

Eagle Bancorp Montana, Inc.  
Form PRE 14A  
February 19, 2019

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Eagle Bancorp Montana, Inc.**

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

(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:

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**PRELIMINARY PROXY MATERIAL – SUBJECT TO COMPLETION**

**EAGLE BANCORP MONTANA, INC.**

1400 Prospect Avenue

Helena, Montana 59601

(406) 442-3080

To our Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders (the “Annual Meeting”) of Eagle Bancorp Montana, Inc. (“Eagle”), the holding company of Opportunity Bank of Montana (the “Bank”). The Annual Meeting is scheduled to be held on Thursday, April 18, 2019, at 11:00 a.m., Mountain time, at the main office of the Bank, located at 1400 Prospect Avenue, Helena, Montana.

The attached Notice of Annual Meeting and Proxy Statement describe the proposals to be voted on at the Annual Meeting. Also contained in this package is Eagle’s Annual Report on Form 10-K for the year ended December 31, 2018, that contains important business and financial information concerning Eagle and the Bank.

The Board of Directors of Eagle has determined that approval of the proposals is in the best interests of Eagle and its stockholders. Therefore, the Board unanimously recommends that you vote in favor of all proposals and in favor of the Board’s nominees for director. Members of the Board and officers of Eagle and Eagle’s independent auditors will be present at the Annual Meeting to respond to any questions that you may have regarding the agenda for the Annual Meeting and any adjournment thereof.

**Please sign and return the enclosed proxy card promptly. Your cooperation is appreciated since a majority of the common stock outstanding must be represented either in person or by proxy to constitute a quorum for the conduct of business at the Annual Meeting.**

On behalf of the Board of Directors and all of the employees of Eagle, I wish to thank you for all your support and interest. We look forward to seeing you at the Annual Meeting.

Sincerely yours,

/s/ Peter J. Johnson  
Peter J. Johnson  
*President & Chief Executive Officer*

March 18, 2019

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**EAGLE BANCORP MONTANA, INC.**

1400 Prospect Avenue

Helena, MT 59601

(406) 442-3080

**NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS**

**Thursday, April 18, 2019**

**11:00 a.m. (Mountain Time)**

On behalf of the Board of Directors, I am pleased to invite you to attend the 2019 Annual Meeting of Stockholders of Eagle Bancorp Montana, Inc. ("Eagle"), which will be held at its headquarters located at 1400 Prospect Avenue, Helena, Montana on Thursday, April 18, 2019, at 11:00 a.m. Mountain time. The purposes of the meeting are to:

1. To elect, for a three-year term, the four nominees named in the accompanying Proxy Statement and to elect, for a one-year term, the nominee named in the accompanying Proxy Statement;
2. To ratify the appointment of Moss Adams LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;
3. To approve the proposed amendment to our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock to 20,000,000 from 8,000,000;
4. To hold an advisory vote on the compensation of our named executive officers;
5. To hold an advisory vote on the frequency of future advisory votes to approve named executive officer compensation; and

6. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Proxy Statement accompanying this Notice of 2019 Annual Meeting of Stockholders describes each of these items in detail. The Proxy Statement contains other important information that you should read and consider before you vote.

The Board of Directors of Eagle has fixed the close of business on Friday, March 8, 2019 as the voting record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement of the Annual Meeting.

Your vote is important. You are urged to vote your shares as soon as possible even if you plan to attend the Annual Meeting in person. Information about how to vote your shares via the Internet, by telephone, or by signing, dating and returning your proxy card can be found in the Proxy Statement. If you attend the Annual Meeting you may vote either in person or by your proxy.

**BY ORDER OF THE BOARD OF  
DIRECTORS**

/s/ Peter J. Johnson  
Peter J. Johnson  
*President & Chief Executive Officer*

March 18, 2019

Helena, Montana

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**PRELIMINARY PROXY MATERIAL – SUBJECT TO COMPLETION**

**EAGLE BANCORP MONTANA, INC.**

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**PROXY STATEMENT**

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**ANNUAL MEETING OF STOCKHOLDERS**

**APRIL 18, 2019**

This Proxy Statement is being furnished to the holders of the common stock of Eagle Bancorp Montana, Inc. (sometimes referred to as “Eagle” or the “Company”), in connection with the solicitation of proxies by the Board of Directors of Eagle for use at the Annual Meeting of Stockholders, or Annual Meeting, to be held on Thursday, April 18, 2019, at our headquarters located at 1400 Prospect Avenue, Helena, Montana at 11:00 a.m., Mountain time, for the purposes set forth in the attached Notice of 2019 Annual Meeting of Stockholders.

This Proxy Statement and proxy card are being sent to holders of the common stock beginning on or about March [18], 2019. A copy of Eagle’s Annual Report to Stockholders, which includes our audited financial statements, also accompanies this Proxy Statement.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be Held on April 18, 2019:** The Proxy Statement and accompanying Annual Report are available at [www.opportunitybank.com](http://www.opportunitybank.com) under our Investor Relations tab. The contents of our website are not incorporated herein by reference and any reference to our website address provided throughout this Proxy Statement is intended to be an inactive textual reference only.

**MATTERS TO BE CONSIDERED AND ACTED UPON AT THE ANNUAL MEETING**

Each proxy solicited hereby, if properly signed and returned to Eagle and not revoked prior to its use, will be voted in accordance with the instructions indicated on the proxies. If no contrary instructions are given, each signed proxy received will be voted in favor of the election of the nominees of the Board of Directors, Rick F. Hays, Peter J. Johnson, Maureen J. Rude, Benjamin G. Ruddy and Corey Jensen, in favor of the ratification of Moss Adams LLP, in favor of the amendment to our Amended and Restated Certificate of Incorporation to increase in the number of authorized shares of common stock, in favor of the advisory vote on executive compensation, in favor of every year for the advisory vote on the frequency of the advisory vote on executive compensation and in the discretion of the proxy holder, as to any other matter that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting. Only proxies that are returned can be counted and voted at the Annual Meeting.

Only holders of record of our common stock at the close of business on March 8, 2019 (the "Record Date"), will be entitled to vote at the Annual Meeting and any postponements or adjournments of that meeting. On the Record Date, we had [ ] outstanding shares of common stock. Each share of common stock is entitled to one vote.

If on the record date your shares were registered directly in your name with our transfer agent, Computershare, then you are a stockholder of record and you may vote using any of the following methods:

By Internet – You can vote via the Internet by going to [www.investorvote.com/EBMT](http://www.investorvote.com/EBMT) and following the instructions outlined on that website;

By Telephone – In the United States and Canada, you can vote telephonically by calling 1-800-652-8683 (toll free) and following the instructions provided by the recorded message; or

By Mail – You can vote by mail by filling out the enclosed proxy card and returning it pursuant to the instructions set forth on the card.

In person at the Annual Meeting. Stockholders of record may attend the Annual Meeting and vote in person.



If on the record date your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in "street name." The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. You will receive instructions from your bank, broker or other nominee describing how to vote your shares. The availability of Internet and telephone voting may depend on the voting process of the organization that holds your shares. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your broker or other agent.

## **REVOCATION OF PROXIES**

A stockholder who has given a proxy may revoke it at any time prior to its exercise at the Annual Meeting by (i) giving written notice of revocation to the Secretary of Eagle, (ii) properly submitting to Eagle a duly-executed proxy bearing a later date, or (iii) attending the Annual Meeting and voting in person. You may also change or revoke your proxy by Internet or telephone prior to 11:59 p.m. Eastern Time on Wednesday, April 17, 2019. All written notices of revocation and other communications with respect to revocation of proxies should be addressed as follows: Eagle Bancorp Montana, Inc., P.O. Box 4999, Helena, Montana 59604, Attention: Chantelle Nash. Proxies solicited hereby may be exercised only at the Annual Meeting and will not be used for any other meeting.

## **QUORUM REQUIREMENTS**

The presence in person or by proxy of the holders of shares representing at least a majority of the outstanding shares of common stock entitled to vote is necessary to constitute a quorum at the Annual Meeting. Shares represented by proxies marked as abstentions will be counted toward determining the presence of a quorum. With respect to any matter, any shares for which a broker indicates on the proxy that it does not have discretionary authority as to such shares to vote on such matter, or broker non-votes, will be considered present for the purposes of determining whether a quorum is present. In the event there are not sufficient votes for a quorum or to approve or ratify any proposal at the time of the Annual Meeting, the Annual Meeting shall be adjourned in order to permit further solicitation of proxies.

## **VOTING PROCEDURES**

Once a quorum has been established, the affirmative vote of a majority of the shares of common stock present or represented by proxy at the Annual Meeting is required to approve the proposals described in this Proxy Statement,

except as described below.

Directors will be elected by a plurality of votes (the highest number of votes cast). Stockholders are not permitted to cumulate their votes for the election of directors or any other purpose. Votes may be cast for or withheld from each nominee for election as directors. Votes that are withheld will have no effect on the outcome of the election for directors because directors will be elected by a plurality of votes cast. With respect to the other proposals to be voted upon at the Annual Meeting, stockholders may vote for or against a proposal or may abstain from voting.

The favorable vote of holders of a majority of the shares entitled to vote and present in person or by proxy at the Annual Meeting will be required for the approval, on an advisory basis, of Proposal No. 4. As an advisory vote, this proposal is not binding upon the Company. However, the Compensation Committee, which is responsible for designing and administering the Company's executive compensation program, values the opinions expressed by stockholders and will consider the outcome of the vote when making future compensation decisions. Approval of the proposed amendment to the Amended and Restated Certificate of Incorporation to increase the authorized shares and the ratification of Moss Adams LLP as independent auditors for the fiscal year ending December 31, 2019 will require the affirmative vote of a majority of the outstanding shares of common stock entitled to vote and present in person or by proxy at the Annual Meeting. Abstentions will have the same effect as a vote against these proposals. A plurality of the votes cast by the shares of common stock present in person or by proxy at the Annual Meeting and entitled to vote is required to approve the frequency of the advisory vote on executive compensation. This means that the option (i.e., every one year, two years or three years) that receives the most votes will be considered the preferred option. Abstentions will not impact the outcome of the proposal.

