

**BURNHAM HOLDINGS, INC.**  
**Lancaster, Pennsylvania**  
March 18, 2024

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***NOTICE OF ANNUAL MEETING OF SHAREHOLDERS***

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To the Shareholders:

**NOTICE IS HEREBY GIVEN** that the Annual Meeting of the Shareholders (the “Annual Meeting”) of BURNHAM HOLDINGS, INC. (the “Company”) will be held at 11:30 a.m. (eastern) on Monday, April 22, 2024 via live webcast. The Annual Meeting will be a completely virtual meeting. You will be able to attend the Annual Meeting online and submit your questions and/or vote during the meeting by visiting [www.virtualshareholdermeeting.com/BURCA2024](http://www.virtualshareholdermeeting.com/BURCA2024) and entering your number included on your proxy card or on the instructions that accompanied your proxy materials. Details on how to join the meeting are contained here and will also be available on our website, [www.burnhamholdings.com](http://www.burnhamholdings.com).

The following items will be considered and acted on during the meeting:

1. The election of three directors to serve until the Annual Meeting in 2027. The following directors have been nominated by the Board of Directors (the “Board”):

Douglas S. Brossman	3-year term ending in 2027
Christopher R. Drew	3-year term ending in 2027
Laura T. Wand	3-year term ending in 2027

2. The appointment of Baker Tilly US, LLP, or other auditing firm as the Board may choose, as independent auditors for the ensuing year.
3. Such other business as may properly be brought before said meeting or any adjournments thereof.

Only shareholders of record at the close of business on March 1, 2024 will be entitled to vote at the Annual Meeting or any adjournments thereof.

By Order of the Board of Directors,



Samantha L. Fugagli, Esq.  
General Counsel and Secretary

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***2024 ANNUAL MEETING PROXY STATEMENT***

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The enclosed proxy is solicited on behalf of the Board of Directors (the “Board”) of Burnham Holdings, Inc. (the “Company”) unless revoked prior to the vote, properly executed and returned proxies will be voted in accordance with the instructions printed on them.

**MATTERS TO BE ACTED UPON**

***1. Election of Directors***

The Board is divided into three classes. Each year, directors in one class are elected for a three-year term. All classes are typically as nearly equal in number as possible, and each class typically has at least three directors.

Three directors are to be elected at the 2024 Annual Meeting to hold office until the Annual Meeting to be held in 2027, or until their successors are duly elected and qualified. If any of the nominees are unable to serve, the persons named in the accompanying proxy will vote for the election of such other persons as may be recommended by the Board. No proxy will be voted for the named nominees if authority to vote has been withheld in accordance with the instructions in the proxy.

The following biographical information about each nominee nominated by the Board is presented for the shareholders' information.

**DOUGLAS S. BROSSMAN** – Age 65; Mr. Brossman has been a director of the Company since 2012. His term expires in 2024. He previously held the position of Vice Chair of the Board from 2020 through 2024. Mr. Brossman joined Burnham Holdings, Inc. in 2008 as Vice President, General Counsel and Secretary, and then as Chief Executive Officer in 2012 retiring in April 2023. Mr. Brossman serves on the Audit & Risk Committee. He holds a NACD Directorship Certification. Mr. Brossman serves on the Board of Directors and the Leadership Development and Compensation Committee for High Industries, Inc. and High Real Estate Group, LLC. He also serves on the Board of Directors and the Compensation Committee for The York Water Company (YORW). He is active in the community, serving on the Boards of The Hamilton Club of Lancaster and Compass Mark. Mr. Brossman graduated from Pennsylvania State University with a bachelor’s degree in civil engineering in 1980, the Dickinson School of Law with a JD in 1985, and the Wharton School of the University of Pennsylvania, with an MBA in 2001.

