accounting and audit functions of the Savings Bank of Manchester. Prior to that, he worked for eight years at the Hartford Insurance Group in property casualty, accounting, and information management. He spent four years at the Travelers Insurance Company in the Life Insurance Department and seven years at Hartford National Bank in strategic planning. Mr. Mason is active in many Farmington Valley organizations. He is President of the Farmington Valley Visiting Nurse Association and is Treasurer of each of Simsbury Community Television and Old Drake Hill Flower Bridge. He served as an elected member of the Town of Simsbury Board of Finance from 2002 to 2015 and as an appointed member of the Town's Pension Committee from 2004 to 2015 and Insurance Committee from 2006 to 2015. He is a director and Treasurer of the Powder Forest Homes Association, Inc. and is a member of the Simsbury Chamber of Commerce Government Affairs Committee. In the past, he has served as Treasurer of the Simsbury Light Opera Company, the Manchester Symphony Orchestra and Chorale, the Farmington Valley Rowing Association, the Connecticut Valley Region of the Porsche Club of America, the Society of the Increase of the Ministry (Episcopal), and Christ Church, Avon, Connecticut. He was a founding Director of Bankers' Bank Northeast in Glastonbury, Connecticut. He was Treasurer of the SMB Charitable Foundation and Secretary of the Hartford Mutual Investment Fund. Mr. Mason's experience as a former senior bank executive officer and his experience as a financial professional provide insight into analysis of bank financial statements, regulatory reporting, budgeting, business and strategic planning, investment management and audit administration are valuable to the Board. Mr. Mason obtained a B.A. in Economics from Dartmouth College, an MBA in Finance from Columbia University Graduate School of Business, and an M.A. in Economics from the University of Hartford Graduate School of Business.

David W. Sessions (65) - Mr. Sessions is the Vice Chairman of the Company and the Bank and has been a director of the Company since 1992. He serves as chairman of the Executive Committee and Loan Committee. He is President and Treasurer of The CASLE Corporation, headquartered in Avon, Connecticut, a commercial design-build development and construction company which he co-founded in 1981. Over the past 15 years, CASLE's main focus has been on the development and management of a portfolio of medical office buildings throughout Connecticut. He is Chairman of the Architectural Review Board of the Town of New Hartford and a member of the New Hartford Democratic Town Committee. He was formerly a member and Chairman of the New Hartford Board of Finance. Mr. Sessions is also the director/founder of Nights at the Beekley Concert Series for the benefit of the Beekley Memorial Library in New Hartford, Connecticut. He received a B.A. from Middlebury College and a J.D. from George Washington University. Mr. Sessions has many years of experience as a business owner and real estate developer and brings important managerial, operational and current real estate knowledge to the Board.

Ann G. Taylor (61) - Ms. Taylor has been a director of the Company since 2013. Ms. Taylor is Executive Vice President and Chief Administrative Officer of the Connecticut Children's Medical Center (CCMC), a position she has held since 2014. Prior to that, she was Senior Vice President and General Counsel of CCMC from 2010 to 2014 and held other senior positions at CCMC since 2000. Prior to that, she held several counsel positions within the banking industry, including Vice President and Government Affairs Counsel for Fleet Bank, Assistant Counsel for the State of Connecticut Department of Banking, and Federal Administrative Counsel for the American Bankers Association. Ms. Taylor currently serves as a Commissioner with the State of Connecticut Criminal Justice Commission, a member of the Connecticut Legal Services Board, a member of the Connecticut Hospital Association Committee on Government, a member of the Children's Hospital Chief Legal Officer Forum, and a member of the Metro Hartford Alliance Legislative Affairs Committee. Ms. Taylor received a B.A. from Catholic University of America and a Juris Doctorate from Western New England School of Law. Ms. Taylor's leadership in the Greater Hartford business community, her business experience and healthcare industry knowledge as a senior executive of a hospital and her experience in legal and regulatory matters impacting the banking industry make her a valuable member of the Board.

Class I Directors, Terms Expiring at the 2018 Annual Meeting of Shareholders

James T. Fleming (60) - Mr. Fleming has been a director of the Company since 1992. He is currently the President of the Connecticut Automotive Retailers Association, Inc. (CARA, Inc.), which position he has held since 2008. He also serves as the Secretary and Treasurer of the Greater Hartford Automobile Dealers Association Foundation, and is the former Executive Secretary of the GHADA Association. Mr. Fleming serves as a director of the Simsbury Cemetery Association, Commissioner of Simsbury Police Commission, Chairman of the Board of Managers of the Hartford Downtown YMCA, a director of the Automotive Trade Association Executives and as a Corporator of Saint Francis Hospital. Mr. Fleming is a former member of the Governors' Cabinet of the State of Connecticut, serving from 2007 to 2008 as a Commissioner of the Department of Public Utility Control, from 2003 to 2007 as Commissioner of the Department of Public Works, and from 1999 to 2003 as Commissioner of Consumer Protection. Prior to his time in the Cabinet, he was employed by Combustion Engineering for many years. For 18 years he served in the Connecticut General Assembly where he was the Majority Leader of the Connecticut State Senate. Mr. Fleming holds a B.A. from The Eisenhower College of Rochester Institute of Technology and an MA from Trinity College. Mr. Fleming brings important managerial, operational and organizational skills and expertise to the Board from his many years of public and private sector service.

Michael D. Nicastro (57) – Mr. Nicastro has been a director of the Company since 2011. He is the principal of Coppermine Advisors, an Adjunct Professor at Central Connecticut State University and serves on the University of Connecticut Technology Incubation Program Committee. Previously he was Senior Vice President and Chief Marketing Officer of Connecticut Online Computer Center, which positions he held from 2013 to 2015. Prior to that he was President and Chief Executive Officer of the Central Connecticut Chambers of Commerce, a position he held from 2008 to 2013. He also served as President of the Chambers Benefits Centers Leadership Cabinet. Prior to joining the Chamber, Mr. Nicastro was Senior Vice President & Chief Marketing Officer of Open Solutions Inc., which positions he held since 1994. He also serves on the board of a venture capital backed company, Continuity Control. Through the Chambers, he provided management services and served as a past board member of the Angel Investor Forum of Connecticut. In addition, he was a board member of the Central Connecticut Revolving Loan Fund. Mr. Nicastro is a member of the Governing Board of the Hartford Stage Company, is a board member of the Connecticut Rivers Council, Boy Scouts of America and its immediate past Chairman of the Board of Trustees. He also serves as Treasurer and on the Board of the American Clock & Watch Museum. Mike is a past member of the former Board of State Academic Awards, the original parent of Charter Oak State College as well as Past President and board member of the Association for Financial Technology. Mr. Nicastro holds a Bachelor's Degree from Central Connecticut State University and a Juris Doctorate from Western New England University, School of Law. Mr. Nicastro's extensive business background, with an emphasis in banking technology, provides important managerial, marketing and operational skills and expertise to the Board.

Penny R. Woodford (71) - Ms. Woodford has been a director of the Company since 1992. She is a real estate agent with Coldwell Banker Residential Brokerage, which position she has held since 2003. Prior to that, she was a real estate agent with DeWolf Companies from 1996 to 2003 and with Westledge Real Estate from 1983 to 1996. She is Chairperson of the Nominating Committee of the Avon Republican Town Committee. In her role as a top real estate salesperson in the Company's market, Ms. Woodford brings valuable current real estate market insight and a large business network to the Board.