If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, under the rules of various national and regional securities exchanges, the organization that holds your shares may generally vote on “routine” matters but cannot vote on “non-routine” matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares will inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a “broker non-vote.” The ratification of the appointment of Moss Adams LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019 (Proposal No. 2) and the proposal to amend the Amended and Restated Certificate of Incorporation to increase the authorized shares (Proposal No. 3) are matters considered routine under applicable rules. A broker or other nominee may generally vote on routine matters, and therefore no broker non-votes are expected to exist in connection with Proposals No. 2 and 3. The election of directors (Proposal No.1), the advisory vote on executive compensation (Proposal No. 4) and the advisory vote on the frequency of the advisory vote on executive compensation (Proposal No. 5) are matters considered non-routine under applicable rules. A broker or other nominee cannot vote without instructions on non-routine matters, and therefore there may be broker non-votes on Proposals No.1, 2 and 5. However, since directors are elected by a plurality of votes, broker non-votes will have no effect on the outcome of the election of directors.

Eagle’s Annual Report to Stockholders, which includes its annual report on Form 10-K for its year ended December 31, 2018, is being mailed to stockholders with this Proxy Statement. Eagle has filed its annual report with the Securities and Exchange Commission. Stockholders may obtain, free of charge, an additional copy of the annual report on Form 10-K by requesting it from Chantelle Nash in writing at Eagle Bancorp Montana, Inc., P.O. Box 4999, Helena, Montana 59604, or by calling her at (406) 442-3080.

Executed, unmarked proxies will be voted **FOR** all nominees for Director, **FOR** Proposals No. 2, 3 and 4 and **EVERY YEAR** for Proposal No. 5. Except for procedural matters incidental to conduct of the Annual Meeting, Eagle knows of no other matters expected to come before the Annual Meeting.

Proxies solicited hereby are to be returned to Eagle’s transfer agent, Computershare. The Board of Directors has designated Chantelle Nash, corporate secretary, to act as Inspector of Election and tabulate votes at the Annual Meeting. After the final adjournment of the Annual Meeting, the proxies will be returned to Eagle.

## **COST OF PROXY SOLICITATION**

All costs of the solicitation of proxies will be borne by Eagle. In addition to solicitation by use of the mail, directors, officers and other employees of Eagle or Opportunity Bank of Montana (sometimes referred to as the “Bank” or “Opportunity Bank”) may solicit proxies personally, or by mail or telephone or other means and will not receive any special compensation for their services. Eagle will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of common

stock.

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**Beneficial Ownership of Common Stock**

The following table sets forth information as of January 31, 2019, except as specifically noted, with respect to ownership of Eagle's common stock by: (i) the Opportunity Bank of Montana Employee Stock Ownership Plan, or the ESOP; (ii) the named executive officers, nominees for director and directors of Eagle; (iii) all the directors, nominees for director and executive officers of Eagle as a group; and (iv) each person known to be a beneficial owner of more than 5% of the outstanding shares of common stock. All information shown regarding persons other than executive officers, directors and nominees for director is based on information reported on Schedules 13D and 13G, or amendments thereto, filed with the SEC on the dates indicated in the footnotes to this table.

<u>Name</u>	<u>Title or Address</u> <sup>(2)</sup>	<u>Common Stock</u>	
		<u>Number</u>	<u>Beneficially Owned</u> <sup>(1)</sup> <u>Percent</u>
<b>Named Executive Officers and Directors</b>			
Rick F. Hays	Chairman of the Board	28,329	*
Peter J. Johnson	Director, President and Chief Executive Officer	90,629	(3)(4) 1.4 %
Lynn E. Dickey	Director	13,683	*
Corey Jensen	Director	500	*
Thomas J. McCarvel	Vice Chairman of the Board	37,269	*
Maureen J. Rude	Director	6,785	*
Tanya Chemodurow	Director	3,775	*
Shavon Cape	Director	3,355	*
Kenneth M. Walsh	Director, Market President	274,501	(5) 4.3 %
Benjamin G. Ruddy	Director, Market President	26,902	*
Laura F. Clark	Executive Vice President/Chief Financial Officer	8,182	(4) *

P. Darryl Rensmon	Senior Vice President/Chief Information Officer	2,451	(4)	*	
Directors and Executive Officers as a group (17 persons)	N/A	551,153	8.5	%	
<b>More than 5% Beneficial Owners</b>					
	2107 Wilson Blvd.				
EJF Capital LLC	Suite 410	350,222	(7)	5.4	%
	Arlington, VA 22201				
Opportunity Bank of Montana Employee Stock Ownership Plan	1400 Prospect Avenue	47,594		*	
	Helena, MT 59601				

\* Represents less than 1% of outstanding shares.

(1) Except as otherwise noted, all beneficial ownership by directors, nominees and executive officers is direct and each director, nominee or executive officer exercises sole voting and investment power over the shares.

(2) Unless otherwise indicated, the address for each director and officer of the Company is c/o Eagle Bancorp Montana, Inc., 1400 Prospect Avenue, Helena, MT 59601.

(3) Includes common stock held by each executive officer in the Bank's Non-Contributory Profit Sharing Plan.

(4) Includes common stock held in the Bank's ESOP.

(5) Includes 67,270 shares held jointly with his spouse.

(6) The information as to EJF Capital LLC ("EJF Capital") is derived from a Schedule 13G/A filed with the SEC on February 13, 2019. The shares are held by EJF Sidecar Fund, Series LLC, of which EJF Capital is the managing member. Emanuel J. Friedman is the controlling member of EJF Capital. The percentage ownership for EJF Capital is calculated assuming continued beneficial ownership at January 31, 2019.

## **PROPOSAL 1 - ELECTION OF DIRECTORS**

Eagle's Bylaws provide that the Board of Directors be composed of not less than five or more than fifteen members, whose terms are divided into three approximately equal classes. The members of each class are elected for a term of three years. One class is elected annually.

Five directors will be elected at the Annual Meeting. Larry A. Dreyer retired from the Board of Directors in October 2018, and Corey Jensen was appointed to fill his position on the board. The Board of Directors has nominated current directors Rick F. Hays, Peter J. Johnson, Maureen J. Rude and Corey Jensen for re-election and new director Benjamin G. Ruddy, who was previously the CEO of Big Muddy Bancorp, Inc. If elected, Messrs. Hays, Johnson and Ruddy and Ms. Rude will each serve as a director for a three-year term expiring at the Annual Meeting to be held in 2022 and Mr. Jensen will serve as a director for a one-year term expiring at the Annual Meeting to be held in 2020.

The Board's Nominating Committee determines nominees for election as directors. The Bylaws also allow stockholders to submit nominations in writing directly to the Corporate Secretary (see "Stockholder Proposals and Nominations"). No stockholder nominations have been received by Eagle as of the date of this Proxy Statement. There are no arrangements known to management between the persons named and any other person pursuant to which such nominees were selected.

### **THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE ABOVE NOMINEES FOR DIRECTOR UNDER THIS PROPOSAL 1.**

The persons named in the enclosed proxy intend to vote for the election of the named nominees, unless the proxy is marked by the stockholder to the contrary. If any nominee is unable to serve, all valid proxies will be voted for the election of such substitute as the Board of Directors may recommend. The Board of Directors knows of no reason why any nominee might be unable to serve.

The following table sets forth certain information as of December 31, 2018, with respect to each nominee, and each director continuing in office.

<b>Director</b>	<b>New or</b>	
<b>Age</b>	<b>Since<sup>(1)</sup></b>	<b>Current</b>

<u>Name</u>	<u>Term to</u> <u>Expire<sup>(2)</sup></u>
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**BOARD NOMINEES***Benjamin*

<i>G.</i>	40	2019	2022
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*Ruddy*

Mr. Ruddy was previously the President of Big Muddy Bancorp, Inc. and The State Bank of Townsend and its predecessor since 2011 until it was acquired by the Company on January 1, 2019. He has worked in various financial institutions the past 14 years with progressing responsibilities. His expertise in agriculture lending and putting together two merger transactions provides valuable knowledge to the Board. He is a board member on the Rocky Mountain Front Community Foundation.

<i>Corey Jensen</i>	46	2018	2020
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Mr. Jensen is President and Chief Executive Officer of Vision Net Inc., a technology company specializing in providing information technology and communication network support



services to businesses, headquartered in Billings, Montana. He has served in a variety of roles with Vision Net since 2000. He serves on the board of INDATEL Services LLC, a nationwide telecommunications company that provides broadband connectivity to customers in rural and metropolitan areas. Mr. Jensen is also active with BillingsWorks, which promotes high tech job creation in Yellowstone County. He provides valuable expertise in the technology industry as well as risk management.

*Rick F.  
Hays* 6620072022

Mr. Hays is Chairman of the Board of Directors. Mr. Hays retired from Qwest Communications in November 2006, where he served as Montana President for Qwest operations, a position he had held since 1996. He worked in the telecommunications industry for over 32 years. He has served on the boards of numerous civic, educational and charitable organizations. Mr. Hays' experience as a senior executive at a large public company brings leadership, vision and extensive business and operating experience to the Board.

*Peter J.  
Johnson* 6120072022

Mr. Johnson has served as President and CEO of Eagle since December 2009. He has also served as President of the Bank since July 2007 and CEO since November 2007. Prior to being named President, he had served as the Company's Executive Vice President and Chief Financial Officer. He joined the Bank in 1981. He currently serves on the Montana Independent Bankers Association ("MIB") board of directors

and served as a member of the Federal Reserve Board's Community Depository Institution Advisory Council from 2010-2012. He is a past chairman of both the Helena Area Chamber of Commerce and the Diocese of Helena Finance Council. He is also a member of the Independent Community Bankers of America's Political Action Committee and current chair of St. Peter's Health Foundation board.

Mr. Johnson's role as Chief Executive Officer provides the Board with access to an experienced banking executive with a thorough understanding of the Company's business and of the banking industry. His previous experience as Chief Financial Officer also provides the board with expertise in financial management and strategic planning.