**CHRISTOPHER R. DREW** – Age 57; Mr. Drew has been a director of the Company since 2014. His term expires in 2024. Mr. Drew is currently President and Chief Executive Officer, previously serving as President and Chief Operating Officer of Burnham Holdings, Inc. Mr. Drew has held a number of senior management positions with various subsidiaries of the Company since 1989. He is a Past Chairman of the Air Conditioning, Heating and Refrigeration Institute (AHRI), and continues to serve as an ex-officio member of the AHRI Board of Directors and Chair of the Audit Committee. Additionally, he is active in the community as a Board member of the Economic Development Company of Lancaster where he chairs the Investment and Finance Committee. Mr. Drew graduated from Dartmouth College with a bachelor’s degree and graduated from New York University with a master’s degree in business administration.

**LAURA T. WAND** – Age 63; Ms. Wand has been a director of the Company since 2020 and serves as Chair of the Human Resources Committee and a member of the Audit and Risk Committee. Her term expires in 2024. Ms. Wand, now retired, had an extensive career with Johnson Controls International, encompassing both domestic and global roles. She retired as Vice President and General Manager of Applied HVAC Equipment in March 2020. She is an independent director for IMPREG Group, a Danish private company, as well as a Senior Advisor for TowerBrook Capital. Ms. Wand has served on the York College Board of Trustees since 2009 and was elected as Chair in July of 2023. She holds a bachelor’s degree in mechanical engineering from the Georgia Institute of Technology. Ms. Wand is NACD Directorship Certified.

Therefore, for 2024, the Board recommends you vote “FOR” the election of each of the above director nominees.

## ***2. Appointment of Independent Auditors***

The purpose of an independent auditor is to give the public, and specifically the Company’s shareholders, assurance as to the reliability and accuracy of the consolidated financial statements presented by the Company’s management and Board. Burnham Holdings, Inc. has an experienced, qualified Audit and Risk Committee of the Board that is made up of “independent” directors (not an employee, not affiliated with Company’s auditors, and not part of an interlocking directorate) who oversee management, the auditors, and the financial reporting of the Company. Internal controls are initiated and reviewed by this staff and management, and then reviewed by the independent auditor.

Baker Tilly US, LLP has been the Company’s independent auditor since 2007. Throughout this time, the Company has been satisfied with Baker Tilly’s performance, independence, and capabilities in the fields of accounting and auditing. There have been no disagreements concerning financial reporting or service issues.

Although not required by Delaware corporate law, it has been the policy of the Board for many years to ask the shareholders to appoint an independent auditor for the ensuing year. The Board recommends that Baker Tilly US, LLP be appointed as the Company’s independent auditor for 2024. While the Board has no reason to believe that Baker Tilly US, LLP will be unable to serve, should something unforeseen develop, the Board will select another qualified national or regional auditing firm.

Therefore, for 2024, the Board recommends you vote “FOR” the proposal to “Appoint Baker Tilly US, LLP, or other auditing firm as the Board may select, as independent auditors for the ensuing year”.

## **ADDITIONAL INFORMATION – CORPORATE GOVERNANCE**

### **BOARD MATTERS**

Following the Annual Meeting on April 22, 2024, and assuming election of the Board’s nominees, the Board will be comprised of nine (9) members, eight (8) of whom will be considered “independent” directors (for the purposes of this statement to mean - not an employee, not affiliated with the Company’s auditors, and not part of an interlocking directorate). Mr. Drew, as President and Chief Executive Officer, is not considered “independent”. Mr. Lyman will continue to serve as Chair of the Board. Directors have been selected based on their individual qualifications and experience, the overall balance of the Board’s background and experience, and each individual’s willingness to fulfill their obligations and to contribute appropriately. Four directors are members of families of which the extended members hold in the aggregate significant ownership interests in the Company. Board members have complete access to Company information and personnel through meetings, reports, on-site operational reviews, or direct contact, if necessary.

The Board meets in Executive Session, without management of the Company in attendance, at the conclusion of each Board meeting. Experience has shown it is very rare for a Board member not to attend a scheduled meeting.