Non-Director Executive Officers

Richard J. Sudol (50) – Mr. Sudol is Senior Vice President and Chief Financial Officer of the Company and the Bank, which positions he has held since 2013. Prior to joining the Company and the Bank, he served as Chief Financial Officer of Florida Shores Bank from 2009 to 2013. Prior to that, he was Senior Vice President of Financial Planning and Analysis of Riverside National Bank from 2003 to 2009. Prior to that, he held a variety of management and financial positions with Webster Financial Corporation. Mr. Sudol holds a Bachelor's of Science in Accounting from Central Connecticut State University and earned an MBA from Quinnipiac University.

Gary W. Burdick (62) – Mr. Burdick is Senior Vice President and Chief Commercial Banking Officer of the Bank, which positions he has held since 2012. Prior to joining the Bank, he served as Senior Vice President at RBS Citizens, where he was employed from 2006 to 2012. Prior to that, he was Senior Vice President and Manager,

Asset Based Lending at Webster Bank, President of the Affiliated Business Credit Corporation, and Senior Vice President at Fleet Bank. Mr. Burdick is a graduate of the University of Connecticut.

Joan A. Beresford (61) – Ms. Beresford is Senior Vice President and Chief Mortgage and Consumer Lending Operations and Servicing Officer, which positions she has held since August 2014. Prior to these positions, she was Vice President and Consumer Lending Administrator of the Bank since 2010. Prior to joining the Bank, she served as a consultant at FiServ in 2009 and Manager of the Loan Servicing Department at Webster Bank, where she was employed from 1992 to 2009. Ms. Beresford formerly served as President of the Connecticut Mortgage Bankers Association from 2001 to 2005.

Jocelyn A. Mitchell (49) – Ms. Mitchell is Senior Vice President and Chief Retail Banking Officer of the Bank, which positions she has held since May 2014. Prior to these positions, she was Vice President and Senior Market Manager of the Bank's Granby branch since 2008. Ms. Mitchell was a board member of the Granby Chamber of Commerce from 2008 to 2012, and is currently a board member of the Farmington Valley YMCA board of Managers since 2008 and Board President since 2012. Ms. Mitchell holds a Bachelor's of Science in Economics and Mathematics and an MBA from the University of Connecticut.

Joseph F. Pagliarini (56) – Mr. Pagliarini is Senior Vice President and Chief Mortgage and Consumer Lending Sales Officer of the Bank, which positions he has held since September 2014. Prior to joining the Bank, he served as Vice President and Home Loan Sales Manager of Bank of America from 2010 to 2014, Area Sales Manager of Freedom Mortgage from 2008 to 2009, and Area Sales Manager of Wells Fargo Bank from 2006 to 2008. Prior to that, he held a variety of management and mortgage sales positions with industry leading firms. Mr. Pagliarini holds a Bachelor's of Arts in Finance from Providence College.

Audit and Compliance Committee Financial Expert

The Board has determined that the Company currently has at least one audit committee financial expert serving on its Audit and Compliance Committee. For the year ended December 31, 2015, that person was Nicholas B. Mason, who is "independent" as that term is defined in NASDAQ Listing Rule 5605.

Independence of Directors and Director Nominees

The following directors and director nominees are independent in accordance with Rule 5605 of the NASDAQ listing standards: Robert J. Bogino, James T. Fleming, Gary R. Kevorkian, Jerry W. Long, Nicholas B. Mason, Michael D. Nicastro, Peter C. Pabich, David W. Sessions, Ann G. Taylor and Penny R. Woodford. George B. Odum, Jr., who was a director until his retirement on November 16, 2015, was also independent in accordance with Rule 5605 of the NASDAQ listing standards.

Board Leadership Structure and the Board's Role in Risk Oversight

The Company has an independent Chairman separate from the Chief Executive Officer. The Board believes it is important to have an independent director in a board leadership position at all times. The Company's Chairman provides independent leadership of the Board. Having an independent Chairman enables non-management directors to raise issues and concerns for Board consideration without immediately involving management. The Chairman also serves as a liaison between the Board and senior management. The Board has determined that having an independent Chairman separate from the Chief Executive Officer is the most appropriate structure for risk oversight of the Company.

Risk management at the Company is the process of identifying, measuring, controlling and monitoring risk across the enterprise. Risk management crosses all functions and employees and is embedded in all aspects of planning and performance measurement. Systems, information and timely reporting enable the Company to identify, measure, control and monitor risk throughout the enterprise.

The Board is responsible for oversight of the Company's enterprise risk framework. The Board has delegated primary responsibility to the Executive Committee for overseeing financial, investment and operational risk exposures, to the Audit and Compliance Committee for overseeing regulatory and legal risk, to the Loan

Committee of the Bank for overseeing credit risk, and to the Compensation and Human Resources Committee for oversight of risk related to management and staff. These Committees report to the full Board to ensure the Company's overall risk exposures are understood, including risk interrelationships. Risk reports are provided at Committee and Board meetings and the Board regularly engages in discussions of these risk reports and risk management. The Board also oversees reputational risk.

Board Committees

The Board of Directors presently has four standing committees – the Audit and Compliance Committee, the Corporate Governance Committee, the Executive Committee and the Compensation and Human Resources Committee.

Audit and Compliance Committee of the Company. The Audit and Compliance Committee has oversight responsibility for and reviews all financial and other reports provided by the Company's independent registered public accounting firm and the Company's internal audit firm. The Audit and Compliance Committee evaluates and selects the independent auditor subject to shareholder ratification. The Audit and Compliance Committee, in its meetings with the Company's auditors, discusses and approves the audit and compliance scope and reviews all audit findings. The members of the Audit and Compliance Committee are currently Messrs. Mason (Chair), Fleming, Nicastro and Pabich and Ms. Woodford. From January 1, 2015 until his retirement on November 16, 2015, George B. Odlum, Jr. served as the chairperson of the Audit and Compliance Committee. Following Dr. Odlum's retirement, Mr. Mason was elected by the Board to be chairperson of the Audit and Compliance Committee on November 18, 2015. Messrs. Mason, Fleming and Nicastro and Ms. Woodford were members of the Audit and Compliance Committee for all of 2015 while Mr. Pabich was elected by the Board to the Audit and Compliance Committee on November 18, 2015. All current members of the Audit and Compliance Committee are independent in accordance with NASDAQ Listing Rule 5605. During his service on the Audit and Compliance Committee, Dr. Odlum was also independent in accordance with NASDAQ Listing Rule 5605. The Audit and Compliance Committee operates pursuant to a written charter adopted by the Board. The Audit and Compliance Committee met five times during 2015.

Compensation and Human Resources Committee of the Company. The Compensation and Human Resources Committee determines the compensation of the employees of the Company and the Bank, including executive officers other than the President and CEO. In determining the compensation of the Company and Bank's employees, including executive officers other than the President and CEO, the Compensation and Human Resources Committee considers the recommendations of Martin J. Geitz, President and CEO of the Company and the Bank. The Compensation and Human Resources Committee also reviews, but does not determine, the compensation of (i) the President and CEO of the Company and the Bank and (ii) the directors. Recommendations regarding the President and CEO's compensation are made by the Compensation and Human Resources Committee to the full Board, which then approves the President and CEO's compensation. With respect to director compensation, the Compensation and Human Resources Committee will make recommendations to the Corporate Governance Committee, which then recommends the amount of director compensation to the full Board for approval. The members of the Compensation and Human Resources Committee for 2015 are Messrs. Kevorkian (Chair), Bogino, Long and Sessions and Ms. Taylor, who are all still currently members of such committee. All members of the Committee are independent in accordance with NASDAQ Listing Rule 5605. From January 1, 2015 to July 14, 2015, the Compensation and Human Resources Committee operated pursuant to a written charter adopted by the Board on June 18, 2014. On July 15, 2015, the Board adopted an amended charter with minor revisions for the Compensation and Human Resources Committee. The Committee met nine times in 2015.

