

OCEANFIRST FINANCIAL CORP
Form DEF 14A
April 26, 2018
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to ss. 240.14a-12

OceanFirst Financial Corp.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

OceanFirst Financial Corp.
110 West Front Street
Red Bank, New Jersey 07701
(732) 240-4500

Dear Fellow Stockholder:

This past year has been a very busy time at OceanFirst Financial Corp. (the “Company”), the holding company for OceanFirst Bank N.A. (the “Bank”). On June 30, 2017, we announced the acquisition of Sun Bancorp, Inc. (“Sun”), the holding company for Sun National Bank, which was completed on January 31, 2018. We are pleased to welcome the former Sun shareholders to the Company.

The Board of Directors, management and employees remain committed to enhancing corporate governance, as well as enhancing shareholder returns. On January 24, 2018, the Company announced the appointment of John K. Lloyd to its Board of Directors. In conjunction with the Sun merger, Anthony R. Coscia and Grace C. Torres were added to the Board of Directors of the Company and the Bank. The Company believes the addition of these directors will offer enhanced insights, ideas, and experience to assist in the oversight and governance of the Board as a whole and the committees on which they will serve. These changes, and other governance matters, including Proposal 3 to declassify the Board of Directors, are described in the proxy statement appearing on the following pages.

I, along with my fellow Board of Directors members, cordially invite you to attend the Company’s Annual Meeting of Stockholders. The Annual Meeting will be held on Thursday, May 31, 2018, at 6:00 p.m., Eastern time, at the Company’s Administrative Offices, 110 West Front Street, Red Bank, New Jersey 07701. The Notice of Annual Meeting and the proxy statement describe the formal business to be transacted at the Annual Meeting. The Company’s directors and officers, as well as a representative of KPMG LLP, the Company’s independent registered public accounting firm, will be present at the Annual Meeting to respond to appropriate questions.

It is important that your shares are represented this year whether or not you are personally able to attend the meeting. Your cooperation is appreciated because a majority of the common stock must be represented, either in person or by proxy, to constitute a quorum for the conduct of business and because Proposal 3, declassification of the Board of Directors, requires 80% of the stockholders eligible to vote to cast their ballots in favor in order for this recommendation to be approved. You may vote your shares by proxy by signing and returning the enclosed proxy card promptly.

On behalf of the Board of Directors and all of the employees of the Company and the Bank, we thank you for your continued interest and support.

Sincerely yours,

Christopher D. Maher

Chairman, President and Chief Executive Officer

April 26, 2018

Oceanfirst Financial Corp.
110 West Front Street
Red Bank, New Jersey 07701

Notice of 2018 Annual Meeting of Stockholders

Thursday, May 31, 2018

6:00 p.m.

OceanFirst Bank Administrative Offices, 110 West Front Street, Red Bank, New Jersey 07701

ITEMS OF BUSINESS

- (1) The election of four directors of the Company;
- (2) An advisory vote on executive compensation as disclosed in these materials;
- (3) Approval of an amendment to the Company's Certificate of Incorporation to declassify the Company's Board of Directors;
- (4) Approval of an amendment to the Company's Certificate of Incorporation to increase the number of shares of authorized common stock;
- (5) The ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018;
- (6) Such other matters as may properly come before the Annual Meeting or any adjournments thereof. The Board of Directors is not aware of any other business to come before the Annual Meeting.

RECORD DATE

In order to vote, you must have been a stockholder at the close of business on April 10, 2018.

PROXY VOTING

It is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning the enclosed proxy card or voting instruction card. Voting instructions are printed on your proxy card and included in the accompanying proxy statement. You can revoke a proxy at any time prior to its exercise at the meeting by following the instructions in the proxy statement.

Dated: April 26, 2018

Steven J. Tsimbinos

Corporate Secretary

NOTE: Whether or not you plan to attend the Annual Meeting, please vote by marking, signing, dating and promptly returning the enclosed proxy card in the enclosed envelope.

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ANNUAL MEETING OF STOCKHOLDERS
MAY 31, 2018****PROXY SUMMARY****Proposals to be Voted on**

Proposal	Board Recommendation	Page Reference
Proposal 1 – Election of Directors	The Board of Directors recommends the votes “FOR” each of the nominees for director.	13
Proposal 2 – Advisory Vote on Executive Compensation	The Board of Directors recommends the vote “FOR” the approval, on an advisory basis, of the compensation of the Company’s named executive officers as disclosed in these materials.	46
Proposal 3 – Approval of the amendment to the Company’s Certificate of Incorporation to declassify the Company’s Board of Directors	The Board of Directors recommends the vote “FOR” the amendment to the Company’s Certificate of Incorporation to declassify the Board.	47
Proposal 4 – Approval of an amendment to the Company’s Certificate of Incorporation to increase the number of authorized common stock	The Board of Directors recommends the vote “FOR” the amendment to the Company’s Certificate of Incorporation to increase the number of shares of authorized common stock.	49
Proposal 5 – Ratification of the appointment of KPMG LLP as the independent registered public accounting firm	The Board of Directors recommends the vote “FOR” ratification of KPMG LLP as the Company’s independent registered public accounting firm.	51

Nominees for Director

Name	Age	Director Since	Independent	Committees
Michael D. Devlin	67	2016		Finance and Risk
Jack M. Farris	59	2015		Human Resources/Compensation and Risk
Diane F. Rhine	68	1997		Human Resources/Compensation (Chair)
Mark G. Solow	69	2011		Human Resources/Compensation

Corporate Governance Highlights

Comprehensive annual self-assessment of the Board, Committee, and individual director performance by the Leadership Committee	Board refreshment – Three new directors added: John K. Lloyd, appointed in January 2018, and Anthony R. Coscia and Grace C. Torres, former Sun directors
Declassification of the Board of Directors	Reorganization of risk management with the hiring of Grace Vallacchi as Chief Risk Officer
Adoption of a Director Skills Matrix	Appointment of Joseph Kyrillos, New Jersey state Senator, ret., as Chairman of an Advisory Board
Amendment to the Bylaws to remove age and geographic restrictions	Expansion of Information Security with the hiring of a Chief Information Officer and a Chief Information Security Officer
Increased usage of performance-based grants for executive officers	Regular shareholder outreach by senior management
Creation of Complaint Hotline	

Executive Compensation Overview

- Salaries for Named Executive Officers Held Constant for 2017
- Increased Use of Performance-Based Stock Awards
- Strong Stockholder Support of Compensation Program
- Engagement of Independent Compensation Consultant during 2017
- Elimination of Automatic Issuance of New Stock Awards upon Change in Control

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CORPORATE GOVERNANCE

The Company periodically reviews its corporate governance policies and procedures to ensure that the Company meets the highest standards of ethical conduct, reports results with accuracy and transparency, and maintains full compliance with the laws, rules and regulations that govern the Company's operations. As part of this periodic corporate governance review, the Board of Directors reviews and adopts best corporate governance policies and practices for the Company.

Corporate Governance Highlights

The Company has taken several actions to improve its internal governance since the mailing of its last proxy statement. These actions include:

Self-Assessment. The Leadership Committee, with the assistance of an independent consultant, performed a comprehensive annual self-assessment to assess the performance of the Board, the Company's committees, and each director. The results of that assessment lead to the taking of certain other actions listed below, including the proposed declassification of the Board, adoption of a skills matrix, additional Board refreshment, and the amendments to the Bylaws listed below.

Declassification of the Board of Directors. The Board has determined that, to increase director accountability to stockholders and the Board, each director should be elected annually. Accordingly the Board is proposing for stockholder approval an amendment to its Certificate of Incorporation to declassify the Board.

Adoption of a Director Skills Matrix. The Board has adopted a skills matrix of those qualifications it believes are important to Board performance and assessed each Director's qualifications against that matrix. See "*Proposal 1 – Election of Directors – Director Experience.*"

Amendment to the Bylaws to Remove Age and Geographic Restrictions. The Company's Bylaws contained a requirement that a director maintain a residence in New Jersey and prohibited any person from standing for reelection after his or her 72nd birthday. The Board has determined to remove those provisions from the Bylaws to ensure a wider pool of qualified director candidates. The Board believes that, with increased accountability, such provisions are no longer appropriate.

Board Refreshment. The Board of Directors has added three new directors: John K. Lloyd, who was appointed to the Board in January 2018, and Anthony R. Coscia and Grace C. Torres, who joined the Board as a result of the Company's acquisition of Sun Bancorp, Inc. ("Sun"). The Company believes that these new directors will provide additional insights, ideas, skills and experience, assist the Company with its expansion into new markets, and provide additional oversight and governance, both to the Board as a whole and the committees on which they will serve. Also, the appointment of additional directors will provide stability and succession opportunities at the Board and Committee levels.

Compensation Practices. As further described in the Compensation Discussion and Analysis, the Company has increased its use of performance-based stock grants.

Expansion of Risk Management. The Company has reorganized its risk management function, with the hiring of Grace Vallacchi as Chief Risk Officer ("CRO"). Ms. Vallacchi was previously the Associate Deputy Comptroller in the Northeastern District of the Office of the Comptroller of the Currency. In that position, she had direct oversight of seven Assistant Deputy Controllers with over 180 national bank examiners responsible for supervising 120

community banks and thrifts. Ms. Vallacchi was an incremental hire rather than a replacement; the previous CRO was refocused to be Chief Enterprise Risk Officer reporting to Ms. Vallacchi along with the Bank's Chief Credit Officer. The Bank believes this reorganization will bolster its Risk Management function and is appropriate given the Company's growth.

Expansion of Information and Information Security Governance. The Company has hired a Chief Information Officer and a Chief Information Security Officer. Both of them are highly experienced and are expected to contribute to the Company's information and cybersecurity practices.

Advisory Board. The Company has appointed Joseph Kyrillos, New Jersey state Senator, ret., as Chairman of an Advisory Board to assist with business development in all of the markets served by the Company. The Company has dissolved its southern region advisory Board.

Shareholder Outreach. The Company's Chairman and President/ Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and other members of senior management regularly attend investor meetings, arranged by industry analysts, other financial service firms, and the investors themselves. At those meetings, stockholders are invited to and often discuss with management corporate governance as well as the Company's business and strategy.

Complaint Hotline. As part of the procedures used to encourage compliance with its Code of Ethics and Standards of Personal Conduct, in March 2018 the Company instituted a Complaint Hotline, which allows parties to anonymously submit concerns regarding internal controls, fraud, and ethical violations, among others.

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Corporate Governance Policies and Procedures

The Company has adopted a Corporate Governance Policy to govern certain activities, including:

- (1) the duties and responsibilities of the Board of Directors and each director;
- (2) the composition and operation of the Board of Directors;
- (3) the establishment and operation of Board committees;
- (4) convening executive sessions of independent directors;
- (5) succession planning;
- (6) the Board of Directors' interaction with management; and
- (7) the evaluation of the performance of the Board of Directors, its committees and of the CEO

In accordance with the Corporate Governance Policy, at least a majority of the directors on the Board must be "independent directors" as defined in the listing requirements of the Nasdaq Stock Market ("[Nasdaq](#)").

Board Leadership Structure

The Board is led by the Chairman of the Board, Christopher D. Maher, who also serves as President and CEO of the Company and the Bank. Mr. Maher succeeded John R. Garbarino, who had served as Chairman of the Board until January 1, 2017. Mr. Garbarino also served as the CEO of the Company until January 1, 2015, when Mr. Maher succeeded him as CEO. The Board believes that combining the Chairman and CEO positions, together with the appointment of an independent lead director, is the appropriate Board leadership structure for the Company at this time. The Company has historically been led by a combined Chairman and CEO and the Board believes that the CEO is most knowledgeable about its business and corporate strategy and is in the best position to lead the Board of Directors, especially in relation to its oversight of corporate strategy formation and execution. In addition, having a combined Chairman and CEO provides a complete alignment on corporate strategy and vision. To assure effective independent oversight, the Board has adopted a number of governance practices, including:

- the establishment of an independent lead director (the "[Lead Director](#)");
- executive sessions of the independent directors at every regularly scheduled Board meeting, during which the independent directors may discuss the performance of the CEO/Chairman, management succession planning, and other appropriate matters;
- the independence of fourteen of fifteen of the Board members;
- stock ownership guidelines for directors and those executive officers named in the Summary Compensation Table below (the "[NEOs](#)");
- annual performance evaluation of the CEO by the Human Resources/Compensation Committee (the "[Compensation Committee](#)"); and
- the Company's Board Audit, Compensation, Finance, Risk and Leadership Committees are comprised entirely of independent members.

The Company's Corporate Governance Policy provides that the Chair of the Leadership Committee, currently John E. Walsh, shall also serve as the Lead Director. The Corporate Governance Policy provides that the duties of the Lead Director include assisting the Board in assuring compliance with and implementation of the Company's Corporate Governance Policy, coordinating the agenda for and moderating sessions of the Board's independent directors, and acting as principal liaison on certain issues between the independent and inside directors, including the Chairman of the Board, as applicable.

While the Board believes that the current leadership structure is best suited for the Company, it recognizes that other leadership models in the future might be appropriate, depending on the circumstances. Accordingly, the Board periodically reviews its leadership structure.

