UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A
Amendment No. 1

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2023
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For transition period from to

Commission File Number 0-51331

BANKFINANCIAL CORPORATION
(Exact Name of Registrant as Specified Its Charter)

Maryland **(State or Other Jurisdiction of Incorporation)**	**75-3199276** **(I.R.S. Employer Identification No.)**

60 North Frontage Road, Burr Ridge, Illinois 60527
(Address of Principal Executive Offices)
Registrant's telephone number, including area code: (800) 894-6900

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	BFIN	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the issuer is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes ☐ No ☒.
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.

The aggregate market value of the registrant's outstanding common stock held by non-affiliates on June 30, 2023 determined using a per share closing price on that date of $8.18, as quoted on The Nasdaq Global Select Market, was $94.8 million.

At February 28, 2024, there were 12,460,678 shares of common stock, $0.01 par value, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None

Explanatory Note

BankFinancial Corporation (the "Company") is filing this Amendment No. 1 on Form 10-K/A to its Report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on March 1, 2024. In accordance with General Instruction G(3), the Company is now filing this amendment to include in the Form 10-K the information required to be filed pursuant to Part III of Form 10-K.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

On February 7, 2024, the Board of Directors of BankFinancial Corporation (the "Company") expanded its size to eight members from six members, and elected Aaron J. O'Connor and Benjamin Mackovak to the Company's Board of Directors to fill the vacancies created by the increase in the size of the Board of Directors, effective immediately. The Board of Directors is divided into three classes. The bylaws of the Company establish the initial terms of office for each class of directors and provide that directors are elected for a term of office that will expire at the third succeeding Annual Meeting of Stockholders following their election, with each director to hold office until their successor is duly elected and qualifies.

As described in a Current Report on Form 8-K filed with the Securities and Exchange Commission on February 7, 2024, the Company entered into a Standstill Agreement with Strategic Value Bank Partners, LLC, Strategic Value Investors LP and Benjamin Mackovak. Under the Standstill Agreement and subject to the terms and conditions set forth therein, the Company agreed, among other things, that its board of directors will appoint Mr. Mackovak to serve as a director of the Company in the class of directors with a term expiring at the Company's 2026 Annual Meeting.

The following table sets forth certain information regarding the members of the Board of Directors, including their years of service and terms of office. Except as indicated in this Amendment No. 1 on Form 10-K/A to the Annual Report on Form 10-K of the Company, there are no arrangements or understandings between any of the directors or nominees and any other person pursuant to which such directors or nominees were selected.

Name	Position(s) Held in the Company	Director Since (1)	Term of Class to Expire
Cassandra J. Francis	Director	2006	2027
Terry R. Wells	Director	1994	2027
John M. Hausmann, C.P.A.	Director	1990	2025
Aaron J. O'Connor	Director	2024	2025
Glen R. Wherfel, C.P.A.	Director	2001	2025
F. Morgan Gasior	Chairman of the Board, Chief Executive Officer and President	1983	2026
Benjamin Mackovak	Director	2024	2026
Debra R. Zukonik	Director	2020	2026

(1) Denotes the earlier of the year the individual became a director of the Bank or the year the individual became a director of the Company or its predecessors, BankFinancial MHC and BankFinancial Corporation, the federal corporation. Messrs. Gasior, Hausmann and Wells have each served as a director of the Company since its formation in 2004. Mr. Wherfel and Ms. Francis were appointed to the Board of Directors of the Company in 2006. Ms. Zukonik joined as a director of the Company in 2020. Messrs. Mackovak and O'Connor joined as directors of the Company in 2024.

The business experience for at least the past five years of each member of the Board of Directors is set forth, with age information as of December 31, 2023. The biographies also contain information regarding the person's experience and the experiences, qualifications, attributes or skills that caused the Corporate Governance and Nominating Committee and the Board of Directors to determine that the person should serve as a director.

Cassandra J. Francis. Age 58. Ms. Francis is self-employed as the sole proprietor of KARIATID since 2009, which provides real estate and construction-related strategic planning, management, and program and project advisory services to public, private and non-profit organizations. Ms. Francis is also President of BOCA Enterprises, Inc. and President of Michiana Enterprises, real estate management companies. Ms. Francis previously served as the Chief Real Estate and Development Officer of the South Shore Line Railroad / Northern Indiana Commuter Transportation District and as the President and CEO of Friends of the Parks. She was also an Executive Director of Clayco, Inc., a national design-build construction firm and the Director of Olympic Village Development for Chicago's bid to host the 2016 Summer Olympic and Paralympic Games. She has also held various management positions, including Senior Vice President with U.S. Equities Development, L.L.C. from 1995 to 2008. Ms. Francis is a Fellow of the American Institute of Certified Planners, a Fellow of RICS (The Royal Institution of Chartered Surveyors), a Fellow of the Chartered Institute of Arbitrators, and is an admitted member of the Counselors of Real Estate, the professional consulting arm of the National Association of Realtors. She is certified as both an international commercial arbitrator and as a civil commercial mediator. Ms. Francis is a LEED Accredited Professional and is licensed as a real estate managing broker in the States of Illinois and Indiana. She formerly served as Liaison Vice Chair of the Counselors of Real Estate, Vice President of the International Board of Governors of Lambda Alpha International, an honorary land economics society and formerly served on the Chicago Advisory Board of the Urban Land Institute. Ms. Francis is a member of the Community and Environmental and the Human Resources Committees of the Company.

Ms. Francis brings to the Board, among other skills and qualifications, substantial experience in urban planning and commercial real estate development and operations, with particular emphasis in retail development and leasing. She also has extensive experience with commercial real estate finance and valuations, particularly in Midwestern markets.

F. Morgan Gasior. Age 60. Mr. Gasior has served as Chairman of the Board, Chief Executive Officer and President of the Company since its formation in 2004, and of the Bank since 1989, and as a director of the Bank since 1983. He held the same positions with the Company's predecessors, BankFinancial MHC and BankFinancial Corporation, a federal corporation, from 1999 to 2005. Mr. Gasior has been employed by the Bank in a variety of positions since 1984, and became a full-time employee in 1988 when he was appointed as Executive Vice President and Chief Operating Officer. Mr. Gasior is licensed as an attorney in the States of Illinois and Michigan, but he does not actively practice law.

Mr. Gasior brings to the Board, among other skills and qualifications, a comprehensive understanding of the Bank's strategies, operations and customers based on his more than 30 years of service as an employee and officer of the Bank. He has led the development and implementation of the Bank's financial, lending, operational, technology and expansion strategies, and this experience has uniquely positioned him to adjust the Company's business strategies to respond to changing economic, regulatory and competitive conditions, and to discern and coordinate operational changes to match these strategies. His position on the Board also provides a direct channel of communication from senior management to the Board.

John M. Hausmann, C.P.A. Age 68. Mr. Hausmann has been a self-employed certified public accountant since 1980, until he retired in 2022. Prior to that time, he was an accountant with Arthur Andersen. Mr. Hausmann is a member of the Illinois Certified Public Accountant Society. He has been a director of the Company since its formation in 2004, and of the Bank since 1990. He was a director of the Company's predecessors, BankFinancial MHC and BankFinancial Corporation, a federal corporation, from 1999 to 2005. Mr. Hausmann is the Chairman of the Audit Committee of the Company and is a member of the Executive, the Corporate Governance and Nominating and the Human Resources Committees of the Company.

Mr. Hausmann brings to the Board, among other skills and qualifications, a comprehensive understanding of accounting, auditing and taxation principles based on his many years of experience as a certified public accountant. His experience as a member of the Audit Committee has provided him with a thorough knowledge of the Company's internal controls and internal and external audit procedures. His tax and accounting practice and longtime residency in the Bank's southernmost market territory have also provided him with a unique familiarity with the needs of the Bank's small business and municipal customers and communities.

Benjamin Mackovak. Age 42. Mr. Mackovak is the Co-Founder and Managing Member of Strategic Value Bank Partners, an investment partnership specializing in community banks, since 2015. Prior to Strategic Value Bank Partners, Mr. Mackovak was the Founder and Portfolio Manager of Cavalier Capital, an investment firm based in Cleveland, Ohio, from 2012 to 2015. Mr. Mackovak was the Senior Analyst at Rivanna Capital, an investment firm based in Charlottesville, Virginia from 2006 to 2012. Mr. Mackovak worked at First American Trust as an Associate Portfolio Manager, an investment firm based in Newport Beach, California from 2004 to 2005. Mr. Mackovak began his career at Merrill Lynch.

Mr. Mackovak currently serves on the Board of Directors for People's Bank of Commerce, Community Bank of the Bay, and Keystone Bank. Previously, he served on the Board of United Security Bancshares, First South Bancorp, Peak Bancorp, Foothills Community Bank, and First State Bank of Colorado. In his experience as a bank director, Mr. Mackovak has served on the Compensation Committee, Loan Committee, Corporate Governance Committee, Nominating Committee, ALCO Committee, Strategic Committee, IT Committee, M&A Committee, and Audit Committee of various community banks. In addition to serving on bank boards, Mr. Mackovak also serves on the Board of Directors for the Great Lakes Science Center.

Mr. Mackovak brings to the Board his experience as a director of other banks and his financial expertise.

Aaron J. O'Connor, C.P.A. Age 49. Mr. O'Connor is a partner and founder of the accounting firm Bridge CPA LLC, a full-service CPA firm providing audit, tax and business advisory services. Mr. O'Connor has over 25 years of public accounting experience, mainly providing audit/attestation and business consulting services. During this time, he has worked with clients of all sizes, from start-ups to helping take companies public on the NASDAQ and TSX. Mr. O'Connor's clients have been in financial services, manufacturing, distribution, and professional services. Mr. O'Connor's public accounting experience includes audit partner responsibilities with PKF Mueller from 2020 to 2023, and Crowe LLP from 2004 to 2019. Mr. O'Connor has been a member of the Board of Directors of the Bank since 2023.

Mr. O'Connor brings to the Board, among other skills and qualifications, a comprehensive understanding of accounting, auditing and taxation principles based on his many years of experience as a certified public accountant.

Terry R. Wells. Age 65. Mr. Wells has served as the Mayor of the Village of Phoenix, Illinois since 1993, and he currently serves as President of the Southland Regional Mayoral Black Caucus. He is also a member of the Board of Directors of Pace, a Division of the Regional Transportation Authority (Illinois), and the Chairman of the Board of South Suburban College. Mr. Wells has served as President of the South Suburban Mayors and Managers Association. Mr. Wells retired in 2019 after 35 years teaching history at the secondary school level. He has been a director of the Company since its formation in 2004, and of the Bank since 1994. He was a director of the Company's predecessors, BankFinancial MHC and BankFinancial Corporation, a federal corporation, from 1999 to 2005. Mr. Wells is a member of the Executive Committee, the Audit Committee, the Human Resources Committee and the Chairman of the Community and Environmental Committee of the Company.

Mr. Wells brings to the Board, among other skills and qualifications, substantial experience in municipal government and finance, community and economic development and serving the needs of low- and moderate-income borrowers and communities. His experience as an educator has also provided him with significant expertise in secondary and post-secondary vocational training applicable to the Bank's customer service and support personnel.

Glen R. Wherfel, C.P.A. Age 74. Mr. Wherfel has been a principal in the accounting firm of Wherfel & Associates since 1984 and President of Park Data Incorporated since 1980. Mr. Wherfel was a director of Success National Bank from 1993 to 2001, and of Success Bancshares from 1998 to 2001. He was the Chairman of Success National Bank's Loan Committee and a member of its Asset Liability Management Committee. The Company acquired Success Bancshares and Success National Bank in 2001. Mr. Wherfel is a member of the Audit Committee and the Chairman of the Human Resources Committee of the Company. He is also the Chairman of the Corporate Governance and Nominating Committee, and as such, currently serves as the Lead Director of the Company.

Mr. Wherfel brings to the Board, among other skills and qualifications, substantial experience in entrepreneurial finance and operations. His tax and accounting practice, longtime residency in the Bank's northern market territory and service as a director of Success National Bank have also provided him a unique familiarity with the needs of the Bank's small business and municipal customers and communities.

Debra R. Zukonik. Age 61. Ms. Zukonik is the co-owner and Chief Credit Officer of Dare Capital Partners, LLC, which provides asset-based lending and accounts receivable factoring to selected small and medium-size businesses, and co-investment in asset-based lending or accounts receivable factoring facilities to selected financial institutions. Ms. Zukonik is a co-owner of NN6, LLC, which is a technology company providing specialty report capabilities for factoring software and a co-owner of Horizon ProMed, LP, which is a commercial real estate investment company. Ms. Zukonik is also a co-owner of FactorHelp, Inc., which is a factoring consulting firm, and a co-owner of Factor Solutions, LLC, which provides servicing for factoring transactions. Ms. Zukonik is a member of the Board of Directors of the American Factoring Association, and is a former member of the Advisory Board of the International Factoring Association, having served four times in the past 20 years, and she previously served on the Executive Committee of the Commercial Finance Association Board of Directors. Ms. Zukonik is a member of the Community and Environmental Committee of the Company.

Ms. Zukonik brings to the Board, among other skills and qualifications, substantial experience and expertise in the Commercial Finance industry with an extensive range of formal training and expertise in commercial credit and collections, underwriting, and financial and credit analysis.

Executive Officers Who Are Not Directors

Set forth below is information, with age information as of December 31, 2023, regarding the principal occupations for at least the past five years of the individuals who serve as executive officers of the Company and/or the Bank who are not directors of the Company or the Bank. All executive officers of the Company and the Bank are elected annually by their respective Boards of Directors and serve until their successors are elected and qualify. No executive officer identified below is related to any director or other executive officer of the Company or the Bank. Except as indicated elsewhere in this Amendment No. 1 on Form 10-K/A to the Company's Annual Report on Form 10-K, there are no arrangements or understandings between any officer identified below and any other person pursuant to which any such officer was selected as an officer.

Gregg T. Adams. Age 64. Mr. Adams has served as the President of the Marketing and Sales Division of the Bank since 2015 and was the Executive Vice President of the Marketing and Sales Division of the Bank from 2001 to 2015 and was the Senior Vice President of the Marketing and Sales Division from 2000 to 2001. Mr. Adams joined the Bank in 1986 and has served in various positions with the Bank and its former real estate subsidiary, Financial Properties, Inc., including as Vice President of Marketing Development. Mr. Adams is also a director of Financial Assurance Services, Inc.

Paul A. Cloutier, C.P.A. Age 60. Mr. Cloutier has served as the Chief Financial Officer and Treasurer of the Company since its formation in 2004, of the Bank since 1991, and of BankFinancial MHC and BankFinancial Corporation, a federal corporation, from 1999 to 2005. Mr. Cloutier also serves as the Executive Vice President of the Finance Division of the Company and the Bank. He is a registered certified public accountant in the State of Michigan and is a member of the American Institute of Certified Public Accountants. Prior to joining the Bank and its parent companies, he was a Senior Tax Associate with Coopers & Lybrand.

John G. Manos. Age 63. Mr. Manos has served as the President of the Bank's Commercial Real Estate Lending Division since 2014, and was the Regional President of the Bank's Southern Region from 2006 to 2014. He has held various positions with the Bank since 1999, including Senior Vice President, and Vice President and Senior Vice President of Regional Commercial Banking. Prior to joining the Bank, Mr. Manos was the Manager – Commercial Lending for Preferred Mortgage Associates.

Marci L. Slagle. Age 54. Ms. Slagle has served as the President of the Bank's Equipment Finance Division since February 2020. She manages the corporate and governmental, middle market and small ticket equipment finance and leasing departments. Ms. Slagle is a Certified Lease Finance Professional ("CLFP") with over 25 years' experience in the commercial equipment leasing/finance industry. Ms. Slagle is a current member of the Equipment Finance and Lease Association Steering Committee – Middle Market Leasing, and she is also an Executive Committee member and past President of the CLFP Foundation.

Delinquent Section 16(a) Reports

The Company's executive officers, directors and any beneficial owners of greater than 10% of the outstanding shares of the Company's common stock are required to file reports with the SEC disclosing beneficial ownership and changes in beneficial ownership of the Company's common stock. SEC rules require disclosure if an executive officer, director or 10% beneficial owner fails to file these reports on a timely basis. Based on the Company's review of ownership reports required to be filed for the year ended December 31, 2023, Director O'Connor was one day late in filing a Form 3, and we believe that no other executive officer, director or 10% beneficial owner of shares of the Company's common stock failed to file a required ownership report on a timely basis.