Corporate Governance Committee of the Company. The Corporate Governance Committee functions as the nominating committee for director candidates, identifies qualified individuals to become members of the Company's Board of Directors, determines the composition of the Board of Directors and its committees, monitors and assesses the effectiveness of the Board of Directors, develops and implements the Company's corporate governance guidelines and reviews and recommends director compensation. The current members of the Corporate Governance Committee are Messrs. Bogino (Chair), Fleming and Pabich and Mses. Taylor and Woodford. From January 1, 2015 to November 16, 2015, Mr. Mason also served as a member of the Corporate Governance Committee. Messrs. Bogino and Fleming and Mses. Taylor and Woodford were members of the Corporate Governance Committee for all of 2015 while Mr. Pabich was appointed to the Corporate Governance Committee on

November 16, 2015. All current members of the Corporate Governance Committee are independent as that term is defined in NASDAQ Listing Rule 5605. During his service on the Corporate Governance Committee, Mr. Mason was also independent as that term is defined in NASDAQ Listing Rule 5605. From January 1, 2015 to August 18, 2015, the Corporate Governance Committee operated pursuant to a written charter adopted by the Board on August 20, 2014. On August 19, 2015, the Board adopted an amended charter with minor revisions for the Corporate Governance Committee. The Corporate Governance Committee met five times during 2015.

The Corporate Governance Committee has a formal policy regarding the consideration of director candidates recommended by shareholders which sets forth the minimum qualifications of suitable nominees for director as well as approved processes for identifying and evaluating nominees. The Corporate Governance Committee will consider any director candidate recommended by shareholders in accordance with the standards set forth in its charter. Such suggestions, together with appropriate biographical information, should be submitted to: SBT Bancorp, Inc., Attn: Gary R. Kevorkian, Secretary, 86 Hopmeadow Street, Weatogue, Connecticut 06089. Possible candidates who have been suggested by shareholders are evaluated by the Corporate Governance Committee in the same manner as are other possible candidates.

The general criteria used to establish the traits, abilities and experience that the Corporate Governance Committee looks for in determining candidates for election to the Board include highest ethical character, independence from management, ability to represent all shareholders of the Company, ability to exercise sound business judgment, relevant expertise and experience that would benefit the Company and the ability to offer advice and guidance to the Chief Executive Officer and the Board. Key among the criteria is a director's existing ties to the Company's markets and adherence to Company's Code of Ethics and Conflicts of Interest Policy. All directors are subject to mandatory retirement from service on the Company's Board of Directors upon reaching seventy-six years of age. The Corporate Governance Committee has not adopted a formal diversity policy with regard to the selection of director nominees. However, the Corporate Governance Committee considers diversity as a factor in identifying director nominees and believes the Board as a whole should be a diverse body, with diversity reflecting age, gender, background and professional experience.

Executive Committee of the Company. The Executive Committee is responsible for the general supervision of the Company's affairs between meetings of the full Board, oversees the Company's investments, asset/liability management, budget and capital planning and reviews the Company's interest rate sensitivity and deposit and loan pricing. The Executive Committee is also responsible for overseeing the Company's information technology planning, security and development. In addition, the Executive Committee's responsibilities also include reviewing the financial and market performance of the subsidiary offering non-deposit products (including review and approval of the selection of and contracts with third party broker/dealers, review of all product types sold, appointment of Bank management to fill needed roles, recommendation of prudent policies and procedures, setting of commission structures and oversight of compliance with applicable regulations) and evaluating opportunities in the marketplace for enhancing the Company's offering of non-deposit products and services. From January 1, 2015 until his retirement on November 16, 2015, George B. Odum, Jr. served as a member of the Executive Committee. Mr. Mason was elected by the Board to the Executive Committee on November 18, 2015. The current members of the Executive Committee are Messrs. Sessions (Chair), Bogino, Geitz, Kevorkian and Mason. The Executive Committee met 16 times during 2015.

Bank Committee

The Bank's Board of Directors has a Loan Committee, all of whose members are directors of both the Bank and the Company. The Loan Committee is responsible for the review and approval of consumer, mortgage and commercial loan requests above the respective individual or collective lending authorities of Bank loan officers as established in the Bank's Loan Policy. The Loan Committee is also responsible for ensuring compliance with the Bank's credit policies as annually approved by the Bank's Board of Directors, including the review and monitoring of the diversification of the loan portfolio and oversight of the Bank's compliance with the Community Reinvestment Act (CRA). The Loan Committee also reviews and monitors the growth and credit quality of the loan portfolio, including loan originations, delinquencies, risk rating changes, loan loss reserves and loan collection activities. The current members of the Loan Committee are Messrs. Sessions (Chair), Bogino, Geitz, Kevorkian, Long and Nicastro. The Loan Committee met 22 times during 2015.

Availability of Committee Charters

The Audit and Compliance Committee, the Compensation and Human Resources Committee Charter and the Corporate Governance Committee each operates pursuant to a separate written charter adopted by the Board. Each committee reviews its charter at least annually. The three committee charters can be viewed at <http://investors.simsburybank.com/govdocs.aspx?iid=4100578>. Each charter is also available in print to any shareholder who requests it. The information contained on the website is not incorporated by reference or otherwise considered a part of this document.

Board Meetings

The Board held 15 meetings during 2015. All of the Company's incumbent directors attended at least 75% of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings held by the committees of the Board of Directors on which such directors served during 2015.

Board members are expected to attend the Company's annual meeting of shareholders. Ten of the eleven directors of the Company at the time of the Company's 2015 annual meeting of shareholders attended such meeting.

Shareholder Communications

The Board of Directors has a formal process in place for shareholder communication to the Board of Directors or any individual director. Shareholders wishing to communicate with the Board of Directors or any individual director may write to SBT Bancorp, Inc., Attn: Gary R. Kevorkian, Secretary, 86 Hopmeadow Street, Weatogue, Connecticut 06089. All communications received of a relevant nature will be forwarded to the full Board or appropriate individual director as directed. The Board of Directors believes this approach is reasonable in light of the relatively small number of shareholders of the Company and the relatively small number of communications the Board expects to receive in the foreseeable future.

Code of Ethics and Conflicts of Interest Policy

The Company has adopted a Code of Ethics and Conflicts of Interest Policy that applies to all employees, officers and directors. The Code of Ethics and Conflicts of Interest Policy can be viewed at <http://investors.simsburybank.com/govdocs.aspx?iid=4100578>. The Code of Ethics and Conflicts of Interest Policy is also available in print to any shareholder who requests it. The information contained on the website is not incorporated by reference or otherwise considered a part of this document.

COMPENSATION AND OTHER MATTERS

Executive Compensation

The following table presents information relating to the compensation of the Company's CEO and the next two most highly compensated executive officers (collectively, the "Named Executive Officers") for the fiscal years ended December 31, 2015, 2014 and 2013.