*Maureen J. Rude*                      5620102022

Ms. Rude became the Executive Director of the Montana Homeownership Network/NeighborWorks Montana in January 2016. She served as its Operations Director since March 2008, coordinating statewide homebuyer education, planning and down payment assistance programs. She previously was the Montana Director for Fannie Mae from

2000 to 2008 and the Executive Director of the Montana Board of Housing from 1995 to 2000. She was in the 2005 class of Leadership Montana. In February 2014, Ms. Rude was awarded a certificate of completion for the NeighborWorks Achieving Excellence in Community Development program from Harvard University's John F. Kennedy School of Government. She is a Certified Housing Development Professional and was previously a CPA. Ms. Rude brings a wealth of knowledge from her management and accounting experience, as well as being well known throughout the state's business communities. Her expertise in residential housing complements the Bank's primary line of business.

**DIRECTORS CONTINUING IN OFFICE**

*Kenneth M. Walsh*

Mr. Walsh served as President and CEO of Ruby Valley Bank from 1989 until it was acquired by the Company on January 31, 2018. He has served on various committees for the Independent Community Bankers of America and attended numerous agriculture banking conferences and seminars. His expertise in the agricultural lending specialty in addition to his experience running a community bank provides valuable knowledge to the Board. 64 2018 2021

*Lynn E. Dickey*

722005 2020

Mr. Dickey retired in 2005 from Galusha, Higgins and Galusha P.C., a public accounting firm in Helena. He worked for Galusha for 36 years and was active in the state CPA society. He has served on the boards of numerous civic and charitable organizations. Mr. Dickey's experience as partner at a major Montana public accounting firm provides the Board with expertise in financial and enterprise risk management, operational controls and effectiveness and strategic planning.

*Tanya Chemodurow*

542015 2020

Ms. Chemodurow has been President of Abatement Contractors of Montana, LLC, headquartered in Missoula, since 2004. She oversees all aspects of environmental remediation and construction projects, specializing primarily in government contracting, asbestos, lead, mold remediation and general construction. Ms. Chemodurow's small business experience provides valuable insight to the Board as the Company expands its commercial lending capabilities.

*Shavon Cape*

4820152021

Ms. Cape is co-founder of JWT Capital, LLC, a company formed in 2003 that develops and operates various real estate ventures and hotels in the Bozeman and Billings markets. Prior to that she was a Financial Advisor with D. A. Davidson and Wachovia Securities. Ms. Cape's experience with development projects and in the financial services industry brings valuable knowledge to the Board.

*Thomas J. McCarvel*

6919982021

Mr. McCarvel served as a Vice President of Carroll College in Helena since December 1991 and retired in January 2017. From 1988 to 1991 he was the Chief Operating Officer of Anderson ZurMuehlen & Co., P.C., a public accounting firm in Helena, which served as the Company's independent auditor prior to fiscal year 2006. Mr. McCarvel brings management and marketing experience to the Board, as well as helping to provide vision and experience to the strategic planning and financial management aspects of the Company.

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- (1) Includes prior service on Eagle's predecessor company.
  - (2) All terms expire on the date of the Annual Meeting.

***Board Independence***

Eagle’s Board of Directors has affirmatively determined that the following seven directors are “independent,” as defined by the Marketplace Rules of The Nasdaq Stock Market LLC: Messrs. Dickey, Jensen, Hays, and McCarvel and Ms. Cape, Chemodurow and Rude. The Board also affirmatively determined that Messrs. Dreyer and Maierle, who served as directors until October 18, 2018 and April 19, 2018, respectively, were, at the time they served as Directors, independent pursuant to the Marketplace Rules of The Nasdaq Stock Market. Under the Marketplace Rules, a director can be independent only if the director does not trigger a categorical bar to independence and the board of directors affirmatively determines that the director does not have a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment by the director in carrying out the responsibilities of a director. In determining the independence of the directors, the Board considered the relationships described under “Transactions with Certain Related Persons,” which it determined were immaterial to the individual’s independence.

***Board Meetings and Committees***

The business of the Bank’s Board of Directors is conducted through regular monthly meetings, while Eagle’s board has regular quarterly meetings. Additional meetings are scheduled as circumstances warrant. During the year ended December 31, 2018, the Board of Eagle met ten (10) times and the Board of the Bank met thirteen (13) times. All Directors who served as directors during the year ended December 31, 2018, attended at least 75% of the total Board and committee meetings to which they were assigned. The Board of Directors has three standing committees: Audit, Compensation and Nominating. The charter for each of our committees can be found at [www.opportunitybank.com](http://www.opportunitybank.com).

Membership in each of the committees, as of March 18, 2019, is shown in the following chart:

<b>Audit</b>	<b>Compensation</b>	<b>Nominating</b>
Lynn E. Dickey (Chairman)	Thomas J. McCarvel (Chairman)	Shavon Cape (Chairman)
Rick F. Hays	Rick F. Hays	Lynn E. Dickey
Maureen J. Rude	Tanya Chemodurow	Thomas J. McCarvel

***Audit Committee.*** Eagle has a standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Audit Committee met eight (8) times during the year ended December 31, 2018. The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its responsibility for oversight of Eagle’s accounting and the quality and integrity of Eagle’s financial reporting process. Each member is “independent”, in accordance with the Nasdaq Marketplace Rules and SEC

regulations applicable to audit committee members. The Board of Directors has determined that Mr. Dickey meets the requirements of “audit committee financial expert”, within the meaning of SEC regulations. A description of Mr. Dickey’s experience is provided above under “Proposal 1 – Election of Directors.” The Board believes that the other members of the Audit Committee are qualified to serve based on their experience and background.

The Audit Committee has adopted a written charter which describes the Committee’s principal duties and responsibilities including, but not limited to:

Direct responsibility for the appointment, compensation, retention, oversight and termination of the independent auditors;

Oversight and review of the annual financial reporting process and adequacy and integrity of Eagle’s financial information (including corporate accounting, financial reporting practices, and the quality of the financial reports of Eagle);

Oversight and review of the legal and regulatory requirements of Eagle;

Oversight and review of the independent auditors qualifications and independence;



Oversight and review of the performance of Eagle's internal audit function and the independent accountants and other mandated Audit Committee duties;

Oversight and review of the system of internal controls and safeguards;

Review with the independent auditor, the internal auditor and management the adequacy of Eagle's internal controls and any material weaknesses, any findings or recommendations from the independent auditor, all critical accounting policies and all other material matters relating to the audit procedures;

Review of related party transactions, legal and regulatory matters material to the financial statements and the compliance programs of Eagle;

Maintenance of an open avenue of communication between the Board of Directors, senior management, internal auditors, and Eagle's independent auditors and to permit auditors and internal auditors to meet with the Audit Committee without the presence of management; and

Oversight, review and approval of audit, audit-related, tax, and all other fees.

As required under the Sarbanes-Oxley Act of 2002, the Audit Committee has in place procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Compensation Committee. Each member of the committee is "independent" in accordance with the listing standards of Nasdaq applicable to compensation committee members. The Compensation Committee reviews all compensation components for our executive officers, including salary, bonus, and deferred compensation plans. In setting appropriate compensation for the executive officers, the Committee considers the performance of Eagle, the level of salary, bonus and stock options and other benefits provided to executive officers of comparable companies, and the level of compensation paid in recent years. As described in the Committee's charter, the Compensation Committee may delegate authority to one or more members but any decisions made as a result of that delegation must be considered by the full Committee at its next scheduled meeting. In its oversight of compensation programs, prior to making recommendations to the full Board, the Committee reviews recommendations from the CEO. Decisions by the Compensation Committee are approved by the full Board of Directors. The Compensation Committee met three times during the year ended December 31, 2018. The Committee made the decision to consult with an outside compensation consultant, Pearl Meyer and Partners, LLC, during 2018 to review executive and director compensation. The consultants were engaged by the Compensation Committee, with management assisting in the preparation of data requested by the consultants. Pearl Meyer and Partners, LLC was selected due to its familiarity with the Company as it had performed a review of the Company's employee compensation practices in 2017 and 2018. The committee expects to engage outside consultants every two to three years. The consultants were asked to review and analyze comparisons of senior executive compensation and benefits for 2017 and 2018 utilizing independent surveys and their own

database of compensation information. The consultants also considered criteria used by the FDIC in determining excessive compensation. The consultants provided conclusions regarding the salary and benefit levels of senior management and the board of directors. In previous years the Compensation Committee has received reports from other firms, Gerrish McCreary Smith, PC and Equias Alliance regarding the Company's salary continuation agreements. The Compensation Committee has assessed the independence of Pearl Meyer and Partners, LLC, as required under Nasdaq listing rules. The Compensation Committee has also considered and assessed all relevant factors, including but not limited to those set forth in Rule 10C-1(b)(4)(i) through (vi) under the Exchange Act, that could give rise to a potential conflict of interest with respect to any of the compensation consultants described above. Based on this review, we are not aware of any conflict of interest that has been raised by the work performed by Pearl Meyer and Partners, LLC.

*The Nominating Committee.* Each member is “independent” in accordance with the listing standards of Nasdaq. The Nominating Committee met five times, including portions of regular board meetings, to review candidates under consideration, and on February [ ], 2019 nominated directors for election at the Annual Meeting. Only those nominations made by the Nominating Committee or properly presented by stockholders will be voted upon at the Annual Meeting. In its deliberations for selecting candidates for nominees as director, the Nominating Committee considers the candidate’s knowledge of the banking business and involvement in community, business and civic affairs, and also considers whether the candidate would provide for adequate representation of Eagle’s market area. Any nominee for director made by the Nominating Committee must be highly qualified with regard to some or all these attributes. In searching for qualified director candidates to fill vacancies on the Board, the Nominating Committee solicits its current Board of Directors for names of potentially qualified candidates. Additionally, the Nominating Committee may request that members of the Board pursue their own business contacts for the names of potentially qualified candidates. The Nominating Committee would then consider the potential pool of director candidates, select the candidate the Nominating Committee believes best meets the then-current needs of the Board, and conduct a thorough investigation of the proposed candidate’s background to ensure there is no past history, potential conflict of interest or regulatory issue that would cause the candidate not to be qualified to serve as a director of Eagle. As a policy, the Nominating Committee will consider director candidates recommended by Eagle’s stockholders. If a stockholder properly submits a proposed nominee, the Nominating Committee would consider the proposed nominee, along with other proposed nominees recommended by members of Eagle’s Board of Directors, in the same manner in which the Nominating Committee would evaluate its nominees for director. Additionally, the Nominating Committee annually reviews the Board’s size, structure, composition and functioning, to ensure an appropriate blend and balance of diverse skills and experience. Diversity may encompass a candidate’s gender, race, national origin, educational and professional experiences, expertise and specialized or unique technical backgrounds and/or other tangible or intangible aspects of the candidate’s qualifications in relation to the qualifications of the then current board members and other potential candidates. The Nominating Committee does not have a formal policy specifying how diversity should be applied in identifying or evaluating director candidates, and diversity is but one of many factors the Nominating Committee may consider. For a description of the proper procedure for stockholder nominations, see “Stockholder Proposals and Nominations” in this Proxy Statement.