Board Role in the Oversight of Risk/Risk Committee

Under the Company's Corporate Governance Policy, the business and affairs of the Company are managed by the officers under the direction of the Board. The Board is charged with providing oversight of the Company's risk management processes. In January 2013, the Board created the Joint Risk Committee of the Company and the Bank (the "Risk Committee") and delegated its primary responsibility for overseeing the risk management function at the Company on behalf of the Board. In addition, the Compensation Committee and the Company and Bank's senior management are tasked with oversight of the Company's risk management process. The duties of each of the Risk Committee, the Compensation Committee, and senior management with respect to such oversight are summarized in the following chart.

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Board of Directors

The Board is charged with providing oversight of the Company's risk management processes.

Risk Committee

- The primary responsibility is overseeing the risk management function at the Company on behalf of the Board.

- Meets at least quarterly with executive management and the CRO, and receives comprehensive reports and dashboards on enterprise risk management, including management's assessment of risk exposures (including risks related to liquidity, credit, operations and regulatory compliance, among others), and the processes in place to monitor and control such exposures.

- The Committee may receive updates between meetings, as may be necessary, from the CRO, the CEO, the CFO and other members of management relating to risk oversight matters.

- Provides a report to the full Board on at least a quarterly basis risk mitigation and safe and sound banking.

- In addition, each quarter, the Audit Committee will discuss with management and the independent registered public accountant their review of the Company's financial statements and significant findings based upon the independent registered public accounting firm's review, and any material issues are relayed to the Risk Committee.

Senior Management

On an annual basis, the Bank's Compliance Officer provides a report to the Board regarding the Bank's compliance with existing regulations, as well as future regulations that may impact the Bank.

Compensation Committee

- At least annually, the Compensation Committee reviews with the CRO the Company's compensation plans for all employees, including the CEO and other NEOs, to ensure that these plans do not encourage taking unnecessary and excessive risks that would threaten the value of the Company.

- The Committee from time to time may enact metrics under the Cash Incentive Plan to encourage

The CRO performs a risk assessment of each of the Bank's products, services, operations and regulatory requirements to determine the overall risk to the Bank, and reports these findings to the Risk Committee.

Committees of the Board of Directors

The Board of Directors of the Company maintains the Audit Committee, the Compensation Committee, the Leadership Committee, the Risk Committee, and the Finance Committee. The following is a description of each of the Company's Board committees.

Audit Committee Meetings during 2017: 5

Joseph J.
Burke* (Chair)

The Audit Committee meets periodically with the independent registered public accounting firm and management to review accounting, auditing, internal control structure and financial reporting matters.

Angelo
Catania*

Donald E.
McLaughlin* of Directors. The Charter is available on the Company's website (www.oceanfirst.com). Each member of the Audit Committee is "independent" in accordance with Nasdaq listing standards and the heightened independence standards applicable to audit committees.

Grace C.
Torres**

See "Proposal 5—Ratification of Independent Registered Public Accounting Firm – Report of Audit Committee."

Samuel R.
Young

* "Audit committee financial experts" under the Rules of the Securities and Exchange Commission (the "Commission").

**In 2018, Grace C. Torres was appointed to the Audit Committee.

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Human Resources/Compensation Committee Meetings during 2017: 3

Diane F. Rhine (Chair) The Compensation Committee of the Company and the Bank meets to establish compensation for the executive officers and to review the Company's incentive compensation program when necessary. The Compensation Committee is also responsible for establishing certain guidelines and limits for compensation and benefit programs for other salaried officers and employees of the Company and the Bank.

Jack M. Farris

John K. Lloyd* Each member of the Compensation Committee is independent in accordance with Nasdaq listing standards regarding compensation committee requirements.

Dorothy F. McCrosson The Compensation Committee acts under a written Charter adopted by the Board of Directors, which is available on the Company's website (www.oceanfirst.com). The Compensation Committee reviews and reassesses the adequacy of its Charter on an annual basis.

Mark G. Solow See "*Executive Compensation—Compensation Committee Report on Executive Compensation.*"

*In 2018, John K. Lloyd was appointed to the Human Resources/Compensation Committee.

Leadership Committee Meetings during 2017: 5

John E. Walsh (Chair) The Leadership Committee of the Company and the Bank, formerly named the Corporate Governance/Nominating Committee, takes a leadership role in shaping governance policies and practices, including recommending to the Board of Directors the corporate governance guidelines applicable to the Company and monitoring compliance with these policies and guidelines. In addition, the Leadership Committee serves as the Company's nominating committee and is responsible for identifying individuals qualified to become Board members and recommending to the Board the director nominees for election at the next Annual Meeting of Stockholders. The Committee also recommends to the Board director candidates for each committee for appointment by the Board.

Joseph J. Burke

Angelo Catania The Chair of the Leadership Committee functions as Lead Director.

John K. Lloyd* The Leadership Committee acts under a written Charter and the Corporate Governance Policy adopted by the Board of Directors. The Charter is available on the Company's website (www.oceanfirst.com). The procedures of the Leadership Committee required to be disclosed by the Commission rules are included in this proxy statement. See "*Leadership Committee Procedures as to Director Nominees.*"

Dorothy F.
McCrosson

* In 2018, John K. Lloyd was appointed to the Leadership
Committee.

Risk Committee Meetings during 2017: 4

Donald E.
McLaughlin
(Chair)

The Risk Committee of the Company and the Bank was created in January 2013 to assist the Board in enterprise risk management functions.

Steven E. Brady

Michael D.
Devlin* The Risk Committee acts under a written Charter adopted by the Board of Directors. The Charter is available on the Company's website and is reviewed on an annual basis by the Risk Committee. See "*Board Role in the Oversight of Risk/Risk Committee.*"

Jack M. Farris

*In 2018, Michael D. Devlin was appointed to the Risk Committee, replacing Mark G. Solow.

Finance Committee Meetings during 2017: 4

Angelo The Finance Committee of the Company and the Bank was created in January 2017 to assist the Board in
Catania fulfilling its oversight responsibilities of the financial management of the Company and developing the
(Chair) Company's strategic and annual business plan and budget. The Chair and at least one other director of the
Finance Committee will be independent in accordance with Nasdaq listing standards. The Finance
Committee acts under a written Charter adopted by the Board of Directors. The charter is available on the
Company's website and is renewed on an annual basis by the Finance Committee.

Michael
D. Devlin

Grace C.
Torres*

John E.
Walsh

Samuel R.
Young

*In 2018, Grace C. Torres was appointed to the Finance Committee.

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The following table identifies the standing committees and their members as of December 31, 2017.

Director	Audit Committee	Leadership Committee	Human Resources/ Compensation Committee	Risk Committee	Finance Committee
Steven E. Brady					
Joseph J. Burke					
Angelo Catania					
Michael D. Devlin					
Jack M. Farris					
Dorothy F. McCrosson					
Donald E. McLaughlin					
Diane F. Rhine					
Mark G. Solow					
John E. Walsh					
Samuel R. Young					

Chairperson

Code of Ethics and Standards of Personal Conduct

The Company and Bank have adopted a Code of Ethics and Standards of Personal Conduct that is designed to ensure that all directors, executive officers and employees of the Company and Bank, meet the highest standards of ethical conduct. The Code of Ethics and Standards of Personal Conduct requires that all directors, executive officers and employees avoid conflicts of interest, protect confidential information and customer privacy, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in the Company’s best interest. Under the terms of the Code of Ethics and Standards of Personal Conduct, all directors, executive officers and employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of the Code.

As a mechanism to encourage compliance with the Code of Ethics and Standards of Personal Conduct, the Company and Bank established procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters. These procedures ensure that individuals may submit concerns regarding questionable accounting or auditing matters in a confidential and anonymous manner. The Code of Ethics and Standards of Personal Conduct also prohibits the Company from retaliating against any director, executive officer or employee who reports actual or apparent violations of the Code.

Meetings of the Board of Directors

The Board of Directors of the Company and the Bank conduct business through meetings and the activities of the Boards and their committees. Board members are encouraged to attend all Board and Committee meetings. Their attendance and performance are among the criteria considered for re-nomination to the Board of Directors. During the fiscal year ended December 31, 2017, the Company's Board of Directors held eleven meetings. All of the Directors of the Company attended at least 75% of the Board meetings and the meetings of committees held on which such Directors served during the fiscal year ended December 31, 2017.

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STOCKHOLDER-RECOMMENDED DIRECTOR NOMINATIONS

General

It is the policy of the Company's Leadership Committee to consider director candidates recommended by stockholders who appear to be qualified to serve on the Company's Board of Directors. The Leadership Committee may choose not to consider an unsolicited recommendation if no vacancy exists on the Board of Directors and the Leadership Committee does not perceive a need to increase the size of the Board of Directors. In order to avoid the unnecessary use of the Leadership Committee's resources, the Leadership Committee will consider only those director candidates recommended in accordance with the procedures set forth below.

Procedures to be Followed by Stockholders

To submit a recommendation of a director candidate to the Leadership Committee, a stockholder should submit the following information in writing, addressed to the Chair of the Leadership Committee, care of the Corporate Secretary, at the main office of the Company:

- (1) The name of the person recommended as a director candidate;
- (2) All information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Exchange Act, as amended;
- (3) The written consent of the person being recommended as a director candidate to being named in the proxy statement as a nominee and to serving as a director if elected;
As to the stockholder making the recommendation, the name and address, as they appear on the Company's books, of such stockholder; provided, however, that if the stockholder is not a registered holder of the Company's common stock, the stockholder should submit his or her name and address along with a current written statement from the broker holding the securities that reflects ownership of the Company's common stock; and
- (5) A statement disclosing whether such stockholder is acting with or on behalf of any other person and, if applicable, the identity of such person.

In order for a director candidate to be considered for nomination at the Company's Annual Meeting of stockholders, the recommendation must be received by the Leadership Committee at least 120 calendar days prior to the date the Company's proxy statement was released to stockholders in connection with the previous year's Annual Meeting, advanced by one year.

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Proposal 1 Election of Directors

The Company's Board of Directors currently consists of fifteen directors. All of the directors are independent under current Nasdaq listing standards, with the exception of Christopher D. Maher, President and CEO of the Company and the Bank. The Board is divided into three classes with three-year staggered terms, with one-third of the directors elected each year. Each of the members of the Board also serves as a director of the Bank. The Board of Directors' nominees for election this year, to serve for a three-year term and until their respective successors have been elected and qualified, are Messrs. Devlin, Farris, and Solow, and Ms. Rhine, each of whom is currently a director of the Company and the Bank. However, if Proposal 3 is approved, each of these directors, together with the directors with a term of office extending until the 2020 Annual Meeting of Stockholders, intends to submit a resignation and be immediately reappointed back to the Board for a term ending at the 2019 Annual Meeting of Stockholders, as described under *Proposal 3. "Approval and Adoption of an Amendment to the Company's Certificate of Incorporation to Declassify the Board of Directors"*, other than Donald E. McLaughlin, who has notified the Company that, at the 2018 Annual Meeting, he will retire from the Board to spend more time with his family and on personal business. The experience and qualifications of each director are set forth under *"Nominees for Election of Director."*

Ms. McCrosson has decided not to stand for re-election. Her term will expire at the Annual Meeting and, along with Mr. McLaughlin's retirement, the Board will be reduced to thirteen members at that time. The Company is grateful for Ms. McCrosson's and Mr. McLaughlin's contributions to the success of the Company and wishes them continued prosperity in their future endeavors.

It is intended that the proxies solicited by the Board of Directors will be voted for the election of the nominees named above. If any nominee is unable to serve, the persons named in the proxy card will vote your shares and approve the election of any substitute proposed by the Board of Directors. Alternatively, the Board of Directors may adopt a resolution to reduce the size of the Board. At this time, the Board of Directors knows of no reason why any nominee might be unable to serve.

The Board of Directors recommends a vote **"FOR"** the election of Messrs. Devlin, Farris, and Solow and Ms. Rhine.

Criteria for Director Nominees

The Leadership Committee has adopted a set of criteria that it considers when it selects individuals to be nominated for election to the Board of Directors. The same criteria are used for persons nominated by the Committee or by a stockholder. A candidate must meet any qualification requirements set forth in any Board or committee governing documents.

The Leadership Committee will consider the following criteria in selecting nominees:

financial, regulatory and business experience;
familiarity with and participation in the local community;
integrity, honesty and reputation;
dedication to the Company and its stockholders;
independence; and
any other factors the Leadership Committee deems relevant, including experience, diversity of skills, size of the Board of Directors and regulatory disclosure obligations.

The Leadership Committee may weigh the foregoing criteria differently in different situations, depending on the composition of the Board of Directors at the time, and whether a director is expected to retire in the near future. While no single nominee may possess all of the skills needed to be a director, the Leadership Committee seeks to maintain a diversity of skills among the Board members necessary for the optimal functioning of the Board in its oversight of the Company. The Leadership Committee will strive to maintain at least one director who meets the definition of “audit committee financial expert” under the Commission’s regulations.

In addition, prior to nominating an existing director for re-election to the Board of Directors, the Leadership Committee will consider and review an existing director’s Board performance and attendance at Board and Committee meetings and other Company functions; length of Board service; experience, skills and contributions that the existing director brings to the Board; and independence.