Summary Compensation Table

Name and principal position	Year	Salary	Bonus	Stock awards	Option awards	Non-equity incentive plan compensation	Non-qualified deferred earnings	All other Compensation	Total
Martin J. Geitz <i>President & Chief Executive Officer</i>	2015	\$285,992 (1)	\$33,000 (2)	\$69,938 (5)	\$44,000 (7)	\$0	\$0	\$96,369 (8)	\$529,299
	2014	\$280,000 (1)	\$23,000 (3)	\$0	\$0	\$0	\$0	\$87,163 (8)	\$390,163
	2013	\$272,039 (1)	\$33,600 (4)	\$69,757 (6)	\$0	\$0	\$0	\$82,775 (8)	\$458,171
Richard J. Sudol (9) <i>Senior Vice President & Chief Financial Officer</i>	2015	\$182,308	\$30,000 (10)	\$26,361 (12)	\$0	\$0	\$0	\$7,811 (13)	\$246,480
	2014	\$175,000	\$28,500 (11)	\$0	\$0	\$0	\$0	\$7,226 (13)	\$210,726
Gary W. Burdick <i>Senior Vice President & Chief Commercial Banking Officer</i>	2015	\$150,932	\$24,000 (14)	\$20,982 (17)	\$0	\$0	\$0	\$23,696 (19)	\$219,610
	2014	\$140,000	\$21,000 (15)	\$0	\$0	\$0	\$0	\$23,050 (19)	\$184,050
	2013	\$138,462	\$24,000 (16)	\$23,252 (18)	\$0	\$0	\$0	\$22,887 (19)	\$208,601

- (1) Mr. Geitz also serves as a director, but does not receive any compensation for those services.
- (2) 2015 performance bonus scheduled to be paid in cash in 2016.
- (3) 2014 performance bonus paid in cash in 2015.
- (4) 2013 performance bonus paid in shares of 1,562 shares of restricted stock with a fair market value of \$33,600. Such shares of restricted stock were issued in April 2014 and will vest over three years as follows: 520 shares on April 25, 2015, 520 shares on April 25, 2016 and 522 shares on April 25, 2017.
- (5) On March 19, 2015, Martin J. Geitz received a grant from the Company of 3,250 shares of restricted stock with a fair market value of \$69,938 on the date of grant. Such shares of restricted stock will vest over three years as follows: 1,083 on March 19, 2016, 1,083 on March 19, 2017 and 1,084 on March 19, 2018.
- (6) December 18, 2013, Martin J. Geitz received a grant from the Company of 3,000 shares of restricted stock with a fair market value of \$69,757 on the date of grant. Such shares of restricted stock will vest over three years as follows: 1,000 shares on December 18, 2014, 1,000 shares on December 18, 2015 and 1,000 shares on December 18, 2016.
- (7) On December 22, 2015, Martin J. Geitz received a grant from the Company of 20,000 shares of stock options with a fair market value of \$44,000.
- (8) Includes Mr. Geitz's personal use of a Bank-leased automobile, annual dues for country club membership, employer match of 401(k) Plan contributions, employer-paid premiums for group term life insurance in excess of \$50,000, employer-paid portion of health insurance normally paid by an employee, employer-paid amounts for a Supplemental Executive Retirement Plan (SERP) and the economic benefit under an endorsement split-dollar insurance agreement. The imputed income related to the SERP was \$65,183 for 2015, \$65,183 for 2014, and \$61,437 for 2013.
- (9) Mr. Sudol was not a named executive officer in 2013.
- (10) 2015 performance bonus scheduled to be paid in cash in 2016.
- (11) 2014 performance bonus to be paid in cash in 2015.
- (12) On March 19, 2015, Richard J. Sudol received a grant from the Company of 1,225 shares of restricted stock with a fair market value of \$26,361 on the date of grant. Such shares of restricted stock will vest over three years as follows: 408 shares on March 19, 2016, 408 shares on March 19, 2017 and 409 shares on March 19, 2018.
- (13) Includes Mr. Sudol's employer match of 401(k) Plan contributions, employer-paid premiums for group term life insurance in excess of \$50,000, the economic value of the split dollar life agreement and employer-paid amounts for a Supplemental Executive Retirement Plan (SERP).

- (14) 2015 performance bonus scheduled to be paid in cash in 2016.
- (15) 2014 performance bonus paid in cash in 2015.
- (16) 2013 performance bonus paid in cash of \$16,000 and 372 shares of restricted stock with a fair market value of \$8,000. Such shares of restricted stock were awarded in April 2014 and will vest over three years as follows: 124 shares on April 25, 2015, 124 shares on April 25, 2016 and 124 shares on April 25, 2017.
- (17) On March 19, 2015, Gary W. Burdick received a grant from the Company of 975 shares of restricted stock with a fair market value of \$20,9822 on the date of grant. Such shares of restricted stock will vest over three years as follows: 325 shares on March 19, 2016, 325 shares on March 19, 2017 and 325 shares on March 19, 2017.
- (18) On December 18, 2013, Gary W. Burdick received a grant from the Company of 1,000 shares of restricted stock with a fair market value of \$23,252 on the date of grant. Such shares of restricted stock will vest over three years as follows: 333 shares on December 18, 2014, 333 shares on December 18, 2015 and 334 shares on December 18, 2016.
- (19) Includes Mr. Burdick's employer match of 401(k) Plan contributions, employer-paid premiums for group term life insurance in excess of \$50,000, the economic value of the split dollar life agreement and employer-paid amounts for a Supplemental Executive Retirement Plan (SERP).

The Compensation and Human Resources Committee is responsible for reviewing the performance and establishing the compensation of the Bank's officers and key employees, including the Company's executive officers other than the President and CEO. The Committee also reviews, but does not determine, the compensation of the President and CEO and makes a recommendation of his compensation to the full Board, which then approves the President and CEO's compensation. The Committee relies upon industry information, including surveys of similarly sized and located institutions and targets the Bank's compensation to be generally at the level of its peer group institutions.

The Compensation and Human Resources Committee has retained the services of Arthur Warren Associates on an ongoing basis to advise such committee on executive compensation matters and non-executive employee compensation matters. On an every other year basis, Arthur Warren Associates is engaged to perform a full review of the Company's total compensation programs (including with respect to the three named executive officers) and to make recommendations (i) toward maintaining the Company's competitiveness with its peers with regard to the Company's compensation philosophy, its Compensation and Human Resources Committee Charter and its short term bonus plans for non-executive employees and (ii) toward ensuring an appropriate peer group of banks. During 2015, Arthur Warren Associates was engaged to perform a full review and the determination of an appropriate peer group of banks. The Compensation and Human Resources Committee Charter considered the independence of Arthur Warren Associates and determined that in 2015 Arthur Warren Associates satisfied the criteria for being independent.

In 2015, the Compensation and Human Resources Committee instructed Arthur Warren Associates to update the Bank's peer group for purposes of using comparable institutions for industry benchmarking. The peer group consists of 15 publicly traded banks within the region having assets ranging between \$188 million and \$1.098 billion. The banks included in the public bank peer group for 2015 were: Bankwell Financial Group, Chicopee Bancorp, Community Bancorp, Elmira Savings Bank, Empire Bancorp, Georgetown Bancorp, Greene County Bancorp, Ledyard Financial Group, Melrose Bancorp, Pathfinder Bancorp, Pilgrim Bancshares, PSB Holdings, Salisbury Bancorp, Union Bancshares and Wellesley Bancorp. Based on the analysis prepared by Arthur Warren Associates, the Compensation and Human Resources Committee determined that the Bank's compensation programs and levels were generally competitive with the compensation programs and levels maintained by the Bank's peers.

The members of the Compensation and Human Resources Committee are Messrs. Kevorkian (chair), Bogino, Long and Sessions and Ms. Taylor.