The total Board meets five times per year with various additional Board committee meetings and special meetings, as needed, throughout the year. Typically, all members of the Board are also members of one or more Board committees.

**Continuing Directors:** In addition to the director nominees for election, listed below are the continuing directors whose terms expire in 2025 and 2026, as noted. Biographical information on each continuing director is also presented for the shareholders' information.

**WILLIAM F. DODGE, II** – Age 68; Mr. Dodge has been a director of the Company since 1999 and serves on the Nominating and Governance Committee. His term expires in 2026. He is Managing Director and a Financial Advisor with Morgan Stanley, a full-service brokerage firm. Mr. Dodge has been with Morgan Stanley for 38 years. Mr. Dodge received a bachelor's degree in economics from Trinity College in 1978.

**JOHN W. LYMAN** – Age 64; Mr. Lyman has been a director of the Company since 2002 and has served as Chair of the Board since 2021. His term expires in 2026. He is Founder and Chief Investment Officer of Squam Capital, LLC, an investment consulting firm located in Mount Kisco, New York. In addition, he serves as Treasurer of Frederick P. Bowden, Inc. Mr. Lyman received a bachelor's degree in mathematics and economics from Vassar College in 1982.

**CHRISTOPHER E. PRUITT** – Age 62; Mr. Pruitt has been a director of the Company since 2021. His term expires in 2025. He serves on the Audit and Risk Committee. Mr. Pruitt is President and Chief Executive Officer of East Penn Manufacturing Company Incorporated, the largest privately held battery manufacturer in the world. Mr. Pruitt has been with East Penn since 1994, holding various financial roles, including Controller and Chief Financial Officer. Prior to joining East Penn, Mr. Pruitt worked as a CPA at Ernst & Young. He holds a bachelor's degree in accounting from Shippensburg University.

**J. DAVID W. REEVES** - Age 49; Mr. Reeves has been a director of the Company since 2023. His term expires in 2025. He serves on the Nominating and Governance and Human Resources Committees. Mr. Reeves is a product leader with over two decades' experience building software businesses in the employee engagement, health and workplace productivity sectors. He was previously founding product leader at Limeade, a publicly traded software company helping large employers build healthy, happy and high-performing workforces. Before Limeade, he led new product initiatives at Intuit and Quickbase. Mr. Reeves graduated from Oberlin College with a bachelor's degree in history.

**DONALD A. STERN** – Age 69; Mr. Stern has been a Director of the Company since 2014, serves as Chair of the Nominating and Governance Committee and is on the Audit and Risk Committee. His term expires in 2025. Mr. Stern retired in 2014 as a partner with the New York City law firm of Cleary, Gottlieb, Steen and Hamilton LLP after a distinguished 34-year legal career. Mr. Stern has also served as a Managing Director of Mount Kellett Capital, a private equity firm, and as a Director of SeLux Diagnostics, Inc., a biotechnology start-up company. Mr. Stern currently serves as Managing Director and Chief Legal Officer of Terra Capital Partners, a private investment firm. Mr. Stern graduated from Harvard University with a bachelor's degree in physics, and from Harvard Law School with a JD.

**E. PHILIP WENGER** – Age 66; Mr. Wenger has been a Director of the Company since 2019. He serves as Chair of the Audit and Risk Committee and is also a member of the Human Resources Committee. His term expires in 2026. Mr. Wenger retired as Chairman of the Board and Chief Executive Officer of Fulton Financial Corporation, a regional bank holding company headquartered in Lancaster, Pennsylvania, a

position he held from 2013 through 2022. He will continue to serve on the Fulton Financial Corporation Board. He serves on the Board of the Pennsylvania Chamber of Commerce. He is also active in a number of other business and non-profit organizations. Mr. Wenger holds a bachelor's degree in finance from Pennsylvania State University and an MBA from Pennsylvania State University – Harrisburg.