Process for Identifying and Evaluating Nominees

Pursuant to the Leadership Committee Charter as approved by the Board, the Leadership Committee is charged with the central role in the process relating to director nominations, including identifying, interviewing and selecting individuals who may be nominated for election to the Board of Directors. The process the committee follows when it identifies and evaluates individuals to be nominated for election to the Board of Directors is as follows:

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Identification

For purposes of identifying nominees for the Board of Directors, the Leadership Committee relies on personal contacts of the committee and other members of the Board of Directors as well as its knowledge of members of the Company's local communities. The Leadership Committee will also consider director candidates recommended by stockholders in accordance with the policy and procedures set forth above. The Leadership Committee has not received any recommended nominees from the Company's stockholders to be considered for election at this Annual Meeting. The Leadership Committee has in the past used, and may in the future use, an independent search firm to assist in identifying candidates to fill a vacancy on the Board of Directors, but does not use a search firm to identify or evaluate potential director nominees in the ordinary course.

Evaluation

The Leadership Committee, in evaluating potential director candidates, conducts a check of the individual's background, interviews the candidate, and determines whether the candidate is eligible and qualified for service on the Board of Directors by evaluating the candidate under the selection criteria set forth above.

Nominees for Election of Director

The biography of each of the nominees and continuing directors below contains information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Leadership Committee and the Board to determine that the person should serve as a director for the Company. The Board of Directors has determined that the Board as a whole must have the right diversity and complementary mix of characteristics and skills for the optimal functioning of the Board in its oversight of the Company. The Company considers the following requirements for each of its members of the Board:

- 1) **Experience:** Current and past work and Board experience; knowledge of the banking industry and financial services companies; familiarity with the operations of public companies; and business and management experience and acumen.
Personal characteristics: Ability to work collaboratively with management and as a member of the Board; ability to think strategically and develop a strategic vision or central idea for the Company; familiarity with and participation in the local businesses and the communities served by the Bank; integrity, accountability and independence.
- 2) **Director commitment:** Time and effort; awareness and ongoing education; attendance at Board and committee meetings and other Company functions; other board commitments; stock ownership; changes in professional responsibilities; and length of service.
- 3)

- 4) **Team and Company considerations:** Balancing director contributions; diversity of skills; and financial condition.

The Board adopted the skills matrix that represents certain of the skills that the Board identified as particularly valuable to the effective oversight of the Company and execution of its business. The following matrix shows those skills and the number of directors having each skill, highlighting the diversity of skills on the Board.

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Nominees for Director

Unless otherwise stated, each individual has held his or her current position for the last five years. The age indicated for each individual is as of December 31, 2017. The indicated period of service as a director includes service as a director of OceanFirst Bank. The following directors have been nominated by the Leadership Committee for election to the Board with terms to expire in 2021, subject to the approval of Proposal 3, in which case each intends to submit a resignation and be reappointed back to the Board for a term ending at the 2019 annual meeting of stockholders:

MICHAEL D. DEVLIN

Age 67

Director since 2016

Committees: Finance and Risk

Michael D. Devlin has served as a Director since May 2016 when the Company acquired Cape Bancorp, Inc. and Cape Bank, of which Mr. Devlin was a Director since January 31, 2008, and President and Chief Executive Officer since January 27, 2009. Mr. Devlin currently serves as a member of the Board of Directors of Marquette National Corporation, a bank holding company based in Chicago, Illinois.

Mr. Devlin brings extensive banking and management expertise to the Board of Directors, particularly as to the southern markets and communities served by the Company. He is 67 years of age.

JACK M. FARRIS

Age 59

Director since 2015

Committees: Human Resources/Compensation and Risk

Jack M. Farris is the Vice President and Deputy General Counsel, InfoSec & Cybersecurity for Verizon Communications, Inc., one of the world's leading wireline, wireless and business communications companies, where he has been employed since 1991. Mr. Farris was appointed to this position in early 2017 and prior to that had served in a variety of legal and management functions, providing legal support for systems and technology procurement, global operations security, finance operations, regulatory compliance and transactional matters, as well as information technology and information security matters. In addition to his undergraduate and law degrees, Mr. Farris holds a

Master of Science in computer engineering.

Mr. Farris' experience as a senior manager of a large corporation and his expertise in information technology and information security brings to the Board extensive knowledge and capability relating to communications, information technology, and cybersecurity, as well as significant experience in litigation, transactional matters and regulatory compliance. Mr. Farris has served on the Board of Directors since 2015. He is 59 years of age.

DIANE F. RHINE

Age 68

Director since 1997

Committees: Human Resources/Compensation (Chair)

Diane F. Rhine is a licensed real estate broker-sales representative with Childers Sotheby's International Realty since July 2014. Before then, Ms. Rhine owned and operated Citta & Cobb Inc. Realtors DBA Rhine & Associates, Inc. beginning in 1979. In her long career as a Realtor Ms. Rhine served two terms as President of the Ocean County Board of Realtors, chairing both the Risk and Grievance committees and served as President of the New Jersey Shore Multiple Listing service. Her community involvement in numerous organizations included serving as President of the United Way of Ocean County as well as chairing both the Finance and Fund Distribution committees. Ms. Rhine has been an active participant in fund raising activities for the Girl Scouts of the Jersey Shore, the Ocean County YMCA and the Ocean County College Foundation.

Ms. Rhine's more than 39 years of experience in residential real estate brokerage in Ocean County, New Jersey brings to the Board management expertise and an extensive knowledge of the local real estate markets in which the Company conducts its business. Ms. Rhine has served on the Board of Directors since 1997. She is 68 years of age.

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MARK G. SOLOW

Age 69

Director since 2011

Committees: Human Resources/Compensation

Mark G. Solow is an advisor to Crystal Ridge Partners, LLC, which makes equity investments in public and private companies. Mr. Solow served on the board of directors of Central Jersey Bank, N.A. and its holding company from their inceptions through 2010. Prior to his retirement in 2005, Mr. Solow was a co-founder and a Managing Partner of GarMark Advisors, LLC, the manager of private investment funds that invest in middle market companies. Prior to the formation of GarMark Advisors, LLC in 1997, Mr. Solow was a Senior Executive Vice President at Chemical Banking Corporation (a predecessor institution to JPMorgan Chase) and a member of its twelve-person management committee. During his career at Chemical Banking Corporation, he served in several capacities, including head of global investment banking, and corporate and multinational banking in North America, Western Europe and Asia. In addition, he was Senior Credit Officer for Chemical Banking Corporation for the United States, Canada, Western Europe and Asia.

Mr. Solow brings to the Board broad experience with capital markets, investment banking, management and leadership, as well as detailed knowledge of commercial and community banking. Mr. Solow has served on the Board of Directors since 2011. He is 69 years of age.

Directors Whose Terms are Expiring

On January 24, 2018, *Dorothy F. McCrosson, Esq.*, a member of the Board of Directors of the Company and the Bank, notified the Company that, in order to devote more time to her law practice, personal business and family, she will not stand for reelection at the Company's 2018 Annual Meeting of Stockholders. Ms. McCrosson joined the Board in December 2016, following the acquisition of Ocean Shore Holding Company ("Ocean Shore"), where she served as a Director since 2011. The Company is grateful for Ms. McCrosson's contributions to the Company's success.

Directors Continuing in Office

The following directors have terms ending in 2019:

ANTHONY R. COSCIA

Age 58

Director since 2018

Anthony R. Coscia was the Chairman of the Boards of Sun Bancorp, Inc. and Sun National Bank since December 2016. Mr. Coscia served as a Director of Sun Bancorp, Inc. since 2010 and Sun National Bank since 2011 and was a member of the ALCO Committee and Chair of the Executive Committee. Sun Bancorp, Inc. and Sun National Bank were acquired by the Company in January 2018, at which time Mr. Coscia joined the Company's Board. Mr. Coscia is admitted to the state bars of New Jersey and New York and is a Partner of Windels Marx Lane & Mittendorf, LLP, having been with the firm for over 30 years. Mr. Coscia's legal practice focuses on corporate, commercial, and real estate matters, with a concentration on the financial elements of these transactions. Mr. Coscia serves as Chairman of the Board of Directors of the National Railroad Passenger Corporation (Amtrak), having been appointed to the Board of Amtrak by President Obama in 2010. Mr. Coscia is Chairman of Suez North America, Inc., the U.S. subsidiary of Suez Environment SAS. Mr. Coscia previously served as Chairman of the Port Authority of New York for over eight years, stepping down in 2011. Mr. Coscia is a graduate of Georgetown University School of Foreign Service and received his law degree from Rutgers University School of Law.

Mr. Coscia serves as trustee of Georgetown University and the New Jersey Community Development Corporation and is a member of the New Jersey Performing Arts Center Council of Trustees, the Partnership for New York City, The Economic Club of New York and the Regional Plan Association. In 2007, Mr. Coscia was awarded an honorary doctorate of humane letters from the New Jersey Institute of Technology. Mr. Coscia's extensive background and reputation as a well-respected business leader actively involved in both the private and government sectors brings significant management and leadership skills to the Board. He is 58 years of age.

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CHRISTOPHER D. MAHER

Age 51

Director since 2014

Christopher D. Maher has served as Chairman of the Company and the Bank since January 1, 2017 and as President and CEO of the Company and the Bank since January 1, 2015. He joined the Company and the Bank on March 25, 2013 as President and Chief Operating Officer and was appointed to the Board of Directors on February 19, 2014. Prior to joining the Company, Mr. Maher served as President and CEO of Patriot National Bancorp and Patriot National Bank since 2010.

Mr. Maher is active in the non-profit community, serving as the Chairman on the Board of Trustees of Helen Keller Services for the Blind, as a Trustee of Monmouth University, and as a Director of Hackensack Meridian Home Care Services, Inc. and Hackensack Meridian Nursing & Rehabilitation. He is also active within the banking industry, serving on the Federal Reserve Bank of Philadelphia's Community Depository Institutions Advisory Counsel and as a member of the Board of the New Jersey Bankers Association. He is 51 years of age.

DONALD E. MCLAUGHLIN

Age 70

Director since 1985

Donald E. McLaughlin is a retired Certified Public Accountant ("CPA"). Prior to his retirement in 2005 from Donald E. McLaughlin, CPA, P.C., Mr. McLaughlin was employed as a CPA for 35 years. As a CPA, Mr. McLaughlin worked on audits of corporations, both public and privately owned. Mr. McLaughlin has prepared financial statements and tax returns, analyzed financial statements and results of operations and advised clients on methods to better improve performance. He has also been employed as a controller at a company with annual sales of \$40 million.

Through his extensive experience as a CPA, Mr. McLaughlin provides significant expertise to the Board on public accounting and financial matters. Mr. McLaughlin has served on the Board of Directors since 1985. He is 70 years of age.

On March 28, 2018, Mr. McLaughlin notified the Company that, in order to spend more time with his family and on personal business, he will retire from the Board at the end of the 2018 Annual Meeting. The Company is grateful for Mr. McLaughlin's contributions to the Company, including his role in the creation of the Risk Committee.

JOHN E. WALSH

Age 64

Director since 2000

John E. Walsh is a licensed professional engineer and has been employed with T&M Associates since 2010, where he currently serves as Senior Vice President. T&M Associates is a privately owned engineering, planning and environmental consulting company. Before then, he served in various management capacities with CMX Engineering, Inc., a privately owned engineering company, from 2001 to 2010. At CMX, Mr. Walsh was responsible for all operational aspects of the business, including operational profitability and oversight of 380 professional engineers and technical staff. Prior to joining CMX Engineering, he was President of Bay Pointe Engineering Associates, Inc., from 1987 to 2001.

Mr. Walsh's experience with T&M and CMX provides the Board with management and leadership skills, as well as extensive knowledge of business and marketing plans, annual budgets, personnel/resource management, sales initiatives, financial reporting and client management. Mr. Walsh has served on the Board of Directors since 2000. He is 64 years of age.

SAMUEL R. YOUNG

Age 58

Director since 2016

Samuel R. Young is the owner, President and Chief Executive Officer of Tilton Fitness Management, which develops, owns and operates commercial and hospital-affiliated, medically integrated health and fitness centers, including eight centers in southern and central New Jersey. Mr. Young also recently retired as a Captain/Unit Commanding Officer in the United States Navy Reserve. Mr. Young was selected as the Greater Atlantic City chamber of Commerce 2008 Businessman of the Year. Mr. Young recently chaired the Atlantic City Chamber of Commerce Board of Directors and currently serves as Chairman of the Board of Directors of the Boys and Girls Club of Atlantic City. Mr. Young was a director of Ocean Shore and Ocean City Home Bank ("OCHB") since 2004 until their acquisition by the Company in December 2016, at which time Mr. Young joined the Board.

As the owner of a well-known health and fitness club in one of the Bank's local market areas, Mr. Young has extensive business and management experience, including finance and accounting experience. Mr. Young's involvement in a variety of local and civic organizations has further strengthened his ties to the local community. Mr. Young is 58 years of age.

The following directors have terms ending in 2020, subject to the approval of Proposal 3, in which case each intends to submit a resignation and be appointed back to the Board for a term ending at the 2019 Annual Meeting of Stockholders:

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STEVEN E. BRADY

Age 64

Director since 2016

Steven E. Brady was the President, Chief Executive Officer and a Director of OCHB since 1991 and the President and a Director of Ocean Shore since its formation in 1998. OCHB and Ocean Shore were acquired by the Company in December 2016, at which time Mr. Brady joined the Company's Board and became Vice Chairman of the Southern Region.

Mr. Brady's extensive experience in the local banking industry and involvement in southern New Jersey communities affords the Board valuable insight regarding the business and operation of the Company and the Bank. Mr. Brady has gained extensive leadership experience and knowledge of the banking industry over the course of his career, including through his involvement as a former member of the Philadelphia Federal Reserve Advisory Board. Mr. Brady provides the Board with knowledge and experience regarding the management and operations of community banks. He is 64 years of age.