Employment, Change in Control and Other Related Agreements

The Bank maintains employment or change in control agreements with the following named executive officers: Messrs. Geitz, Sudol and Burdick. The continued success of the Company and the Bank depends to a significant degree on the skills and competence of these officers. These agreements are with the Bank, not the Company.

Martin J. Geitz, President and Chief Executive Officer – The Bank and Martin J. Geitz are parties to an Employment Agreement, effective as of October 4, 2004, which was subsequently amended effective as of December 31, 2008. The term of the agreement, as amended, is the earlier to occur of Mr. Geitz attaining the age of sixty-five or the termination of Mr. Geitz's contract voluntarily or upon some other basis. Mr. Geitz is to be paid a salary of \$170,000, subject to adjustment by the Board. In addition, Mr. Geitz is entitled to an annual bonus in an amount and form set by the Board. Option grants and restricted stock awards are discussed in the footnotes of the Summary Compensation Table and the Outstanding Equity Awards Table. Mr. Geitz is entitled to: (1) participate in the Bank's comprehensive health insurance and major medical coverage; (2) participate in any long-term disability insurance plan (monthly cap of \$25,000 compared to \$8,000 for employees who are not executive officers) and pension plan maintained by the Bank; (3) paid time off of 28 days per year; (4) the use of an automobile for business purposes; (5) membership in a private "country" or similar golf club; and (6) attendance at two banking trade association conventions per year, including the cost of attendance and travel for Mr. Geitz and his spouse. The Bank may terminate Mr. Geitz's employment at any time without notice. The Bank may give up to sixty days' prior notice of the termination. If such notice is given to Mr. Geitz, the Bank may require him to remain in the employ of the Bank for the period of notice given. If the Bank terminates Mr. Geitz's employment other than for Cause or due to a Change in Control or Potential Change in Control (as such terms are defined in the Employment Agreement, as amended), Mr. Geitz shall be entitled to receive a lump sum payment equal to the aggregate of: (1) twelve months of Mr. Geitz's then current salary base salary; (2) an amount equal to bonus to which he would have been entitled under the agreement, as amended, had a Change of Control occurred; (3) payment for any accrued but unused vacation time; and (4) payment of Mr. Geitz's medical insurance for twelve months following his termination. This lump sum amount shall be reduced by any compensation Mr. Geitz receives for other employment after the termination of his employment with the Bank. Mr. Geitz may voluntarily terminate his employment on ninety days' prior notice to the Bank, however, notice need not be given where the termination has been approved by the Board of Directors or there has been a material breach of the Bank's obligations under the agreement, as amended. If Mr. Geitz fails to meet the terms of the agreement, as amended, concerning his voluntary termination, the Bank will be entitled to enjoin Mr. Geitz's employment with any significant competitor of the Bank for a period of twelve months.

In the event of a Change in Control or Potential Change in Control of the Bank or the Company, Mr. Geitz would be entitled to receive (1) credit for his years of service to the Bank plus five additional years for purposes of vesting and calculation of benefits under any benefit plan of the Bank or a successor thereto; (2) twelve months' notice of termination during which time he shall receive payment at his then current salary and the highest bonus received by Mr. Geitz during the preceding thirty-six months; (3) a lump sum cash payment in an amount equal to the sum of Mr. Geitz's then current salary plus the highest bonus he had received during the preceding 36 months; and (4) outplacement services in an amount not to exceed \$10,000. Mr. Geitz is not entitled to receive compensation or other benefits for any period after termination for Cause. Notwithstanding anything to the contrary set forth in Mr. Geitz's Employment Agreement, as amended, any payments due to Mr. Geitz as a result of his termination of employment may be delayed for up to six months after his termination of employment if the Bank determines that the delay is necessary to comply with Section 409A of the Internal Revenue Code. In the event that payments are delayed, the Bank will pay 5% simple interest on such delayed payments to Mr. Geitz.

The Bank and Martin J. Geitz are parties to a Supplemental Executive Retirement Agreement dated October 20, 2010. The agreement is an unfunded, non-qualified supplemental retirement program for Mr. Geitz and provides for supplemental retirement benefits payable in installments over 15 years upon his attainment of normal retirement age of 65. The supplemental retirement benefits are to be earned over the remaining working career of Mr. Geitz subject to certain conditions. Under the agreement, the projected retirement benefit for Mr. Geitz, assuming he remains employed by the Bank until normal retirement age of 65, is \$82,800 per year for 15 years, with such payments beginning on the first day of the month after he turns 65 years old. The benefits are capped at \$82,800 per year for 15 years and are subject to being substantially less should Mr. Geitz not remain employed until the normal retirement age of 65. The agreement also contains restrictive covenants that may result in Mr. Geitz forfeiting all accrued benefits should he be terminated for cause, be removed by regulatory order, or accept employment with a competing financial institution during the term of the agreement and within 12 months following his termination of employment with the Bank.

The Bank and Martin J. Geitz are parties to an Endorsement Split Dollar Insurance Agreement dated October 20, 2010. This agreement provides for the division of death proceeds under certain life insurance policies

owned by the Bank on the life of Mr. Geitz with Mr. Geitz's designated beneficiary. The Bank has the right to exercise all incidents of ownership of the life insurance policies and may terminate such policies without the consent of Mr. Geitz. Under the agreement, if Mr. Geitz passes away prior to termination of his employment with the Bank, Mr. Geitz's designated beneficiary will be entitled to a benefit of \$750,000, which will increase four percent (4%) on each anniversary of the effective date of the agreement. In no event will the benefit exceed the total death proceeds of the life insurance policies minus the greater of (i) such policies' cash surrender value or (ii) the aggregate premiums paid by the Bank for such policies. If Mr. Geitz passes away after termination of his employment with the Bank for reasons other than death or disability, Mr. Geitz's designated beneficiary will not be entitled to any benefits. Mr. Geitz's rights under this agreement will terminate if he is subject to a final removal or prohibition order issued by an appropriate federal banking agency. In addition, no benefits will be paid to Mr. Geitz's designated beneficiary if the insurance company denies coverage for any reason, provided, however, that the Bank will evaluate the reasons for denial and, upon advice of legal counsel and in its sole discretion, consider judicially challenging such denial.

Richard J. Sudol, Senior Vice President and Chief Financial Officer – Richard J. Sudol is an at-will employee of the Bank. He is entitled to receive paid time off of 28 days per year and to participate in the Bank's benefit plans, including its medical plan, dental plan, group term life insurance plan with enhanced benefits not available to employees who are not executive officers, long-term disability insurance plan with enhanced benefits not available to employees who are not executive officers and 401(k) retirement plan.

The Bank has entered into a Change in Control Severance Agreement (the "Sudol CIC Severance Agreement") with Mr. Sudol dated March 11, 2014. Pursuant to the Sudol CIC Severance Agreement, in the event Mr. Sudol is terminated by the Bank without Cause (as defined in the Sudol CIC Severance Agreement) or he resigns for Good Reason (as defined in the Sudol CIC Severance Agreement) (i) upon a Change in Control (as defined in the Sudol CIC Severance Agreement) or (ii) during the remainder of the month in which a Change in Control occurs and 12 months thereafter, Mr. Sudol will be entitled to, among other benefits, the following: (1) a lump sum payment equal to two times the sum of (a) the greater of his annual base salary in effect immediately prior to the Change in Control or his annual base salary in effect at the time a notice of termination is given and (b) the greater of his annual target bonus for the year in which the Change in Control occurs or, if such target bonus has not yet been determined, his annual bonus for the year immediately preceding the year in which the Change in Control occurs; (2) accelerated vesting of his stock options, restricted stock and any other performance related incentive compensation awards; and (3) 24 months of health insurance benefits on the same terms as were provided prior to termination of employment. The Sudol CIC Severance Agreement is in effect through December 31, 2014 and commencing on January 1, 2015 and for each January 1 thereafter, the CIC Severance Agreement is automatically extended for one additional year unless the Bank or Mr. Sudol gives notice to the other party no later than September 30th of the preceding year that the Sudol CIC Severance Agreement will not be extended.

