

**FEDERAL DEPOSIT INSURANCE CORPORATION**  
**Washington, D.C. 20429**

**SCHEDULE 14A**

**Section 1. Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934**

Filed by the Registrant ☒ [X]

Filed by a Party other than the Registrant ☐ [ ]

Check the appropriate box:

☐ [ ] Preliminary Proxy Statement

☐ [ ] **Confidential, for Use of the FDIC Only (as permitted by Rule 14a-6(e)(2))**

☐ [ ] Definitive Proxy Statement

☒ [X] Definitive Additional Materials

☐ [ ] Soliciting Material Pursuant to §240.14a-12

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**Section 2. THE BANK OF PRINCETON**

(Name of Registrant as Specified in its Charter)

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**Section 3. NOT APPLICABLE**

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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant) Payment of Filing Fee (Check the

appropriate box):

☒ [X] No fee required.

☐ [ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- 1) Title of each class of securities to which transaction applies: \_\_\_\_\_
- 2) Aggregate number of securities to which transaction applies: \_\_\_\_\_
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): \_\_\_\_\_
- 4) Proposed maximum aggregate value of transaction: \_\_\_\_\_
- 5) Total fee paid: \_\_\_\_\_

☐ [ ] Fee paid previously with preliminary materials:

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

- 1) Amount Previously Paid: \_\_\_\_\_
- 2) Form, Schedule or Registration Statement No.: \_\_\_\_\_
- 3) Filing Party: \_\_\_\_\_
- 4) Date Filed: \_\_\_\_\_



183 Bayard Lane, Princeton, New Jersey 08540  
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April 13, 2021

Q&A FOR PROXY SOLICITATION REGARDING PROPOSAL TO AMEND CERTIFICATE  
OF INCORPORATION TO AUTHORIZE PREFERRED STOCK

A.-1. WHY SHOULD I/WE VOTE IN FAVOR OF THE PROPOSAL TO AUTHORIZE  
PREFERRED STOCK?

- **ANSWER:** THE AUTHORIZATION OF THE PREFERRED STOCK WOULD PERMIT THE BANK TO RAISE CAPITAL THROUGH THE ISSUANCE OF PREFERRED STOCK RATHER THAN COMMON STOCK. THIS WOULD PROVIDE THE BANK WITH MAXIMUM FLEXIBILITY IN STRUCTURING ACQUISITIONS, CAPITAL-RAISING TRANSACTIONS, AND STOCK DISTRIBUTIONS.
- ALSO THE ISSUANCE OF NON-CONVERTIBLE PREFERRED STOCK WOULD ALLOW THE BANK TO RAISE CAPITAL WITHOUT DILUTING THE COMMON STOCK HOLDERS.
- NON-CONVERTIBLE PREFERRED STOCK HAS BECOME A VIABLE AND POPULAR CAPITAL RAISING TOOL FOR BANKS, INCLUDING (1) THE AUGUST 2020 \$60 MILLION OFFERING OF DEPOSITARY SHARES BY CNB FINANCIAL CORPORATION (CLEARFIELD, PA), EACH REPRESENTING A 1/40TH OWNERSHIP INTEREST IN A SHARE OF SERIES A PREFERRED STOCK; (2) THE DECEMBER 2019 BANCORPSOUTH BANK (NYSE:BXS) \$150 MILLION PREFERRED STOCK OFFERING OF 5.50% SERIES A NON-CUMULATIVE PERPETUAL PREFERRED STOCK; (3) THE SEPTEMBER 2020

MAINSTREET BANCSHARES, INC. (NASDAQ: MNSB) \$25 MILLION OFFERING OF DEPOSITARY SHARES, EACH REPRESENTING A 1/40TH INTEREST IN A SHARE OF ITS SERIES A FIXED-RATE NON-CUMULATIVE PERPETUAL PREFERRED STOCK; AND (4) THE TRIUMPH BANCORP, INC. (NASDAQ: TBK) JUNE 2020 \$45 MILLION OFFERING OF DEPOSITARY SHARES, EACH OF WHICH REPRESENTED A 1/40TH INTEREST IN A SHARE OF ITS SERIES C FIXED-RATE NON-CUMULATIVE PERPETUAL PREFERRED STOCK, AMONG MANY OTHERS.