#### ***Board Policies Regarding Communications with the Board of Directors and Attendance at Annual Meetings***

The Board of Directors maintains a process for stockholders to communicate with the Board. Stockholders wishing to communicate with the Board of Directors should send any communications to Chantelle Nash, Secretary, Eagle Bancorp Montana, Inc., P.O. Box 4999, Helena, Montana 59604. Any communication must state the number of shares beneficially owned by the stockholder making the communication. The Secretary will forward such communication to the full Board of Directors or to any individual director or directors to whom the communication is directed unless the communication is unduly hostile, threatening, illegal or similarly inappropriate, in which case the Secretary has authority to discard the communication or take appropriate legal action. Eagle does not have a policy regarding Board member attendance at annual meetings of stockholders but expects all Board members to attend such meetings. Last year, all of the then members of the Board attended the annual meeting.

#### ***Structure of the Board of Directors***

The Board of Directors oversees, directs and counsels executive management in conducting the business in the long-term interests of the Company and the stockholders. The Board's responsibilities include:

Reviewing and approving the Company's financial and strategic objectives, operating plans and significant actions, including acquisitions;

Overseeing the conduct of the business and compliance with applicable laws and ethical standards;

Overseeing the processes which maintain the integrity of our financial statements and public disclosures;

Selecting, evaluating and determining the compensation of senior management, including the Chief Executive Officer; and

Developing succession plans for the position of Chief Executive Officer, in addition to oversight of similar planning for senior management.

The leadership structure of the Board of Directors is provided through a Chairman and a Vice Chairman. Eagle's current practice is to not combine the Chief Executive Officer and Chairman roles. The Board believes that having an outside, independent director serve as chairperson is the most appropriate leadership structure for the Board at this time, as it enhances the Board's independent oversight over management and strategic planning, reinforces the Board's ability to exercise its independent judgment to represent stockholder interests and strengthens the objectivity and integrity of the Board. The Chairman, currently Rick F. Hays, replaced Larry Dreyer, a former Chief Executive Officer of Eagle's predecessor, in October 2018 after Mr. Dreyer's retirement from the board. Mr. Hays presides over meetings of the Board, prepares meeting agendas in consultation with senior management and Vice Chairman Thomas J. McCarvel, evaluates Director candidates, manages the Board's process for self-assessment and evaluation of the Chief Executive Officer, and presides over all meetings of the stockholders. The Chairman presides over executive sessions of the independent directors, and briefs, as appropriate, the full board about the results of such executive sessions. The Vice Chairman presides over Board meetings at which the Chairman is not present. The Board of Directors periodically reviews the Company's leadership structure and may modify the structure as it deems appropriate given the specific circumstances then facing the Company.

### ***The Board's Role in Risk Oversight***

Management is responsible for identifying, evaluating, managing and mitigating the Company's exposure to risk. It is the Board's responsibility to oversee the Company's risk management process and to ensure that management is taking appropriate action to identify, manage and mitigate key risks. The Board executes its oversight responsibility for risk management directly and through its Committees, as follows:

The Audit Committee has primary responsibility for discussing policies with management and our independent auditor, as appropriate, with respect to risk oversight including Eagle's major business and financial risk exposures, including cybersecurity risks, and providing the Board with advice and recommendations regarding the ongoing development of risk oversight and management policies that set out the roles and respective accountabilities of the Board, the Committee, management and the internal audit function. The policies cover the areas of risk oversight, compliance and control, risks arising from related person transactions, and assessment of effectiveness. The Audit Committee's meeting agenda includes discussions of individual risk areas throughout the year. For additional information, see "Proposal 1 – Election of Directors – Board Meetings and Committees."

The Board's other committees, which are the Nominating Committee and the Compensation Committee, oversee risks associated with their respective areas of responsibility. For example, the Nominating Committee considers risks associated with corporate succession plans, and the Compensation Committee reviews risks associated with our compensation policies and practices relating to our executive officers.

The Board also considers risks relating to our strategic plan, in part by receiving regular reports from the heads of our principal business and corporate functions that include discussions of the risks and exposures involved in their

respective areas of responsibility. These reports are provided in connection with regular Board meetings and are discussed, as necessary, at Board meetings.

*Code of Ethics*

In 1992 the Board of Directors of the Bank first adopted a Code of Ethics and Conflict of Interest Policy. It is reviewed and modified as necessary. The most recent review and approval was on May 17, 2018. The Code of Ethics and Conflict of Interest Policy is applicable to each of Eagle's directors, officers and employees, including the principal executive officer, principal financial officer and principal accounting officer, and requires individuals to maintain the highest standards of professional conduct and to provide an annual attestation. A copy of the Code of Ethics and Conflict of Interest Policy is available on Eagle's website at [www.opportunitybank.com](http://www.opportunitybank.com). Persons may also receive a copy of the Code of Ethics and Conflict of Interest Policy free of charge by requesting it in writing from Peter J. Johnson at Eagle Bancorp Montana, Inc., P.O. Box 4999, Helena, Montana 59604, or by calling him at (406) 442-3080.

**Directors' Compensation**

During the year ended December 31, 2018, each director, except for the Chairman of the Board, Chairman of the Audit Committee and the President and CEO, was paid an annual fee of \$15,000. The Chairman of the Board received an annual fee of \$25,000 and the Chairman of the Audit Committee received an annual fee of \$20,000. Also, each non-employee director, other than the Chairman of the Board, was paid \$200 for each committee meeting attended. No fees are paid for director attendance at Board meetings. The total fees paid to the directors of Eagle for the year ended December 31, 2018, were \$144,450. Eagle has no other director compensation plans or director deferred compensation plans other than the Stock Incentive Plan approved at the annual meeting in 2011 and amended in 2015 and 2017. While the Board has the flexibility to determine at the time of each grant the vesting provisions for that grant, these restricted stock awards typically vest over five years following the date of grant. Each director of Eagle also serves as a director of Opportunity Bank. Directors do not receive additional compensation for their service on the board of Opportunity Bank. The compensation of Mr. Johnson, President and CEO, is reported under "Executive Compensation" below and accordingly is not included in the following table below. Mr. Walsh also does not receive any director compensation since he is an employee. We reimburse our directors for reasonable expenses incurred in connection with attending Board and Board committee meetings.

**2018 Director Compensation Table**

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards (\$)<sup>(1)</sup></b>	<b>Total (\$)</b>
Larry A. Dreyer <sup>(2)</sup>	20,833	--	20,833
James A. Maierle <sup>(3)</sup>	6,650	--	6,650
Thomas J. McCarvel	17,400	--	17,400
Lynn E. Dickey	23,400	--	23,400
Maureen J. Rude	17,600	--	17,600
Rick F. Hays	19,267	--	19,267
Shavon Cape	17,800	--	17,800

Tanya Chemodurow	18,600	--	18,600
Corey Jensen	2,900	80,003	82,903

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The amounts shown in this column represent the aggregate grant date fair value of the restricted stock granted to each non-employee director in 2018, computed in accordance with Financial Accounting Standards Board ASC <sup>(1)</sup>Topic 718. As of December 31, 2018, the aggregate number of unvested restricted stock shares outstanding for each non-employee director was as follows:

<b><u>Name</u></b>	<b>Number of Restricted Stock Shares</b>
Corey Jensen	4,900
Shavon Cape	1,960
Tanya Chemodurow	1,960
Thomas J. McCarvel	--
Lynn E. Dickey	--
Maureen J. Rude	--
Rick F. Hays	--

<sup>(2)</sup> Retired from the Board on October 18, 2018.

<sup>(3)</sup> Retired from the Board on April 19, 2018.



## Executive Officers

The following is a list of the names and ages of our executive officers not otherwise listed among the directors of the Company, all positions and offices held by each person and each person's principal occupations or employment during the past five years. There are no family relationships between any executive officers and directors.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Laura F. Clark	62	Executive Vice President/Chief Financial Officer
Rachel R. Amdahl	50	Senior Vice President/Chief Operations Officer.
Tracy A. Zepeda	39	Senior Vice President/Chief Retail Officer
Mark A. O'Neill	47	Senior Vice President/Chief Lending Officer
Dale Field	47	Senior Vice President/Chief Credit Officer
P. Darryl Rensmon	57	Senior Vice President/Chief Information Officer
Chantelle Nash	48	Senior Vice President/Chief Risk Officer

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*Laura F. Clark* has served as the Chief Financial Officer of the Bank and Eagle since March 2014. Prior to being named the Chief Financial Officer, she had served as the Senior Vice President and Chief Financial Officer of the Bank of Bozeman since 2005. Her experience spans over 30 years and includes a variety of executive positions with First National Bancorp, Bankers Resource Center, Security Bank, Bank of Montana System and Montana Bancsystem. Ms. Clark holds a Bachelor of Arts degree in Business Administration from Montana State University in Billings, Montana. She currently serves as a board member of ExplorationWorks, a local Science Center that provides programs for early childhood education, STEM (science, technology, engineering and math) and healthy living.