The Bank entered into a Supplemental Executive Retirement Agreement with Mr. Sudol dated March 11, 2014. The agreement is an unfunded, non-qualified supplemental retirement program for Mr. Sudol and provides for supplemental retirement benefits payable in installments over 15 years upon his attainment of normal retirement age of 65. The projected retirement benefit for Mr. Sudol, assuming he has been employed by the Bank for at least ten years and remains employed by the Bank until normal retirement age of 65, is \$20,000 per year, with such payments beginning on the first day of the month after he turns 65 years old. The retirement benefits vest in 10% increments for each of the first ten years that Mr. Sudol is employed by the Bank and are capped at the aforementioned \$20,000 per year. The agreement also contains restrictive covenants that may result in Mr. Sudol forfeiting all accrued benefits should he be terminated for cause, be removed by regulatory order, or accept employment with a competing financial institution during the term of the agreement and within 12 months following his termination of employment with the Bank.

The Bank entered into a Split Dollar Life Insurance Agreement with Mr. Sudol effective dated April 29, 2014. This agreement provides for the division of death proceeds under certain life insurance policies owned by the Bank on the life of Mr. Sudol with Mr. Sudol's designated beneficiary. The Bank has the right to exercise all incidents of ownership of the life insurance policies and may terminate such policies without the consent of Mr. Sudol. Under the agreement, if Mr. Sudol passes away prior to termination of his employment with the Bank, Mr. Sudol's designated beneficiary will be entitled to a benefit of \$100,000. In addition, if Mr. Sudol's employment is terminated following a change in control of the Bank and he passes away before the age of 65, Mr. Sudol's

designated beneficiary will be entitled to a benefit of \$100,000. In no event, however, will the benefit exceed the total death proceeds of the life insurance policies minus the greater of (i) such policies' cash surrender value or (ii) the aggregate premiums paid by the Bank for such policies. Mr. Sudol's rights under this agreement will terminate if he is subject to a final removal or prohibition order issued by an appropriate federal banking agency. In addition, no benefits will be paid if Mr. Sudol commits suicide within two years of April 29, 2014 or if the insurance company denies coverage for any reason, provided, however, that the Bank will evaluate the reasons for denial and, upon advice of legal counsel and in its sole discretion, consider judicially challenging such denial.

Gary W. Burdick, Senior Vice President and Chief Commercial Banking Officer – Gary W. Burdick is an at-will employee of the Bank. He is entitled to receive paid time off of 28 days per year and to participate in the Bank's benefit plans, including its medical plan, dental plan, group term life insurance plan with enhanced benefits not available to employees who are not executive officers), long-term disability insurance plan with enhanced benefits not available to employees who are not executive officers) and 401(k) retirement plan.

The Bank has entered into a Change in Control Severance Agreement (the "Burdick CIC Severance Agreement") with Mr. Burdick dated October 24, 2012. Pursuant to the Burdick CIC Severance Agreement, in the event Mr. Burdick is terminated by the Bank without Cause (as defined in the Burdick CIC Severance Agreement) or he resigns for Good Reason (as defined in the Burdick CIC Severance Agreement) (i) upon a Change in Control (as defined in the Burdick CIC Severance Agreement) or (ii) during the remainder of the month in which a Change in Control occurs and 12 months thereafter, Mr. Burdick will be entitled to, among other benefits, the following: (1) a lump sum payment equal to two times the sum of (a) the greater of his annual base salary in effect immediately prior to the Change in Control or his annual base salary in effect at the time a notice of termination is given and (b) the greater of his annual target bonus for the year in which the Change in Control occurs or, if such target bonus has not yet been determined, his annual bonus for the year immediately preceding the year in which the Change in Control occurs; (2) accelerated vesting of his stock options, restricted stock and any other performance related incentive compensation awards; and (3) 24 months of health insurance benefits on the same terms as were provided prior to termination of employment. The Burdick CIC Severance Agreement is in effect through December 31, 2012, and commencing on January 1, 2013 and for each January 1 thereafter, the Burdick CIC Severance Agreement is automatically extended for one additional year unless the Bank or Mr. Burdick gives notice to the other party no later than September 30th of the preceding year that the Burdick CIC Severance Agreement will not be extended.

The Bank entered into a Supplemental Executive Retirement Agreement with Mr. Burdick dated October 24, 2012. The agreement is an unfunded, non-qualified supplemental retirement program for Mr. Burdick and provides for supplemental retirement benefits payable in installments over 15 years upon his attainment of normal retirement age of 65. The supplemental retirement benefits are to be earned over the remaining working career of Mr. Burdick subject to certain conditions. Under the agreement, the projected retirement benefit for Mr. Burdick, assuming he remains employed by the Bank until normal retirement age of 65, is \$10,000 per year, with such payments beginning on the first day of the month after he turns 65 years old. The benefits are capped at the above amounts and are subject to being substantially less should Mr. Burdick not remain employed by the Bank until the normal retirement age of 65. The agreement also contains restrictive covenants that may result in Mr. Burdick forfeiting all accrued benefits should he be terminated for cause, be removed by regulatory order, or accept employment with a competing financial institution during the term of the agreement and within 12 months following his termination of employment with the Bank.

The Bank entered into a Split Dollar Life Insurance Agreement with Mr. Burdick dated January 22, 2013. This agreement provides for the division of death proceeds under certain life insurance policies owned by the Bank on the life of Mr. Burdick with Mr. Burdick's designated beneficiary. The Bank has the right to exercise all incidents of ownership of the life insurance policies and may terminate such policies without the consent of Mr. Burdick. Under the agreement, if Mr. Burdick passes away prior to termination of his employment with the Bank, Mr. Burdick's designated beneficiary will be entitled to a benefit of \$100,000. In addition, if Mr. Burdick's employment is terminated following a change in control of the Bank and he passes away before the age of 65, Mr. Burdick's designated beneficiary will be entitled to a benefit of \$100,000. In no event, however, will the benefit exceed the total death proceeds of the life insurance policies minus the greater of (i) such policies' cash surrender value or (ii) the aggregate premiums paid by the Bank for such policies. Mr. Burdick's rights under this agreement will terminate if he is subject to a final removal or prohibition order issued by an appropriate federal banking agency. In addition, no benefits will be paid if Mr. Burdick commits suicide within two years of January 22, 2013

or if the insurance company denies coverage for any reason, provided, however, that the Bank will evaluate the reasons for denial and, upon advice of legal counsel and in its sole discretion, consider judicially challenging such denial.

Equity Awards

On December 22, 2015, Martin J. Geitz received a grant from the Company of 20,000 shares of stock options with a fair market value of \$44,000 on the date of grant. Such stock options will vest over five years as follows: 4,500 shares on December 22, 2015, 4,500 shares on December 22, 2016, 4,500 shares on December 22, 2017, 4,500 shares on December 22, 2018 and 2,000 shares on December 22, 2019.