Code of Ethics

The Company has adopted a Code of Ethics for Senior Financial Officers that applies to the Company's principal executive officer, principal financial officer, principal accounting officer, and persons performing similar functions. A copy of the Company's Code of Ethics was previously filed as Exhibit 14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005. Amendments to and waivers from the Code of Ethics for Senior Financial Officers will be disclosed on the Company website, www.bankfinancial.com. The Company has also adopted a Code of Business Conduct, pursuant to the listing standards of the NASDAQ Stock Market that applies generally to the Company's directors, officers, and employees.

Recommendations for Director Nominees

There have been no changes to our procedures for stockholders to recommend director nominees since they were disclosed in our proxy statement for our 2023 Annual Meeting of Stockholders.

Audit Committee

The Board of Directors has adopted a written charter for the Audit Committee, which was attached as Appendix A to the 2023 Proxy Statement. As more fully described in the Audit Committee Charter, the Audit Committee reviews the records and affairs of the Company to determine its financial condition, reviews with management and the Company's independent registered public accounting firm the systems of internal control over financial reporting, and monitors adherence in accounting and financial reporting to accounting principles generally accepted in the United States. Each member of the Audit Committee is an "independent" director as defined in the listing standards of the NASDAQ Stock Market and Rule 10A-3 of the Securities Exchange Act of 1934. In addition, the Board of Directors has determined that Messrs. Hausmann and Wherfel are qualified as "audit committee financial experts" as currently defined in the regulations of the SEC.

ITEM 11. EXECUTIVE COMPENSATION

NARRATIVE DISCUSSION OF EXECUTIVE COMPENSATION

Introduction

This Narrative Discussion of Executive Compensation describes the Company's compensation philosophy and policies for 2023 as applicable to the executive officers named in the Summary Compensation Table (the "Named Executive Officers"). This section explains the structure and rationale associated with each material element of the Named Executive Officers' compensation, and it provides context for the more detailed disclosure tables and specific compensation amounts provided in the following section. It is important to note that the Company and the Bank share an executive management team, members of the executive management team are compensated by the Bank rather than the Company and the Company reimburses the Bank for its services to the Company through intercompany expense allocations.

Role of the Human Resources Committee of the Board of Directors

Pursuant to its Charter, the Human Resources Committee of the Company is responsible for the execution of the Board of Directors' responsibilities with respect to equity-based compensation, performance evaluation and succession planning for the Company's Chief Executive Officer and other named executive officers of the Company. The Human Resources Committee of the Bank is responsible for the execution of the responsibilities of the Board of Directors of the Bank with respect to cash-based compensation, employee benefits and perquisites, performance evaluation and succession planning for the Bank's Chief Executive Officer, and other senior officers of the Bank. The Human Resources Committee of the Bank communicates its actions and decisions to the Human Resources Committee of the Company. The Human Resources Committee of the Company is comprised of Messrs. Wherfel (Chairman), Hausmann and Wells and Ms. Francis, each of whom is expected to serve on the committee through the conclusion of the Company's Annual Meeting of Stockholders on Friday, June 21, 2024. Each member of the Human Resources Committee of the Company is considered "independent" according to the listing standards of the NASDAQ Stock Market and a "non-employee" director under Section 16 of the Securities Exchange Act of 1934.

Compensation Philosophy and Objectives

The overall objective of the Company's and the Bank's compensation programs is to align executive officer compensation with the success of meeting strategic, financial and management objectives and goals. The programs are designed to create meaningful and appropriate incentives to manage the business of the Company and the Bank successfully and to align management interests with those of the stockholders of the Company. The program is structured to accomplish the following:

- encourage a consistent and competitive return to stockholders over the long-term;
- maintain a corporate environment that encourages stability and a long-term focus for the primary constituencies of the Company and the Bank, including employees, stockholders, communities, clients and government regulatory agencies;
- maintain a program that:
  - clearly motivates personnel to perform and succeed according to the current goals of the Company and the Bank;
  - provides management with the appropriate empowerment to make decisions that benefit the primary constituents;
  - aligns incentive compensation practices to risk-taking activities;
  - attracts and retains key personnel critical to the long-term success of the Company and the Bank;
  - provides for management succession planning and related considerations;
  - encourages increased productivity;
  - provides for subjective consideration in determining incentive and compensation components; and
  - ensures that management:
    - fulfills its oversight responsibility to its primary constituents;
    - conforms its business conduct to the Company's and the Bank's established ethical standards;
    - remains free from any influences that could impair or appear to impair the objectivity and impartiality of its judgments or treatment of the constituents of the Company and the Bank; and
    - avoids any conflict between its responsibilities to the Company and the Bank and each executive officer's personal interests.

Compensation Principles and Factors

Business Plan Objectives. The Boards of Directors of the Company and the Bank periodically conduct a review of current and anticipated business conditions in the context of the Company's and the Bank's financial and competitive position. The review period typically includes the previous two fiscal years and up to two years prospectively. In connection with this review, management submits a Business Plan to the Boards of Directors of the Company and the Bank that proposes strategic, financial and management objectives for the period covered, using multiple scenarios in response to a variety of stated assumptions. The Boards of Directors then evaluate the proposed Business Plan and modify its provisions to the extent they deem appropriate. The Business Plan is updated by management and the Boards of Directors periodically throughout the year to respond to changing circumstances and conditions. The Business Plan provides a basis for evaluating the future progress of the organization, including all appropriate strategic alternatives, and management's performance.

The Human Resources Committees of the Company and the Bank considered the Company's and the Bank's performance within the context of the Business Plan and management's overall performance, weighing numerous factors within and outside of management's control.

Corporate Performance and Industry Comparison. In establishing named executive officer compensation, the Human Resources Committees of the Company and the Bank periodically evaluate the Company's and the Bank's performance compared to management's and the Boards of Directors' overall goals and business plan objectives as well as to other financial institutions. The Human Resources Committees believe that using the respective performance factors of the Company and the Bank in determining named executive officer compensation levels is a useful tool for aligning the executive officers' interests with those of the stockholders of the Company. With that in mind, the Human Resources Committees focus on the respective overall performance of the Company and the Bank relative to the prior calendar year and also considers the performance of insured depository institutions in the Chicago MSA, an immediately adjacent MSA or the State of Illinois. As part of the evaluation and review, the Human Resources Committees also take into account the manner in which various subjective issues, such as changes in competition, regulatory standards, and general and local economic conditions (including unemployment rates, commodities prices and adverse conditions in housing and real estate markets) may have affected performance.

For purposes of comparative analysis in assessing corporate performance, the Company generally considers commercial banks and savings institutions of similar asset size, capital ratios, and/or geography. Given the ever-changing landscape within the banking industry, there is no specifically defined group of companies that is utilized for this analysis. The group of comparative financial institutions used in 2023 to assess overall performance consisted of publicly-held financial institutions located in the Chicago MSA, an immediately adjacent MSA or the State of Illinois with assets of $1.0 billion to $6.0 billion. The local financial institutions that were considered in 2023 consisted of Waterstone Financial, Inc. (WSBF), Finward Bancorp (FNWD), and First Business Financial Services, Inc. (FBIZ). A broader group consisting of these publicly-held institutions and a number of privately-held local financial institutions is also considered in the assessment of corporate performance.

The Boards of Directors of the Company and the Bank believe that industry comparison is a useful tool for assessing business performance, staying competitive in the marketplace and attracting and retaining qualified executives. While the Human Resources Committees believe that it is prudent to use industry comparison data in determining compensation practices, they do not establish empirical parameters or benchmarks for using this data. Rather, where necessary, the Human Resources Committee of the Bank uses industry comparison data to confirm that executive compensation is reasonable relative to competing organizations.

Performance Reviews and Role of Executives in Committee Meetings. Management reports to the Boards of Directors of the Company and the Bank at least annually on its progress in achieving the strategic, financial and management objectives established by the business plan. The Boards of Directors of the Company and the Bank then consider the overall performance of the Company and the Bank and the named executive officers in the context of these objectives, weighing numerous factors and conditions within and outside of management's control. The Human Resources Committee of the Bank reviews current and proposed compensation levels for the Chief Executive Officer and the other Named Executive Officers for Bank-level base salaries, incentive compensation plans and discretionary cash bonus payments.

The Boards of Directors and the Human Resources Committees exclude the Chief Executive Officer and all other Named Executive Officers from their discussions and formal meetings concerning their compensation, except to receive the results of the decisions made and other relevant information.

Information Resources and Role of Compensation Consultants. In reviewing current and proposed compensation levels for Named Executive Officers, the Human Resources Committees consider the organizational structure and business performance of the Company and the Bank, external information from public sources on industry and competitor business performance and compensation practices and levels and other information it deems relevant to its responsibilities. The Human Resources Committees of the Company and the Bank continued to have access to their own outside counsel and a compensation consultant during 2023. The Human Resources Committee of the Company engaged Frederic W. Cook & Co., Inc. ("Cook & Co.") to assist in the preparation of the compensation analysis aspects of reports filed with the SEC and to be available for consultations with outside counsel. As part of its work in 2023, Cook & Co. conducted peer group analysis against peers covering total annual compensation and equity incentives for the positions of Chief Executive Officer and Chief Financial Officer.

Alignment of Risk and Performance-Based Compensation. The Code of Business Conduct for the Company and the Bank incorporates a NASDAQ Clawback Policy for the Executive Officers of the Company and the Bank that provides for the recovery of Erroneously Awarded Compensation in the event the Company is required to prepare an Accounting Restatement. For those not covered by the NASDAQ Clawback Policy, the Code of Business Conduct for the Company and the Bank includes provisions for the recovery (also known as "clawback") of performance-based incentive compensation paid in or after 2023 in certain situations involving a restatement of financial reporting for a period up to three years from the date the restated financial statements are first filed with the SEC. In addition, incentive compensation plans adopted by the Bank that are directly related to the volumes and pricing of extensions of credit provide for the exclusion or deferral of incentive-based compensation based on either the inherent risk of the extension of credit or the risk rating assigned to the credit by a committee independent of the loan origination process.

Components of Executive Compensation

General. All Named Executive Officers of the Company, including the Chief Executive Officer, are currently executive officers of the Bank. The compensation that the Bank pays to its Named Executive Officers, however, is taken into account in establishing the intercompany expense allocations that the Company pays to the Bank.

Base Salary. Generally, base salary levels are established based on job descriptions and responsibilities, either temporary or permanent in nature (including any revisions or proposed revisions thereto), competitive conditions and general economic trends in the context of the Bank's financial and franchise condition, and performance. A discussion of changes in base salaries for each Named Executive Officer is included under "Conclusions for the Year Ended December 31, 2023."

The base salaries of the Named Executive Officers for 2024 are as follows:

Name	Position	2024 Base Salary
F. Morgan Gasior	Chairman of the Board, Chief Executive Officer and President	$ 507,756
Paul A. Cloutier	Executive Vice President and Chief Financial Officer	$ 333,125
Gregg T. Adams	Marketing & Sales President - Bank	$ 279,269

Cash Incentive Plan Compensation. The Bank maintains numerous cash incentive compensation plans at the Divisional or Departmental level. Each plan aligns incentive compensation with the applicable Business Plan objectives for a particular Division or Department. The Bank's Human Resources Committee approves each Divisional or Departmental cash incentive compensation plan for a calendar year. At the conclusion of the calendar year, the Bank's Human Resources Committee reviews the proposed awards for all department managers at the level of Senior Vice President or higher pursuant to each Divisional or Departmental plan. Cash incentive plan compensation for the Chief Executive Officer, the Chief Financial Officer and the Marketing and Sales President reflects the relative achievement of the strategic, financial and management objectives established by the Business Plan, management's responses to unforeseen circumstances or conditions that materially differ from those originally assumed, and the performance factors applicable for each individual. Historically, the Bank prepared a performance- and risk-based incentive compensation matrix for the Chief Executive Officer and the Chief Financial Officer. Taken together, this matrix incorporated direct relationships of certain key risk exposures and performance elements for the Company. Information with respect to this plan or matrix for the Chief Executive Officer and the Chief Financial Officer is included in "Conclusions for the Year Ended December 31, 2023."

Discretionary Cash Bonus. The Bank may pay discretionary cash bonuses to associates and officers based on job performance consistent with a high level of individual execution of assigned responsibilities or special projects for a portion of a calendar year, a full calendar year or over a period of years. The Bank's Human Resources Committee approves all discretionary cash bonus payments for all department managers at the level of Senior Vice President or higher.

Prohibited Transactions Involving Shares Issued by BankFinancial Corporation. The Insider Trading Policy for the Company and the Bank includes provisions prohibiting directors, officers and employees from purchasing shares of common stock issued by the Company in a margin account, or pledging such shares as collateral for a loan. In addition, the Insider Trading Policy prohibits the purchase or sale of financial instruments or otherwise conducting transactions designed to, or that may reasonably be expected to have the effect of hedging or offsetting a decrease in the market value of any securities issued by the Company without the prior written consent of the Company's Corporate Governance and Nominating Committee.

401(k) Plan. The Company has a tax-qualified defined contribution retirement plan covering all of its eligible employees. Employees are eligible to participate in the plan after attainment of age 21 and completion of 90 days of service. The Company provides a match of 50% of all contributions up to 6% of eligible compensation. The Company could also contribute an additional amount annually at the discretion of the Board of Directors of the Bank. Contributions totaling $360,000, excluding forfeitures, were made to the 401(k) plan for 2023. All reasonable administrative expenses incurred by the Plan were paid by the Plan.

All Other Compensation and Perquisites. To the extent applicable, the Human Resources Committees of the Company and the Bank review and monitor the level of other compensation and perquisites provided by the Company or the Bank, respectively, to the Named Executive Officers in the context of current business operations and general market practices. Excluding the effects of the Bank's contributions for the health, vacation, and 401(k) plan benefits available to all full-time employees and the Bank's reimbursement of the after-tax premium costs for disability insurance coverages, the Human Resources Committees of the Company and the Bank continue to believe that other compensation and perquisites generally should not exceed 10% of each Named Executive Officer's total annual cash compensation. As of December 31, 2023, the compensation practices of the Company and the Bank with respect to other compensation and perquisites met this standard.

Conclusions for Year Ended December 31, 2023

Executive Summary. The following is a summary of the compensation decisions the Human Resources Committees made with respect to the Named Executive Officers for 2023 and base salaries for 2024:

- Earned 2023 cash incentive compensation plan payments were paid to the Chief Executive Officer, the Chief Financial Officer and the Marketing and Sales President.
- In March 2023, the base salaries of the Chief Executive Officer and the Marketing and Sales President increased by 3.0%. The Chief Financial Officer received a 4.4% increase in base salary in 2023.
- In March 2024, the base salaries of the Chief Executive Officer, the Chief Financial Officer and the Marketing and Sales President increased 2.5%.

Review of Chief Executive Officer. The Human Resources Committee of the Bank met outside the presence of Mr. Gasior to review the Chief Executive Officer's performance in the context of the evaluation categories established by the Board of Directors.

Earnings Per Share. The Human Resources Committee determined that the Earnings Per Share weighting for the Chief Executive Officer should remain constant at 40% of the total plan weighting. The goal of the Company has been to achieve a consistent earnings result of $1.00 per year Earnings Per Share. The Business Plan and the BankFinancial Corporation share repurchase plan are coordinated as feasible to achieve the targeted results. Based on the full-year 2023 results, the Human Resources Committee determined that Earnings Per Share were 74% of the target Earnings Per Share objective for 2023.

The Company's share price decreased from $10.53 to $10.26 (2.6%) in 2023, with a one-year total shareholder return of 2.05% and three-year total shareholder return of 32.14%. The ABAQ Community Bank stock index decreased by 5.3% for the one-year period and increased by 13.6% for the three-year period.