JOSEPH J. BURKE

Age 70

Director since 2005

Joseph J. Burke is a retired CPA with over 30 years of experience specializing in the audits of banking institutions. He is a retired audit partner with KPMG LLP.

Mr. Burke's experience brings to the Board significant expertise in financial, accounting, and auditing matters. Mr. Burke has been a member of the Board since 2005. Mr. Burke is 70 years of age.

ANGELO CATANIA

Age 68

Director since 2006

Angelo Catania was the CEO and Managing Member of HomeStar Services LLC, an air conditioning, heating, plumbing and electrical service company until its sale and his retirement in 2015. Prior to joining HomeStar in February 2005, he was President and Chief Operating Officer (“**COO**”) of Petro, Inc., one of the largest home heating oil and services companies in the United States. As President and COO of Petro, Mr. Catania was responsible for the oversight of approximately 2,800 employees that serviced over 535,000 residential and commercial accounts. Mr. Catania has also served as the corporate controller of a publicly-owned home heating oil delivery and service company, where he was responsible for accounting systems, bank relations, benefits, information technology and acquisitions.

Mr. Catania’s experience as a senior officer brings to the Board significant management expertise and leadership skills, particularly as they relate to the use of technology to improve efficiency and customer service. Mr. Catania has been a member of the Board since 2006. Mr. Catania is 68 years of age.

JOHN K. LLOYD

Age 71

Director since 2018

John K. Lloyd is the Co-CEO of Hackensack Meridian Health, the largest most comprehensive and integrated health network in New Jersey, which includes 16 hospitals, 33,000 team members and more than 6,000 physicians, and over 165 ambulatory facilities throughout the state, with total revenues of \$5.5 billion. Prior to his current position, Mr. Lloyd served as president of Meridian Health, a \$2.1 billion, New Jersey-based health network of seven hospitals, one academic medical center, Jersey Shore University Medical Center, and 120 ambulatory facilities in Monmouth and Ocean Counties. Mr. Lloyd graduated from Princeton University and proudly served his country in the United States Marine Corps before attaining a Masters of Business Administration in Health Administration at Temple University. Mr. Lloyd has been recognized nationally and regionally with various awards including the Medical Executive Award from the Academy of Medicine of New Jersey and the Distinguished Business Leader Award from Monmouth University. He also received the Icon Award by NJBiz, the Maurice Pollack Award for Community Service from Monmouth University, and was recently honored with the Lifetime Achievement Award by the American College of Healthcare Executives in New Jersey.

Mr. Lloyd has significant expertise in the healthcare industry, prior service on publically-traded boards, and excellent leadership skills developed over his 35 years as a CEO. He is 71 years of age.

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GRACE C. TORRES

Age 59

Director since 2018

Grace C. Torres has been a Trustee of Prudential Retail Mutual Funds, a retail mutual funds complex of more than 80 mutual funds, since 2014. Prior to that, Ms. Torres was Chief Financial Officer, Treasurer and Principal Financial Officer of Prudential Mutual Funds and Senior Vice President of Prudential Investments LLC from 1994 through 2014. Ms. Torres also previously served as Vice President, Mutual Funds Administration at Bankers Trust and as a Senior Manager, Audit Practice with Ernst & Young. Ms. Torres is a CPA in the State of New York and received a BS in Accounting and Management from New York University. Ms. Torres served as a Director of Sun Bancorp, Inc. and Sun National Bank since 2015, serving on the Audit, Nominating & Corporate Governance and Risk Committees and Chair of the ALCO Committee, until their acquisition by the Company in January 2018, at which time Ms. Torres joined the Board.

Ms. Torres brings to the Board additional financial reporting and audit experience, particularly with respect to large complex financial services organizations. Ms. Torres has been recognized as one the Top 50 business executives by Hispanic Business magazine and LATINA Style Magazine and brings in-depth experience and expertise regarding the financial industry. She is 59 years of age.

No director of the Company is also currently a director of a company having a class of securities registered under Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940, other than Grace Torres's service noted above.

[Back to Contents](#)**STOCK OWNERSHIP**

The following table provides information as of April 10, 2018 with respect to the persons known by the Company to be the beneficial owners of more than 5% of its outstanding stock. A person is considered to beneficially own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power.

Name and Address Of Beneficial Owner	Number of Shares Owned	Percent of Common Stock Outstanding	
WL Ross & Co. LLC 1166 Avenue of the Americas New York, NY 10036	2,596,216	5.4%	(1)
BlackRock Inc. 55 East 52 nd Street New York, New York 10055	2,117,115	6.5%	(2)
Wellington Management Group 280 Congress Street Boston, Massachusetts 02210	1,662,370	5.1%	(3)

(1) Based solely on SEC Schedule 13G filed on February 16, 2018, which reflects 48,106,109 outstanding shares subsequent to the closing of the Sun acquisition.

(2) Based solely on SEC Schedule 13G Amendment No. 7 filed on January 29, 2018, which reflects 32,444,444 outstanding shares eligible to vote prior to the closing of the Sun acquisition.

(3) Based solely on SEC Schedule 13G Amendment No. 8 filed on February 8, 2018, which reflects 32,444,444 outstanding shares eligible to vote prior to the closing of the Sun acquisition.

The following table provides information as of April 10, 2018, about the shares of the Company common stock that may be considered to be beneficially owned by each director, nominee for director and each NEO and by all such directors and NEOs of the Company as a group. A person may be considered to beneficially own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power. Unless otherwise indicated, each of the named individuals has sole voting power and sole investment power with respect to the shares shown.

Name	Number of Shares Owned (excluding options) ⁽¹⁾	Number of Shares That May Be Acquired Within 60 Days by Exercising Options	Total Number of Shares Beneficially Owned	Percent of Common Stock Outstanding ⁽²⁾
Directors				
Steven E. Brady ⁽³⁾⁽⁴⁾	87,504	71,900	159,404	*
Joseph J. Burke ⁽⁵⁾	22,176	16,173	38,349	*
Angelo Catania ⁽⁵⁾	24,457	16,173	40,630	*
Anthony R. Coscia ⁽⁶⁾	38,308	—	38,308	*
Michael Devlin ⁽³⁾⁽⁷⁾	203,159	86,709	289,868	*

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Jack M. Farris ⁽⁸⁾	5,570	—	5,570	*	
John K. Lloyd ⁽⁶⁾	1,595	—	1,595	*	
Christopher D. Maher ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	94,224	112,736	206,960	*	
Dorothy McCrosson ⁽³⁾	9,810	8,580	18,390	*	
Donald E. McLaughlin ⁽⁵⁾⁽¹²⁾	42,723	16,173	58,896	*	
Diane F. Rhine ⁽⁵⁾	38,509	16,173	54,682	*	
Mark G. Solow ⁽⁵⁾	19,994	7,000	26,994	*	
Grace C. Torres ⁽⁶⁾	4,997	—	4,997	*	
John E. Walsh ⁽⁵⁾	29,787	16,173	45,960	*	
Samuel Young ⁽³⁾⁽¹³⁾	21,331	16,434	37,765	*	
Named Executive Officers who are not also Directors					
Michael J. Fitzpatrick ⁽¹⁰⁾⁽¹¹⁾⁽¹⁴⁾	217,497	160,270	377,767	*	
Joseph J. Lebel, III ⁽¹⁰⁾⁽¹¹⁾⁽¹⁵⁾⁽¹⁶⁾	64,030	81,750	145,780	*	
Joseph R. Iantosca ⁽¹⁰⁾⁽¹¹⁾⁽¹⁵⁾	70,637	102,000	172,637	*	
Steven J. Tsimbinos ⁽¹⁰⁾⁽¹¹⁾⁽¹⁷⁾	49,181	73,125	122,306	*	
All directors and Executive Officers as a group (21 persons)	1,069,737	802,369	1,872,106	3.8	%

* Less than 1%.

(1) Each person effectively exercises sole (or shared with spouse or other immediate family members) voting power as to shares reported as of the Record Date.

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- Percentages with respect to each person or group of persons have been calculated on the basis of 47,963,172 shares of the Company's Common Stock, the number of shares of Company Common Stock outstanding and entitled to vote as of April 10, 2018, plus the number of shares of Company Common Stock which such person or group of persons has the right to acquire within 60 days of April 10, 2018 by the exercise of stock options.
- (2) Includes 1,923 unvested shares. Each of Directors Brady, Devlin, and McCrosson was awarded 1,035 restricted shares in March 2017 and 1,095 restricted shares in January 2018. Each such award vests at a rate of 20% per year commencing on March 1 of the year following the grant.
 - (3) Includes 6,374 shares held in an individual retirement account. Includes 4,083 unvested shares. Each of Directors Burke, Catania, McLaughlin, Rhine, Solow and Walsh was awarded 1,880 restricted shares in March 2014, 1,850 restricted shares in March 2015, 1,740 restricted shares in March 2016, 1,035 restricted shares in March 2017, and 1,095 restricted shares in January 2018. Each such award vests at a rate of 20% per year commencing on March 1 of the year following the grant.
 - (4) Includes 1,095 unvested restricted shares awarded in February 2018, which vests at a rate of 20% per year commencing on March 1 of the year following the grant.
 - (5) Includes 22,037 shares held by Mr. Devlin's spouse, 2,868 shares held by Mr. Devlin's daughters, and 51,311 shares held in an individual retirement account. Includes 3,707 unvested shares. Mr. Farris was awarded 1,850 restricted shares in March 2015, 1,740 restricted shares in March 2016, 1,035 restricted shares in March 2017, and 1,095 restricted shares in January 2018. Each such award vests at a rate of 20% per year commencing on March 1 of the year following the grant.
 - (6) Includes 23,949 unvested shares. Mr. Maher was awarded 5,165 restricted shares in March 2015, 5,060 restricted shares in March 2016, 4,740 restricted shares in March 2017, and 15,055 restricted shares in January 2018. Such awards vest at a rate of 20% per year commencing on March 1 of the year following the grant. Includes the following performance-based restricted shares that were awarded in January 2018: Mr. Maher: 22,809, Mr. Fitzpatrick: 8,577; Mr. Lebel: 17,154; Mr. Iantosca: 17,154; and Mr. Tsimbinos: 14,235. One third of such shares vest on each of March 1, 2019, 2020, and 2021 at approximately 60% or approximately 80% to 100% depending on the attainment of defined performance criteria for each of the calendar years 2018, 2019, and 2020, or are forfeited if the threshold performance is not met.
 - (7) Includes the following shares that have been allocated and are held in trust pursuant to the ESOP as of April 10, 2018: Mr. Maher: 1,699; Mr. Fitzpatrick: 81,698; Mr. Lebel: 8,105; Mr. Iantosca: 12,604; and Mr. Tsimbinos: 2,673. Such persons have sole voting power, but no investment power, except in limited circumstances, as to such shares.
 - (8) Includes 5,376 shares owned by Mr. McLaughlin's spouse.
 - (9) Includes 5,068 shares held as Deferred Compensation. Includes 7,251 unvested shares. Mr. Fitzpatrick was awarded 1,760 restricted shares in March 2014, 1,540 restricted shares in March 2015, 1,145 restricted shares in March 2016, 1,455 restricted shares in March 2017, and 4,626 restricted shares in January 2018. Each such award vests at a rate of 20% per year commencing on March 1 of the year following the grant, with the exception of the January 2018 award, which vests in three equal installments beginning on March 1, 2019.
 - (10) Includes 13,899 unvested shares for each of Mr. Lebel and Mr. Iantosca. Each of Mr. Lebel and Mr. Iantosca was awarded 1,910 restricted shares in March 2014, 2,055 restricted shares in March 2015, 1,910 restricted shares in March 2016, 2,905 restricted shares in March 2017, and 9,225 restricted shares in January 2018. Each such award vests at a rate of 20% per year commencing on March 1 of the year following the grant.
 - (11) Includes 679 shares held by Mr. Lebel's spouse. Includes 16,069 unvested shares. Mr. Tsimbinos was awarded 1,030 restricted shares in March 2014, 7,575 restricted shares in March 2015, 5,345 restricted shares in March 2016, 2,420 restricted shares in March 2017, and 7,690 restricted shares in January 2018. Each such award vests at a rate of 20% per year commencing on March 1 of the year following the grant.
 - (12)
 - (13)
 - (14)
 - (15)
 - (16)
 - (17)

Each director and executive officer maintains a mailing address at 975 Hooper Avenue, Toms River, New Jersey 08753. None of the above directors or executive officers have pledged any shares of the Company.

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SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's executive officers and directors, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Commission. Executive officers, directors and greater than 10% stockholders are required by Commission regulation to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on a review of copies of such reports it has received and written representations provided to the Company from the individuals required to file the reports, the Company believes that each of the Company's executive officers and directors, and greater than 10% beneficial owners have complied with all applicable reporting requirements for transactions in the Company's common stock during the fiscal year ended December 31, 2017, except for Steven E. Brady, who experienced late filings for transactions between his direct and indirect holdings on January 27, March 2, September 1, and September 7, 2017.

Senior Executive Officers Who Are Not Also Directors

MICHAEL J. FITZPATRICK

Age 62

Michael J. Fitzpatrick has been Executive Vice President and CFO of the Company since 1995. He has also been Executive Vice President and CFO of the Bank since joining the Bank in 1992. He is 62 years of age.