*Rachel R. Amdahl* has served as Senior Vice President/Operations of the Bank since February 2006. Prior to being named the Senior Vice President/Operations, she served as Vice President/Operations since 2000. She joined the Bank in 1987. She is a past board member of the Lewis and Clark County United Way and the Women's Leadership Network in Helena.

*Tracy A. Zepeda* joined the Bank in December 2012 at the time of the acquisition of seven branches from Sterling Financial Corporation. She had served as Vice President/Territory Manager of Sterling Financial Corporation since January 1, 2011. Prior to that position Ms. Zepeda served as Assistant Vice President/Community Manager of Sterling Financial Corporation since July 2007. She has a total of sixteen years of banking experience. She sits on the Missoula board of directors of Big Brothers Big Sisters.

*Mark A. O'Neill* joined the Bank in February 2016 as the Butte Market President. He was formerly with First Citizens Bank in Butte, Montana and Wells Fargo and served in various lending and management roles. He was promoted to Chief Lending Officer in October 2017. Mr. O'Neill was previously a board member of Silver Bow Kiwanis and the Butte Local Development Corporation. He graduated from the University of Montana with a Bachelor's Degree in Economics.

*Dale Field* joined the bank in 2001 as VP/Commercial Lender and was promoted to VP/Chief Credit Administration Officer in 2011. He was promoted to Senior VP/Chief Credit Officer in July 2014. He serves on the Helena Exchange Club board of directors and is a school board trustee in Clancy, Montana.

*Chantelle Nash* joined the bank in 2006 as Compliance Manager and has served as VP/Compliance Officer since 2010. She was promoted to Senior VP/Chief Risk Officer in July 2014. She holds a Juris Doctorate from the University of Idaho, and previously served on the board of the Helena YWCA.

*P. Darryl Rensmon* joined the bank in September 2016 as Vice President/Chief Information Officer and was promoted to Senior Vice President in October 2017. He is responsible for all facets of information systems and technology for the Company. He was formerly the Chief Information Officer for Morrison-Maierle, Inc. from 2004 to 2016 and also was the President of Morrison-Maierle Systems Corp. from 2005 to 2016, which provided customized IT services and consulting to companies across Montana. He holds a Bachelor of Science degree in Information Systems Management from Montana State University-Billings.

### *Executive Compensation*

Summary Compensation Table. The following table provides information concerning compensation paid to or earned by our Chief Executive Officer, and the two other most highly compensated executive officers of Eagle for the year ended December 31, 2018 whose total compensation exceeded \$100,000 (the “named executive officers”).

#### **2018 Summary Compensation Table**

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Stock Awards (\$)<sup>(4)</sup></b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Peter J. Johnson President & CEO	2018	275,000	67,375	--	155,098	(1) 497,473
	2017	262,000	60,000	--	96,012	418,012
Laura F. Clark Executive Vice President/ Chief Financial Officer	2018	170,000	29,920	--	44,026	(2) 243,946
	2017	157,000	30,000	--	41,376	228,376
P. Darryl Rensmon	2018	148,000	18,870	--	25,301	(3) 192,171

Senior Vice President/

2017 142,000 15,975 195,426 11,421 364,822

Chief Information Officer

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(1) For the year ended December 31, 2018, Other Compensation for Mr. Johnson consisted of employer contribution to profit sharing plan of \$16,864, \$5,500 for employer 401(k) payments, \$121,455 for nonqualified deferred compensation expense for benefits payable under the executive's salary continuation agreement, \$2,808 for ESOP stock, and \$8,471 for various medical and life insurance payments.

(2) For the year ended December 31, 2018, Other Compensation for Ms. Clark consisted of employer contribution to profit sharing plan of \$10,602, \$3,934 for employer 401(k) payments, \$2,808 for ESOP stock, \$19,848 for nonqualified deferred compensation expense for benefits payable under the executive's salary continuation agreement, and \$6,834 for various medical and life insurance payments.

(3) For the year ended December 31, 2018, Other Compensation for Mr. Rensmon consisted of employer contribution to profit sharing of \$8,096, \$3,308 for employer 401(k) payments, \$4,331 for nonqualified deferred compensation expense for benefits payable under the executive's salary continuation agreement, \$2,808 for ESOP stock, and \$6,758 for various medical and life insurance payments.

(4) The values in this column represent the aggregate grant date fair value of restricted stock awards computed in accordance with FASB ASC Topic 718. We do not include any impact of expected forfeitures related to service-based vesting in these calculations. Each of these amounts reflects our expected aggregate accounting expense for these awards as of the grant date and do not necessarily correspond to the actual values that will be expensed by us or realized by the named executive officers.

*Employment Agreements.* Eagle entered into an Employment Agreement, effective April 27, 2015, with Peter J. Johnson, its President and Chief Executive Officer. The Employment Agreement has a three-year term and renews annually for an additional year on April 27 unless the Board of Directors acts to prevent renewal at least thirty days before April 27. The Employment Agreement provides for an annual base salary of \$246,000 per year, which may be increased from time to time (but not reduced – currently \$275,000). Under the Employment Agreement, Mr. Johnson generally will be entitled to participate in all employee benefit plans including, but not limited to, retirement plans, profit-sharing plans, health-and-accident plans, medical coverage or any other employee benefit plan or arrangement made available by the Bank in the future to its senior executives and key management employees.

The Employment Agreement provides that if Mr. Johnson's employment is terminated for any reason other than for cause, or if Mr. Johnson terminates his employment for good reason within the meaning of Internal Revenue Code Section 409A, he will be entitled to receive his base salary for the remaining term of the Employment Agreement.

The Employment Agreement contains provisions requiring non-disclosure of confidential information regarding the business and activities of the Bank and contains provisions restricting Mr. Johnson's ability to compete with the Bank for a one-year period after termination of his employment.

The Employment Agreement provides that Mr. Johnson is entitled to compensation if a change in control occurs during the term of the agreement. For purposes of the Employment Agreement, the term change in control is defined as it is defined in Internal Revenue Code Section 409A and implementing rules. Calculated as three times the executive's salary and the executive's cash bonus and cash incentive compensation, the lump-sum benefit is payable upon change in control. The agreement also promises continued health and dental insurance coverage for the remaining contract term and legal fee reimbursement if the Employment Agreement is challenged after a change in control.

*Non-Contributory Profit Sharing Plan.* Neither Eagle nor the Bank has a pension plan for employees. Instead, the Bank has established a non-contributory profit sharing plan for eligible employees who have completed one year of service with Opportunity Bank. The non-contributory plan enables Opportunity Bank to contribute up to 15% of qualified salaries each year. Last calendar year 4% was contributed. The percentage amount of the contribution is determined by the board of directors each year and is based primarily on profitability for the past year. For the year ended December 31, 2018, the Board authorized profit sharing contributions to Mr. Johnson of \$16,864, to Ms. Clark of \$10,602 and to Mr. Rensmon of \$8,096.

The Non-Contributory Profit Sharing Plan also allows employees to make contributions to a tax-qualified defined contribution savings plan or an employee owned 401(k) plan. Employees can contribute a portion of their salaries, (up to a maximum of \$18,500 for 2018), to a 401(k) plan. Eagle's Board has the authority to match up to a maximum of

50% of an employee's contribution provided that the matching amount does not exceed 2.0% of such employee compensation. For the year ended December 31, 2018, the Bank contributed \$5,500, \$3,308 and \$3,934 to each of Messrs. Johnson's and Rensmon's and Ms. Clark's 401(k) programs, respectively.

*Salary Continuation Agreements.* Another benefit offered by the Bank is a program to increase overall retirement benefits for employees to levels which more closely approximate those in comparable businesses. The Bank consulted with independent compensation consultants and developed a plan to supplement retirement benefits. The plan Opportunity Bank adopted covers eight of its senior officers, including Messrs. Johnson and Rensmon and Ms. Clark, and five senior vice presidents. Benefit levels were reviewed by the compensation committee in 2018 and approved by the board and adjusted in 2018. New entrants have their plans reviewed by the compensation committee and approved by the full board of directors. This nonqualified retirement plan is designated the Opportunity Bank of Montana Salary Continuation Agreement (the "Salary Continuation Agreement"). Under the Salary Continuation Agreement, each participant receives a fixed retirement benefit based on his or her years of service with Opportunity Bank. The Bank maintains insurance policies whose proceeds will reimburse the Bank for the payment of benefits under this plan. The annual retirement benefit is payable in monthly installments for the officer's lifetime upon employment termination after attaining the normal retirement age of 65. The Salary Continuation Agreements also provide for partial payments in the event of early retirement, death or disability. The reduced benefit amounts in the event of an executive's early retirement, death, or disability are calculated based on the liability accrual balance existing when employment termination occurs. Opportunity Bank of Montana recognizes nonqualified deferred compensation expense to maintain the plan. For the year ended December 31, 2018, nonqualified deferred compensation expense to maintain the plan was \$382,037.

On October 11, 2018, the Bank entered into amendments with five senior officers including Mr. Johnson and Ms. Clark that increased the defined retirement benefit. The amendment to President and Chief Executive Officer Peter J. Johnson's Salary Continuation Agreement increases the annual benefit to be received by Mr. Johnson upon attaining age 65 from \$69,500 to \$78,000. The amendment to the Salary Continuation Agreement with Laura F. Clark, Executive Vice President and Chief Financial Officer, increases the annual benefit to be received by Ms. Clark upon attaining age 65 from \$9,500 to \$11,000.

The Bank entered into a Salary Continuation Agreement with Patrick D. Rensmon, Senior Vice President/Chief Information Officer of the Bank that was effective as of October 1, 2018. The Salary Continuation Agreement with Mr. Rensmon provides for an annual payment for life of \$14,000 after attaining the normal retirement age of 65.

*Split-Dollar Benefit Plan.* The Bank has entered into agreements with four insurance companies for the purpose of establishing a split-dollar benefit plan. The Bank purchased life insurance policies on 24 officers of the Bank, including eight of the Bank's executive officers. The plan provides for the officers to receive life insurance benefits ranging from \$50,000 to \$75,000, provided they meet the eligibility requirements of the plan. The remainder of the life insurance benefits accrues to the Bank.