Net Commercial Loan Growth & Loan Originations. The failures of Silicon Valley Bank, Signature Bank and First Republic in the first half of 2023 required the Bank to immediately emphasize on-balance sheet liquidity. At the beginning of 2023, the Bank's liquidity in 2023 primarily resulted from scheduled repayments of equipment finance exposures and scheduled maturities of investment securities, which were weighted to the second half of 2023. Accordingly, the Bank decided to conserve liquidity by materially reducing term-structured loan originations through the third quarter of 2023. Due to the change in the Business Plan to emphasize on-balance sheet, the Bank's loan portfolio declined by $176 million (14.3%), primarily due to receipt of $201 million in total principal payments within the equipment finance portfolio, which were not replaced by new originations in 2023. Notwithstanding the change in Business Plan strategy, the Bank earned a higher interest rate on its cash and short-term investments compared to the weighted-average interest rate earned on the scheduled repayments and matured securities during 2023. The Human Resources Committee determined that each of the Net Commercial Loan Growth & Loan Originations category weightings should remain constant at 5% of the total plan weighting for 2023 to retain the continued long-term focus on loan portfolio composition and growth to achieve Earnings Per Share and franchise objectives. Based on the short-term changes in the Business Plan strategy for 2023, the Human Resources Committee determined that Net Commercial Loan Growth and Loan Originations met expectations for 2023.

Securities Portfolio. The Human Resources Committee determined that the Securities Portfolio category weighting should remain constant at 5% of the total plan weighting for 2023. The Bank's securities portfolio maintained a relatively short duration and laddered maturities, which enabled the Bank to improve liquidity and earnings through re-deployment of matured securities and the eight month earn-back of the $335,000 (after-tax) loss on the sale of $44 million in investment securities incurred in the first quarter of 2023. The Bank also improved its Community Reinvestment Act investment portfolio from $3.6 million as of December 31, 2022 (54% of target CRA investment level) to $7.5 million as of December 31, 2023 (117% of target CRA investment level). As of December 31, 2023, the Accumulated Other Comprehensive Income (AOCI) adjustment for the securities portfolio was (1.6%) of Bank tangible capital. The Human Resources Committee determined that the Securities Portfolio met expectations for 2023.

Asset Quality. The Human Resources Committee determined that the Asset Quality category should remain constant at 20% of the total plan weighting for 2023. The overall metrics for Asset Quality declined principally due to the two U.S. Government equipment finance transactions and one Middle Market equipment finance transaction placed on non-accrual status in the first half of 2023. Excluding the two U.S. Government equipment finance transactions, the Bank's Asset Quality was consistent with the Bank's historical asset quality results, with positive trends and action taken with respect to other classified, criticized and watch list credit exposures. Notwithstanding the foregoing, the Human Resources Committee determined that Asset Quality was below expectations due to the balances of non-accrual loans and non-performing assets as of December 31, 2023.

Internal Controls. The Human Resources Committee determined that the Internal Controls category weighting should remain constant at 10% of the total plan weighting for 2023. The Human Resources Committee determined that the results of the Bank's operations and audits with respect to information security, regulatory compliance and the system of internal controls met expectations for 2023.

Leadership & Planning. The Human Resources Committee determined that the Leadership & Planning category weighting should remain at 15% of the total plan weighting for 2023. The Chief Executive Officer responded to the banking industry developments which occurred in the first quarter of 2023 with changes to the Bank's liquidity posture, while improving earnings due to the pricing of scheduled loan payments and maturing securities. Notwithstanding the $113 million decline in deposits in 2023, the Bank's liquidity improved to 12% of Cash to Total Assets as of December 31, 2023 from 4% Cash to Total Assets as of December 31, 2022. The improved liquidity also further supported growth in interest income given the increases in short-term interest rates due to Federal Reserve monetary policy actions. The Bank maintained a balanced interest rate risk position in 2022 to 2023, with the additional liquidity generated during 2023 creating more earnings exposure to a future material decline in short-term interest rates as of December 31, 2023 but stable to rising earnings should interest rates remain constant or increase in future periods.

The Bank's deposit portfolio declined primarily due to the utilization of available funds by retail borrowers in an inflationary environment and the use of low-yielding cash deposits in lieu of commercial line utilization by commercial borrowers. The Bank's change in the cost of funds was consistent with the 2023 Business Plan. Consolidated insured deposits were 86% of total deposits as of December 31, 2023, due in part to the Bank's rapid deployment of reciprocal insured deposit products and customer outreach for "FDIC Insurance Coverage Reviews" for depositors with greater than $250,000 held at the Bank.

The Chief Executive Officer completed the credit policy, pricing and loan documentation development for the Bank's hybrid and universal commercial finance products, the Bank's Business LifeLine small business micro-credit products, the initial deployment of the Business Banking Department focused on small business customers, the Treasury Services supply-chain and wire transfer drawdown products and the Bank's new Digital Privacy Policy. The Chief Executive Officer maintained oversight over all legal matters for the Bank, including certain other litigation matters arising from the loan portfolio, the Trust Department, contract / vendor management reviews and various regulatory and state law compliance matters.

Based on the foregoing, the Human Resources Committee determined that the Chief Executive Officer's performance in the Leadership and Planning category met expectations for 2023.

Conclusions. Based on the factors noted above, the Human Resources Committee of the Bank, with Mr. Gasior not participating, approved a 13.00% cash incentive compensation plan payment for 2023 with respect to the Chief Executive Officer, a reduction of $27,222 (29.8%) compared to 2022. The Human Resources Committee of the Bank also approved a standard base compensation increase of 2.5% for the Chief Executive Officer. The Board of Directors of the Bank, without the participation of the Chief Executive Officer, ratified the actions of the Human Resources Committee of the Bank with respect to the Chief Executive Officer.

The matrix used by the Human Resources Committee of the Bank with respect to the Chief Executive Officer is as follows:

Component	Weight	2023 Performance Results	2023 Percentage Results	2023 Percentage Awarded	2023 Maximum Percentage
Earnings Per Share	40%	74% of Target	7.50%	7.50%	50%
Net Commercial Loan Growth	5	Met	10.00	10.00	50
Commercial Loan Originations	5	Met	10.00	10.00	50
Securities Portfolio	5	Met	20.00	20.00	50
Asset Quality	20	Below	10.00	10.00	50
Internal Controls	10	Met	15.00	15.00	50
Leadership & Planning	15	Met	30.00	30.00	50
Composite	100%	**Met**	**13.00%** (1)	**13.00%** (2)	**50%** (3)

(1) Represents the percentage of base salary earned as cash incentive compensation.
(2) Represents the percentage of base salary paid as cash incentive compensation.
(3) Represents the maximum percentage of base salary available as cash incentive compensation.

The Earnings Per Share target performance and the actual results for the year ended December 31, 2023, are set forth in the table below.

Category	2023 Results	Target Performance
Earnings Per Share	$0.74	$1.00

Review of Chief Financial Officer. The Human Resources Committee of the Bank reviewed the performance of the Chief Financial Officer in the context of the evaluation categories established by the Board of Directors.

Earnings Per Share. The Human Resources Committee determined that the Earnings Per Share category weighting for the Chief Financial Officer should remain constant at 25% of the total plan weighting for 2023. The goal of the Company has been to achieve a consistent earnings result of $1.00 per year Earnings Per Share. The Business Plan and the BankFinancial Corporation share repurchase plan are coordinated as feasible to achieve the targeted results. Based on the full-year 2023 results, the Human Resources Committee determined that Earnings Per Share were 74% of the target Earnings Per Share objective.

Internal Controls. The Human Resources Committee determined that the Internal Controls category weighting for the Chief Financial Officer should remain constant at 25% of the total plan weighting. The Human Resources Committee determined that the results of the Bank's operations and audits with respect to the system of internal controls for financial and regulatory reporting met expectations.

Asset Quality (Securities). The Human Resources Committee determined that the Asset Quality (Securities) category weighting for the Chief Financial Officer should remain constant at 30% of the total plan weighting for 2023. The Bank's securities portfolio consists of U.S. Treasury securities, bank Certificates of Deposits fully-insured by the FDIC, U.S. Government Agency mortgage-backed securities and local municipal bond securities. There were no impairments of any securities in the securities portfolio in 2023. The Human Resources Committee determined that the results within the securities portfolio with respect to asset quality exceeded expectations.

Liquidity & Interest Rate Risk. The Human Resources Committee determined that the Liquidity & Interest Rate Risk category weighting should remain constant at 15% of the total plan weighting for 2023. The Bank's securities portfolio maintained a relatively short duration and laddered maturities, which enabled the Bank to improve liquidity and earnings through re-deployment of matured securities and the eight month earn-back of the $335,000 (after-tax) loss on the sale of $44 million in investment securities incurred in the first quarter of 2023. The Bank also improved its Community Reinvestment Act investment portfolio from $3.6 million in 2022 (54% of target CRA investment level) to $7.5 million (117% of target CRA investment level). As of December 31, 2023, the Accumulated Other Comprehensive Income (AOCI) adjustment for the securities portfolio was (1.6%) of Bank tangible capital. The Bank maintained a balanced interest rate risk position in 2022 to 2023, with the additional liquidity generated during 2023 creating more exposure to a future decline in short-term interest rates as of December 31, 2023; however, continued deployment of short-term investments with laddered maturities can mitigate the risks of a sudden decline in short-term interest rates while maintaining sufficient on-balance sheet liquidity. The Human Resources Committee determined that the results with respect to liquidity and interest rate risk significantly exceeded expectations for 2023.

Leadership & Planning. The Human Resources Committee determined that the Leadership & Planning category weighting should remain constant at 5% of the total plan weighting for 2023. This category reflects the advance planning elements of the Chief Financial Officer role on emerging financial accounting and taxation issues. The Chief Financial Officer also managed the Bank's corporate insurance program and coordinates fixed asset investment / management functions for the Bank. The Human Resources Committee determined that the results with respect to leadership and planning met expectations for 2023.

Conclusions. Based on the factors noted above, the Human Resources Committee of the Bank approved a 14.48% cash incentive compensation plan payment for 2023 with respect to the Chief Financial Officer. The Human Resources Committee of the Bank also approved a standard base compensation increase of 2.5% for the Chief Financial Officer. The Board of Directors of the Bank ratified the actions of the Human Resources Committee of the Bank with respect to the Chief Financial Officer.

The matrix utilized by the Human Resources Committee of the Bank with respect to the Chief Financial Officer is as follows:

Component	Weight	2023 Performance Results	2023 Percentage Results	2023 Percentage Awarded	2023 Maximum Percentage
Earnings Per Share	25%	74% of Target	7.50%	7.50%	20%
Internal Controls	25	Met	14.00	14.00	20
Asset Quality (Securities)	30	Exceeded	18.00	18.00	20
Liquidity & Interest Rate Risk	15	Significantly Exceeded	20.00	20.00	20
Leadership & Planning	5	Met	14.00	14.00	20
Composite	100%	**Met**	**14.48%** (1)	**14.48%** (2)	**20%** (3)

(1) Represents the percentage of base salary earned as cash incentive compensation.
(2) Represents the percentage of base salary paid as cash incentive compensation.
(3) Represents the maximum percentage of base salary available as cash incentive compensation.

The Earnings target and the actual results for the year ended December 31, 2023, are set forth in the table in the Review of the Chief Executive Officer.

Review of Marketing and Sales President. The Human Resources Committee of the Bank reviewed the performance of the Marketing and Sales President. The Human Resources Committee of the Bank noted that the Chief Executive Officer had submitted a written performance assessment of the performance of the Marketing and Sales President and the applicable bonus or cash incentive compensation payments based on the results of the Bank's deposit portfolio composition and cost of funds, Trust Department operations and results, Treasury Services Department operations and results, deposit product development, and leadership and planning.

Deposit Portfolio Composition & Cost of Funds. The Bank's deposit portfolio declined primarily due to the utilization of available funds by retail borrowers in an inflationary environment and the use of low-yielding cash deposits in lieu of commercial line utilization by commercial borrowers. The proportion of commercial deposits to total deposits remained stable in 2023. The Bank's change in the cost of funds was consistent with the 2023 Business Plan. Consolidated insured deposits were 86% of total deposits as of December 31, 2023, due in part to the Bank's rapid deployment of reciprocal insured deposit products and customer outreach for "FDIC Insurance Coverage Reviews" for depositors with greater than $250,000 held at the Bank. The Marketing & Sales Division President oversaw the customer outreach program for reciprocal deposits, implemented the revised pricing and practices for the Bank's customer retention programs with personal outreach to specific large-balance commercial deposit customers and managed the day-to-day decisions with respect to customer requests for deposit pricing adjustments.

Trust Department & Treasury Services Department. Trust Department assets under management increased by 17% during 2023 as new products released in 2022 and 2023 met with favorable responses in the market, together with increased marketing outreach achieving growth in net new trust customers in 2023. The Treasury Service Department revenues increased to $146,000 in 2023 as a result of initial development and marketing for the Bank's paying agency products. Pursuant to the Treasury Services Department Incentive Compensation Plan, the Marketing and Sales Division President earned $2,229 based on the results of the plan.

Product Development & Marketing. In addition to the deployment of reciprocal deposit products related to FDIC deposit insurance, the Marketing & Sales Division President coordinated the review and development of updated consumer overdraft programs with upgraded risk management analytical capabilities, revised pricing and improved customer communication capabilities consistent with current regulatory guidance. The Marketing & Sales Division President also oversaw significant revisions to the Bank's commercial credit and commercial deposit marketing initiatives to improve campaign effectiveness monitoring and utilize new marketing channels, with an emphasis on digital marketing techniques to better reach small business and commercial credit/deposit prospects.

Leadership & Planning. The Marketing & Sales Division President participates in risk management functions related to regulatory compliance/audit, information technology coordination and oversees all branch operations functions. The Marketing & Sales Division President achieved significant customer and balance retention related to the development of the Bank's Flossmoor branch and participated in the subsequent closure and sale of the Bank's Naperville and Hazel Crest branch offices to achieve greater operating efficiencies.

Conclusions. Based on the factors noted above, the Human Resources Committee of the Bank approved a $33,771 discretionary cash bonus payment and a $2,229 Treasury Services Department cash incentive compensation plan payment to the Marketing and Sales Division President for 2023. The Human Resources Committee of the Bank also approved a standard base compensation increase of 2.5% for the Marketing and Sales President. The Board of Directors of the Bank ratified the actions of the Human Resources Committee of the Bank with respect to the Marketing and Sales President.

Reasonableness of Compensation

After considering all components of the compensation program for the Named Executive Officers, the Human Resources Committee of the Bank has determined that such compensation is reasonable and appropriate.

The cash incentive compensation programs for the Chief Executive Officer and the Chief Financial Officer include asset quality measurements and the Chief Executive Officer and the Chief Financial Officer and Marketing and Sales President include internal control risk measurements. Similar controls exist within the incentive compensation plans for non-executive officers and employees, as applicable. In addition, the measurement and review of the asset quality and internal controls performance are separated from the applicable business operations, including audits by the Internal Audit Division, the Company's independent external audit firm and other third-party independent reviews. Finally, the overall system of internal controls is robust and provides multiple levels of controls to reasonably detect and prevent instances of excessive risk taking within the organization.

Tax and Accounting Treatment

The Human Resources Committees of the Company and the Bank believe that, as compensation structures become more complex, the effects of taxation issues could affect the net intended effect of the Company's and the Bank's compensation plans. Although no specific action is warranted at this time, the Human Resources Committees of the Company and the Bank intend to monitor the effects of taxation issues on the Company and its directors, officers and associates when evaluating various compensation principles, practices and plans.