JOSEPH R. IANTOSCA

Age 57

Joseph R. Iantosca has been Executive Vice President and Chief Administrative Officer of the Bank since May 2013. Before then, he was First Senior Vice President and Chief Administrative Officer of the Bank since May 2007 and Senior Vice President and Chief Administrative Officer since February 2004, when he joined the Bank. Before then, he was employed with BISYS Banking Solutions for seven years, most recently as National Vice President, Conversions and Implementations. He is 57 years of age.

JOSEPH J. LABEL III

Age 55

Joseph J. Lebel III was appointed Executive Vice President and Chief Banking Officer of the Bank in January 2017, having served as Executive Vice President and Chief Lending Officer of the Bank since May 2013. Before then, he was First Senior Vice President and Chief Lending Officer since May 2007. When he first joined the Bank in April 2006, he was Senior Vice President of the Bank, in charge of Commercial Lending. Before then, he was employed with Wachovia Bank N.A. for approximately 22 years, most recently as Senior Vice President. He is 55 years of age.

STEVEN J. TSIMBINOS

Age 48

Steven J. Tsimbinos was appointed Executive Vice President, General Counsel and Corporate Secretary of the Company and the Bank in June 2016, having previously served in those roles as First Senior Vice President since September 2010. Prior to joining OceanFirst, he was General Counsel of Copper River Management, L.P., the investment manager to a family of hedge funds, since May 2006, and prior to that a partner with Lowenstein Sandler PC, where he practiced corporate and securities law. He is 48 years of age.

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GRACE VALLACCHI

Age 54

Grace Vallacchi was appointed Executive Vice President and CRO of the Company and the Bank in September 2017. Prior to joining OceanFirst, Ms. Vallacchi was Associate Deputy Comptroller in the Northeastern District of the Office of the Comptroller of the Currency (“OCC”) since February 2016. Prior to that position, she was Assistant Deputy Comptroller at the OCC since October 2012, and a National Bank Examiner since 2007. She is 54 years of age.

ANGELA K. HO

Age 34

Angela K. Ho was appointed Chief Accounting Officer of the Company in March 2017 and had served as the Chief Accounting Officer of the Bank since September 2016. Prior to joining OceanFirst, Ms. Ho served as the controller of Northfield Bank since 2012 and had significant accounting responsibilities at Signature Bank and KPMG. She is 34 years of age.

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COMPENSATION DISCUSSION AND ANALYSIS

Overview

This section describes the objectives, design and rationale of the Company’s compensation program for its NEOs, and discusses each material element of the Company’s NEO compensation program, how compensation is determined, and recent developments in the Company’s compensation program.

For 2017, the Company’s NEOs were:

Name	Title
Christopher D. Maher	Chairman, President and CEO of the Company and the Bank
Michael J. Fitzpatrick	Executive Vice President and CFO of the Company and the Bank
Joseph J. Lebel III	Executive Vice President and Chief Banking Officer of the Bank
Joseph R. Iantosca	Executive Vice President and Chief Administrative Officer of the Bank
Steven J. Tsimbinos	Executive Vice President, General Counsel and Corporate Secretary of the Company and the Bank

Executive Summary

2017 Business Highlights

The Company completed another successful year in 2017. On June 30, 2017, the Company announced the acquisition of Sun, which closed on January 31, 2018. Based on the \$26.45 per share closing price of the Company’s common stock on January 31, 2018, the total transaction value was \$474.9 million. The acquisition added \$2.1 billion to assets, \$1.5 billion to loans, and \$1.6 billion to deposits. The Sun acquisition was another in-market transaction which enhanced the Bank’s position as the premier community banking franchise in central and southern New Jersey.

Earnings Growth. Net income for the year ended December 31, 2017 was \$42.5 million, or \$1.28 per diluted share, as compared to net income of \$23.0 million, or \$0.98 per diluted share, for the prior year. Net income for the year ended December 31, 2017 includes merger related expenses, branch consolidation expenses, the acceleration of stock award expense due to the retirement of a director, and additional income tax expense from the revaluation of deferred tax assets related to the recently enacted Tax Cuts and Jobs Act (“Tax Reform”). These items decreased net income, net of tax benefit, for the year ended December 31, 2017 by \$13.7 million. Net income for the year ended December 31,

2016 included merger related expenses of \$11.8 million, net of tax benefit. These items reduced diluted earnings per share by \$0.42 and \$0.50, respectively, for the years ended December 31, 2017 and 2016.

Balance Sheet Growth.

Total assets increased by \$249.1 million to \$5.4 billion at December 31, 2017, from \$5.2 billion at December 31, 2016. Loans receivable, net, increased by \$162.3 million, to \$4.0 billion at December 31, 2017, from \$3.8 billion at December 31, 2016, with \$123.1 million of the growth relating to commercial lending.

Deposits increased by \$155.0 million, to \$4.3 billion at December 31, 2017, from \$4.2 billion at December 31, 2016. The average cost of deposits increased only four basis points over the prior year to 0.29%. The loan-to-deposit ratio at December 31, 2017 was 91.3%, as compared to 90.8% at December 31, 2016. Stockholders' equity increased to \$601.9 million at December 31, 2017, as compared to \$571.9 million at December 31, 2016. The Company remains well-capitalized with a tangible common equity ratio of 8.42% at December 31, 2017.

Dividends. During 2017, the Company maintained its quarterly dividend at \$0.15 per share. Cash dividends on common stock declared and paid during the year ended December 31, 2017 were \$19.3 million, as compared to \$12.6 million for the prior year. The increase in dividends was a result of the additional shares issued in the Company's acquisitions.

Stock Performance. For 2017, the Company's common stock price decreased by 12.6% and its total stockholder return (assuming dividend reinvestment) was negative 10.6% as compared to total shareholder return of 65.9% for the past three years and 119.5% for the past five years. The following graph shows a comparison of total stockholder return on the Company's common stock, based on the market price of the Company's common stock with the cumulative total return of companies in the Nasdaq Composite Index and the SNL Thrift Index for the period December 31, 2012 through December 31, 2017. The graph may not be indicative of possible future performance of the Company's common stock. Cumulative return assumes the reinvestment of dividends and is expressed in dollars based on an initial investment of \$100.

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Index	Period Ending					
	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17
OceanFirst Financial Corp.	100.00	128.42	132.33	159.31	245.78	219.54
Nasdaq Composite	100.00	140.12	160.78	171.97	187.22	242.71
SNL Thrift	100.00	128.33	138.02	155.20	190.11	188.72

Executive Compensation Program Highlights

Our executive compensation program contains the following components and features that are designed to align the interests of our NEOs and stockholders.

Balanced Executive Compensation Program Elements. We use a mix of compensation elements to motivate our executives, incentivize Company performance and reward accomplishments, while promoting safe and sound banking practices. Our Compensation Committee implements a robust risk assessment framework to monitor our executive compensation programs for excessive risk to the Company.

No “Single Trigger” Change in Control Benefits. We maintain “double-trigger” change in control clauses in our employment and change in control agreements, and the executives are only entitled to a severance payment if terminated without cause or an executive terminates employment for good reason subsequent to a change in control. In addition, awards under the 2011 Stock Incentive Plan issued after its amendment in June 2017, including those granted in 2018, will not automatically vest upon a change in control. In addition, the Company amended the 2011 Stock Incentive Plan in June 2017 to eliminate the automatic issuance of new stock awards upon a change in control.

No Excise Tax Gross-Ups. We do not provide for gross-up payments for excise taxes our executives may incur in connection with a change in control.

Equity Compensation Best Practices: Our 2011 Stock Incentive Plan, as amended June 2017, contains certain restrictions that reflect sound corporate governance principles, including the following:

Dividends on performance-based stock awards and dividend equivalents on performance-based stock unit awards are paid only to the extent the underlying awards vest;

Shares that are used to pay the stock option exercise price or tax withholding on an option or Stock Appreciation Right (“SAR”) cannot be used for future grants under the amended 2011 Stock Incentive Plan;

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Except in connection with a change in control or other significant corporate transaction, the repricing of stock options or SARs without stockholder approval is prohibited; and

At least 95% of the shares subject to awards require a vesting period of at least one year.

Use of an Independent Compensation Consultant. In 2017, the Compensation Committee directly engaged an

- independent compensation consultant to review the competitiveness and effectiveness of our executive compensation program.

Performance-Based Stock Awards. In January 2018, the Company implemented a performance-based stock plan for NEOs and select senior management executives as a compliment to the Company's standard time-based restricted shares and options plan. This performance-based plan is valued at approximately 50% of the executive's total grant and provides an opportunity for the executive to vest in shares in equal amounts over three years but only when a specific performance metric has been attained or exceeded. Tiered performance goals for the metric are aligned with corresponding tiered vesting values and have been set at Threshold, Target and Superior using financial data from the 2018 strategic plan as approved by the Board. Performance below the Threshold goal in any given year results in that year's grant allocation being forfeited. Performance above the Superior goal is capped at the Superior value. The Company determined that splitting a significant portion of key senior executive's grants into a performance-based grant that vests only when a specific target is met will further focus senior management's efforts on attaining Company-specific goals that will drive performance and benefit all shareholders. The performance-based plan reflects market practice and provides senior management with an easily understood set of three years goals that have been approved by the Board and that provide the opportunity for delivering meaningful value for the Company and the executive if accomplished.

Executive Officer Stock Ownership Requirements. We require all of our executive officers to hold substantial amounts of our common stock. Our CEO is expected to own stock with a market value of at least five times his

- annual base salary. Each other NEO is expected to own stock with a market value of at least three times his annual base salary. Until these guidelines are met, an NEO is required to retain all of the net vested restricted stock and net shares delivered after exercising stock options. See "*Stock Ownership Guidelines.*"

Incentive Clawback Policy. We have a compensation recovery or "clawback" policy that allows our Board to recoup performance-based compensation from our executives in certain circumstances.

Policy Limiting Hedging or Pledging our Stock. Unless approved in advance by our Board in limited circumstances,

- our Insider Trading Policy prohibits our directors, executive officers and certain key employees from engaging in hedging transactions involving our common stock or pledging our common stock.

Objectives of Compensation Program

The Company's mission is to build value for its stockholders as a growth oriented community-focused financial services organization. To accomplish its mission, it strives to provide outstanding service and responsiveness to the markets and customers it serves, and the Company's executive officer compensation program has stated objectives to:

- provide a comprehensive compensation package that is competitive within the marketplace so that the Company may attract, reward and retain highly qualified, motivated, productive and responsible senior executives;
- align NEO's interests with those of stockholders by incentivizing and rewarding individual behaviors that improve the Company's performance in a manner that is consistent with its business and strategic plans while encouraging prudent decision-making and safe and sound banking practices;
- create balanced incentives that do not encourage NEOs to expose the Company to inappropriate risks by providing excessive compensation that could lead to material loss;
- reward NEOs who assume the greatest responsibility and consistently produce positive strategic results within the parameters of sound business and risk management;

motivate each individual to perform to the best of his or her ability; and
recognize the Company's cost structure and the economic environment.

The NEOs are one of the Company's greatest assets, as their leadership and example to all employees drive the Company's success and customer-centered excellence.

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[Back to Contents](#)**Compensation Program Design and Rationale**

To attract qualified executives as NEOs and to incentivize, reward and retain NEOs who meet the Company's performance expectations, the Company used the following major elements in its 2017 total compensation for executives:

Compensation Element	Description and Purpose	Link to Performance	Fixed/Performance Based	Short-Term/Long-Term
Base Salary	Helps attract and retain executives through the periodic payments of market-competitive base pay.	Based on individual performance and responsibilities, prevailing market conditions, current and anticipated Company performance, and current pay levels.	Fixed	Short-term
Cash Incentives	Encourage achievement of financial performance metrics and individual goals that create near-term stockholder value and are consistent with the Company's business and strategic plans, prudent decision-making, and risk management that reflects safe and sound business practices.	Quantitatively ties compensation directly to factors that are deemed important by the Company.	Performance-based	Short-term
Equity Compensation Plan	The Company grants stock options and restricted stock awards to attract, retain and motivate employees by providing for or increasing their economic interests in the long-term success of the Company. Equity grants under the Company's stock incentive plans complement total compensation packages and enable the Company to align employee interests with those of the stockholders of the Company.	Value realization depends on stock performance over time.	Fixed and/or performance based.	Long-term – generally vesting over five years
Supplemental Executive Retirement Plan ("SERP")	Provided to certain NEOs to assure income security into retirement while incentivizing retention.	—	Fixed	Long-term
Other Compensation	Select, non-core benefits comparable to those offered by competitors, such as health and welfare benefits on the same basis as other employees and certain perquisites.	—	Fixed	Short and long-term

Mix of Compensation Elements; Risk Mitigation

The Committee believes that it maintains the appropriate balance of compensation elements to motivate executives and reward accomplishments. Performance-based incentive awards play an important role in the executive compensation program, but their use is balanced to provide stability and to avoid encouraging strategies and risk-taking that might not align with the long-term best interests of the Company and its stockholders and safe and sound banking practices.

The Company is mindful of sound regulatory compensation practices that are designed to cause banking institutions to structure compensation programs in a way that does not provide incentives for executives to take imprudent or excessive risks.