*Bonus Plan.* The Bank also maintains a discretionary cash bonus program ("Bonus Program") for all eligible employees. The Bonus Program is based on the after-tax net profitability of Opportunity Bank and is linked specifically to the Bank's return on assets. In the case of non-officer employees, bonus amounts are based on salary levels. Under the Bonus Program, the Bank's estimated return on assets for the year is used to determine the bonus levels of Bank officers. Officers' bonuses below the Vice President level are directly linked to Opportunity Bank's return on assets. For example, if Opportunity Bank produces a return on assets of 0.90%, then each officer would receive a cash bonus of 9% of annual base salary. Vice President and executive officers' bonuses are also based on the bank's return on assets with a factor applied. The bank is using recommendations from the analysis performed by Pearl Meyer and Partners, LLC to include individual performance measures combined with bank wide financial metrics to set target bonus amounts for officers and employees, while also comparing them to peer averages. The Board of Directors has final authority in providing bonuses. During the year ended December 31, 2018, Opportunity Bank paid total bonuses of \$539,024. For that period, Mr. Johnson's bonus was \$67,375, Ms. Clark's bonus was \$29,920 and Mr. Rensmon's was \$18,870.

*Employee Stock Ownership Plan.* In connection with its reorganization to the mutual holding company form of organization, the Bank established the ESOP for employees age 21 or older who have at least one year of credited service with the Bank. Additional shares were purchased in the second step stock offering completed April 5, 2010.

As of December 31, 2018, the ESOP held 47,594 shares of common stock that have not been allocated to Plan participants. These shares represent shares purchased by the ESOP in the second step stock offering. Shares of common stock purchased by the ESOP were funded by funds borrowed from Eagle. Shares purchased in the second

step offering by the ESOP will be allocated to participants' accounts over 12 years. As of December 31, 2018, the Plan maintains 224,358 shares that have been allocated to Plan participants. A total of 271,952 shares are held in the Plan.

The ESOP is administered by the ESOP Committee of the Bank. The ESOP trustee must vote all allocated shares held by the ESOP in accordance with the instructions of participating employees. Unallocated shares will be voted by the ESOP trustee.

GAAP requires that any third party borrowing by the ESOP be reflected as a liability on Eagle's statement of financial condition. Since the ESOP borrowed from Eagle, such obligation is eliminated in consolidation. However, the cost of unallocated shares is treated as a reduction of stockholders' equity.



Contributions to the ESOP and shares released from the suspense account are allocated among ESOP participants on the basis of participants' compensation as it relates to total participant compensation. Employees are fully vested upon completion of six years of service. Benefits may be payable upon retirement, early retirement, disability, death or separation from service.

The ESOP is subject to the requirements of ERISA and regulations of the IRS and the United States Department of Labor.

2011 Stock Incentive Plan. The 2011 Stock Incentive Plan, or Plan, was approved by the stockholders on October 20, 2011. The Plan was amended when approved by the stockholders on April 23, 2015 and April 20, 2017. Under the Plan, awards of Eagle's common stock may be made to eligible directors, officers and employees. The maximum number of shares available to be awarded is 464,998. Awards available under the Plan include stock options (which includes non-qualified stock options and incentive stock options) and restricted stock. Any shares delivered pursuant to an award may consist, in whole or in part, of authorized but unissued shares or of treasury shares. No stock options have been awarded to date under the Plan. Further, no more than 246,427 shares may be available for awards granted in the form of options. If any shares covered by an award granted under the Plan, or to which such an award relates, are forfeited, or if an award otherwise terminates without the delivery of shares or of other consideration, then the shares covered by such award, or to which such award relates, or the number of shares otherwise counted against the aggregate number of shares available under the Plan with respect to such award, to the extent of any such forfeiture or termination, will again be available for granting awards under the Plan.

The purposes of the Plan are to encourage directors, officers and employees of Eagle to acquire a proprietary interest in the growth and performance of the Company, to create an increased incentive to contribute to the Company's future success and performance, thus enhancing the value of the Company for the benefit of its stockholders, and to enhance the ability of the Company and its affiliates to attract and retain highly qualified individuals upon whom, in large measure, the sustained progress, growth and profitability of the Company depends.

***Outstanding Equity Awards at December 31, 2018***

Name	Stock Awards NumberMarket of Value of Shares Shares or or Units Units of
------	--

**Stock of Stock  
That Have Not  
That Have Not  
Vested<sup>(1)</sup>  
Vested<sup>(2)</sup>**

---

Peter J. Johnson	--	--
Laura F. Clark	4,320	\$ 71,280
P. Darryl Rensmon	8,460	\$ 139,590

(1) Restricted stock vests over a five-year period.

(2) Based on the December 31, 2018, closing share price of \$16.50 per share.

**Equity Compensation Plan Information**

The following table provides information as of December 31, 2018, about our common stock that may be issued upon the exercise of options, warrants, and rights and information regarding the number of securities available for future issuance under our current equity compensation plans, under which there are no outstanding options, warrants or rights.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted Average Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in First Column)</b>
Equity Compensation Plans Approved by Security Holders	--	N/A	246,427
Equity Compensation Plans Not Approved by Security Holders	--	N/A	--
Total	--	N/A	246,427

**Change of Control Agreements**

Eagle entered into Change of Control Agreements with Rachel R. Amdahl, Tracy A. Zepeda, Laura F. Clark, Chantelle Nash, Larry Williams and Dale Field in 2015. On December 21, 2017, Eagle entered into Change in Control

Agreements with Mark A. O'Neill, Senior Vice President/Chief Lending Officer of the Bank, and Patrick D. Rensmon, Senior Vice President/Chief Information Officer of the Bank. The Change in Control Agreements provide a double trigger benefit equal to the sum of the executive's annual salary and bonus for the most recently completed year. The benefits are payable if the executive's employment is terminated without cause within two years after a change in control or if the executive resigns for good reason during the two years after a change in control. The Change in Control Agreements are for two years, renewing automatically for successive one-year periods unless Eagle provides written notice of nonrenewal 90 days before the contract anniversary date. The officer would also receive benefit payments (less co-payment amounts) for continued life, medical, dental and disability insurance coverage substantially identical to coverage maintained by the Bank before employment termination. Continued insurance coverage benefits are payable for the 12-month period following termination or, if sooner, until life, medical, dental and disability insurance coverage is obtained from another employer.

Assuming these agreements were in effect and all of the above-named officers had been terminated in connection with a change of control as of December 31, 2018, the officers would receive aggregate severance payments of approximately \$1,231,867 based upon their current level of salary and bonus, plus 12 months of benefits coverage.

## **PROPOSAL 2 - RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS**

On August 16, 2018, the Board of Directors approved the recommendation of the Audit Committee that Eide Bailly LLP ("Eide Bailly") be dismissed as the independent registered public accounting firm of the Company. The dismissal will be effective after Eide Bailly provides its reports on the consolidated financial statements for the fiscal year ended December 31, 2018 and the effectiveness of the Company's internal controls, which reports are included in the Company's Form 10-K for the period ended December 31, 2018. Concurrent with the dismissal of Eide Bailly, the Company, through and with the approval of the Audit Committee and the Board of Directors, and following a comprehensive evaluation, decided to engage Moss Adams LLP ("Moss Adams") as its independent registered public accounting firm for the fiscal year ending December 31, 2019, subject to completion by Moss Adams of its standard client acceptance procedures and execution of an engagement letter.

Prior to deciding to engage Moss Adams, the Company did not consult with Moss Adams (1) regarding the application of accounting principles to a specific completed or contemplated transaction, or regarding the type of audit opinions that might be rendered by Moss Adams on the Company's financial statements, and Moss Adams did not provide any written or oral advice that was an important factor considered by the Company in reaching a decision as to any such accounting, auditing or financial reporting issue, (2) on any matter that would have been the subject of a disagreement, as defined by Item 304(a)(1)(iv) of Regulation S-K, or (3) on any matter that would have been a reportable event, as defined by Item 304(a)(1)(v) of Regulation S-K.



The reports of Eide Bailly regarding the Company's financial statements for the fiscal years ended December 31, 2017 and 2018 did not contain an adverse opinion or disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles. During the years ended December 31, 2017 and 2018, there were no disagreements with Eide Bailly on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Eide Bailly, would have caused it to make reference to such disagreement in its reports.

The Board has determined to appoint Moss Adams to act as independent auditors for the fiscal year ending December 31, 2019. Neither Eagle's Bylaws nor other governing documents or law require stockholder ratification of the appointment of Moss Adams as Eagle's independent auditors. However, Eagle is submitting the appointment of Moss Adams to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the appointment, the Audit Committee will reconsider whether or not to retain that firm. Even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of different independent auditors at any time if they determine that such a change would be in the best interest of Eagle and its stockholders.

A representative of Eide Bailly will be present at the Annual Meeting, and will be given an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions. Representatives of Moss Adams will not be present at the Annual Meeting.

***Audit Fees, Audit-Related Fees, Tax Fees, All Other Fees and Auditor Independence***

For the year ended December 31, 2018, Eagle incurred expenses related to services provided by its independent auditors Eide Bailly, of \$144,250 for audit fees. These amounts relate to the annual audit of our consolidated financial statements included in our Annual Reports on Form 10-K, quarterly reviews of interim financial statements included in our Quarterly Reports on Form 10-Q, services normally provided by the independent registered public accounting firm in connection with statutory or regulatory filings or engagements for the indicated fiscal year, statutory audits of certain of our subsidiaries, and services related to filings under the Securities Act of 1933 and the Securities Exchange Act of 1934. Eagle incurred audit related expenses to Eide Bailly related to the TwinCo Inc. acquisition in the amount of \$36,821 and \$7,282 related to the Big Muddy Bancorp, Inc. acquisition. For the year ended December 31, 2017 Eagle incurred audit fee expenses of \$103,000. Tax fees accrued for services provided by Eide Bailly were \$18,000 in the year ended December 31, 2018 and \$12,000 in the year ended December 31, 2017. The Audit Committee has concluded that the providing of non-audit services did not adversely impact the independence of Eide Bailly. The Audit Committee is not authorized to approve any non-audit service engagement where the provision of such service by the independent accountants is prohibited by applicable law, the regulations of the SEC or the Nasdaq Marketplace Rules. Pre-approval is not required if (a) the aggregate amount of all such non-audit services provided to Eagle constitutes not more than five percent of the total amount of revenues paid by Eagle to its independent auditors during the fiscal year in which the non-audit services are provided; (b) such services were not recognized by Eagle at the time of the engagement to be non-audit services; and (c) the non-audit services are promptly brought to the attention of the Audit Committee and approved by them, or by one or more of the members of the Committee to whom authority to grant such approval has been delegated, prior to completion of the audit. For the years ended December 31, 2018 and

December 31, 2017, the Audit Committee of Eagle has pre-approved all fees paid to Eide Bailly.