EXECUTIVE COMPENSATION

The following table sets forth information concerning the compensation of the Company's Chief Executive Officer and the other two most highly compensated executive officers who served in such capacities during 2023:

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Non-Equity Incentive Plan Compensation	All Other Compensation (2)	Total Compensation
F. Morgan Gasior Chairman of the Board, Chief Executive Officer	2023	$ 491,488	$ —	$ 64,398(3)	$ 57,560	$ 613,446
	2022	480,944	—	91,620	61,352	633,916
Paul A. Cloutier Executive Vice President and Chief Financial Officer	2023	$ 321,275	$ —	$ 47,044(4)	$ 32,521	$ 400,840
	2022	309,522	—	46,675	31,391	387,588
Gregg T. Adams (1) Marketing & Sales President	2023	$ 270,321	$ 33,771	$ 2,229(5)	$ 20,695	$ 327,016

(1) Mr. Adams was not a reported named executive officer in 2022.
(2) All other compensation for the Named Executive Officers during fiscal 2023 is summarized below:

Name	Perquisites(i)	Insurance(ii)	Tax Reimbursement(iii)	401(k) Match	Other (iv)	Total "All Other Compensation"
F. Morgan Gasior	$ 17,737	$ 3,666	$ 1,601	$ 9,668	$ 24,888	$ 57,560
Paul A. Cloutier	$ 18,600	$ 2,992	$ 1,307	$ 9,622	$ —	$ 32,521
Gregg T. Adams	$ 6,600	$ 2,516	$ 1,099	$ 7,598	$ 2,882	$ 20,695

(i) Includes use of automobile or an automobile allowance, and in the case of Messrs. Gasior and Cloutier, club dues.
(ii) Consists of premiums paid by the Company during the fiscal year with respect to additional short- and long-term disability insurance for each of the Named Executive Officers. Certain amounts were paid by the executive and reimbursed by the Company under employment agreement provisions that reduce, on a dollar-for-dollar basis, the Bank's obligations under such executive's employment agreement in the event of the executive's death or disability by the amount of insurance proceeds received by the executive's named beneficiary.
(iii) Reflects reimbursement for income and employment taxes incurred by the executive as a result of the insurance premiums paid by the executive and reimbursed by the Company. See note (ii) above and discussion below for additional information.
(iv) Reflects payout of accrued Paid Time Off ("PTO") hours in excess of the allowable annual carry over limit.
(3) Mr. Gasior is eligible to receive an incentive cash bonus up to 50% of base salary based on the achievement of weighted performance goals.
(4) Mr. Cloutier is eligible to receive an incentive cash bonus up to 20% of base salary based on the achievement of weighted performance goals.
(5) Mr. Adams is eligible to receive an incentive under the Treasury Services Department Incentive Compensation Plan of 10% of the overall Plan bonus pool.

Potential Payments upon Termination or Change of Control

The following table sets forth information concerning potential payments and benefits under the Company's compensation programs and benefit plans to which the Named Executive Officers would be entitled upon a termination of employment as of December 31, 2023. As is more fully described on the following page, the Named Executive Officers entered into employment agreements with the Company and/or the Bank, as applicable (each, an "Employment Agreement"), which provide for payments and benefits to a terminating executive officer following a termination other than for "cause" or by resignation. Except for the payments and benefits provided by the Employment Agreements, all other payments and benefits provided to any Named Executive Officer upon termination of his employment are the same as the payments and benefits provided to other eligible executives of the Bank.

	Potential Payments	Termination by the Bank (1)			Other Types of Termination			
Executive	**Upon Termination or Change of Control**	**For Cause**	**For Disability (2)**	**Without Cause (3)**	**By Resignation**	**For Good Reason (3)**	**Upon Death (2)**	**Change of Control (4)**
F. Morgan Gasior	Cash payments	$ —	$ 1,243,545	$ 1,775,465	$ —	$ 1,775,465	$ 1,243,545	$ 1,775,465
	Continued Benefits	—	24,680	31,732	—	31,732	24,680	31,732
Paul A. Cloutier	Cash payments	$ —	$ 814,815	$ 1,111,382	$ —	$ 1,111,382	$ 814,815	$ 1,111,382
	Continued Benefits	—	40,028	51,464	—	51,464	40,028	51,464
Gregg T. Adams	Cash payments	$ —	$ 316,056	$ 316,056	$ —	$ 316,056	$ 316,056	$ 452,285
	Continued Benefits	—	10,357	10,357	—	10,357	10,357	10,357

(1) For Messrs. Gasior and Cloutier, the payments reflected in these columns assume that the Bank continues to pay 100% of all compensation and benefits under their employment agreements with the Bank and the Company, and the Company continues to reimburse the Bank for a percentage of those expenses pursuant to an agreed-upon allocation under an Expense Sharing Agreement between the Bank and the Company. The allocation is based on the amount of time that Messrs. Gasior and Cloutier devote exclusively to the Company's affairs. Since its inception and continuing through April 16, 2024, the Company has not separately or directly paid any base salary, cash incentive compensation, bonus or other cash compensation to Messrs. Gasior and Cloutier, and the Company currently has no equity-based compensation plans in effect. In the event of a qualifying Change in Control of the Bank, Messrs. Gasior and Cloutier would be entitled to certain payments under their employment agreements with the Bank, subject to any reduction pursuant to Internal Revenue Code Section 280G as set forth therein. Pursuant to Messrs. Gasior and Cloutier's employment agreements with the Company, if the Bank were to fail to pay any amount due to Messrs. Gasior and Cloutier under their employment agreements with the Bank, the Company would be responsible for paying Messrs. Gasior and Cloutier such amount. The Company is not otherwise obligated to pay any separate or direct compensation to Messrs. Gasior and Cloutier. The Company is not prohibited from separately or directly compensating Messrs. Gasior and Cloutier, including upon the occurrence of a qualifying Change in Control, but this has not been the Company's practice. If this practice were to change, the amount of the separate payments made by the Company to Messrs. Gasior and Cloutier would be governed by the terms of their employment agreements with the Company and would not be limited or reduced by the terms of their employment agreements with the Bank or by Internal Revenue Code 280G. For Mr. Adams, the payments reflected in these columns assume that the Bank continues to pay 100% of all compensation and benefits under his agreement with the Bank.

(2) The payments reflected in this column include an amount equal to the average cash incentive compensation paid during the preceding two years prorated for the year of termination, prorated employer matching 401(k) contribution for the year of termination, and the base salary the executive would have received from the date of termination through the end of their employment period. Continued benefits reflect the incremental cost of core benefits to the Company during the executive's remaining employment period based on actual cost for 2023. Excludes any reduction in benefit as a result of disability insurance or federal social security disability payments.

(3) For Messrs. Gasior and Cloutier, the payments reflected in this column include an amount equal to the average cash incentive compensation paid during the preceding two years prorated for the year of termination, prorated employer matching 401(k) contribution, and three times the executive's three-year average cash compensation. For Mr. Adams, the payments reflected in this column include an amount equal to the average cash incentive compensation paid during the preceding two years prorated for the year of termination, prorated employer matching 401(k)contribution for the year of termination, and the base salary the executive would have received from the date of termination through the end of their employment period. For Messrs. Gasior and Cloutier, continued benefits reflect the incremental cost of core benefits to the Company for 36 months based on the actual cost for 2023 and for Mr. Adams, continued benefits reflect the incremental cost of core benefits to the Company during the executive's remaining employment period based on actual cost for 2023.

(4) The payments reflected in this column assume the executive terminated for good reason in connection with a change of control. For Messrs. Gasior and Cloutier cash payments include an amount equal to the average cash incentive compensation paid during the preceding two years prorated for the year of termination, prorated employer matching 401(k) contribution, and three times the executive's three-year average cash compensation. For Mr. Adams, cash payments include an amount equal to the average cash incentive compensation paid during the preceding two years prorated for the year of termination, prorated employer matching 401(k) contribution for the year of termination, and the base salary the executive would have received for the greater of 18 months or from the date of termination through the end of their employment period. For Messrs. Gasior and Cloutier, continued benefits reflect the incremental cost of core benefits to the Company for 36 months based on the actual cost for 2023 and for Mr. Adams, continued benefits reflect the incremental cost of core benefits to the Company during the executive's remaining employment period based on actual cost for 2023. Executive severance benefits for Messrs. Gasior, Cloutier and Adams, pursuant to their respective employment agreements with the Bank, may be reduced to avoid constituting an "excess parachute payment" under Section 280G of the Internal Revenue Code. Assuming a December 31, 2023 termination, the cash payments reflected above for Mr. Adams do not require a reduction.

Accrued Pay and Regular Retirement Benefits. The amounts shown in the table on the previous page do not include payments and benefits to the extent they are provided on a non-discriminatory basis to salaried employees generally upon termination of employment. These include:

- Accrued but unpaid salary and vacation pay.
- Distributions of plan balances under the Bank's 401(k) plan. See "401(k) Plan" for an overview of the 401(k).

Amended and Restated Employment Agreements. The Company and Bank each entered into an amended and restated employment agreement with Messrs. Gasior and Cloutier on May 3, 2022. The Bank entered into an amended and restated employment agreement with Mr. Adams on January 27, 2023.

Compensation & Employee Benefits. Under the employment agreements, the Bank will pay the executives the base salary as reflected in the Bank's payroll records, which may be increased by the Board of Directors, but may not be decreased without the executive's prior written consent. The employment agreements provide that the executive is entitled to participate in cash incentive compensation plans and discretionary cash bonuses, if approved by the Board. The employment agreements also provide that the executive will receive the use of an automobile or an automobile allowance, and in the case of Messrs. Gasior and Cloutier, the payment of designated club dues, provided that, in a given year, the aggregate amount of these allowances and payments may not exceed 10% of the executive's cash compensation. In addition, the employment agreements provide for, among other things, participation in any Section 125 cafeteria plan, group medical, dental, and vision (referred to as the "Core Plans"), disability and life insurance plans, the Bank's 401(k) plan, and other employee and fringe benefits applicable to executive personnel or employees generally.

Termination for Disability or Death. During the term of the employment agreement, each executive is provided with short-term and long-term disability insurance policies which will provide the executive with disability insurance payments in an amount equal to 60% of the executive's base salary in the event the executive is generally terminated due to disability. Each executive is responsible for the payment of the disability insurance premiums but receives an annual allowance in an amount sufficient, on an after-tax basis, to equal the premium payments.

In the event of the executive's termination of employment due to death or a disability determination (as defined in the employment agreements), the executive, or in the event of the executive's death, the executive's estate or trust, as applicable, will be entitled to certain benefits, including the executive's earned salary through the effective date of the termination of the executive's employment, an amount equal to the annual average of any cash incentive compensation and bonus that the executive received during the preceding two fiscal years, prorated based on the number of days during the calendar year that elapsed prior to the effective date of the termination of the executive's employment an amount equal to the executive's base salary for the remaining term of the executive's employment agreement, reduced on a dollar-for-dollar basis by the disability insurance and federal social security disability benefits received by the executive, and certain health benefits.

Termination Without Cause. In the event the executive's employment is terminated without cause during the term of the employment agreement, the executive will receive certain benefits, including the executive's earned salary, an amount equal to the annual average of any cash incentive compensation and bonus that the executive received during the immediately preceding two years, prorated based on the number of days during the calendar year that elapsed prior to the effective date of the termination of the executive's employment. In the case of Messrs. Gasior and Cloutier, the executive will also receive an amount equal to the executive's average annual compensation (base salary, cash incentive compensation, and other compensation) based on the most recent three taxable years and in the case of Mr. Adams, the executive will receive an amount equal to his base salary for the greater of 18 months or from the date of termination through the end of their employment period, whichever period is longer, and certain health benefits. A termination without cause also includes a decision by the Board, including a failure to elect or re-elect, or to appoint or re-appoint, the executive the title to which the executive was appointed or elected as of the date of the employment agreement. In a change in control-related termination of employment by the Bank, the severance payments and benefits under employment agreements would be reduced, if necessary, to avoid an "excess parachute payment" under Section 280G of the Internal Revenue Code.

Termination of Employment by Executive for Good Reason. Under the employment agreements, the executive may terminate employment for "good reason" by giving notice within 60 days after the event giving rise to the right to terminate employment. The definition of "good reason" includes: (i) the relocation of executive's principal place of employment to a place that is more than a specified distance from designated locations; (ii) a reduction in the executive's base salary or a material reduction in the benefits; (iii) a material uncured breach of the employment agreement; and (iv) a material diminution in executive's duties and responsibilities following the consummation of a "change of control" as defined by applicable federal laws and regulations (a "Double Trigger"). Consequently, all employment agreements require a "Double Trigger" for payment to be made in connection with a change in control. In the event an executive's employment is terminated for good reason, the executive will receive the same amounts, the same coverage under the Core Plans and the same health insurance coverage continuation rights that the executive would receive if the executive's employment had been terminated without cause.

Termination of Employment by Executive. An executive who terminates employment by resignation other than due to Good Reason will only be entitled to the executive's earned salary and vacation through the date of termination.

Continuation of Health Insurance Benefits. In the event the executive's employment terminates involuntarily due to disability, death, without cause, or voluntarily for good reason, the executive and any qualified dependents (including the executive's spouse) are eligible for continued health insurance benefits. The period of continued health coverage ends upon the earlier of the executive's eligibility for comparable coverage under another group health insurance plan with no pre-existing condition limitation or exclusion, or the date on which the insured becomes eligible for Medicare coverage, or, for Mr. Adams, age 65. The executive's cost for continued health insurance benefits is equal to the amount paid by the executive for health insurance coverage immediately prior to the executive's termination.

General Release; Non-Solicitation. The executive is required under the employment agreement to execute a general release in consideration for any severance amounts. In addition, the executive agrees not to solicit the Bank's customers, their business or the Bank's employees for the greater of twelve months or the period of time in which the executive receives any severance payments or benefits under the agreement.

Compensation of Directors

Directors' Fees. All directors of the Company who served in 2023, other than Ms. Zukonik, are also directors of the Bank. Except for Mr. Gasior, who receives no fees for serving as a director, committee chairperson or committee member, the directors of the Bank received a Board fee of $3,000 per month for preparing for and attending meetings of the Board of Directors of the Bank. The directors of the Company received a Board fee of $1,500 per month. Except for the Audit Committee, the Bank did not pay its directors a separate fee during 2023 for serving on board committees. The members of the Audit Committee were paid an Audit Committee fee during 2023 because the Audit Committee is a required entity with separate responsibilities established by applicable laws and regulations. During 2023, the Company paid an Audit Committee fee of $500 per month to Mr. Hausmann (the Chairman of the Audit Committee), and $400 per month to Messrs. Wells and Wherfel (members of the Audit Committee). Mr. Hausmann was reimbursed for his travel expenses for attending meetings of the Board of Directors of the Company and the Bank.

Ms. Zukonik was compensated for service as a director of the Company because she is not a director of the Bank. Ms. Zukonik received a Board fee of $1,500 per month. Ms. Zukonik was reimbursed for her travel expenses for attending meetings of the Board of Directors of the Company.

The table below provides information on 2023 compensation for directors who served in 2023. Directors receive no perquisites in addition to the scheduled fees paid to each member, except as noted below:

Name	Fees Earned or Paid in Cash ($) (1)	All Other Compensation	Total ($)
Cassandra J. Francis	$ 54,000	$ —	$ 54,000
John M. Hausmann, C.P.A.	$ 60,000	$ —	$ 60,000
Aaron J. O'Connor (2)	$ 36,000	$ —	$ 36,000
Terry R. Wells	$ 58,800	$ —	$ 58,800
Glen R. Wherfel, C.P.A.	$ 58,800	$ —	$ 58,800
Debra R. Zukonik	$ 18,000	$ —	$ 18,000

(1) Fees for Ms. Francis and Messrs. Hausmann, Wells, and Wherfel include fees for service on the Board of Directors of the Bank in the amount of $36,000.
(2) Fees for Mr. O'Connor represent fees for service on the Board of Directors of the Bank.

Compensation Committee Interlocks and Insider Participation

Mr. Gasior is the only director of the Company and the Bank who is also an executive officer of the Company and/or the Bank. Mr. Gasior does not participate in the decisions of the Boards of Directors of the Company or the Bank or their respective Human Resources Committees concerning his compensation. No executive officer of the Company or the Bank has served on the Board of Directors or on the compensation committee of any other entity that had an executive officer serving on the Company's Board of Directors or Human Resources Committee.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGMENT AND RELATED STOCKHOLDER MATTERS

BENEFICIAL OWNERSHIP OF COMMON STOCK BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 28, 2024, or such other date as is indicated, certain information as to the beneficial ownership of shares of the Company's common stock by: (i) those persons or entities known by the Company to beneficially own more than 5% of the Company's outstanding shares of common stock; (ii) each director and nominee for election as director; (iii) each named executive officer of the Company; and (iv) all directors and executive officers of the Company and the Bank as a group. The address for each individual listed below is: C/O BankFinancial Corporation, 60 North Frontage Road, Burr Ridge, Illinois 60527. An asterisk denotes beneficial ownership of less than one percent.