**Board Compensation:** Non-employee director compensation for 2023 consisted of an annual cash retainer of \$53,000 and 1,300 shares of restricted stock which vest over a three-year period. Committee Chairs receive an additional annual cash retainer of \$11,000. Audit and Risk Committee members receive a supplementary annual cash retainer of \$6,000 while Human Resources and Nominating and Governance Committee members receive \$5,500. The Chair of the Board receives an annual cash retainer of \$163,500 with no additional compensation for committee service. Board compensation paid to directors in 2023 was \$0.6 million.

In late 2023, the Human Resources Committee conducted a review of director compensation – see the “Human Resource Committee” subsection below. In line with such review, the Committee recommended, and the Board approved, changes to the annual cash retainer and annual restricted share award. The Board believes that the compensation of its non-employee directors is reasonable, appropriate and consistent with market practice. Beginning in April 2024, the annual cash retainer for board service will be increased to \$55,120 with an annual grant of 1,500 restricted shares which will continue to vest over a three-year period. Committee Chairs will receive an annual cash retainer of \$11,440. Audit and Risk Committee membership retainers increased to \$6,240 while Human Resources and Nominating and Governance Committee membership retainers increased to \$5,720. There was no change to the Chair of the Board’s cash compensation.

**Board Committees:** Each committee concentrates on important areas of responsibility. Standing committees of the Company consist of the Nominating and Governance Committee, the Audit and Risk Committee, and the Human Resources Committee. These committees have defined charters that address each committee’s purpose, goals, and responsibilities. All committees meet on a scheduled basis. Additional 2024 committee details and committee membership (pending election of the director nominees) are presented below.

Audit and Risk Committee: As a group, members of the Audit and Risk Committee are considered by the Board to be independent of management and qualified to fulfill their responsibilities. The Committee meets a minimum of three times per year and at each meeting the committee conducts discussions with both Company management as well as with the independent auditors as required by SAS No. 114, “The Auditor’s Communication with Those Charged with Governance”.

The purpose of the Audit & Risk Committee is to assist the Board in overseeing:

- i. The financial reporting and management processes employed to ensure that the Company's consolidated financial statements are prepared in accordance with the generally accepted accounting principles;
- ii. Company’s legal and regulatory compliance;
- iii. The Company's systems of internal control over financial reporting and disclosure controls and procedures;
- iv. The qualifications, engagement, compensation, independence and performance of the Company’s independent auditors; and
- v. The Company’s practices with respect to risk assessment and management of significant risk exposures.

The Committee accomplishes these objectives through scheduled meetings with senior members of the Company’s financial team and the independent auditors. At each meeting, the Committee reviews and discusses various business risks of the Company. The Committee has private, separate sessions at each of

its meetings with both the independent auditor and management at which time candid discussions of financial management, accounting, and internal control issues take place. At the end of each fiscal year, the Committee reviews and discusses the audited consolidated financial statements with management and the independent auditor. Based upon its review and discussions, the Audit Committee makes a recommendation to the Board regarding the audited consolidated financial statements.

Nominating and Governance Committee: With the exception of Mr. Drew, each member of the Committee is an independent director. The Committee meets a minimum of two times per year to:

- i. Identify individuals qualified to become Board members, consistent with criteria approved by the Board;
- ii. Recommend to the Board select director nominees for the annual meeting of shareholders;
- iii. Develop and recommend to the Board a set of corporate governance principles applicable to the Company;
- iv. Oversee the performance evaluation and compensation of the Board and management; and
- v. Play a leadership role in the Company's corporate governance.

The Committee recommends candidates for election to the full Board, recommends members of the various Board committees, and recommends candidates for appointment to officer positions of the Company.