***Report of the Audit Committee***

*The following is the report of the Audit Committee with respect to the Company's audited consolidated financial statements for the year ended December 31, 2018. The information contained in this report is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation of this proxy statement by reference.*

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The primary role of the Audit Committee, as more fully described in its charter, is to assist the Board of Directors in its oversight of our corporate accounting and financial reporting process and to interact directly with and evaluate the performance of our independent auditors. Management is responsible for the preparation, presentation and integrity of our consolidated financial statements, accounting and financial reporting principles, internal controls and procedures designed to assure compliance with accounting standards, applicable laws and regulations. Our independent registered public accounting firm, Eide Bailly, is responsible for performing an independent audit of the consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board, or PCAOB. In the performance of its oversight function, the Audit Committee has taken the following actions:

Reviewed and discussed Eagle's audited financial statements for the 2018 fiscal year with the management of Eagle.

Discussed with Eagle's independent auditors the matters required to be discussed by the Public Company Accounting Oversight Board Auditing Standard 1301: Communications with Audit Committees.

Received written disclosures and the letter from its independent auditors required by applicable requirements of the PCAOB regarding the independent auditor's communications with the audit committee concerning independence, and has discussed with the independent accountant the independent accountant's independence.

Based upon these reviews and discussions, the Audit Committee has recommended to the Board of Directors that the audited financial statements be included in Eagle's Annual Report on Form 10-K for the year ended December 31, 2018, to be filed with the SEC.

Members of the Audit Committee:  
Lynn E. Dickey, Chairman  
Maureen J. Rude  
Rick F. Hays

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF MOSS ADAMS LLP AS EAGLE'S INDEPENDENT AUDITORS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019 UNDER THIS PROPOSAL 2.**

**PROPOSAL 3 – APPROVAL OF THE AMENDMENT TO THE AMENDED AND  
RESTATED CERTIFICATE OF INCORPORATION TO INCREASE THE  
NUMBER OF AUTHORIZED SHARES OF COMMON STOCK**



On February [ ], 2019, our Board of Directors adopted, subject to stockholder approval at the Annual Meeting, an amendment to our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of the Company's common stock, \$0.01 par value per share, from 8,000,000 shares to 20,000,000 shares.

The proposed amendment to Eagle's Amended and Restated Certificate of Incorporation is attached to this Proxy Statement as Appendix A. No other changes to the Company's Certificate of Incorporation are being proposed.

***Reasons for Amendment***

Our Board of Directors is proposing the adoption of an amendment to the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 8,000,000 to 20,000,000 shares. Of the 8,000,000 shares that are currently authorized to be issued under the Company's Certificate of Incorporation, as of the Record Date, [ ] shares are issued and outstanding, [ ] shares are held in treasury, and [ ] are reserved for issuance under our 2011 Stock Incentive Plan. Accordingly, we currently have less than [ ] shares of common stock available for future issuances.

In order to assure flexibility of action in the future and meet our future business needs as they arise, our Board of Directors believes that it is desirable and in the best interests of the Company and its stockholders that there be a substantial number of authorized but unissued shares of common stock. The Board of Directors believes that having the authority to issue additional shares of common stock will avoid the possible delay and significant expense of calling and holding a special meeting of stockholders to increase the authorized shares at a later date and will enhance its ability to respond promptly to business and other opportunities that may arise. The Company strategically plans to grow through mergers and acquisitions. Eagle successfully consummated two recent acquisitions: TwinCo, Inc., Inc. in January 2018; and Big Muddy Bancorp, Inc. in January 2019. These mergers involved, and potential future mergers and acquisitions may involve the issuance of shares of Eagle common stock or securities convertible into shares of common stock.

Additional shares of Eagle common stock may also be necessary in connection with the declaration of stock dividends or stock splits, future public and private financings, investment opportunities, other distributions, or other corporate purposes, as well as to meet anticipated future obligations under our existing equity incentive plans or any future incentive plans, under which we may grant future equity awards to our employees, officers and directors. We believe that having the ability to grant equity awards is critical to retaining and recruiting a qualified management team.

Other than issuances pursuant to potential merger and acquisition opportunities, and our 2011 Stock Incentive Plan, as of the date of this Proxy Statement, we have no plans, arrangements or understandings regarding the issuance of additional shares of common stock that would be authorized pursuant to this proposal and there are no negotiations pending with respect to the issuance thereof for any purpose.

If Proposal 3 is approved, the number of authorized shares of Eagle common stock will be increased and the Board of Directors will have the right to issue, without further stockholder approval, subject to potential restrictions described below, an additional 12,000,000 shares of common stock. If approved, the amendment will be effective upon the filing of the Articles of Amendment to the Amended and Restated Certificate of Incorporation with the Department of State of the State of Delaware promptly after the Annual Meeting.

### ***Anti-Takeover Effect***

The proposed increase in the authorized number of shares of common stock could, in some situations, have the effect of discouraging unsolicited takeover attempts or inhibiting the removal of incumbent management and may limit the opportunity for stockholders to dispose of their shares at the higher price generally available in takeover attempts or that may be available under a merger proposal. For example, the issuance of the newly authorized shares of common stock could be used to deter or prevent a change of control through dilution of stock ownership of persons seeking to take control or by rendering a transaction proposed by such persons more costly. However, the Board of Directors is not aware of any third-party attempts to assume control of Eagle and has not presented this Proposal 3 with the intent that it be utilized as an anti-takeover device or to inhibit the removal of incumbent management.

*Terms of our Common Stock*

If Proposal 3 is approved, the additional authorized shares of common stock may be issued for such consideration, cash or otherwise, at such terms, times and amounts as the Board of Directors may determine without further stockholder approval, except to the extent that stockholder approval is required by applicable laws, rules or regulations. Because our common stock is traded on the Nasdaq Global Market, stockholder approval must be obtained, under applicable Nasdaq rules, prior to the issuance of shares for certain purposes, including the issuance of greater than 20% of Eagle's then outstanding shares of common stock or voting power in connection with a private financing or an acquisition or merger.

The authorization of additional shares of common stock will not, by itself, have any effect on the rights of present stockholders. The additional 12,000,000 shares to be authorized would be part of Eagle's existing class of common stock and, if and when issued, would have the same rights and privileges as the shares of common stock presently authorized, issued and outstanding. Stockholders do not have preemptive rights with respect to our common stock and therefore, do not have any preferential rights to subscribe for or purchase additional shares of common stock in order to maintain proportionate ownership of their shares. Accordingly, the issuance of additional shares of common stock for corporate purposes other than a stock split or stock dividend could have a dilutive effect on the ownership and voting rights of stockholders at the time of issuance.

**The Board of Directors unanimously recommends a vote “FOR” the Proposal TO AMEND THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO INCREASE THE AUTHORIZED SHARES OF COMMON STOCK.**

#### **Proposal 4 – Advisory Vote on Named Executive Officer Compensation**

Our Board of Directors proposes that stockholders provide advisory (non-binding) approval of the compensation of our named executive officers, as disclosed in this proxy statement in accordance with the SEC’s rules (commonly known as “say-on-pay” proposal). We recognize the interest our stockholders have in the compensation of our executives, and we are providing this advisory proposal in recognition of that interest and as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 also known as “the Dodd-Frank Act.”

Our named executive officer compensation program is designed to attract, motivate, and retain our named executive officers, while ensuring alignment of their interests with stockholders’ interests. Our named executive officers are critical to our success, and our compensation program is designed to reward them for their service to the Company, the achievement of specific performance goals, and the realization of increased stockholder value. The Compensation Committee reviews the compensation programs for our named executive officers, at least annually, to ensure the fulfillment of our compensation philosophy and goals. The Compensation Committee and the Board believe that its policies and procedures are effective in achieving our goals and that the compensation of our named executive officers reported in this proxy statement has supported and contributed to the Company’s recent and long-term success. At our 2018 Annual Meeting of Stockholders, approximately 95.5% of the votes cast by our stockholders approved the compensation in the 2018 proxy statement of our named executive officers.

Please read the summary compensation table and other related compensation tables and narratives, beginning on page 16, which provide detailed information on the compensation of our executive officers.

We are asking our stockholders to indicate their support for our named executive officer compensation as described in this proxy statement. Accordingly, we will ask our stockholders to vote “FOR” the following resolution at our Annual Meeting:

“RESOLVED, that the compensation paid to the named executive officers, as disclosed in the Company’s Proxy Statement for the 2019 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Summary Compensation Table and the other related compensation tables and narrative disclosure, is hereby APPROVED.”

The say-on-pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or our Board. However, we value the opinion of our stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this proxy statement, we will consider our stockholders’ concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

**The Board unanimously recommends a vote FOR the approval of the advisory resolution on the compensation of our named executive officers.**

**Proposal 5 – Advisory Vote on the FREQUENCY OF AN ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION**

The Dodd-Frank Act also enables our stockholders to indicate how frequently we should seek an advisory vote on executive compensation, such as Proposal 4, at our future annual meeting of stockholders. Under this Proposal 5, stockholders may vote to have the advisory vote on executive compensation every year, every two years or every three years.