Name and Address of Beneficial Owners	Amount of Shares Owned and Nature of Beneficial Ownership (1)	Percent of Shares of Common Stock Outstanding
M3 Funds, LLC 2070 E 2100 S, Suite 250 Salt Lake City, Utah 84109	1,155,303 (2)	9.27%
Dimensional Fund Advisors LP 6300 Bee Cave Road, Building One Austin, Texas 78746	868,839 (2)	6.97%
Voya Institutional Trust Company As Trustee fbo BankFinancial and Subsidiaries 401(k) Plan	858,372	6.89%
Alliance Bernstein L.P. 501 Commerce Street Nashville, Tennessee 37203	718,811 (2)	5.77%
Renaissance Technologies LLC 800 Third Avenue New York, New York 10022	699,115 (2)	5.61 %
Black Rock, Inc. 50 Hudson Yards New York, New York 10001	678,311 (2)	5.44 %
Strategic Value Investors, LP 127 Public Square, Suite 1510 Cleveland, Ohio 44114	645,000 (3)	5.18 %
Directors and Nominees		
Cassandra J. Francis	40,444	*
F. Morgan Gasior	327,696 (4)	2.63 %
John M. Hausmann	69,049	*
Aaron J. O'Connor	4,184	*
Benjamin Mackovak	645,000 (3)	5.18 %
Terry R. Wells	56,384	*
Glen R. Wherfel	106,085 (5)	*
Debra R. Zukonik	3,650	*
Named Executive Officers (other than Mr. Gasior):		
Paul A. Cloutier	89,373 (6)	*
Gregg T. Adams	96,275 (7)	*
All Directors and Executive Officers (including Named Executive Officers) as a Group (12 persons)	**1,618,636**	**12.99 %**

(1) The information reflected in this column is based upon information furnished to us by the persons named above and the information contained in the records of our stock transfer agent. The nature of beneficial ownership for shares shown in this column, unless otherwise noted, represents sole voting and investment power.
(2) Amount of shares owned and reported on the most recent Schedule 13G filing with the SEC, reporting ownership as of December 31, 2023.
(3) Amount of shares owned and reported on the most recent Schedule 13D, reporting ownership as of December 31, 2023 by Strategic Value Bank Partners, LLC. Certain of these parties report sole and/or shared voting and dispositive power with respect to these securities. Mr. Mackovak has no sole voting nor dispositive power.
(4) Includes 118,159 shares held by the BankFinancial and Subsidiaries Associate Investment Plan. Also includes 125,000 shares held by Mr. Gasior's spouse. Mr. Gasior disclaims beneficial ownership of these 125,000 shares.
(5) Includes 73,585 shares held in trust and 32,500 shares held by an individual retirement account.
(6) Includes 24,373 shares held by the BankFinancial and Subsidiaries Associate Investment Plan.
(7) Includes 73,775 shares held by the BankFinancial and Subsidiaries Associate Investment Plan.

Securities Authorized for Issuance

The Company has no securities authorized for issuance under any equity compensation plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Transactions with Certain Related Persons

Neither the Bank nor the Company had any outstanding extensions of credit as of December 31, 2023 to any executive officer or directors or to a related interest of a director or executive officer. The Bank's Professional Responsibility Policy provides that no director or executive officer (as defined by the Bank's Board of Directors) may provide goods or services to the Bank or an affiliate (which includes the Company) unless approved by the disinterested majority of the Board of Directors after full disclosure and it is determined that the arrangement is fair and appropriate. In addition, all transactions between the Bank or its affiliates and a director or executive officer must be conducted on an arm's length basis, comply with all applicable laws and regulations and be on terms that are no more favorable to the director or executive officer than those afforded to similarly situated customers and vendors.

Director Independence

The Board of Directors has determined that, except for Mr. Gasior, who serves as the Chairman, Chief Executive Officer and President of the Company, each of the Company's directors is "independent" as defined in Rule 5605(a)(2) of the listing standards of the NASDAQ Stock Market.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Set forth below is certain information concerning aggregate fees billed for professional services rendered by RSM during the years ended December 31, 2023 and 2022:

Audit Fees. The aggregate fees billed to the Company by RSM for professional services rendered by RSM for the audit of the Company's annual financial statements and internal controls, review of the financial statements included in the Company's Annual Reports on Form 10-K and services that are normally provided by RSM in connection with statutory and regulatory filings and engagements were $443,000 and $406,000 during the years ended December 31, 2023 and 2022, respectively.

Audit-Related Fees. RSM did not bill the Company for any fees for assurance and related services rendered that are reasonably related to the performance of the audit of and review of the financial statements and that are not already reported in "Audit Fees" above, for the years ended December 31, 2023 and 2022.

Tax Fees. The aggregate fees billed to the Company by RSM for professional service for tax consultations and tax compliance was $57,000 and $55,000 during the year ended December 31, 2023 and 2022, respectively.

All Other Fees. There were no other fees billed for professional services rendered by RSM other than those described above.

Audit Committee Pre-Approval Policy

The Audit Committee pre-approves all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by RSM, subject to the *de minimis* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, as amended, which are approved by the Audit Committee prior to the completion of the audit. The Audit Committee pre-approved 100% of the audit and tax fees described above during the years ended December 31, 2023 and 2022.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit No.	**Exhibit**	**Location**
10.1	Amended and Restated Employment Agreement by and among BankFinancial, NA and Gregg T. Adams	Filed herewith
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	Filed herewith

RSM US LLP
We have served as the Company's auditor since 2019.
Chicago, Illinois
(PCAOB ID: 49)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		BANKFINANCIAL CORPORATION
Date:	April 16, 2024	By: /s/ F. Morgan Gasior
		F. Morgan Gasior Chairman of the Board, Chief Executive Officer and President (Duly Authorized Representative)

BANKFINANCIAL, NATIONAL ASSOCIATION
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "**Agreement**"**)** is made effective as of January 27, 2023 (the "**Effective Date**"**)**, by and between **BankFinancial, National Association** (the "**Bank**"**),** a national banking association having its principal office at 21110 South Western Avenue, Olympia Fields, Illinois, and **Gregg T. Adams** (the "**Executive**").

WHEREAS, the Bank and the Executive have previously entered into an Employment Agreement dated May 6, 2008, as amended (the "**Initial Agreement**");

WHEREAS, the Bank considers the continued availability of Executive's services to be important to the successful management and conduct of the Bank's business, and wishes to assure the continued availability of Executive's full-time services to the Bank as provided in this Agreement; and

WHEREAS, Executive is willing to continue to serve in the employ of the Bank on a full-time basis on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and upon the other terms and conditions hereinafter provided, the parties hereby agree as follows:

1. POSITION AND RESPONSIBILITIES.

(a) Position. During the period of employment established by Section 2(a) of this Agreement (the "**Employment Period**"**),** Executive agrees to serve, if appointed to serve, as the President of the Marketing & Sales Division of the Bank.

(b) Duties and Responsibilities. Executive shall have and exercise the duties, responsibilities, privileges, powers and authority commensurate with such position as the Bank has assigned and may hereafter assign to Executive.

(c) Faithful Performance. Except for periods of paid time off taken in accordance with Section 3(f) hereof, or following a Short-Term Disability Determination or a Long-Term Disability Determination made in accordance with Section 4(b)(2) of this Agreement, or for services performed for the Bank's Subsidiaries (as defined below), Executive shall devote substantially all of his business time, attention, skill and efforts during the Employment Period to the faithful performance of his duties hereunder, and shall not engage in any business or activity that interferes with the performance of such duties or conflicts with the business, affairs or interests of the Bank, an Affiliate or a Subsidiary; provided that, notwithstanding the foregoing, Executive may hold directorships, offices or other positions in one or more other organizations to the extent permitted by the Bank's Professional Responsibility Policy, as amended from time to time, or as otherwise approved by the Bank.

(d) Performance Standards. During the Employment Period, Executive shall perform his duties in accordance with the policies and procedures of the Bank, as amended from time to time, such reasonable performance standards as the Bank has established or may hereafter establish in the exercise of good faith business judgment, including those set forth in the Bank's Personnel Manual, as amended from time to time, and such Business Plans as the Bank has established or may hereafter establish.

2. **<u>TERM OF EMPLOYMENT</u>.**

(a) **<u>Term</u>.** The Employment Period shall commence as of the Effective Date and shall thereafter continue for a period of twenty-four (24) months (the "Term") unless extended as provided herein. Unless the Agreement is terminated by the Executive in accordance with Section 5 of this Agreement, by reason of the Executive's death, or by the Bank in accordance with the provisions of Section 4 of this Agreement, the Term will extend automatically for an additional twelve (12) months on each anniversary of the Effective Date ("the Renewal Date"), so that the Term will be twenty-four (24) months. All references herein to the Employment Period shall mean, for all purposes of this Agreement, Executive's Employment Period as initially established by, and as may subsequently be extended pursuant to, this Section 2(a).

(b) **<u>Annual Review</u>.** Unless terminated by the Executive in accordance with Section 5 of this Agreement, by reason of the Executive's death, or by the Bank in accordance with Section 4 of this Agreement, the Board of Directors of the Bank (the "**Board**") or the Board's Human Resources Committee (the "**Human Resources Committee**") shall review this Agreement annually prior to each Renewal Date. A decision by or the failure of the Board or the Human Resources Committee to increase Executive's Base Salary shall not constitute a breach of this Agreement or a "Good Reason" under Section 5(b) hereof. All decisions and actions of the Human Resources Committee pursuant to this Section 2(b) shall be subject to ratification by the Board only to the extent, if any, that ratification may be required by applicable laws and regulations.

3. **<u>COMPENSATION AND OTHER BENEFITS</u>.**

(a) **<u>Base Salary</u>.** During the Employment Period, the Bank shall pay Executive the annual base salary that is reflected in the payroll records of the Bank on the Effective Date ("**Base Salary**"), subject to any discretionary increases that the Bank may hereafter elect to make pursuant to this Section 3(a). Any portion of the annual Base Salary that Executive elects to defer under any deferred compensation arrangement that is now or hereafter maintained by the Bank shall be considered part of Base Salary for the purposes of this Agreement. Executive's Base Salary shall be payable in accordance with the regular payroll practices of the Bank. The Bank may increase Executive's Base Salary at any time but shall not reduce Executive's Base Salary during the Employment Period without the Executive's express prior written consent. All references herein to Base Salary shall mean, for all purposes of this Agreement, Executive's Base Salary as initially established in, and as may subsequently be increased pursuant to, this Section 3(a).

(b) **<u>Bonuses; Incentive Compensation</u>.** In addition to Executive's Base Salary, Executive shall be entitled to any cash incentive compensation and bonuses to the extent earned pursuant to any plan or arrangement of the Bank in which Executive is eligible to participate during the Employment Period, or to such other extent as the Bank may award to Executive.

(c) **<u>Other Compensation</u>.** The Bank may provide such additional compensation to Executive in such form and in such amounts as may be approved by the Bank from time to time, if any.

(d) **<u>Special Allowances</u>.** The Bank shall provide Executive with either the use of an automobile or an automobile allowance and either the use of a cellular telephone or a cellular telephone allowance during the Employment Period in accordance with the standard policies and practices of the Bank and consistent with that provided to Executive as of the Effective Date; provided that the allowance for a given year will be paid as soon as administratively practicable and must be paid to the Executive not later than 2.5 months after the end of such year.

(e) **Reimbursement of Expenses.** The Bank shall pay or reimburse Executive in accordance with the standard policies and practices of the Bank for all reasonable expenses incurred by Executive during the Employment Period in connection with his employment hereunder or the business of the Bank; provided that such payment or reimbursement will be paid as soon as administratively practicable and must occur not later than 2.5 months after the end of the year in which such expense was incurred.

(f) **Paid Time Off.** Executive shall be entitled to receive not less than 176 hours of paid time off ("**PTO**") per calendar year during the Employment Period in accordance with the PTO policies of the Bank as then applicable to senior executive officers of the Bank. Executive shall also be entitled to take time off during all legal holidays approved by the Bank for Bank employees generally. Executive shall receive his Base Salary and the other amounts and benefits provided for in Section 3 hereof during all PTO periods and legal holidays. Except as permitted by the PTO policies of the Bank, Executive shall not be entitled to receive any additional compensation for his failure to take PTO or accumulate unused PTO from one year to the next.

(g) **Other Benefits.** The Bank shall provide Executive with all other benefits that are now or hereafter provided uniformly to non-probationary full-time employees of the Bank during the Employment Period, including, without limitation, benefits under any group life, medical, dental and vision insurance plans (collectively, the "**Core Plans**") that are now or hereafter maintained by the Bank, any post-retirement life insurance plan, any Section 125 Cafeteria Plan, and any 401(k) plan **(the "401(k) Plan")** that is now or hereafter sponsored by the Bank, in each case subject to the plan requirements and limitations, and the Bank's policies concerning employee payments and contributions under such plans. The Bank shall not make any changes to any Core Plan that would materially and adversely affect Executive's rights or benefits under such plan unless such changes are made applicable to all non-probationary full-time employees of the Bank on a non-discriminatory basis. Nothing paid to Executive under any Core Plan or any 401(k) Plan shall be deemed to be in lieu of any other compensation that Executive is entitled to receive under this Agreement.

(h) **Executive Disability Insurance**. The Bank will make available to the Executive short-term and long-term disability insurance policies (each, an "**Executive Disability Policy**").

(1) Short-Term Disability Insurance. The Bank will make available to the Executive a short-term disability policy which provides the Executive with short-term disability insurance payments in an amount up to sixty percent (60%) of the Executive's Base Salary for the lesser of ninety (90) days or the time required to become eligible for disability payments pursuant to an Executive Long-Term Disability Policy (the "**Executive Short-Term Disability Policy**").

(2) Long-Term Disability Insurance. The Bank will make available to the Executive a long-term disability policy which provides the Executive with long-term disability payments in an amount up to sixty percent (60%) of Executive's Base Salary for the period of time set forth in the policy (the "**Executive Long-Term Disability Policy**").

(3) Reimbursement of Premiums; Duty to Cooperate. The Executive shall be responsible for the payment of all premiums on any Executive Disability Policy covering the Executive; provided, however, that the Bank shall provide Executive with an allowance, paid in accordance with the standard policies and practices of the Bank, in an amount sufficient, on an after-tax basis, to equal the premiums paid by Executive for all Executive Disability Policies providing coverage for the Executive during a calendar year. The Executive shall timely file all claims and take all other actions to obtain any benefits available to the Executive under any Executive Disability Policy and shall cooperate with the Bank in all respects as necessary or appropriate to enable the Bank to procure and maintain any Executive Disability Policy.

(4) Disability Insurance Adjustment. If Executive receives disability benefits under an Executive Disability Policy, or receives federal Social Security disability benefits (collectively, "**Disability Payments**"), the Bank's obligation to pay Executive his Base Salary shall be reduced, as of the date the Disability Payments are first received by Executive, to an amount equal to, on an after-tax basis, the difference between Executive's Base Salary and the Disability Payments that Executive received during each applicable payroll period. Executive shall make reasonable good faith efforts to notify the Bank of the receipt of Disability Payments.

(i) Limit on Perquisites. Notwithstanding the foregoing or anything to the contrary in this Agreement, the amounts payable to Executive pursuant to Section 3(d) of this Agreement in a given year shall not in the aggregate exceed ten percent (10%) of the Executive's cash compensation (defined as payments in cash to the Executive pursuant to Sections 3(a), 3(b) and 3(c) of this Agreement).

4. TERMINATION BY THE BANK.

(a) Termination For Cause. The Bank may terminate Executive's employment with the Bank "For Cause" at any time during the Employment Period, subject to the requirements set forth in this Section 4(a) and in Section 7 of this Agreement. A termination "**For Cause**" shall mean the Bank's termination of Executive's full-time employment hereunder because of:

(1) Executive's willful misconduct or gross negligence involving a violation of a federal, state or local law, regulation or rule, that either causes or contributes to a material financial loss to the Bank, an Affiliate or a Subsidiary;

(2) the Executive's arrest or indictment by a federal or state jurisdiction involving a misdemeanor or felony (other than minor traffic violations or similar offenses) which in the sole judgment of the Bank's Board of Directors, has or could reasonably be expected to have a material adverse effect on the Bank (including, but not limited to, injury to the Bank's reputation with its customers or any federal banking regulatory authority with jurisdiction over the Bank);

(3) the Executive's violation of any policy or procedure of the Bank due to the Executive's personal dishonesty;

(4) Executive's breach of his fiduciary duty to the Bank, an Affiliate or a Subsidiary;

(5) the issuance of a cease and desist, removal, prohibition order or a civil monetary penalty in excess of $25,000 against the Executive, or against the Bank, an Affiliate or a Subsidiary, due to the Executive's willful acts or omissions;

(6) a repeated and material failure to achieve minimum objectives under a Business Plan established in accordance with Section 1(d) of this Agreement;

(7) a repeated and material failure of Executive to meet reasonable performance standards established in accordance with Section 1(d) of this Agreement; or

(8) the Executive's material breach of this Agreement.