The Company's compensation program for NEOs is designed to mitigate risk by:

- providing non-performance-based salaries, retirement and benefits that are competitive in the market and permit executives to pay living expenses and provide stability without reliance on incentives;
- incorporating cash incentives to reward annual performance in accordance with the Company's predefined annual and strategic goals and objectives;
- including long-term incentives in the form of time-vested and performance-based restricted stock awards and/or stock options to focus on building long-term stockholder value; and

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considering prior period results, the exposure to risk, and actual risk outcomes in determining current and future compensation.

To further mitigate risk resulting from performance-based compensation, the Committee considers, and uses when appropriate, metrics and performance goals that incorporate risk management, “clawbacks” to recover prior payments, and performance periods longer than one year. The use of equity-based long-term compensation, in combination with executive stock ownership requirements, reflects the Company’s compensation program’s goals of aligning the interests of executives and stockholders, thereby reducing the exposure to imprudent or excessive risk-taking. The Company believes these features balance the need to accept risk exposure in the successful operation of its business with the need to identify, monitor and prudently manage that risk.

The following chart illustrates the mix of the Company’s compensation for 2017 for its CEO, as specified on the *Summary Compensation Table*.

Consideration of Last Year’s Advisory Stockholder Votes on Executive Compensation

At the 2017 Annual Meeting of Stockholders, approximately 97% of the shares voting on the Company’s non-binding advisory vote on executive compensation (commonly known as “say on pay”) were cast in favor of the compensation of the Company’s executive officers, as described in the 2017 Proxy Statement. The Board and the Compensation Committee appreciate and value the views of our stockholders. In making compensation decisions for the remainder of 2017 and to date in 2018, the Board and the Committee have considered, among other factors, the stockholders’ support and the Board’s overall satisfaction with the current compensation structure. The Compensation Committee and the Board are mindful of the view and the trend towards the increased use of performance based compensation and took that into account in making equity grants in 2018, as further described above. The Committee and the Board believe that the compensation paid to our executive officers and the Company’s overall pay practices are fair and well-balanced. Further, advisory votes on executive compensation and stockholder outreach will continue to serve as a tool to guide the Committee and the Board in their ongoing assessment of the Company’s executive compensation program.

How Compensation is Determined

The Compensation Committee reviews compensation for the CEO, the other NEOs and the other officers subject to the reporting requirements of Section 16 under the Exchange Act (including the NEOs, the “Section 16 Officers”), and establishes certain guidelines and limits for compensation and benefits programs for other employees of the Company and the Bank. The Compensation Committee annually reviews and evaluates recommendations made by the CEO

regarding compensation, including base salary, bonuses and equity grants for the Section 16 Officers, other than the CEO. The Compensation Committee then determines the compensation for the CEO and Section 16 Officers and reports its determination to the Board. In establishing compensation levels, the Compensation Committee considers the Company's overall strategic objectives, annual performance goals, the report of the compensation consultant regarding peer group comparisons, market data for other institutions, individual executive performance, the relative level of compensation among executive officers and regulatory requirements. The Compensation Committee also has the CRO perform a risk assessment to review any actual and potential risks created by the Company's compensation program, as well as analyze the Company's controls and risk mitigation mechanisms.

Executive management and outside advisors from time-to-time may be invited to Compensation Committee meetings to provide their views on compensation matters. The CEO participates in the process of determining compensation for the other NEOs by making recommendations regarding base salary adjustments and awards under incentive and equity plans. The CEO does not participate in the Compensation Committee's decision as to his own compensation package. See "*Corporate Governance – Committees of the Board of Directors*" for further information regarding the Compensation Committee.

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Role of Compensation Consultant

The Compensation Committee first retained Mosteller & Associates (“MA”) in 2012 and again retained MA as its independent compensation consultant for 2017. The Compensation Committee considers competitive market data, advice and recommendations received from MA in making compensation decisions. MA and its representatives are independent of the Bank’s management, report directly to the Compensation Committee, and have no economic relationship with the Company other than MA’s role as advisor to the Compensation Committee. On November 14, 2017, the Compensation Committee reviewed information provided by MA regarding its independence. Based on this information and additional review, the Compensation Committee concluded that the work performed by MA does not raise any conflicts of interest.

Compensation Study

The Compensation Committee has historically relied on a peer group to assess relative performance for its annual incentive plans and uses this information as a factor when making compensation decisions. MA conducted a peer group study for the Compensation Committee for use in making compensation decisions for 2017. MA reviewed the prior peer group for appropriateness and recommended changes for 2017. The initial peer group, chosen in January for 2017, consisted of 15 peer group banks and reflected moderate adjustments to the 2016 peer group to reflect the prior year’s growth in asset size of the Bank. Subsequently, with the announcement of the acquisition of Sun in June 2017, the Compensation Committee, in consultation with MA, expanded the peer group to 23 banks to reflect the Bank’s increased size, geographic span and complexity. The 23 bank peer group for the 2017 compensation review consisted of the following:

Berkshire Hills Bancorp, Inc. (MA) – NASDAQ: BHLB
 Bryn Mawr Bank Corp. (PA) – NASDAQ: BMTC

Community Bank System , Inc. (NY) – NASDAQ: CBU

Customers Bancorp. , Inc. (PA) – NASDAQ: CUBI
 Dime Community Bancshares, Inc. (NJ) – NASDAQ:
 DCOM

Eagle Bancorp, Inc. (MD) – NASDAQ: EGBN
 First Commonwealth Financial Corp. (PA) – NASDAQ:
 FCF

Flushing Financial Corp. (NY) – NASDAQ: FFIC
 Independent Bank Corp. (MA) – NASDAQ: INDB
 Lakeland Bancorp, Inc. (NJ) – NASDAQ: LBAI
 NBT Bancorp , Inc. (NY) – NASDAQ: NBTB
 Northfield Bancorp, Inc. (NJ) – NASDAQ: NFBK

Northwest Bancshares, Inc. (NJ) – NASDAQ: NWBI

Oritani Financial Corp. (NJ) – NASDAQ: ORIT

Peapack-Gladstone Financial Corp. (NJ) – NASDAQ:
 PGC

Provident Financial Services, Inc. (NJ) – NASDAQ: PFS

Sandy Spring Bancorp, Inc. (MD) – NASDAQ: SASR

S&T Bancorp, Inc. (PA) – NASDAQ: STBA

Tompkins Financial Corp. (NY) – NASDAQ: TMP

TowneBank (VA) – NASDAQ: TOWN

Univest Corp. of Pennsylvania (PA) – NASDAQ: UVSP

WesBanco , Inc. (WV) – NASDAQ: WSBC

WSFS Financial Corp. – (DE) – NASDAQ: WSFS

MA reviewed the Bank’s current level of executive compensation relative to its peers and provided the Compensation Committee with its report at its November 14, 2017 meeting. A strong alignment existed between performance and

executive compensation at OceanFirst. The financial performance indicators in the review were as follows:

• *asset size*, where the Company was \$7.3 billion as compared to a peer group average of \$6.8 billion, ranking the Company tenth in the peer group for the year

• *return on assets*, where the Company ranked twenty-second in the peer group for 2016 performance

• *return on equity*, where the Company ranked sixteenth compared to the 23 bank peer group average for 2016

In reviewing the report, the Compensation Committee considered that the Company's performance indicators were adversely impacted during 2017 by merger-related expenses, branch consolidation expenses, stock award acceleration, and Tax Reform. See "*Executive Summary–2017 Business Highlights–Earnings Growth.*" Excluding those factors, the Company's performance for both ROA and ROE would have both reflected performance in the upper tier of the peer group at 1.06 and 9.52, respectively. For 2017, the Compensation Committee benchmarked compensation at the 50th percentile of the peer group. Overall, the base salaries were 14% below the 23 bank peer group average while the target bonuses trended slightly above the peer group average. Total compensation, including equity awards, was below the peer group averaging 79% of the peer group average with individual ranges from 72% to 93% of the peer group average. The 2017 study was taken into account by the Compensation Committee to set and establish executive compensation. Of the respective peer group average for CEO compensation, Mr. Maher's base salary was 87% of the peer group average, and target bonus was 98% of the peer group average, and total compensation (including equity awards) and all other compensation was 73%.

[Back to Contents](#)**Elements of Compensation**

The following describes the elements of compensation and provides information on certain decisions regarding 2017 compensation.

Base Salary

The base salary levels for the NEOs are intended to be competitive with those of comparable positions at peer financial institutions at levels appropriate to attract, retain, motivate and reward individuals to discharge their responsibilities, while being mindful of managing costs, particularly “fixed” costs. After the Compensation Committee’s consideration of various factors, including the growth of the Company, the MA report, prevailing market conditions, current and anticipated Company performance, the performance and responsibilities of individual executives, and current pay levels, as applicable, the Company made no increases to NEO base salaries during 2017. The salaries remained at the amounts set in July 2016 and are as follows:

Name	2016 Salary	2017 Salary	Change
Christopher D. Maher	\$ 650,000	\$ 650,000	0.0%
Michael J. Fitzpatrick	\$ 300,000	\$ 300,000	0.0%
Joseph J. Lebel III	\$ 300,000	\$ 300,000	0.0%
Joseph R. Iantosca	\$ 285,000	\$ 285,000	0.0%
Steven J. Tsimbinos	\$ 250,000	\$ 250,000	0.0%

Cash Incentive Awards

A significant portion of each NEO’s annual cash compensation is contingent on the performance of the Company, the Bank and the individual under a cash incentive compensation plan. Annual non-discretionary cash bonuses for the NEOs are contingent on the performance of the Company, the Bank and the individual, by comparing actual Company performance against targets that are approved by the Compensation Committee at the beginning of 2017. For 2017, Mr. Maher’s bonus target was set as a component of his employment contract. Ordinarily, if cash incentive compensation is paid out under the plan, actual bonus payments may range from 50% of targeted bonus levels for Threshold performance to 150% for Superior performance. For 2017, incentive payments were based on Core Net Income and Core Efficiency Ratio utilizing the following matrix:

Category	Weight	Threshold 50%	Target 100%	Superior 150%
Core Net Income	60%	\$ 49,545,900	\$ 55,051,000	\$ 60,556,100
Core Efficiency Ratio	40%	58.20%	55.80%	53.40%

For purposes of the matrix, the Core Net Income and Core Efficiency Ratio values were derived from the Company's 2017 Business Plan as proposed by senior management and approved by the Board in December 2016. The results for 2017 were Core Net Income at \$56,015,000 (above Target) and the Core Efficiency Ratio at 57.07% (slightly below Target), resulting in overall funding of 94.7% of Target. Funding is then adjusted for individual performance. "Core" measures exclude merger related expenses, branch consolidation expenses and additional income tax expense from the revaluation of deferred tax assets due to Tax Reform. The incentives are determined based upon the Company's success in achieving its financial goals, as adjusted for individual performance. Despite the funding level of 94.7% for the NEOs, management recommended to the Committee that the funding level for the NEOs be reduced to 90.0% to align with the funding level of the VP and Above officer category who were measured on a slightly different set of 2017 plan metrics. However, adjustment was made for individual performance reflecting the exceeding of individual goals due to the integration of the Cape Bank and Ocean City Home Bank mergers, as well as the simultaneous due diligence, negotiations, and substantial completion of the Sun merger. The following table provides a summary of the incentive payments to the Company's NEOs for 2017:

Name	Target Bonus	Percent of Salary	Actual Bonus
Christopher D. Maher	\$ 550,000	84.6%	\$ 742,500
Michael J. Fitzpatrick	\$ 175,000	58.3%	\$ 225,000
Joseph J. Lebel III	\$ 200,000	66.7%	\$ 250,000
Joseph R. Iantosca	\$ 175,000	61.4%	\$ 200,000
Steven J. Tsimbinos	\$ 125,000	50.0%	\$ 175,000

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Discretionary Bonus Payments

The Company did not make any discretionary bonus payments to the NEOs for 2017, and limits the use of discretionary bonus payments to extraordinary circumstances to rectify inequities or recognize outstanding performance.

Equity Incentive Awards

The Compensation Committee approved the grants of stock options and restricted stock awards under the Company's stock incentive plans. The grants vest over five years, with the exception of the 2017 grant to Mr. Fitzpatrick whose awards vest over three years. The award levels and vesting schedules were determined based on various factors, including prevailing market conditions, performance and responsibilities of individual executives, current pay levels, the amount of awards previously granted and the MA report for 2017. Awards in 2017 to the NEOs are presented in "Executive Compensation" under the "Stock Options" and "Stock Awards" columns of the *Summary Compensation Table and the Grants of Plan-Based Awards Table*, and can be illustrated as follows:

To align NEOs' interests with stockholders, approximately 75% (determined by dollar value) of the awards during 2017 were granted in options and 25% in time vested restricted stock. The Compensation Committee believes that the grants made in 2017 appropriately balance the goal of creating an incentive to increase stockholder value with the goal of risk mitigation and promoting sound banking practices. See "*Compensation Program Design and Rationale – Mix of Compensation Elements; Risk Mitigation.*"

Benefits

All NEOs participate in the benefit plans generally available to the employees, including medical, life and disability insurance, the 401(k) Plan and the Company's Employee Stock Ownership Plan ("ESOP"). The Company also maintains SERPs covering Messrs. Maher and Fitzpatrick. These SERPs are intended to promote continued service of covered executives by providing a supplement to the executive's other qualified retirement plan benefits, which are limited by law. In the case of Mr. Fitzpatrick, the benefit is based on the average of the highest compensation during any four consecutive calendar years and length of service with the Company, and in the case of Mr. Maher, an agreed upon schedule of annual contributions. The Company did not make any significant changes to the benefits offered to its NEOs in 2017. See "*Executive Compensation – Nonqualified Deferred Compensation – Supplemental Executive Retirement Plan.*"

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Perquisites

The Company provided perquisites in the form of Company-paid automobile benefits and, for certain NEOs, country club dues and provision of a comprehensive executive physical. The NEOs are subject to the Company's Travel and Entertainment Policy, which governs travel, dining and entertainment expenses for all employees. Perquisites are included in the footnotes and narratives to the *Summary Compensation Table* within *Executive Compensation*.