Human Resources Committee: With the exception of Mr. Drew, each member of the Committee is an independent director. The purpose of the Human Resources Committee is to assist the Board of Directors in its responsibilities relating to the Company's culture, organizational strength, compensation and leadership development of the Company's Board, executive officers and such other employees as the Committee may determine. The Company's compensation program for executives consists of three key elements: annual base salary, performance-based annual bonus, and long-term share-based incentive compensation. The philosophy of the Company is to "pay for performance" which rewards executives for long-term strategic management and enhancement of shareholder return. Salaries are based on the Committee's assessment of each executive's performance and the expectation for future contributions in managing the affairs of the Company, as well as reviews of industry benchmarks. To ensure fair and reasonable compensation, management in conjunction with the Committee review compensation studies prepared by third party independent consultants to ensure compliance with industry best practices as applicable when recommending compensation for directors and executives. Further details of executive compensation are disclosed below under the caption "Executive Group Matters".

## **EXECUTIVE GROUP MATTERS**

**Compensation:** The "Executive Group" of the Company, defined as the five most highly compensated officers of Burnham Holdings, Inc., received aggregate compensation of \$2.0 million for the year 2023, compared to \$2.1 million in 2022. Compensation in the preceding sentence is defined as base salaries and bonuses awarded for each year. The variation year to year is due primarily to bonus compensation resulting from consolidated financial performance and changes in personnel. There are no fringe benefits available to the Executive Group that are not available to other salaried employees of Burnham Holdings, Inc. as applicable pursuant to the given plan and policies documents.

These executives and certain other key employees may be recipients of restricted stock awards ("Grants") in various amounts covered by the Company's shareholder approved 2023 Incentive Compensation Plan (the "Plan"). Currently, Grants are typically issued annually on May 15 (or the closest business day). A total of 29 executives and key employees received Grants during 2023. The exercise price is the fair market value on the date of the Grant and is fixed for the life of the Grant. Please refer to Note 12 in the 2023 Annual Report for more details.

Savings Plan dollars that cannot be maintained in an ERISA trust are carried on the consolidated balance sheet as part of “Other long-term assets” and “Other long-term liabilities”. The consolidated balance sheet amounts for all participants, totaling 18 active and retired participants as of December 31, 2023 and 2022, were \$4.4 million and \$3.6 million, respectively. Pension benefit accrual for all non-union employees ended on November 30, 2006, unless the employee was vested, had reached age fifty-five and had sufficient benefit service, in which case benefit accrual ended on June 30, 2009. Please refer to Note 13 in the 2023 Annual Report for more details.

## OTHER MATTERS

**Stock Holdings of Directors and the Executive Group:** The combined direct ownership of the Company’s Class A and Class B stock by the Board members and the Executive Group, on a fully diluted basis treating vested stock options as though exercised, accounted for 8.1% of the outstanding votes and 7.8% of the equity of the Company’s stock as of December 31, 2023.

**Related Party:** On October 25, 2023, the Company announced changes in its funding structure financed through a syndicate of two banks. Please refer to Note 9 in the 2023 Annual Report for more details. The Company has a relationship with one of the two banks included in the syndicate in which one board member of the bank holding company is also Director of the Company. All relationships between this institution and the Company are considered arms-length.

**Company Loans:** Loans from the Company to any director are prohibited as a matter of policy and by the Company’s charter, unless approved by shareholders who are not directors. There are no loans outstanding as of this date.

**Use of Consultants:** It is the practice of Burnham Holdings, Inc. to engage consultants from time-to-time for issues in which specialized knowledge is required or company resources are limited. Primarily this is in the areas of legal, tax and accounting, environmental, property appraisals, and benefit plans. Management is very aware of the concern of “consultant independence” and the necessity to maintain a high level of integrity in all business activities. For 2023, the Company engaged Baker Tilly for consulting services in the areas of tax, transactions, and technology. The fees incurred for services that Baker Tilly provided during the year ended December 31, 2023 are listed below:

	<u>2023</u>
Audit fees	184,000
Tax fees	100,000
Consulting fees	<u>143,000</u>
	<u>427,000</u>

Audit fees included fees for the audit of the consolidated financial statements and consultation on accounting and internal control matters. Tax fees included return filings, tax advice, planning, compliance, and transaction consulting.