Notwithstanding the foregoing, Executive shall not be deemed to have been terminated For Cause unless and until: (i) there shall have been delivered to Executive a written notice of the Bank's intention to terminate Executive's employment For Cause, specifying the alleged grounds for such termination; (ii) if the alleged grounds for such termination are a material breach of this Agreement, a repeated and material failure to achieve minimum objectives under a Business Plan established in accordance with Section 1(d) of this Agreement, or a repeated and material failure of Executive to meet reasonable performance standards established in accordance with Section 1(d) of this Agreement, providing Executive with a reasonable opportunity to cure, if curable, any conduct or acts alleged to be such; (iii) following delivery of such written notice, Executive (together with any counsel selected by his) shall have been given a reasonable opportunity to present to the Board at a meeting called and held for or including that purpose Executive's position regarding any dispute that exists regarding the alleged grounds for termination For Cause; and (iv) the Bank shall provide a Determination of Cause, finding in good faith and on the basis of reasonable evidence that Executive was guilty of conduct justifying a termination For Cause. The Notice of Termination (as defined in Section 7 below) issued in connection with the termination of Executive's employment For Cause shall be accompanied by a copy of such Determination of Cause. Should a dispute arise concerning the Executive's termination For Cause, any review of the For Cause termination in any judicial or arbitration proceeding will be limited to a determination of whether the Bank acted in good faith and on the basis of reasonable evidence.

(b) **<u>Termination for Disability</u>.** Upon a Short-Term Disability Determination or a Long-Term Disability Determination (as defined below), the Bank, in its sole discretion, may take the actions described below with respect to the Executive's employment:

(1) The term "**Short-Term Disability Determination**" shall mean that (i) the Executive has received or is eligible to receive payments under an Executive Short-Term Disability Policy or (ii) in the sole judgment of the Bank, the Executive has been unable to meet the performance standards for his responsibilities on a full-time basis at the Executive's principal business location for an aggregate of not less than thirty (30) days within any calendar quarter (excluding any leave of absence approved by the Bank in its sole discretion and not required by law) due to a physical or mental impairment.

Following a Short-Term Disability Determination, the Bank may appoint one or more other persons to serve as Acting President of the Marketing & Sales Division of the Bank to fulfill, on a temporary basis, the duties and responsibilities of the Executive. Any such temporary appointment shall be without prejudice to the Bank's right to thereafter terminate Executive's employment based on a Long-Term Disability Determination made pursuant to this Section 4 or as otherwise provided herein.

(2) The term "**Long-Term Disability Determination**" shall mean that (i) the Executive has received or is eligible to receive payments under an Executive Long-Term Disability Policy or (ii) in the sole judgment of the Bank, the Executive has been unable to meet the performance standards for his duties and responsibilities on a full-time basis at the Executive's principal business location for an aggregate of not less than ninety (90) days within any consecutive one hundred fifty (150) day period (excluding any leave of absence approved by the Bank in its sole discretion and not required by law) due to a physical or mental impairment. Following a Long-Term Disability Determination, the Bank may terminate Executive's employment with the Bank at any time from and after the date of such Long-Term Disability Determination.

(3) Nothing in this Section 4(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 et seq. and the Americans with Disabilities Act, 42 U.S.C. §12101 et. seq.

(c) **<u>Termination Without Cause</u>.** The Board, in its discretion, may terminate Executive's employment with the Bank "Without Cause" at any time, subject to the notification requirements set forth in Section 7 hereof. A termination "**Without Cause**" shall mean:

(1) the Board's termination of Executive's employment for any reason other than a termination For Cause, a termination based on a Disability Determination or a termination by reason of the Executive's death; or

(2) any of the following acts, omissions or events (each, an "**Adverse Constructive Termination**"), but only if taken or occurring during the Employment Period without Executive's prior written express consent: (i) a decision by the Board, including a failure to elect or re-elect, or to appoint or re-appoint, the Executive to the office of President of the Marketing & Sales Division of the Bank or (ii) except following a Disability Determination pursuant to Section 4(b) or following the issuance of an order pursuant to Section 13(c), any action by the Board to remove the Executive from, or to elect, appoint or assign any other individual to, the office of President of the Marketing & Sales Division or any other position or office to which the Board elected, appointed or assigned the Executive; provided, however, that any action, omission or event set forth in this Section 4(c)(2) which occurs after the issuance by the Board of a Notice of Termination pursuant to Section 4(a) shall not be deemed a termination Without Cause.

5. TERMINATION BY EXECUTIVE OR BY REASON OF DEATH.

(a) **Termination By Resignation.** Executive may, in his discretion, terminate his employment with the Bank "By Resignation" at any time during the Employment Period, subject to the notification requirements set forth in Section 7 hereof. A termination "**By Resignation**" shall mean Executive's termination of his employment for any reason other than a "Good Reason" as such term is defined in Section 5(b) hereof.

(b) **Termination For Good Reason.** Executive may terminate Executive's employment with the Bank for "Good Reason," subject to the requirements set forth in this Section 5(b) and the notification requirements set forth in Section 7 hereof. A termination for "**Good Reason**" shall mean Executive's resignation from the Bank's employ during the Employment Period based upon any of the following acts, omissions or event, but only if taken or occurring during the Employment Period without Executive's prior written express consent:

(1) the Board's relocation of Executive's principal place of employment to a place that is more than twenty (20) miles from the city limits of Orland Park, IL;

(2) a reduction in the Executive's Base Salary, or a material reduction in the benefits that Executive is entitled to receive under Section 3(d) through Section 3(h) of this Agreement;

(3) a material uncured breach of this Agreement by the Bank;

(4) a material diminution in Executive's duties and responsibilities following the consummation of a "**Change of Control**" as defined pursuant to the laws and regulations of the Federal Deposit Insurance Corporation, the Comptroller of the Currency or the Federal Reserve Board, or by Section 409A of the Internal Revenue Code, as applicable. For the avoidance of doubt, the Executive shall not have the right to elect to terminate his employment for Good Reason solely due to a change in control of the Bank or BankFinancial Corporation (the "**Company**") absent a qualifying act, omission or event pursuant to this Section 5(b).

Executive shall have the right to elect to terminate his employment for Good Reason only by giving the Chief Executive Officer and the Executive Vice President of the Human Resources Division of the Bank a Notice of Termination (as defined below) within sixty (60) days after the act, omission or event giving rise to said right to elect. Notwithstanding the foregoing, Executive shall not have a right to elect to terminate his employment if: (i) the Bank fully rescinds or cures, within ten (10) days after its receipt of Executive's Notice of Termination, the act, omission or event giving rise to Executive's right to elect to terminate his employment for Good Reason or (ii) the Bank appoints an Acting President of the Marketing & Sales Division following a Short-Term Disability Determination pursuant to Section 4(b)(1) of this Agreement.

(c) **Termination Upon Death.** Executive's employment with the Bank shall terminate immediately upon Executive's death, without regard to the notification requirements set forth in Section 7 hereof.

6. FINANCIAL CONSEQUENCES OF TERMINATION.

(a) **Termination For Cause.** In the event that Executive's employment is terminated For Cause during the Employment Period, the Bank shall pay Executive the unpaid balance of Executive's Base Salary through the effective date of the termination of Executive's employment ("**Earned Salary**"), but Executive shall receive no bonus or incentive compensation for the current year (all such amounts shall remain unearned and unvested), and shall receive no compensation or other benefits (including the compensation and benefits set forth in Section 3(a) through Section 3(h) and Section 6 hereof) for any period after the effective date of the termination of Executive's employment; *provided, however,* that any rights of Executive under any applicable state and federal laws, including ERISA and COBRA, and any rights of Executive that have vested, whether by application of any state or federal law, the provisions of any contract, employee benefits plan or otherwise, shall not be terminated or prejudiced by a termination For Cause.

Upon Executive's death, any payments due under this Section 6(a) shall be paid, as applicable, to Executive's estate, trust or as otherwise required by law.

(b) **<u>Termination for Disability</u>.** In the event that Executive's employment is terminated during the Employment Period based on a Disability Determination, the Bank and any successor to the Company and/or the Bank shall:

(1) pay Executive his Earned Salary (as defined above);

(2) pay Executive an amount equal to the annual average of any cash incentive compensation and bonus that Executive received during the immediately preceding two (2) fiscal years, prorated based on the number of days during such year that elapsed prior to the effective date of the termination of Executive's employment ("**Prorated Incentive Compensation**");

(3) make, for the benefit of Executive, the matching 401(k) plan contribution that Executive is entitled to receive for the current year, prorated based on the number of days during such year that elapsed prior to the effective date of the termination of Executive's employment ("**Accrued Plan Contribution**");

(4) subject to the disability insurance adjustment set forth in Section 3(h)(4) of this Agreement, pay Executive the Base Salary that Executive would have been paid pursuant to Section 3(a) hereof from the effective date of termination through the date the Employment Period would have expired if Executive's employment had not been sooner terminated based on a Disability Determination;

(5) provide Executive (and upon his death his surviving spouse and minor children, if any) with the same coverage under the Core Plans that Executive (and his surviving spouse and minor children, if any) would have been provided pursuant to Section 3(g) hereof from the effective date of termination through the date the Employment Period would have expired if Executive's employment had not been sooner terminated based on a Disability Determination (subject to payment of the costs and contributions that such plans provide are the responsibility of the insured employee); and

(6) provide Executive (and his surviving spouse and minor children, if any) with the health insurance continuation benefits set forth in Section 6(g), beginning on the date of the expiration of the health insurance coverage provided under the Core Plans pursuant to Section 6(b)(5), subject to the payment of the costs that are the responsibility of the Executive pursuant to the applicable health insurance plan or this Agreement).

Amounts payable under Section 6(b)(2), Section 6(b)(4) and Section 6(b)(6) of this Agreement shall be paid as provided in Section 6(i) and as may be required to be deferred pursuant to Section 13.

(c) **Termination Without Cause.** In the event that Executive's employment is terminated Without Cause during the Employment Period, the Bank and any successor to the Company and/or the Bank shall:

(1) pay Executive his Earned Salary (as defined above);

(2) pay Executive his Prorated Incentive Compensation (as defined above);

(3) make, for the benefit of Executive, the Accrued Plan Contribution (as defined above);

(4) pay Executive his Base Salary from the effective date of termination through the date the Employment Period would have expired if Executive's employment had not been sooner terminated Without Cause; provided, however, at any time after a "Change in Control" as defined in Section 5(b)(4), the Bank and any successor to the Company and/or the Bank shall pay Executive his Base Salary for a minimum period of eighteen (18) months or through the date the Employment Period would have expired if the Executive's employment had not been sooner terminated Without Cause, whichever period of time is longer.

(5) provide Executive (and upon his death his surviving spouse and minor children, if any) with coverage under the Core Plans from the effective date of the termination of Executive's employment through the date the Employment Period would have expired if Executive's employment had not been sooner terminated Without Cause (subject to payment of the costs and contributions that such plans provide are the responsibility of the insured employee); and

(6) provide Executive (and his spouse and minor children, if any) with the health insurance continuation benefits set forth in Section 6(g) beginning on the expiration date of the health insurance coverage provided under the Core Plans pursuant to Section 6(c)(5), subject to the payment of the costs that are the responsibility of the Executive pursuant to the applicable health insurance plan or this Agreement.

Amounts payable under Section 6(c)(2), Section 6(c)(4) and Section 6(c)(6) of this Agreement shall be paid as provided in Section 6(i) and as may be required to be deferred pursuant to Section 13.

(d) **Termination By Resignation.** In the event that Executive's full-time employment is terminated By Resignation during the Employment Period, the Bank shall pay Executive his Earned Salary (as defined above), but Executive shall receive no compensation or other benefits (including the compensation and benefits set forth in Section 3(a) through Section 3(h) hereof) for any period after the effective date of the termination of Executive's employment; *provided, however***,** that any rights of Executive under any applicable state and federal laws, including ERISA and COBRA, and any rights of Executive that have vested, whether by application of any applicable state or federal law, the provisions of any contract, employee benefits plan or otherwise, shall not be terminated or prejudiced by a termination By Resignation.

(e) **Termination for Good Reason.** In the event that Executive's employment is terminated by Executive for Good Reason during the Employment Period, the Bank and any successor to the Company and/or the Bank shall:

(1) pay Executive the same amounts that Executive would have been paid pursuant to Section 6(c)(1), Section 6(c)(2) and Section 6(c)(4) of this Agreement;

(2) make, for the benefit of Executive, the same Accrued Plan Contribution (defined above) that the Bank would have made pursuant to Section 6(c)(3) of this Agreement; and

(3) provide Executive (and upon his death his surviving spouse and minor children, if any) with the same coverages under the Core Plans coverage that Executive (and his spouse and minor children, if any) would have been provided pursuant to Section 6(c)(5) (subject to the payment of the costs and contributions that such plans provide are the responsibility of the insured employee) and the same health insurance continuation benefits that Executive (and his spouse and minor children, if any) would have been provided pursuant to Section 6(c)(6) (subject to the payment of the costs that are the responsibility of the Executive pursuant to the applicable health insurance plan or this Agreement) if Executive's employment had been terminated by the Bank Without Cause on the effective date of the termination of Executive's employment.

Amounts payable under this Section 6(e) shall be paid as provided in Section 6(i) and as may be required to be deferred pursuant to Section 13.

(f) **Termination Upon Death.** In the event Executive's employment with the Bank is terminated during the Employment Period by reason of Executive's death, the Bank and any successor to the Company and/or the Bank shall:

(1) pay Executive's estate or trust, as applicable, the same amounts Executive would have been paid pursuant to Section 6(b)(1), Section 6(b)(2) and Section 6(b)(4);

(2) make, for the benefit of Executive, the same Accrued Plan Contribution the Bank would have made pursuant to Section 6(b)(3); and

(3) provide his surviving spouse and minor children, if any, with the same coverages under the Core Plans that they would have been provided pursuant to Section 6(b)(5) (subject to the payment of the costs and contributions that such plans provide are the responsibility of the insured employee) and the same health insurance continuation coverages they would have been provided pursuant to Section 6(b)(6) (subject to the payment of the costs that are the responsibility of the Executive pursuant to the applicable health insurance plan or this Agreement) if Executive's employment had been terminated by the Bank based on a Disability Determination on the date of Executive's death.

Amounts payable under this Section 6(f) shall be paid as provided in Section 6(i).

(g) **Post-Employment Health Insurance.** In the event of the termination of the Executive's employment pursuant to Section 4(b), Section 4(c), Section 5(b) or Section 5(c), beginning on the expiration date of any health insurance coverage under the Core Plans provided pursuant to Section 6 hereof and continuing through the earlier of the date on which Executive becomes eligible for comparable coverage under another group health insurance plan with no pre-existing condition limitation or exclusion, the date the Executive reaches sixty-five (65) years of age, or the date on which Executive becomes entitled to benefits under Medicare (and the date on which the Executive's spouse becomes entitled to benefits under Medicare with respect to the right to continued coverage for such spouse):

(1) Continued Group Health Insurance Coverage. Executive (and any qualified dependents, including Executive's spouse) shall be entitled to group health insurance coverage. Such coverage shall be provided under the health insurance plan in which the "named executive officers" (as defined in 17 C.F.R. 229.402(a)(3), as amended) of the Company and the Bank (including the named executive officers of any successor to the Company and/or the Bank) participate (as such plan is then in effect and as it may be modified, replaced or substituted at any time and from time to time during the period of coverage contemplated in this Section 6(g)), to the same extent as Executive was participating in such health insurance plan immediately prior to termination, at the Executive's cost, which cost shall be equal to the amount paid by the Executive for health insurance coverage immediately prior to the Executive's termination.