A.-2. WHY ARE PROXY ADVISORS RECOMMENDING THAT I/WE VOTE AGAINST THE PROPOSAL TO AUTHORIZE PREFERRED STOCK?

- **ANSWER:** CERTAIN PROXY ADVISORS RECOMMEND A VOTE AGAINST THIS PROPOSAL BECAUSE THE BOARD HAS NOT SPECIFICALLY STATED THAT THE SHARES MAY NOT BE USED FOR ANTITAKEOVER PURPOSES IN THE FUTURE.
- THE BANK HAS NO PLANS TO USE PREFERRED STOCK FOR ANTI-TAKEOVER PURPOSES. THE PRIMARY REASON THAT THE BANK DESIRES TO HAVE PREFERRED STOCK AUTHORIZED IS SO THAT THE BANK CAN RESPOND PROMPTLY TO AND TAKE ADVANTAGE OF MARKET CONDITIONS AND OTHER FAVORABLE OPPORTUNITIES TO GROW THE BANK THROUGH ACQUISITIONS AND CAPITAL-RAISING TRANSACTIONS.
- INVESTMENT BANKING FIRMS ARE RECOMMENDING TO BANKS THAT THEY TAKE ANY NECESSARY STEPS TO AUTHORIZE PREFERRED STOCK TO POSSIBLY ASSIST WITH FINANCING POTENTIAL ACQUISITIONS THAT MAY ARISE.
- IF THIS PROPOSAL IS NOT APPROVED, THE BANK MAY HAVE A DISTINCT DISADVANTAGE AGAINST COMPETITORS IN THE CURRENT ENVIRONMENT AND MAY BE LIMITED IN ITS ABILITY TO RAISE AND ATTRACT CAPITAL TO SUSTAIN THE GROWTH OF THE BANK IN THE FUTURE.

- IF THE BANK IS REQUIRED TO RAISE ADDITIONAL CAPITAL FOR REGULATORY OR OTHER REASONS, THE BANK MAY BE LIMITED TO OFFERING SHARES OF COMMON STOCK, WHICH MAY, BASED UPON MARKET CONDITIONS AT THE TIME, BE OFFERED AT DISCOUNTS TO THEN CURRENT TRADING PRICES.

#### Q&A FOR PROXY SOLICITATION REGARDING DIRECTOR ELECTION PROPOSAL

A.-3. WHY HAS A CERTAIN PROXY ADVISOR RECOMMENDED THAT I/WE WITHHOLD MY/OUR VOTE FOR DIRECTORS GILLESPIE, WISHNICK AND RIDOLFI?

- **ANSWER:** BECAUSE DIRECTORS GILLESPIE, WISHNICK AND RIDOLFI ARE THE MEMBERS OF THE BANK’S NOMINATING AND CORPORATE GOVERNANCE COMMITTEE, AND THE PROXY ADVISOR INCORRECTLY BELIEVES THAT BANK BOARD HAS FAILED TO REMOVE, OR SUBJECT TO A SUNSET REQUIREMENT, THE SUPERMAJORITY (2/3) VOTE REQUIREMENT TO ENACT CERTAIN CHANGES TO THE BANK’S CHARTER.
- THE SUPERMAJORITY (2/3) VOTE REQUIREMENT TO AMEND THE BANK’S CHARTER IS A REQUIREMENT SET FORTH IN SECTION 17:9a – 117 OF THE NEW JERSEY BANKING ACT OF 1948, WHICH READS:

**“17:9A-117. Procedure for amending certificate of incorporation.**

Whenever the board of directors shall deem it advisable to amend the certificate of incorporation, it shall adopt a resolution setting forth the proposed amendment and fixing a date for a meeting of stockholders to take action thereon, upon notice given pursuant to section 81. If, at such meeting or at any adjournment thereof, the holders of at least two-thirds of the capital stock entitled to vote shall vote in favor of the proposed amendment or any modification thereof, a certificate thereof, setting forth the amendment in full and certifying that the amendment was made for a purpose authorized by law in the manner required by this article, ... shall be submitted to the commissioner for approval...[emphasis added].”