The Board of Directors recommends that future stockholder "say-on-pay" advisory votes on executive compensation be conducted every year. After carefully studying the alternatives, the Board has determined that this approach will best serve the Company and its stockholders. In reaching this determination, the Board considered that the Company's compensation program includes components that are tied to longer-term, risk-balanced, corporate performance and stockholder returns, and the Company's three-year strategic planning process. The Board believes that having a "say-on-pay" proposal every year will give stockholders the opportunity to assess the Company's compensation program in light of each year's corporate performance.

Pursuant to the Dodd-Frank Act, the vote on the frequency of the advisory vote on executive compensation is advisory only, and it is not binding on the Company or on our Board of Directors. Although the vote is non-binding, the Compensation Committee and the Board will carefully consider the outcome of the vote when determining the frequency of future advisory votes on executive compensation.

Although the Board recommends an advisory vote on executive compensation every year, stockholders are not voting to approve or disapprove the Board's recommendation. Stockholders will be able to specify one of four choices for this Proposal 5 on the proxy card: one year, two years, three years or abstain.

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE OPTION OF “ONE YEAR” AS THE FREQUENCY WITH WHICH STOCKHOLDERS ARE PROVIDED AN ADVISORY VOTE ON EXECUTIVE COMPENSATION.**

#### **Transactions with Certain Related Persons**

The Bank has followed the policy of offering residential mortgage loans for the financing of personal residences and consumer loans to its officers, directors and employees. Loans are made in the ordinary course of business. Except for consumer loans to officers and employees, but not directors, with an interest rate one percent below the Bank prevailing rate, these loans are also made on substantially the same terms and conditions, including interest rate and collateral, as those of comparable transactions prevailing at the time with persons not related to the Bank. These loans do not include more than the normal risk of collectability or present other unfavorable features. As of December 31, 2018, the aggregate principal balance of loans outstanding to all directors, executive officers and immediate family members of such individuals, and companies in which they are principals was approximately \$1,025,000. No executive officer has had a consumer loan outstanding in excess of \$120,000 since July 1, 2008 and none are currently contemplated.

#### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act requires Eagle's directors and executive officers, and persons who own more than ten percent of a registered class of Eagle's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of Eagle. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish Eagle with copies of all Section 16(a)

forms they file.

To the knowledge of the Company and based upon a review of Forms 3 and 4 and amendments thereto furnished to Eagle pursuant to Rule 16a-3(e), the Company believes that, during the year ended December 31, 2018, no person who is a director, officer or beneficial owner of 10% of the common stock failed to file on a timely basis, the reports required by Section 16(a) of the Securities Exchange Act other than as previously reported.

## **OTHER BUSINESS**

As of the date of this Proxy Statement, the Board of Directors of Eagle knows of no other matters than those described herein to be brought before the Annual Meeting other than procedural matters incident to the conduct of the Annual Meeting. If further business is properly presented, the proxy holders will vote proxies, as determined by a majority of the Board of Directors.

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## **HOUSEHOLDING**

Company stockholders who share an address may receive only one copy of this proxy statement and the Annual Report from their bank, broker or other nominee, unless contrary instructions are received. We will deliver promptly a separate copy of this proxy statement and Annual Report to any stockholder who resides at a shared address and to which a single copy of the documents was delivered, if the stockholder makes a request by contacting our Corporate Secretary at P.O. Box 4999, Helena, Montana 59604, or by telephone at (406) 442-3080. If you wish to receive separate copies of this proxy statement and the Annual Report in the future, or if you are receiving multiple copies and would like to receive a single copy for your household, you should contact your broker, bank or other nominee.

## **STOCKHOLDER PROPOSALS AND NOMINATIONS**

Any stockholder proposal intended for inclusion in Eagle's Proxy Statement and form of proxy related to Eagle's April 2020 Annual Meeting of stockholders must be received by Eagle by November 19, 2019, pursuant to the proxy solicitation regulations of the Securities and Exchange Commission. Nothing in this paragraph shall be deemed to require Eagle to include in its Proxy Statement and form of proxy any stockholder proposal which does not meet the requirements of the Securities and Exchange Commission in effect at that time.

Eagle's bylaws provide that in order for a stockholder to make nominations for the election of directors, a stockholder must deliver notice in writing of such nominations to the Secretary (1) not later than 60 days in advance of the first anniversary of the previous year's annual meeting if such meeting is to be held on a day which is within 30 days of the anniversary of the previous year's annual meeting; and (2) with respect to any other annual meeting of stockholders, not later than the close of business on the seventh day following the date of public announcement of such meeting. If the stockholder does not also comply with the requirements of Rule 14a-4(c) under the Exchange Act, Eagle may exercise discretionary voting authority under proxies it solicits to vote in accordance with its best judgment on any such stockholder proposal. The notice of nominations for election of directors must set forth certain information regarding each nominee for election as a director, including such person's written consent to being named as a nominee and to serving as a director, if elected, and certain information regarding the stockholder giving such notice.

If a determination is made that an additional candidate is needed for the board, the Nominating Committee will consider candidates properly submitted by Eagle's stockholders. Stockholders can submit the names of qualified candidates for director by writing to the Corporate Secretary at Eagle Bancorp Montana, Inc., P.O. Box 4999, Helena, Montana 59604. The Corporate Secretary must receive a submission not later than 60 days in advance of the first anniversary of the previous year's annual meeting if such meeting is to be held on a day which is within 30 days of the anniversary of the previous year's annual meeting. A stockholder's submission must be in writing and include the following information:



the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated;

a representation that the stockholder is a holder of record of Eagle's stock entitled to vote at such meeting and intends to appear in person or by proxy at the meeting and nominate the person or persons specified in the notice;

whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock) has been made, the effect or intent of which is to mitigate loss to or manage risk of stock price changes for, or to increase the voting power of, such stockholder or any of its affiliates with respect to any share of Eagle's stock;

a description of all arrangements or understandings between the stockholder 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 stockholder;

such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated, or intended to be nominated, by the Board; and

the consent of each nominee to serve as a director of Eagle if so elected.

In addition, the stockholder making such nomination shall promptly provide any other information reasonably requested by Eagle. Stockholder submissions that are received and that meet the criteria outlined above will be forwarded to the Chair of the Nominating Committee for further review and consideration.

**Whether or not you intend to be present at the Annual Meeting, you are urged to return your proxy card promptly. If you are then present at the Annual Meeting and wish to vote your shares in person, your original proxy may be revoked by voting at the Annual Meeting. However, if you are a stockholder whose shares are not registered in your own name, you will need appropriate documentation from your recordholder to vote personally at the Annual Meeting.**

**APPENDIX A**

**PROPOSED AMENDMENT TO EAGLE BANCORP MONTANA, INC.'S  
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION**

**CERTIFICATE OF AMENDMENT OF THE AMENDED AND RESTATED CERTIFICATE OF  
INCORPORATION OF  
EAGLE BANCORP MONTANA, INC.**

Eagle Bancorp Montana, Inc. (the "**Corporation**"), a corporation organized and existing under the General Corporation Law of the State of Delaware, hereby certifies as follows:

1. This Certificate of Amendment (the "**Certificate of Amendment**") amends the provisions of the Corporation's Amended and Restated Certificate of Incorporation filed with the Secretary of State on February 19, 2010 (the "**Certificate of Incorporation**").
2. Article IV, Section 1 of the Certificate of Incorporation is hereby amended and restated in its entirety as follows:

**SECTION 1. Authorized Shares.** The total number of shares of all classes of stock which the Corporation shall have authority to issue is 21,000,000 shares, divided into two classes consisting of 20,000,000 shares of Common Stock, par value \$0.01 per share ("Common Stock"), and 1,000,000 shares of Preferred Stock, par value \$0.01 per share ("Preferred Stock"). The Board of Directors shall have authority by resolution to issue shares of Common Stock from time to time on such terms as it may determine. The Board of Directors shall have authority by resolution to issue the shares of Preferred Stock from time to time on such terms as it may determine and to divide the Preferred Stock into one or more series and, in connection with the

creation of any such series, to determine and fix by the resolution or resolutions providing for the issuance of shares thereof:

- (a) the distinctive designation of such series, the number of shares which shall constitute such series, which number may be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors, and the stated value thereof, if different from the par value thereof;
  
  - (b) the dividend rate, the times of payment of dividends on the shares of such series, whether dividends shall be cumulative, and, if so, from what date or dates, and the preference or relation which such dividends will bear to the dividends payable on any shares of stock of any other class or any other series of this class;
  
  - (c) the price or prices at which, and the terms and conditions on which, the shares of such series may be redeemed;
  
  - (d) whether or not the shares of such series shall be entitled to the benefit of a retirement or sinking fund to be applied to the purchase or redemption of such shares and, if so entitled the amount of such fund and the terms and provisions relative to the operation thereof;
  
  - (e) whether or not the shares of such series shall be convertible into, or exchangeable for, any other shares of stock of the Corporation or any other securities and, if so convertible or exchangeable, the conversion price or prices, or the rates of exchange, and any adjustments thereof, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange;
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(f) the rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up or upon any distribution of the assets of the Corporation;

(g) whether or not the shares of such series shall have priority over or parity with or be junior to the shares of any other class or series in any respect, or shall be entitled to the benefit of limitations restricting (i) the creation of indebtedness of the Corporation, (ii) the issuance of shares of any other class or series having priority over or being on a parity with the shares of such series in any respect, or

(iii) the payment of dividends on, the making of other distributions in respect of, or the purchase or redemption of shares of any other class or series on parity with or ranking junior to the shares of such series as to dividends or assets, and the terms of any such restrictions, or any other restriction with respect to shares of any other class or series on parity with or ranking junior to the share of such series in any respect;

(h) whether such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited; and

(i) any other powers, preferences, privileges, and relative participating, optional, or other special rights of such series, and the qualifications, limitations or restrictions thereof, to the full extent now or hereafter permitted by law.

The powers, preferences and relative participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. All shares of any one series of Preferred Stock shall be identical in all respects with all other shares of such series, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall be cumulative.

3. This amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

4. All other provisions of the Certificate of Incorporation shall remain in full force and effect.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by [NAME], its [TITLE OF OFFICER], this [DAY][st/th] day of [MONTH], 2019.

By:  
[NAME]  
[TITLE]

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