(2) Replacement Health Insurance Coverage. If such health insurance plan set forth in Section 6(g)(1) above refuses to insure Executive or allow Executive to be a participant in the health insurance plan for any reason, the Bank and any successor to the Company and/or the Bank shall have the affirmative obligation to promptly arrange and provide (without any gap in coverage) equivalent replacement health insurance coverage for Executive and his dependents (including his spouse) through a different reputable and financially sound insurance company acceptable to Executive. In such event, Executive shall pay or contribute to the premiums for such replacement health insurance coverage in an amount equal to the amount paid by the Executive for health insurance coverage immediately prior to the Executive's termination. Executive shall promptly notify the Bank if Executive becomes eligible for coverage under another group health plan with no pre-existing condition limitation or exclusion or Executive becomes entitled to full benefits under Medicare.

(3) Contingent Health Insurance Stipend. If Executive declines the replacement health insurance coverage arranged pursuant to Section 6(g)(2) above, the Bank and any successor to the Company and/or the Bank has the affirmative obligation to pay Executive a Contingent Health Insurance Stipend. The amount of the Contingent Health Insurance Stipend shall be (i) the amount of the bi-weekly employer contribution (if any) that the Bank and any successor to the Company and the Bank was making toward the premium for any group insurance coverage (if any) that was in effect for Executive and Executive's eligible family members under the Bank's group insurance plan on the last day of Executive's employment, multiplied by (ii) the number of bi-weekly periods until the Executive reaches sixty-five (65) years of age or the Executive is eligible for Medicare, whichever is earlier. The Contingent Health Insurance Stipend shall be paid in a lump sum no later than the date on which the final payment of Executive's Earned Salary is required to be paid.

Nothing contained in this section is intended to limit or otherwise modify benefits that the Executive may otherwise be entitled to under this Agreement with respect to the Core Plans.

(h) **Rights Not Prejudiced**. The Bank may terminate Executive's employment at any time, but any termination by the Bank, other than For Cause, shall not prejudice any right of Executive to compensation or other benefits under this Agreement. Executive shall not have the right to receive compensation or other benefits for any period after a termination For Cause as provided in Section 6(a) hereof.

(i) **General Release and Time of Payment.** In consideration of the Bank's agreements with respect to the monetary payments and other benefits provided for in Section 6 of this Agreement (which payments and benefits exceed the nature and scope of that to which Executive would have been legally entitled to receive absent this Agreement), and as a condition precedent to Executive's receipt of such payments and other benefits, Executive (or in the event of Executive's death, Executive's executor, trustee, administrator or personal representative, as applicable), shall execute and deliver to the Bank a general release in favor of the Bank, its Affiliates and its Subsidiaries not earlier than twenty-one (21) and not later than twenty-five (25) days after Executive's termination of employment, releasing all claims, demands, causes of actions and liabilities arising out of this Agreement, Executive's employment or the termination thereof, including, but not limited to, claims, demands, causes of action and liabilities for wages, back pay, front pay, attorney's fees, other sums of money, insurance, benefits, or contracts; and all claims, demands, causes of actions and liabilities arising out of or under the statutory, common law or other rules, orders or regulations of the United States or any State or political subdivision thereof, whether now existed or hereinafter enacted or adopted, including the Age Discrimination in Employment Act and the Older Workers Benefit Protection Act, and subject to the applicable waiting or rescission periods thereunder, the Bank shall pay the amounts due under the applicable Section 6(b), Section 6(c), Section 6(e) or Section 6(f) in one (1) lump sum on the sixtieth (60th) day following the date of Executive's termination of employment.

7. NOTICE OF TERMINATION.

Any termination or purported termination by the Bank or Executive of Executive's employment with the Bank shall be communicated by a Notice of Termination to the other party. A "**Notice of Termination**" shall mean a written notice that shall set forth the effective date of the termination of Executive's employment, identify the specific termination provision(s) in this Agreement relied upon, and set forth in reasonable detail the facts and circumstances claimed to provide a basis for the termination of Executive's employment under the provision so identified. The party issuing the Notice of Termination shall cause it to be delivered to the other party either in person, by United States mail or via a reputable commercial delivery service (a) not less than thirty (30) days prior to the effective date of termination in the case of a termination Without Cause or By Resignation or based on a Disability Determination; (b) not less than thirty (30) days prior to the effective date of termination and as otherwise provided in Section 4(a) hereof in the case of a termination For Cause; and (c) as provided in Section 5(b) hereof in the case of a termination for Good Reason. Notices to the Bank shall be addressed and delivered to the Bank's corporate offices in Burr Ridge, Illinois or any successor location, to the attention of the Chief Executive Officer of the Bank, with copies of the notice concurrently delivered to the Executive Vice President of the Human Resources Division of the Bank.

Notices to the Executive shall be sent to the address set forth below the Executive's signature on this Agreement, or to such other address as Executive may hereafter designate in a written notice given to the Bank and its counsel.

8. <u>NON-SOLICITATION, CONFIDENTIALITY AND OTHER AGREEMENTS</u>.

(a) **<u>Non-Solicitation</u>.** Executive shall not, during the Term and the Non-Solicitation Period (as hereinafter defined), directly or indirectly, either as an individual for Executive's own account, or as an employee, agent, independent contractor or consultant of or for any person or Legal Entity, or as an officer, director, stockholder, owner or member of any Legal Entity:

(1) call upon or solicit for the purpose of obtaining Business from any person or Legal Entity that is a customer of the Bank for which the Executive had responsibility, or with which the Executive had business-related contact on behalf of the Bank, an Affiliate or a Subsidiary, or about which the Executive had access to Protected Confidential Information or Proprietary Information (a "**Protected Customer**") during the two (2) year period prior to the termination date of the Executive's employment;

(2) divert or take away from the Bank, an Affiliate or a Subsidiary any existing Business between the Bank or a Subsidiary, and a Protected Customer;

(3) call upon or solicit for the purpose of obtaining Business from any person or Legal Entity that directly or indirectly referred Business to the Bank, an Affiliate or a Subsidiary, or with which the Executive had business-related contact, or about which the Executive had access to Proprietary Information (a "**Protected Referral Source**"), during the two (2) year period prior to the termination of Executive's employment;

(4) divert or take away from the Bank, an Affiliate or a Subsidiary any existing Business between the Bank or a Subsidiary, and a Protected Referral Source;

(5) solicit or induce any Protected Customer or Protected Referral Source to terminate or not renew or continue any Business with the Bank, an Affiliate or a Subsidiary, or to terminate or not renew or continue any contractual relationship with the Bank, an Affiliate or a Subsidiary;

(6) solicit for hire, or assist or cause any person or Legal Entity with which Executive is affiliated or associated in soliciting for hire, any person employed by the Bank, an Affiliate or a Subsidiary on the termination date of the Executive's employment, with whom the Executive had responsibility, or with whom the Executive had business-related contact, or about whom the Executive had Proprietary Information (a "**Protected Employee**");

(7) solicit or induce any Protected Employee to terminate his or her employment with the Bank, an Affiliate or a Subsidiary; or

(8) attempt to do, or conspire with or aid and abet others in doing or attempting to do, any of the foregoing.

The term "**Non-Solicitation Period**" shall mean, except as provided in Section 8(e) below, the greater of (i) twelve (12) months or (ii) the period of time in which the Executive receives any payments or benefits under this Agreement subsequent to the termination date of the Executive's employment. The Non-Solicitation Period shall be extended by the period of time, as limited by applicable law, in which the Executive is in material breach of any provision of this Section 8 of the Agreement and the Bank seeks injunctive or other equitable relief to enforce the Agreement. The term "**Legal Entity**" shall mean the Bank, Financial Assurance Services, Inc., BF Asset Recovery Corporation and any other Affiliate or Subsidiary of the Bank hereafter established or acquired.

(b) **<u>Confidentiality</u>.** Executive recognizes and acknowledges that personal information and knowledge thereof regarding the customers of the Bank and its Subsidiaries are protected by state and federal law and the Privacy Principles of the Bank and its Subsidiaries, as amended from time to time (collectively, "**Protected Customer Information**")**,** and that customer lists, trade secrets, nonpublic financial information, and nonpublic past, present, planned or considered business activities of the Bank and its Affiliates and any plans for such business activities (collectively, "**Proprietary Information**"**)** are valuable, special and unique assets of the Bank.

(1) <u>Duty To Protect Confidential Information</u>. Executive will not, during or after the Employment Period, disclose any Protected Customer Information or Proprietary Information or his knowledge thereof to any person or Legal Entity other than the Bank, an Affiliate or any Subsidiary, or use any Protected Customer Information or Proprietary Information to the detriment of the Bank, an Affiliate or a Subsidiary or any of their respective customers or employees, or for the benefit of himself, any person or any Legal Entity, for any reason or purpose whatsoever.

(2) <u>Permitted Disclosures</u>. Notwithstanding the foregoing, Executive may: (i) disclose and use information that becomes publicly known through no wrongful act or omission of Executive, but only if the disclosure of such information is not restricted by any applicable state or federal laws or regulations and the information is not received from a person who was or is bound by an obligation not to disclose such information; (ii) disclose and use any financial, banking, business or economic principles, concepts or ideas that do not constitute Protected Customer Information or Proprietary Information; (iii) disclose any information regarding the business activities of the Bank, an Affiliate or a Subsidiary to a governmental authority of competent jurisdiction pursuant to a formal written request made by such governmental authority or any applicable law or regulation; (iv) disclose any information required to be disclosed by Executive pursuant to an order or judicial process issued by a court of competent jurisdiction; and (v) make any legally protected or required disclosure to the Board; *provided, however***,** that to the extent not prohibited by applicable state or federal law, Executive shall provide the Bank or the applicable, Affiliate or Subsidiary with at least ten (10) days' prior written notice of his intention to disclose information pursuant to subparagraph (iii) or (iv) of this Section 8(b).

(c) **<u>Cooperation in Legal Proceedings</u>.** During the Employment Period and for a period equal to three (3) years from the effective date of the termination of Executive's employment, Executive shall, upon reasonable notice, furnish such cooperation, information and assistance to the Bank as may reasonably be required by the Bank, an Affiliate or a Subsidiary of the Bank in connection with any pending or threatened judicial, administrative or arbitration proceeding or any investigation that is based on events or circumstances in which Executive had personal knowledge or involvement and in which the Bank or any of its Affiliates or Subsidiaries is or may become a party or target, except for proceedings instituted against Executive by the Bank or any governmental or regulatory authority, or proceedings instituted by Executive against the Bank to enforce the terms of this Agreement or any other duties or obligations of the Bank to Executive. The Bank, or if applicable, its Affiliate or Subsidiary, shall reimburse Executive for all reasonable costs and expenses incurred by Executive in providing such cooperation, information and assistance. Unless Executive's appearance is compelled by a court order or other legal process, Executive shall not be obligated to devote more than two (2) days per calendar month in fulfilling his obligations under this Section 8(c), and the Bank or its Affiliate or Subsidiary shall make reasonable accommodations to avoid interfering with any duties that Executive may then have to any client or other employer.

Notwithstanding anything to the contrary in this Section 8(c) or this Agreement, while Executive will be encouraged to voluntarily provide sworn testimony where appropriate. Executive shall have no duty to provide sworn testimony in any judicial, arbitration or discovery proceeding except as may be required by any rule of procedure, subpoena or judicial process applicable to or enforceable against Executive, and in no case shall Executive be required to provide any testimony that, in the judgment of Executive, might or could expose his to civil liability or compromise his privilege against self-incrimination. Any testimony given by Executive in such a proceeding shall be truthful, but in no event shall the content of any testimony given by Executive in such a proceeding constitute a breach of this Section 8(c) or any other provision of this Agreement. Executive may condition his providing of assistance and testimony hereunder on his receipt of an undertaking from the Bank that it will indemnify his for such actions to the fullest extent permitted by applicable law.

(d) **Remedies.** Executive and the Bank stipulate that irreparable injury will result to the Bank and its Subsidiaries and their business and property in the event of Executive's violation of any provision of this Section 8, and agree that, in the event of any such violation by Executive, the Bank, and if applicable, its Subsidiaries, will be entitled, in addition to any other rights, remedies and money damages that may then be available, to injunctive relief to restrain the violation hereof by Executive, Executive's partners, agents, servants, employees and all persons or Legal Entities acting for, under the direction or control of or in concert with Executive, and to such other equitable remedies as may then be available.

Nothing herein will be construed as prohibiting the Bank or any Affiliate or Subsidiary from pursuing any other remedies available to the Bank or such Affiliate or Subsidiary for such breach or threatened breach, including the recovery of money damages from Executive, or any other party.

(e) **Adjustment of Non-Solicitation Period.** The Non-Solicitation Period shall be reduced to six (6) months, but only with respect to the restrictions set forth in Section 8(a)(1) and Section 8(a)(3) of this Agreement (and the prohibitions in Section 8(a)(8) against, aiding, abetting, inducing or conspiring with others to violate those restrictions), if the Bank terminates this Agreement Without Cause or Executive terminates this Agreement for Good Reason, provided that, in either case, Executive executes and delivers to the Bank a writing, acceptable in form and substance to the Bank, that releases and waives any and all obligations that the Bank may have under Section 6(c) or Section 6(e) of this Agreement after the expiration of such six (6) month Non-Solicitation Period.

9. SOURCE OF FUNDS: ALLOCATION.

All payments provided in this Agreement shall be timely paid in cash or check from the general funds of the Bank.

10. EFFECT ON PRIOR AGREEMENTS AND EXISTING PLANS.

This Agreement contains the entire understanding between the parties hereto with respect to Executive's employment with the Bank, and supersedes the Initial Agreement, any prior offer of employment, employment letter or other agreements or understandings between the Bank and Executive, whether oral or written, with respect thereto, except that this Agreement shall not affect or operate to reduce any benefit or compensation inuring to Executive of a kind provided for in any Core Plan or any separate plan or program established for the benefit of Bank employees generally, or any separate plan or program established after the date of this Agreement for the specific benefit of Executive. No provision of this Agreement shall be interpreted to mean that Executive is subject to receiving fewer benefits than those available to his without reference to this Agreement.

11. MODIFICATION AND WAIVER.

This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto and approved by the Bank; provided that in no circumstances may this Agreement be modified or amended if such modification or amendment would not be permitted under Code Section 409A. No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future as to any act other than that specifically waived. Notwithstanding the foregoing, in the event that any provision or the implementation of any provision of this Agreement is finally determined to violate any applicable law, regulation or other regulatory requirement that is binding on the Bank, or to constitute an unsafe and unsound banking practice, Executive and the Bank agree to amend such provision to the extent necessary to remove or eliminate such violation or unsafe and unsound banking practice, and such provision shall then be applicable in the amended form.

12. NO ATTACHMENT.

Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation, or to execution, attachment, levy, or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void, and of no effect.

13. REGULATORY COMPLIANCE.

In the event any of the foregoing provisions of this Agreement conflict with the provisions of this Section 13, this Section 13 shall prevail. For all purposes of this Agreement, the term "**Subsidiary**" and the term "**Affiliate**" shall have the same meaning as the definitions of "Subsidiary" and "Affiliate" in the Bank Holding Company Act of 1956 (12 U.S.C. §1841).

(a) **Bank Capital Limitations**. Notwithstanding any other provisions of this Agreement and to the extent permitted under Code Section 409A:

(1) in the event the Bank is not in compliance with its minimum capital requirements as established by applicable federal laws and regulations at the time any payment becomes due to Executive pursuant to Section 6 hereof, the Bank shall be entitled to defer such payment until such time as the Bank is in compliance with such minimum capital requirements; and

(2) if the Bank is in compliance with such minimum capital requirements at the time any such payment becomes due, but the making of any such payment would cause the Bank's capital to fall below such minimum capital requirements, the Bank shall be entitled to reduce the amount of such payment as necessary to enable the Bank to remain in compliance with such minimum capital requirements, subject to the Bank's obligation to pay the amount of any such reductions (or any portion thereof) as soon as such amount can be paid without causing the Bank's capital to fall below such minimum capital requirements.