On March 19, 2015, Martin J. Geitz received a grant from the Company of 3,250 shares of restricted stock with a fair market value of \$69,938 on the date of grant. Such shares of restricted stock will vest over three years as follows: 1,083 shares on March 19, 2016, 1,083 shares on March 19, 2017 and 1,084 shares on March 19, 2018.

On April 25, 2014, Martin J. Geitz received a grant from the Company of 1,562 shares of restricted stock with a fair market value of \$33,588 on the date of grant. Such shares of restricted stock will vest over three years as follows: 520 shares on April 25, 2015, 520 shares on April 25, 2016 and 522 shares on April 25, 2017.

On December 18, 2013, Martin J. Geitz received a grant from the Company of 3,000 shares of restricted stock with a fair market value of \$69,757 on the date of grant. Such shares of restricted stock will vest over three years as follows: 1,000 shares on December 18, 2014, 1,000 shares on December 18, 2015 and 1,000 shares on December 18, 2016.

On March 19, 2015, Gary W. Burdick received a grant from the Company of 975 shares of restricted stock with a fair market value of \$20,982 on the date of grant. Such shares of restricted stock will vest over three years as follows: 325 shares on March 19, 2016, 325 shares on March 19, 2017 and 325 shares on March 19, 2018.

On April 25, 2014, Gary W. Burdick received a grant from the Company of 372 shares of restricted stock with a fair market value of \$7,999 on the date of grant. Such shares of restricted stock will vest over three years as follows: 124 shares on April 25, 2015, 124 shares on April 25, 2016 and 124 shares on April 25, 2017.

On December 18, 2013, Gary W. Burdick received a grant from the Company of 1,000 shares of restricted stock with a fair market value of \$23,252 on the date of grant. Such shares of restricted stock will vest over three years as follows: 333 shares on December 18, 2014, 333 shares on December 18, 2015 and 334 shares on December 18, 2016.

On March 19, 2015, Richard J. Sudol received a grant from the Company of 1,225 shares of restricted stock with a fair market value of \$26,361 on the date of grant. Such shares of restricted stock will vest over three years as follows: 408 shares on March 19, 2016, 408 shares on March 19, 2017 and 409 shares on March 19, 2018.

The outstanding equity awards held by the Named Executive Officers as of December 31, 2015 were as follows:

Outstanding Equity Awards at Fiscal Year-End

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Martin J. Geitz <i>President & Chief Executive Officer</i>	20,000 (1)	0	\$30.00	12/22/2025	5,292 (2)	\$115,597
Richard J. Sudol <i>Senior Vice President & Chief Financial Officer</i>	0	0	0	0	1,559 (3)	\$34,128
Gary W. Burdick <i>Senior Vice President & Chief Commercial Banking Officer</i>	0	0	0	0	1,557 (4)	\$34,081

- (1) Options vest at the schedule: 4,500 shares on 12/22/2015, 4,500 shares on 12/22/2016, 4,500 shares on 12/22/2017, 4,500 shares on 12/22/2018 and 2,000 shares on 12/22/2019. Vesting is conditioned on the named individual remaining an employee until the end of each vesting period.
- (2) The number of shares of unvested stock will vest as follows: 1,000 shares on 12/18/2016, 520 shares on 4/25/2016, 522 shares on 4/25/2017, 1,083 shares on 3/19/2016, 1,083 shares on 3/19/2017 and 1,084 shares on 3/19/2018. Vesting is conditioned on the named individual remaining an employee until the end of each vesting period.
- (3) The number of shares of unvested stock will vest as follows: 334 shares on 12/18/2016, 408 shares on 3/19/2016, 408 shares on 3/19/2017 and 409 shares on 3/19/2018. Vesting is conditioned on the named individual remaining an employee until the end of each vesting period.
- (4) The number of shares of unvested stock will vest as follows: 334 shares on 12/18/2016, 124 shares on 4/25/2016, 124 shares on 4/25/2017, 325 shares on 3/19/2016, 325 shares on 3/19/2017 and 325 shares on 3/19/2018. Vesting is conditioned on the named individual remaining an employee until the end of each vesting period.

Director Compensation

The Company has adopted a Director Compensation Plan for non-employee directors. For 2015, directors were compensated for service by means of: (1) an annual retainer of \$6,000 per director; (2) annual retainer of \$8,000 for the chairman of the board; (3) \$500 for each Board meeting attended in person; and (4) \$300 for each standing committee meeting attended in person. No individual arrangements were granted during 2015. The following table sets forth the amount of compensation paid to non-employee directors in 2015.

Director Compensation							
Name	Fees earned or paid in cash	Stock Awards	Option Awards	Non-equity incentive plan compensation	Non-qualified deferred compensation earnings	All other Compensation	Total
Robert J. Bogino	\$31,200	\$0	\$0	\$0	\$0	\$0	\$31,200
James F. Fleming	\$16,300	\$0	\$0	\$0	\$0	\$0	\$16,300
Gary R. Kevorkian	\$27,400	\$0	\$0	\$0	\$0	\$0	\$27,400
Jerry W. Long	\$22,100	\$0	\$0	\$0	\$0	\$0	\$22,100

Director Compensation

Name	Fees earned or paid in cash	Stock Awards	Option Awards	Non-equity incentive plan compen- sation	Non- qualified deferred compensation earnings	All other Compensation	Total
Nicholas B. Mason	\$17,000	\$0	\$0	\$0	\$0	\$0	\$17,000
Michael D. Nicaastro	\$19,800	\$0	\$0	\$0	\$0	\$0	\$19,800
George B. Odium, Jr. (1)	\$15,000	\$0	\$0	\$0	\$0	\$0	\$15,000
Peter C. Pabich (2)	\$8,300	\$0	\$0	\$0	\$0	\$0	\$8,300
David W. Sessions	\$26,500	\$0	\$0	\$0	\$0	\$0	\$26,500
Ann G. Taylor	\$16,600	\$0	\$0	\$0	\$0	\$0	\$16,600
Penny R. Woodford	\$14,800	\$0	\$0	\$0	\$0	\$0	\$14,800

(1) Dr. Odium retired on November 16, 2015 and was no longer a director as of such date.

(2) Mr. Pabich was elected as a director on November 18, 2015 by the Board of Directors to fill the vacancy created by the retirement of Dr. Odium.

Equity Plans

Following shareholder approval in 2011, the Company established the SBT Bancorp, Inc. 2011 Stock Award and Option Plan (the “2011 Plan”), effective June 1, 2011, to provide stock awards and options to employees, officers and directors of the Company in order to attract them to the Company, give them a proprietary interest in the Company, and to encourage them to remain in the employ or service of the Company. The maximum number of shares of the Company’s common stock that may be delivered pursuant to awards or options under the 2011 Plan is 100,000 shares. As of March 16, 2016, 36,710 shares of restricted stock, net of shares that were forfeited, have been granted to directors and officers of the Bank and the remaining number of shares and options to be granted under the 2011 Plan was 63,290. The 2011 Plan will expire on March 16, 2021.

The following table sets forth the total number of securities authorized for issuance under equity compensation plans as of December 31, 2015.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by shareholders	20,000 (1)	\$30.00	63,290 (2)
Equity compensation plans not approved by shareholders	0	0	0
Total	20,000	\$30.00	63,290 (2)

(1) Represents options granted under the 2011 Plan.

(2) Represents the remaining number of shares and options to be granted under the 2011 Plan. Since the 2011 Plan was established effective June 1, 2011, 42,349 shares of restricted stock have been granted to directors and officers of the Bank. Of these 42,349 shares, 24,627 shares have vested as of December 31, 2015, 12,083 shares were unvested at December 31, 2015 and 5,639 shares were forfeited prior to vesting as a result of directors resigning from the Board of Directors or officers resigning from employment by the Bank.