Deferred Compensation

The Bank provides certain NEOs with an opportunity to elect to defer current compensation under the Deferred Compensation Plan for Executives (the "Deferral Plan"). The Deferral Plan permits eligible executives selected by the Bank's Board to elect to defer receipt of up to 100% of base salary and annual bonus pursuant to the terms of the Deferral Plan. The Company did not make any significant changes to the deferral program for its NEOs.

Employment Agreements

The continued success of the Company depends to a significant degree on the skills and competence of its NEOs. As part of its compensation program, the Company affords its NEOs eligibility for payments and benefits in the event of certain employment terminations and/or in the event of a change in control of the Company. The employment agreements are intended to ensure that the Company will be able to maintain a stable and competent management base. The employment agreements also include restrictive covenants (non-competition, non-solicitation, and confidentiality) to protect the Company's business interest in the event that an executive leaves employment with the Company. The employment agreements are described later in the proxy under "*Executive Compensation – Employment Agreements*."

Stock Ownership Guidelines

The Board, upon the recommendation of the Leadership Committee, has adopted stock ownership guidelines (the "Guidelines") for non-employee directors and the NEOs. The Guidelines were adopted to better align the interests of the non-employee directors and the NEOs with those of the Company's stockholders. The Guidelines provide that the CEO shall own Company stock with a market value of at least five times his annual base salary. To comply with the Guidelines, each other NEO shall own Company stock with a market value of at least three times his annual base salary. Each NEO shall meet the share ownership requirements within five years of the officer having become an NEO. Shares that count towards the Guidelines' requirement include those shares listed under the officer's share ownership requirements with the addition of shares held in the officer's ESOP and 401(k) account and the value of vested and unvested stock options, where such value is calculated as the cumulative expense recognized by the

Company on its financial statements. Until the Guidelines are met, an NEO shall retain all of the net vested restricted stock and net shares delivered after exercising stock options. Net shares refers to the shares that remain after shares are sold or netted to pay the exercise price of options and any withholding taxes.

Hedging/Pledging Policy

The Company believes that the interests of its directors and senior executive officers should be aligned with stockholders. To assure this alignment, the Company has adopted an anti-hedging/pledging policy which states that its directors and senior executive officers, defined as any officer that is required to file reports under Section 16 of the Exchange Act, may not, without the approval of the Board: (1) directly or indirectly engage in hedging or monetization transactions, through transactions in the Company's securities or through financial instruments designed for that purpose or achieving that effect, including equity swaps, puts, calls, collars, forwards, exchange funds and prepaid variable forwards, or (2) pledging or hypothecating the Company's securities as collateral for a loan, including through the use of a traditional margin account with a securities broker. Any request to engage in a hedging or pledging transaction must be submitted to the General Counsel, with a description of the transaction(s) and the reasons for the transaction(s), at least two weeks prior to the anticipated transaction.

The General Counsel will review the circumstances and reasons for this request and determine whether there is a valid reason to approve the transaction. Since the adoption of this policy, there have been no requests for hedging or pledging transactions.

[Back to Contents](#)**EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table sets forth certain summary information regarding the compensation paid or accrued by the Company during the fiscal years ended December 31, 2017, 2016 and 2015 to or for the account of the CEO, CFO, and the other three most highly compensated executive officers of the Company (the “NEOs”):

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾	All Other Compensation (\$) ⁽³⁾	Total (\$)
Christopher D. Maher, Chairman, President and CEO of the Company and the Bank	2017	650,000	137,507	412,508	742,500	82,675	2,025,190
	2016	598,462	87,437	262,574	540,000	88,843	1,577,316
	2015	566,346	89,716	265,715	311,850	76,866	1,310,493
Michael J. Fitzpatrick, Executive Vice President and CFO of the Company and the Bank	2017	300,000	42,210	126,450	225,000	170,404	864,064
	2016	287,116	19,786	59,400	225,000	160,971	752,273
	2015	285,577	26,750	80,325	98,010	145,145	635,807
Joseph J. Lebel III, Executive Vice President and Chief Banking Officer of the Bank	2017	300,000	84,274	252,900	250,000	26,011	913,185
	2016	287,116	33,005	99,000	250,000	28,096	697,217
	2015	284,808	35,695	107,100	122,513	27,995	578,111
Joseph R. Iantosca, Executive Vice President and Chief Administrative Officer of the Bank	2017	285,000	84,274	252,900	200,000	32,541	854,715
	2016	279,846	33,005	99,000	217,000	40,153	669,004
	2015	284,808	35,695	107,100	110,261	34,023	571,887
Steven J. Tsimbinos, Executive Vice President, General Counsel and Corporate Secretary of the Company and the Bank	2017	250,000	70,204	210,750	175,000	29,869	735,823
	2016	248,568	92,362	39,600	125,000	38,880	544,410
	2015	252,798	131,578	46,856	95,000	30,540	556,772

Reflects the value of restricted stock and stock option awards granted to the executive officers based on the grant (1) date fair value of the awards. See note 12 to Company’s audited consolidated financial statements for the year ended December 31, 2017, filed with the Company’s Form 10-K for assumptions made in the valuation.

(2) Reflects payments made for each respective year under the annual incentive compensation plan.

(3) All other compensation was comprised of the following elements for 2017:

	Christopher D. Maher	Michael J. Fitzpatrick	Joseph J. Lebel III	Joseph R. Iantosca	Steven J. Tsimbinos
Employee Stock Ownership Plan Allocation	\$ 7,616	\$ 7,616	\$ 7,616	\$ 7,616	\$ 7,052

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401(k) Plan Contribution (Company match)	9,275	9,275	9,275	9,275	5,000
SERP Allocation	33,171	126,717	—	—	—
Life Insurance Premiums	1,932	4,357	2,838	2,683	810
Company-provided Automobile Benefit	18,518	16,167	6,282	12,967	11,800
Company-paid Club Dues	11,793	—	—	—	5,207
Company-paid Executive Physical	—	4,495	—	—	—
Change in Nonqualified Deferred Compensation Earnings	370	1,777	—	—	—
TOTAL	\$ 82,675	\$ 170,404	\$ 26,011	\$ 32,541	\$ 29,869

CEO Pay Ratio

Christopher D. Maher, Chairman, President and CEO, had fiscal 2017 total compensation of \$2,025,190, as reflected in the 2017 Summary Compensation Table included in this proxy statement. The Company calculated the median annual compensation for all OceanFirst Bank employees, excluding the CEO, was \$71,337 for 2017. As a result, Mr. Maher's 2017 annual compensation was approximately 28 times that of the median annual compensation for all employees.

In order to estimate the CEO pay ratio, the Company used its employee population as of December 31, 2017. The Company calculated median employee compensation aggregating the total of base salary, overtime, annual bonus and annualized benefit costs for all employees. For employees hired during the year, their compensation was annualized to reflect a full year of wages. Employees benefit costs were annualized based upon their enrollment status as of December 31, 2017. The Company did

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not include independent contractors in its determination. Once the median employee compensation value was identified, the total annual compensation for the CEO was calculated using the same methodology used to calculate Total Annual Compensation for the NEOs as set forth in the 2017 Summary Compensation Table contained in this proxy statement. The CEO pay ratio was then calculated by dividing the CEO total annual compensation by the median employee compensation.

The SEC's rules requiring pay ratio disclosure allow companies to exercise a significant amount of flexibility in making a determination as to who is the median employee and does not mandate that each public company use the same method. In addition, the Company's compensation philosophy supports fair pay based on a person's role in the Company, a subjective determination of the market value of that person's job and that person's performance in that position. As a result, the annual total compensation of the Company's median employee is unique to the CEO pay ratio calculation and is not an indicator of the annual total compensation of each of its employees nor is comparable to the annual total compensation of employees at other companies. Similarly, the Company would not expect that the ratio of the annual total compensation of its CEO to the median employee to be a number that can be compared to the ratio determined by other companies in any meaningful way.

Employment Agreements

The Company has entered into separate employment agreements with Messrs. Maher, Fitzpatrick, Lebel, Iantosca, and Tsimbinos (each such person, the "Executive").

The employment agreements have terms expiring on July 31, 2020. Each employment agreement provides that the agreement shall be extended each August 1 for an additional year, unless prior written notice of non-renewal is given to the Executive after conducting the Executive's performance evaluation. In addition to base salary, the agreements provide for, among other things, participation in cash incentive and stock benefit plans and other fringe benefits applicable to executive personnel. The employment agreements also provide that the compensation awarded under the agreements is subject to reduction or "clawback" under certain circumstances.

The agreements provide for termination, at any time by the Bank or the Company, for cause as defined in the agreements or without cause. In the event the Bank or the Company chooses to terminate the Executive's employment for reasons other than for cause, or in the event of the Executive's qualifying resignation from the Bank and if applicable the Company, the Executive would be entitled to receive an amount equal to the greater of (x) the remaining base salary payments the Executive would have earned until the expiration of the term of the employment agreement or (y) the Executive's base salary for one year plus the greater of (i) the cash incentive payment paid to the Executive for the prior fiscal year or (ii) the target cash incentive compensation for the current fiscal year. In the event of such a qualifying termination, the Company would also continue to pay for the Executive's life, health and disability coverage for the remaining term of the employment agreement or 18 months, whichever is less. Resignation would qualify for the above severance benefits upon: (1) a change in the Executive's authority, duties or responsibilities which represents a material adverse change from those in effect immediately prior to such change; (2) a material decrease in the Executive's annual salary, target cash compensation (unless target cash compensation was materially

decreased for all NEOs as listed in the Company's most recent proxy statement), or elimination or reduction of any material benefit that the Company otherwise provides to its executives of similar rank (except those changes to any benefit or benefit program implemented for all Company employees who participate in such benefits or programs or that may be required by law) without his prior written agreement, (3) relocation of Executive's principal place of employment to a location that increases the Executive's commute from his primary residence by more than 30 miles one way; or (4) a material breach of the agreement by the Company.

Under the agreements, if a qualifying resignation or involuntary termination (other than for cause) follows a change in control (as defined in the employment agreements) of the Company, the Executive would be entitled to a severance payment (the "Change in Control Payment") equal to the sum of (x) Executive's base salary and (y) the greater of (i) the cash incentive payment paid to the Executive for the prior fiscal year or (ii) the target cash incentive compensation for the current fiscal year. The Executive would also be entitled to continued health and welfare benefits as described above. If the Bank is adequately capitalized at the time of the change in control, the Change in Control Payment will be multiplied by a factor of three, provided, however, that the total value of the Change in Control Payment (including any insurance benefits provided) shall not exceed three times the sum of (x) the Executive's salary and (y) the greater of (i) the cash incentive payment paid to the Executive for the prior fiscal year or the (ii) Target Cash Compensation for the current fiscal year. If the amount of such termination benefits are deemed to be parachute payments as defined in section 280G of the Internal Revenue Code of 1986, as amended, such termination benefits will be reduced to an amount \$1.00 less than the amount that triggers such excise tax, but only if such reduced amount is greater than the aggregate amount of the termination benefits unreduced less the amount of the excise tax and any applicable state and federal taxes.

In event of the Executive's subsequent death while he is receiving the above severance payments (whether or not it the event of a change in control), such payments will be made to his beneficiaries or estate. Each Executive is subject to certain confidentiality provisions, as well as certain non-competition and non-solicitation provisions during the term of the agreement and for one year post termination. The employment agreements provide for the arbitration of disputes between the parties and that the prevailing party shall be awarded attorneys' fees. The employment agreements also provide that the Company shall indemnify the Executive to the fullest extent allowable under Delaware law and if applicable federal law.

[Back to Contents](#)**Grants of Plan-Based Awards**

The following table sets forth certain information regarding stock options, restricted stock awards and non-equity incentive plan awards to the NEOs during the Company's fiscal year ended December 31, 2017.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			All Other Stock Awards: Number of Shares of Stock or Units (#) ⁽²⁾	All Other Option Awards: Number of Underlying Securities Options (#) ⁽³⁾	Exercise or Base Price of Option Awards (\$/Sh) ⁽⁴⁾	Grant Date Fair Value of Stock & Option Awards (\$) ⁽⁵⁾
		Threshold (\$)	Target (\$)	Maximum (\$)				
Christopher D. Maher	3/15/17	275,000	550,000	825,000	4,740	73,400	29.01	550,015
Michael J. Fitzpatrick	3/15/17	87,500	175,000	262,500	1,455	22,500	29.01	168,660
Joseph J. Lebel III	3/15/17	100,000	200,000	300,000	2,905	45,000	29.01	337,174
Joseph R. Iantosca	3/15/17	87,500	175,000	262,500	2,905	45,000	29.01	337,174
Steven J. Tsimbinos	3/15/17	62,500	125,000	187,500	2,420	37,500	29.01	280,954

Amounts shown represent the range of potential payouts for fiscal 2017 performance under the 2011 Cash (1) Incentive Compensation Plan. The performance period for the non-equity awards was January 1, 2017 through December 31, 2017.