- THE BANK’S BOARD CANNOT UNDER ANY CIRCUMSTANCE REMOVE, MODIFY OR SUBJECT TO A SUNSET REQUIREMENT, THE SUPERMAJORITY (2/3) VOTE REQUIREMENT. IT IS THE VOTE REQUIRED BY NEW JERSEY LAW UNDER EVERY CIRCUMSTANCE WITHOUT EXCEPTION FOR NEW JERSEY STATE-CHARTERED BANKS.
- BECAUSE THE SUPERMAJORITY VOTING REQUIREMENT PROVISIONS CANNOT LEGALLY BE REMOVED OR MADE SUBJECT TO A SUNSET REQUIREMENT, THE BANK BELIEVES THAT WITHHOLD VOTES SOLELY BASED ON THAT PROXY ADVISOR’S RECOMMENDATION ARE NOT WARRANTED FOR THE INCUMBENT MEMBERS OF THE GOVERNANCE COMMITTEE.

A.-4. ARE THERE ANY PROVISIONS IN THE BANK’S CHARTER OR BYLAWS REQUIRING A VOTE OF TWO-THIRDS OF OUTSTANDING SHARES TO ADOPT, AMEND OR REPEAL THE BANK’S BYLAWS?

- NO. UNDER SECTION 17:9A – 78 OF THE NEW JERSEY BANKING ACT OF 1948 AND THE BANK’S BYLAWS, BY-LAWS SHALL NOT BE MADE, ALTERED OR REPEALED BY THE STOCKHOLDERS EXCEPT AT AN ANNUAL OR SPECIAL MEETING OF THE STOCKHOLDERS BY THE AFFIRMATIVE VOTE OF THE HOLDERS OF A MAJORITY OF THE CAPITAL STOCK OF THE BANK ENTITLED TO VOTE AT SUCH MEETING.

A.-5. HOW SHOULD WE/I VOTE WITH RESPECT TO DIRECTORS GILLESPIE, WISHNICK AND RIDOLFI?

- FOR THE FOREGOING REASONS, THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF DIRECTORS GILLESPIE, WISHNICK AND RIDOLFI.

#### Forward-Looking Statements

The Bank of Princeton may from time to time make written or oral “forward-looking statements,” including statements contained in the Bank’s filings with the FDIC, in its reports to stockholders and in other communications by the Bank (including these additional proxy materials), which are made in good faith by the Bank pursuant to the “safe harbor” provisions of

the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended.

These forward-looking statements involve risks and uncertainties, such as statements of the Bank's plans, objectives, expectations, estimates and intentions that are subject to change based on various important factors (some of which are beyond the Bank's control). The following factors, among others, could cause the Bank's financial performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements: the extent of the adverse impact of the current global coronavirus outbreak on our customers, prospects and business, as well as the impact of any future pandemics or other natural disasters; civil unrest, rioting, acts or threats of terrorism, or actions taken by the local, state and Federal governments in response to such events, which could impact business and economic conditions in our market area, the strength of the United States economy in general and the strength of the local economies in which the Bank conducts operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; inflation, interest rate, market and monetary fluctuations; market volatility; the value of the Bank's products and services as perceived by actual and prospective customers, including the features, pricing and quality compared to competitors' products and services; the willingness of customers to substitute competitors' products and services for the Bank's products and services; credit risk associated with the Bank's lending activities; risks relating to the real estate market and the Bank's real estate collateral; the impact of changes in applicable laws and regulations and requirements arising out of our supervision by banking regulators; other regulatory requirements applicable to the Bank; technological changes; acquisitions; changes in consumer spending and saving habits; those risks set forth in the Bank's Annual Report on Form 10-K for the year ended December 31, 2020 under the heading "Risk Factors," and the success of the Bank at managing the risks involved in the foregoing.

The Bank cautions that the foregoing list of important factors is not exclusive. The Bank does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Bank, except as required by applicable law or regulation.