(b) **Suspension; Temporary Removal.** To the extent permitted by Code Section 409A, if Executive is suspended and/or temporarily prohibited from participating in the conduct of the affairs of the Bank or an Affiliate by a notice served under Section 8(e)(3) or 8(g)(1) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1818(e)(3) or (g)(1), the Bank's obligations under this Agreement shall be suspended as of the date of service, unless stayed by appropriate proceedings. If the charges in the notice are dismissed, the Bank may in its discretion: (1) pay Executive all or part of the compensation withheld while the contract obligations were suspended; and (2) reinstate (in whole or in part) any of the obligations which were suspended.

(c) **Removal; Prohibition.** If Executive is removed and/or permanently prohibited from participating in the conduct of the affairs of the Bank or an Affiliate by an order issued under Section 8(e)(4) or 8(g)(1) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1818(e)(4) or (g)(1), all obligations of the Bank under this Agreement shall terminate as of the effective date of the order, but vested rights of the contracting parties shall not be affected.

(d) **Bank in Default.** If the Bank is in default as defined in Section 3(x)(l) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1813(x)(l), all obligations of the Bank under this Agreement shall terminate as of the date of default, but this paragraph shall not affect any vested rights of the contracting parties.

(e) **Regulatory Termination.** All obligations under this Agreement shall be terminated, except to the extent determined that continuation of this Agreement is necessary for the continued operation of the institution: (1) by the Comptroller of the Currency (or his designee) at the time the FDIC enters into an agreement to provide assistance to or on behalf of the Bank under the authority contained in Section 13(c) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1823(c); or (2) by the Comptroller of the Currency (or his designee) at the time the Comptroller (or his designee) approves a supervisory merger to resolve problems related to the operations of the Bank or when the Bank is determined by the Comptroller to be in an unsafe or unsound condition. Any rights of the parties that have already vested, however, shall not be affected by such action.

(f) **Certain Payments.** Any payments made to Executive pursuant to this Agreement, or otherwise, are subject to and conditioned upon compliance with 12 U.S.C. Section 1828(k) and 12 C.F.R. §7.2014.

(g) **Internal Revenue Code Section 280G Limitation.** Notwithstanding any other provisions of this Agreement, in no event shall the aggregate payments or benefits to be made or afforded to Executive pursuant to Section 6 of this Agreement, together with any other amounts and the value of benefits received or to be received by the Executive in connection with a change in control, constitute an “excess parachute payment” under Internal Revenue Code Section 280G ("**Code Section 280G**"). In order to avoid such a result, such aggregate payments or benefits will be reduced, if necessary, to a lesser amount, the value of which is one dollar ($1.00) less than an amount equal to three (3) times Executive’s “base amount” as determined in accordance with Code Section 280G.

(h) **Internal Revenue Code Section 409A Compliance Principles**. It is intended that the Agreement shall comply with the provisions of Section 409A of the Internal Revenue Code ("Code Section 409A") and the Treasury regulations relating thereto so as not to subject Executive to the payment of additional taxes and interest under Code Section 409A. In furtherance of this intent, this Agreement shall be interpreted, operated and administered in a manner consistent with these intentions, and to the extent that any regulations or other guidance issued under Code Section 409A would result in the Executive being subject to payment of additional income taxes or interest under Code Section 409A, the parties agree to amend the Agreement to maintain to the maximum extent practicable the original intent of the Agreement while avoiding the application of such taxes or interest under Code Section 409A.

(1) Separation from Service. Notwithstanding anything else in this Agreement to the contrary, all payments due to the Executive pursuant to this Agreement are eligible for payment upon the Executive’s Separation of Service within the meaning of Code Section 409A. For purposes of this Agreement, a “Separation from Service” shall have occurred if the Bank and Executive reasonably anticipate that either no further services will be performed by Executive after the date of termination (whether as an employee or as an independent contractor) or the level of further services performed is less than 50 percent of the average level of bona fide services in the twenty-four (24) months immediately preceding the termination. For all purposes hereunder, the definition of Separation from Service shall be interpreted consistent with Treasury Regulation 1.409A-1(h)(ii).

(2) Specified Employee Time Restriction. Notwithstanding the foregoing, if Executive is a “specified employee” (i.e., a “key employee” of a publicly traded company within the meaning of Code Section 409A and the final regulations issued thereunder), then solely to the extent necessary to avoid penalties under Code Section 409A, no payments due to the Executive pursuant to Section 6(c)(2) or Section 6(e)(1) (excluding the amounts determined by reference to Section 6(c)(1)) under this Agreement, shall be made during the first six (6) months following Executive’s Separation from Service. All payments referenced in this Section 13(h)(2) which would otherwise be paid to Executive at the beginning of or during the six (6) month period following the Executive’s Separation from Service shall be accumulated and paid to Executive in a lump sum on the first day of the seventh month following such Separation from Service with all such delayed payments being credited with interest at the Wall Street Journal Prime Rate in effect on the first day of the six (6) month period following the Executive’s Separation from Service, compounded monthly. All subsequent payments shall be paid in the manner specified in this Agreement.

14. WITHHOLDING.

All payments required to be made to Executive under this Agreement shall be subject to the withholding of such amounts, if any, relating to tax and other payroll deductions as the Bank reasonably determines should be withheld pursuant to any applicable state or federal law or regulation.

15. SEVERABILITY.

If, for any reason, any provision of this Agreement, or any part of any provision, is held invalid, such invalidity shall not affect any other provision of this Agreement or any part of such provision that is not held invalid, and each such other provision and part thereof shall to the full extent consistent with law continue in full force and effect. Without limiting the foregoing, if any provisions of Section 8 of this Agreement are held to be unenforceable because of the scope, duration or area of applicability, the court making such determination shall have the power to modify such scope, duration or area of applicability, or all of them, and such provision shall then be applicable in the modified form.

16. HEADINGS FOR REFERENCE ONLY.

The headings of sections and paragraphs herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

17. GOVERNING LAW.

The validity, interpretation, performance and enforcement of this Agreement shall be governed by the internal laws of the State of Illinois, without regard or reference to any principles of conflicts of law of the State of Illinois, except to the extent that such internal laws are preempted by the laws of the United States or the regulations of the Comptroller of the Currency or any other agency of the United States.

18. DISPUTE RESOLUTION.

(a) **Arbitration.** Except for claims, cases or controversies based on or arising out of Section 8 of this Agreement ("**Section 8 Claims**") and as otherwise prohibited by law, all claims, cases or controversies arising out of or in connection with either this Agreement, Executive's employment with the Bank or the termination or cessation of such employment (collectively, "**Employment Claims**"), whether asserted against the Bank, a Subsidiary, and/or an officer, director or employee of the Bank or an Affiliate, and whether based on this Agreement or existing or subsequently enacted or adopted statutory or common law doctrines, shall be finally settled by arbitration conducted by JAMS Mediation, Arbitration and ADR Services or a successor entity **(**"**JAMS**"**)** in Chicago, Illinois, in accordance with the then applicable Employment Arbitration Rules and Procedures of JAMS, or in the event JAMS or a successor in interest of JAMS no longer provides arbitration services, by the American Arbitration Association or a successor entity (the "**AAA**"**)** in accordance with its then applicable National Rules for the Resolution of Employment Disputes. The costs and fees imposed by JAMS or the AAA for conducting such arbitration shall be borne equally by Executive and the Bank unless the arbitrator determines otherwise. The award rendered by the arbitrator(s) shall be final and binding upon Executive, the Bank and any other parties to such proceeding, and may be entered and enforced as a judgment in any court of competent jurisdiction. The Employment Claims subject to arbitration hereunder shall include, but shall not be limited to, those arising under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, as amended, including the amendments of the Civil Rights Act of 1991, the Older Workers Benefit Protection Act, the Americans with Disabilities Act, the law of contract, the law of tort, and other claims under federal, state or local statutes, ordinances and rules or the common law. Executive and the Bank acknowledge that by agreeing to arbitration they are relinquishing all rights they have to sue each other for Employment Claims that do not constitute Section 8 Claims and any rights that they may have to a jury trial on Employment Claims that do not constitute Section 8 Claims.

(b) **Section 8 Claims.** All Section 8 Claims shall be brought, commenced and maintained only in a state or federal court of competent jurisdiction situated in the County of Cook or the County of DuPage, State of Illinois. Executive and the Bank each hereby:

(1) consents to the exercise of jurisdiction over his or its person and property by any court of competent jurisdiction situated in the County of Cook or the County of DuPage, State of Illinois for the enforcement of any claim, case or controversy based on or arising under Section 8 of this Agreement;

(2) waives any and all personal or other rights to object to such jurisdiction for such purposes; and

(3) waives any objection which it may have to the laying of venue of any such action, suit or proceeding in any such court.

19. INDEMNIFICATION AND INSURANCE.

(a) **General**. The Bank shall, subject to the conditions and findings set forth in 12 C.F.R. §7.2014, indemnify Executive, and shall promptly pay to Executive, in advance of the final disposition of Proceeding to which Executive is a Party by reason of his service in his Official Capacity, the reasonable Expenses incurred by Executive in such Proceeding, in each case to the maximum extent permitted or required by Maryland law as in effect on the date hereof and as amended from time to time, including, without limitation, Section 2-418 of the Maryland General Corporation Law (the "MGCL"); provided that: (i) the Bank shall not be obligated to pay or advance any amounts otherwise indemnifiable or payable hereunder if and to the extent that Executive has otherwise actually received such payment or advance under any insurance policy or any other contract or agreement to which Executive is a Party, including, without limitation, any directors' and officers' liability insurance policy maintained by the Bank or any affiliate of the Bank; and (ii) the Bank shall only pay and advance Expenses under procedures permitted or required by applicable law. For the purposes of this Section 19, the terms "Expenses," "Official Capacity," "Party" and "Proceeding" shall have the meanings provided in Section 2-418 of the MGCL, as in effect on the date hereof.

(b) **Successful Defense of Claims**. If a claim for indemnification under this Section 19 is based on Executive's successful defense of a Proceeding, Executive shall be deemed to have been successful in the defense of a claim, issue or matter asserted in such Proceeding if it is dismissed pursuant to a settlement agreement that is approved by the Bank in writing, or if such claim, issue or matter is otherwise dismissed, on the merits or otherwise, with or without prejudice. If Executive is successful in the defense of one or more but less than all claims, issues or matters asserted or arising in a Proceeding, the Bank shall indemnify Executive for all Expenses actually and reasonably incurred by Executive or on his behalf in connection with each claim, issue or matter that Executive has successfully defended. In such event, Expenses shall be allocated on a reasonable and proportionate basis among the claims, issues and matters that have been successfully defended, and among any that have not been successfully defended.

(c) **Procedures**. To seek indemnification or the advance of Expenses hereunder, Executive shall submit to the Chairman of the Human Resources Committee of the Bank and the Chief Executive Officer of the Bank a written request therefor, which shall:

(1) describe with reasonable particularity the claim that has been made or threatened against Executive and the reasons why Executive believes that it is lawful and appropriate for the Bank to indemnify and/or pay, advance or reimburse Expenses to Executive in connection therewith; and

(2) contain or include such documentation and information as is reasonably available to Executive and is reasonably necessary to enable the Board of Directors or a committee thereof, or if applicable, special legal counsel to the Board of Directors, to determine whether to approve, deny or otherwise respond to such request. Such determination shall be made and communicated to Executive in writing as soon as reasonably practicable, but in no case more than thirty (30) days of the Bank's receipt of Executive's request. In any Proceeding commenced to enforce Executive's entitlement to indemnification or the advance of Expenses, the Bank shall have the burden of proving that Executive is not entitled to indemnification or the advance of Expenses, as the case may be. All other procedures with respect to indemnification and the payment, advancement or reimbursement of Expenses in connection with a Proceeding to which Executive is a Party by reason of his service in his Official Capacity shall be as provided in the Bank's charter or bylaws and Maryland law.

(d) **Survival of Rights and Benefits**. The rights and benefits provided to Executive under this Section 19 shall survive the termination or expiration of this Agreement and shall not be deemed to be exclusive of any other rights or benefits to which Executive may at any time be entitled under Maryland law or any other applicable law, the charter or bylaws of the Bank, or any other agreement to which Executive is a Party. No amendment, alteration or repeal of any applicable Maryland law or any provision of the charter or bylaws of the Bank shall:

(1) have the effect of reducing, limiting or restricting the rights and benefits that were available to Executive under this Section 19 based on such law or provision as in effect on the date hereof; or

(2) limit or restrict any right of or benefit to Executive hereunder in respect of any action taken or omitted by Executive in his official capacity prior to such amendment, alteration or repeal.

(e) **Regulatory Compliance**. Any payments made to Executive pursuant to this Section 19 shall be subject to and conditioned upon compliance with the applicable provisions of 12 U.S.C. §1828(k), 12 C.F.R. Part 359 and 12 C.F.R. §7.2014.

20. **COSTS AND LEGAL FEES.**

(a) **Payment to Executive.** Except as provided in Section 18(a) hereof, in the event any dispute or controversy arising under or in connection with any provision of this Agreement other than Section 8 hereof is resolved on the merits in favor of Executive pursuant to an arbitration award or final judgment, order or decree of a court of competent jurisdiction (the time for appeal therefrom having expired and no appeal having been perfected), the Bank shall be obligated to pay Executive, within thirty (30) days after the date on which such judgment becomes final and not subject to further appeal, all reasonable costs and legal fees paid or incurred by Executive in connection with such dispute or controversy.

(b) **Payment to Bank.** Except as provided in Section 18(a) hereof, in the event any dispute or controversy arising under or in connection with Section 8 of this Agreement is resolved on the merits in favor of the Bank pursuant to an arbitration award or final judgment, order or decree of a court of competent jurisdiction (the time for appeal therefrom having expired and no appeal having been perfected), Executive shall be obligated to pay the Bank, within thirty (30) days after the date on which such judgment becomes final and not subject to further appeal, all reasonable costs and legal fees paid or incurred by the Bank in connection with such dispute or controversy.

21. **NO CONFLICTS.**

Executive has heretofore advised the Bank and hereby represents that the execution and delivery of this Agreement and the performance of the obligations hereunder do not and will not conflict with, or result in any default, violation or breach of any contract or agreement to which Executive is a party, or of any legal duty of Executive.

22. **SURVIVAL.**

The rights and obligations of Executive and the Bank under Sections 6, 8, 13, 17, 18, 19 and 20 of this Agreement shall survive the termination of Executive's employment and the termination or expiration of this Agreement. All other rights and obligations of Executive and the Bank shall survive the termination or expiration of this Agreement only to the extent that they expressly contemplate future performance and remain unperformed.

23. SUCCESSORS AND ASSIGNS.

(a) Continuing Rights and Obligations. This Agreement shall be binding upon, and inure to the benefit of, Executive and his heirs, executors, administrators and assigns, and the Bank and its successors and assigns. The Bank shall require any of its successors or assigns, whether resulting from a purchase, merger, consolidation, reorganization, conversion or a transfer of all or substantially all of its business or assets, to expressly and unconditionally to assume and agree to perform its obligations under this Agreement, in the same manner and to the same extent that it would be required to perform such obligations if no such succession or assignment had occurred.

(b) Payments to Estate or Trust. Any amounts due Executive hereunder shall be paid to Executive's estate in the event of Executive's death except as expressly provided herein; provided that, notwithstanding the foregoing. Executive may, in his discretion, provide for the payment of some or all of such amounts to a trust established by Executive. In the event that Executive desires that such amounts be paid to a trust. Executive shall notify the Bank of such intention in writing and comply with any requirements of applicable law.

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF**,** BankFinancial, National Association has caused this Agreement to be executed by its duly authorized officers and directors, and Executive has signed this Agreement as of this 27th day of January 2023.

BANKFINANCIAL, NATIONAL ASSOCIATION	**EXECUTIVE**
/s/ F. Morgan Gasior	/s/ Gregg T. Adams
By: F. Morgan Gasior	Gregg T. Adams
Its: Chief Executive Officer	

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, F. Morgan Gasior, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of BankFinancial Corporation, a Maryland corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 16, 2024

/s/ F. Morgan Gasior
F. Morgan Gasior
Chairman of the Board,
Chief Executive Officer and President

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Paul A. Cloutier, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of BankFinancial Corporation, a Maryland corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 16, 2024

/s/ Paul A. Cloutier
Paul A. Cloutier
Executive Vice President and
Chief Financial Officer