CERTAIN TRANSACTIONS WITH RELATED PERSONS

During 2015 and 2014, certain of the Company's and the Bank's current directors, executive officers and their affiliates had outstanding loans from the Bank. The largest aggregate amount of such loans outstanding during the period from January 1, 2015 to March 6, 2016 was on November 24, 2015 in an aggregate amount of \$3,287,928. All such loans were made in the ordinary course of the Bank's business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectability or present other unfavorable features.

Except as described in the immediately preceding paragraph, neither the Company nor the Bank had any transactions with any of their directors, executive officers or their affiliates in which the amount involved exceeded \$120,000.

Policy and Procedures for Review, Approval or Ratification of Related Person Transactions

Our related person transaction practices and policies between the Company or any of its subsidiaries and an executive officer, director or an immediate family member are currently governed by the Company's Code of Ethics and Conflicts of Interest Policy (the "Code of Ethics"). In the ordinary course of business, directors (or a business in which the director is a partner, director, shareholder or executive officer) may provide services to the Company or to customers of the Bank. We require our directors and executive officers to complete a questionnaire, annually, to provide information specific to related party transactions.

Once we become aware of a proposed or a recurring activity with a related party, it is referred to the Chairman of the Board of Directors and the Chief Executive Officer who are authorized to determine whether the activity constitutes a conflict of interest and to act upon that determination. A transaction with a related party shall be consummated or shall continue only if such transaction is in accordance with the guidelines set forth in the Code of Ethics. Any material related person transaction involving officers will be disclosed to the Chief Executive Officer and any material related party transactions involving the Chief Executive Officer or a director will be disclosed to the Chairman of the Corporate Governance Committee.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors, executive officers and persons who beneficially own more than 10% of the Company's common stock ("Reporting Persons") to file certain reports concerning their beneficial ownership of the Company's common stock with the Securities and Exchange Commission (the "SEC") and to furnish the company with copies of such reports. Based solely upon the Company's review of its Reporting Persons' Forms 3, 4 and 5 filed with the SEC during and for the year ended December 31, 2015, and on written representations by certain officers and directors, to the best of the Company's knowledge, all of the filings by the Company's directors and executive officers were made on a timely basis, except for a Form 4 that was inadvertently filed late by Robert J. Bogino. No other Reporting Person was delinquent with respect to his or her reporting obligations.

OTHER MATTERS

The Board knows of no other business to be brought before the 2016 Annual Meeting. If, however, any other business should properly come before the 2016 Annual Meeting, the persons named in the accompanying proxy will vote the proxy as in their discretion they may deem appropriate, unless they are directed by the proxy to do otherwise.

SHAREHOLDER PROPOSALS AND NOMINATIONS

Shareholders entitled to vote for the election of directors at the 2017 Annual Meeting may make nominations of individuals for election to the Board. Such nominations shall be made in writing, and shall be delivered or mailed and received by the Secretary of the Company not less than 90 nor more than 180 calendar days prior to such Annual Meeting, which is expected to be held on May 9, 2017. The Board's Corporate Governance Committee considers such nominations.

Such written nominations shall contain the following information, to the extent known to the nominating shareholder: (1) the name, age, business and residence address of each proposed nominee; (2) the principal occupation or employment of each proposed nominee; (3) the total number of shares of common stock of the Company that are beneficially owned by each proposed nominee; (4) the name and address of the nominating shareholder; (5) the total number of shares of common stock of the Company owned by the nominating shareholder; (6) a representation that the shareholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; and (7) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholders. Nominations by beneficial owners of stock of the Company who are not record holders must be accompanied by evidence satisfactory to the Secretary of the Company showing that such nominating persons are entitled to act with respect to such shares. Nominations that are not made in accordance with these procedures shall be deemed void. The credentials and qualifications of all nominees also are subject to review by the Board.

Any proposal intended to be presented by a shareholder at the Company's 2017 Annual Meeting of Shareholders which is not a nomination to the Board must be presented to the Company in writing, and must be delivered or mailed and received by the Secretary of the Company not less than 90 nor more than 180 calendar days prior to the 2017 Annual Meeting, which is expected to be held on May 9, 2017. Such notice shall include: (1) a brief description of the business desired to be brought before the Annual Meeting and the reasons for conducting such business at the 2017 Annual Meeting; (2) the name and address, as they appear on the Company's records, of the shareholder proposing such business; (3) the number of shares of the Company's common stock which are beneficially owned by the shareholder; and (4) any material interest of the shareholder in such business.

In order for a shareholder proposal to be included in the proxy statement and form of proxy for the Company's 2017 Annual Meeting, the proposal must be received by the Company not later than December 2, 2016 and comply with all the requirements of Rule 14a-8 of the Securities Exchange Act of 1934. In addition, if the

Company is not notified of a shareholder proposal by February 15, 2017, then the proxies held by management of the Company may provide the discretion to vote against such shareholder proposal, even though such proposal is not included in the proxy statement and form of proxy. Shareholder nominations for director must comply with the notice and informational requirements described above for other shareholder proposals, as well as additional information that would be required under applicable SEC proxy rules.

Nominations and proposals should be addressed to Gary R. Kevorkian, Secretary, SBT Bancorp, Inc., 86 Hopmeadow Street, Weatogue, CT 06089. It is suggested that such nominations and proposals be sent by Certified Mail-Return Receipt Requested.

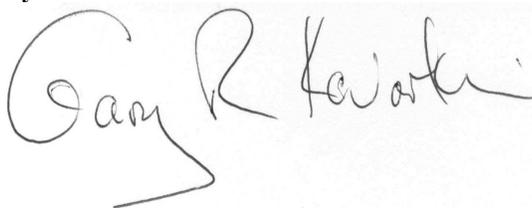
ANNUAL REPORT ON FORM 10-K

The financial statements of the Company as of and for the year ended December 31, 2015 are contained in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on or before March 30, 2016. The Annual Report on Form 10-K is not to be considered as a part of this proxy soliciting material. **Copies of the Company's Annual Report on Form 10-K will be forwarded without charge upon written request to Gary R. Kevorkian, Secretary, SBT Bancorp, Inc., 86 Hopmeadow Street, Weatogue, CT 06089.**

DELIVERY OF DOCUMENTS TO SECURITY HOLDERS SHARING AN ADDRESS

The Company intends to deliver one Proxy Statement to multiple shareholders of the Company sharing an address, unless we receive contrary instructions from one or more of such shareholders. Upon written or oral request we will provide a separate copy of the Company's Proxy Statement to a shareholder sharing an address with another shareholder to which a single copy of the Proxy Statement were sent. To request an additional copy of the Proxy Statement, please call the Company at (860) 408-5493 or write to us at SBT Bancorp, Inc., 86 Hopmeadow Street, Weatogue, CT 06089. In the future, if you wish to receive a separate copy of the Company's Proxy Statement, please call or write to us at the number and address listed above. Similarly, shareholders sharing an address who are receiving multiple copies of the Company's Proxy Statement and who wish to receive only one copy of these materials at their address can so request by contacting us at the same telephone number and address.

By order of the Board of Directors

A handwritten signature in black ink that reads "Gary R. Kevorkian". The signature is written in a cursive style with a long, sweeping tail on the letter "k".

Gary R. Kevorkian, Secretary

Weatogue, Connecticut
March 30, 2016