Refers to awards of restricted shares of Company common stock under the 2011 Stock Incentive Plan. Awards vest (2) over five years in equal annual installments from date of grant, with the exception of Mr. Fitzpatrick, whose award vests over three years.

Refers to awards of stock options under the 2011 Stock Incentive Plan. Options vest over five years in equal annual (3) installments from date of grant, with the exception of Mr. Fitzpatrick, whose award vests over three years.

(4) Closing price of the underlying shares of Company common stock on the date of grant.

Reflects the value of restricted stock awards and stock options granted to the executive officers based on the grant (5) date fair value of the awards. See note 12 to Company's audited consolidated financial statements for the year ended December 31, 2017, filed with the Company's Form 10-K for assumptions made in the valuation.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information regarding stock options and stock awards held by the NEOs of the Company at December 31, 2017:

Name	Option Awards	Stock Awards

	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested⁽²⁾	Market Value of Shares or Units of Stock That Have Not Vested (\$)⁽³⁾
Christopher D. Maher	4,500	4,500	14.55	6/17/23	—	—
	12,000	24,000	17.75	3/19/24	—	—
	14,886	44,658	17.37	3/18/25	—	—
	19,892	79,568	17.28	3/16/26	—	—
	—	73,400	29.01	3/15/27	—	—
	—	—	—	—	912	23,940
	—	—	—	—	3,099	81,349
	—	—	—	—	4,048	106,260
Michael J. Fitzpatrick	—	—	—	—	4,740	124,425
	29,770	—	10.00	2/17/20	—	—
	30,000	—	13.87	2/18/21	—	—
	30,000	—	13.83	2/15/22	—	—
	18,000	4,500	14.62	2/15/23	—	—
	13,500	9,000	17.75	3/19/24	—	—
	9,000	13,500	17.37	3/18/25	—	—
	4,500	18,000	17.28	3/16/26	—	—
	—	22,500	29.01	3/15/27	—	—
	—	—	—	—	305	8,006
	—	—	—	—	704	18,480
—	—	—	—	924	24,255	
—	—	—	—	916	24,045	
—	—	—	—	1,455	38,194	

(Table continues and footnotes on following pages)

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	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested⁽²⁾	Market Value of Shares or Units of Stock That Have Not Vested (\$)⁽³⁾
Joseph J. Lebel III	9,000	2,250	14.62	2/15/23	—	—
	9,000	2,250	14.55	6/17/23	—	—
	14,625	9,750	17.75	3/19/24	—	—
	12,000	18,000	17.37	3/18/25	—	—
	7,500	30,000	17.28	3/16/26	—	—
	—	45,000	29.01	3/15/27	—	—
	—	—	—	—	305	8,006
	—	—	—	—	764	20,055
	—	—	—	—	1,233	32,366
	—	—	—	—	1,528	40,110
Joseph Iantosca	—	—	—	—	2,905	76,256
	10,125	—	13.87	2/18/21	—	—
	10,125	—	13.83	2/15/22	—	—
	9,000	2,250	14.62	2/15/23	—	—
	9,000	2,250	14.55	6/17/23	—	—
	14,625	9,750	17.75	3/19/24	—	—
	12,000	18,000	17.37	3/18/25	—	—
	7,500	30,000	17.28	3/16/26	—	—
	—	45,000	29.01	3/15/27	—	—
	—	—	—	—	305	8,006
Steven J. Tsimbinos	—	—	—	—	764	20,055
	—	—	—	—	1,233	32,366
	—	—	—	—	1,528	40,110
	—	—	—	—	2,905	76,256
	9,750	—	11.32	9/07/20	—	—
	10,125	—	13.87	2/18/21	—	—
	10,125	—	13.83	2/15/22	—	—
	9,000	2,250	14.62	2/15/23	—	—
	7,875	5,250	17.75	3/19/24	—	—
	5,250	7,875	17.37	3/18/25	—	—
3,000	12,000	17.28	3/26/26	—	—	
—	37,500	29.01	3/15/27	—	—	
—	—	—	—	153	4,016	
—	—	—	—	412	10,815	
—	—	—	—	4,545	119,306	
—	—	—	—	4,276	112,245	
—	—	—	—	2,420	63,525	

Options vest as to 20% of the shares subject to the grant on or about each anniversary of the grant date, subject to the executive's continued service on the relevant vesting dates, with the exception of Mr. Fitzpatrick's last option award, which vests at a rate of 33.3% on or about each anniversary of the grant date. With respect to Mr. Maher's (1) stock options that have not vested, the options for 4,500 shares vest on June 17, 2018; the options for 24,000 shares vest in equal installments on March 1 of 2018 and 2019; the options for 44,658 shares vest in equal installments on March 1 of 2018, 2019, and 2020; the options for 79,568 shares vest in equal installments on March 1 of 2018, 2019, 2020 and 2021; and the options for 73,400 shares vest in equal installments on March 1 of 2018, 2019, 2020, 2021 and 2022.

With respect to Mr. Fitzpatrick's stock options that have not vested, the options for 4,500 shares vest on February 15, 2018; the options for 9,000 shares vest in equal installments on March 1 of 2018 and 2019; the options for 13,500 shares vest in equal installments on March 1 of 2018, 2019 and 2020; the options of 18,000 shares vest in equal installments on March 1 of 2018, 2019, 2020 and 2021; and the options of 22,500 shares vest in equal installments on March 1 of 2018, 2019, and 2020.

With respect to Mr. Lebel's stock options that have not vested, the options for 2,250 shares (expiring February 15, 2023) vest on February 15, 2018; the options for 2,250 shares (expiring June 17, 2023) vest on June 17, 2018; the options for 9,750 shares vest in equal installments on March 1 of 2018 and 2019; the options for 18,000 shares vest in equal installments on March 1 of 2018, 2019 and 2020; the options for 30,000 shares vest in equal installments on March 1 of 2018, 2019, 2020 and 2021; and the options for 45,000 shares vest in equal installments on March 1 of 2018, 2019, 2020, 2021 and 2022.

With respect to Mr. Iantosca's stock options that have not vested, the options for 2,250 shares (expiring February 15, 2023) vest on February 15, 2018; the options for 2,250 shares (expiring June 17, 2023) vest on June 17, 2018; the options for 9,750 shares vest in equal installments on March 1 of 2018 and 2019; the options for 18,000 shares vest in equal installments on March 1 of 2018, 2019 and 2020; the options for 30,000 shares vest in equal installments on March 1 of 2018, 2019, 2020 and 2021; and the options for 45,000 shares vest in equal installments on March 1 of 2018, 2019, 2020, 2021 and 2022.

With respect to Mr. Tsimbinos' stock options that have not vested, the options for 2,250 shares vest on February 15, 2018; the options for 5,250 shares vest in equal installments on March 1 of 2018 and 2019; the options for 7,875 shares vest in equal installments on March 1 of 2018, 2019 and 2020; the options for 12,000 shares vest in equal installments on March 1 of 2018, 2019, 2020 and 2021; and the option for 37,500 shares vest in equal installment on March 1 of 2018, 2019, 2020, 2021 and 2022.

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The restricted stock vests as to 20% of the shares subject to the award on March 1 of the year following the grant date, subject to the executive's continued service on the relevant vesting dates, with the exception of Mr. Fitzpatrick's last restricted stock award, which vests at a rate of 33.3% on March 1 of the year following the grant date.

(2) With respect to Mr. Maher's shares that have not vested, the 912 shares vest on March 1, 2018; the 3,099 shares vest in equal installments on March 1 of 2018, 2019 and 2020; the 4,048 shares vest in equal installments on March 1 of 2018, 2019, 2020 and 2021; and the 4,740 shares vest in equal installments on March 1 of 2018, 2019, 2020, 2021 and 2022.

With respect to Mr. Fitzpatrick's shares that have not vested, the 305 shares vest on March 1, 2018; the 704 shares vest in equal installments on March 1 of 2018 and 2019; the 924 shares vest in equal installments on March 1 of 2018, 2019 and 2020; the 916 shares vest in equal installments on March 1 of 2018, 2019, 2020 and 2021; and the 1,455 shares vest in equal installments on March 1 of 2018, 2019, and 2020.

With respect to Mr. Lebel's shares that have not vested, the 305 shares vest on March 1, 2018; the 764 shares vest in equal installments on March 1 of 2018 and 2019; the 1,233 shares vest in equal installments on March 1 of 2018, 2019 and 2020; the 1,528 shares vest in equal installments on March 1 of 2018, 2019, 2020 and 2021; and the 2,905 shares vest in equal installments on March 1 of 2018, 2019, 2020, 2021 and 2022.

With respect to Mr. Iantosca's shares that have not vested, the 305 shares vest on March 1, 2018; the 764 shares vest in equal installments on March 1 of 2018 and 2019; the 1,233 shares vest in equal installments on March 1 of 2018, 2019 and 2020; the 1,528 shares vest in equal installments on March 1 of 2018, 2019, 2020 and 2021; and the 2,905 shares vest in equal installments on March 1 of 2018, 2019, 2020, 2021 and 2022.

With respect to Mr. Tsimbinos' shares that have not vested, the 153 shares vest on March 1, 2018; the 412 shares vest in equal installments on March 1 of 2018 and 2019; the 4,545 shares vest in equal installments on March 1 of 2018, 2019 and 2020; the 4,276 shares vest in equal installments on March 1 of 2018, 2019, 2020 and 2021; and the 2,420 shares vest in equal installments on March 1 2018, 2019, 2020, 2021 and 2022.

(3) Market Value computed using the closing price of the Company's common stock on December 29, 2017 (\$26.25).

Option Exercises and Stock Vested

The following table sets forth certain information regarding exercises of options or vesting of restricted shares during the Company's fiscal year ended December 31, 2017:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽¹⁾
Christopher D. Maher	52,386	620,387	2,959	89,599
Michael J. Fitzpatrick	21,263	218,584	1,581	47,873
Joseph J. Lebel III	41,763	546,194	1,610	48,751
Joseph R. Iantosca	17,013	297,488	1,610	48,751
Steven J. Tsimbinos	—	—	3,072	93,020

(1) Computed using the closing price of the Company's common stock on the applicable exercise/vesting date.

Nonqualified Deferred Compensation

Supplemental Executive Retirement Plans

The Bank maintains non-qualified SERPs to provide Messrs. Maher and Fitzpatrick with additional retirement benefits. As part of Mr. Maher's SERP arrangement, the Bank established in 2014 an account for the benefit of his retirement and commenced the funding of that SERP by an annual Company contribution. Such account will be paid in full upon the termination of his employment due to his retirement after age 65, resignation for Good Reason (as defined), termination without Cause (as defined) or his death. If Mr. Maher's employment terminates for a reason other than those detailed in the preceding sentence, Mr. Maher shall be paid the balance of the account, less contributions for the preceding five years and less any earnings on those forfeited contributions. For Mr. Fitzpatrick, the benefits provided under his SERP make up the difference between an amount up to 70% of the average of the highest compensation during any four consecutive calendar years and the benefits provided from the Bank's 401(k) Retirement Plan plus the benefits which would have been provided from the Bank's Retirement Plan (Pension Plan) which was frozen in 1996 and terminated in 1998. In addition, the SERP provides a benefit equal to the benefits lost from the ESOP due to the application of limitations imposed by the Code, as amended, on compensation and maximum benefits under the ESOP. The Bank established an irrevocable trust in connection with the SERP for Mr. Fitzpatrick. The trust is funded with contributions from the Bank for the purpose of providing the benefits promised under the terms of the SERP. The assets of the trust are beneficially owned by the SERP participant, who recognizes as income contributions that are made to the trust. Earnings on the trust's assets are taxable to the participant.

[Back to Contents](#)**Nonqualified Deferred Compensation Plan for Executives**

This Deferral Plan previously allowed eligible officers selected by the Bank's Board to defer receipt of up to 100% of base salary and annual bonus pursuant to the terms of the Plan. The Plan currently maintains balances from prior deferrals but is currently not accepting new contributions. Participating executive's prior deferrals were credited to a bookkeeping account and are increased on the last day of each month by interest earned at the rate equal to the Stable Fund Rate for the 401(k) Plan plus 250 basis points. The following table sets forth certain information regarding nonqualified deferred compensation benefits to NEOs of the Company during the Company's fiscal year ended December 31, 2017:

Name	Plan Name	Executive contributions in last FY (\$)	Registrant contributions in last FY (\$)	Aggregate earnings in last FY (\$)	Aggregate withdrawals/distributions (\$)	Aggregate balance at last FYE (\$)
Christopher D. Maher	SERP	—	33,171	(1) 4,733	—	132,653
	Deferral Plan	—	—	—	—	—
Michael J. Fitzpatrick	SERP	—	126,717	(2) —	—	—
	Deferral Plan	—	—	17,147	—	472,767 (3)
Joseph J. Lebel III	SERP	—	—	—	—	—
	Deferral Plan	—	—	—	—	—
Joseph R. Iantosca	SERP	—	—	—	—	—
	Deferral Plan	—	—	—	—	—
Steven J. Tsimbinos	SERP	—	—	—	—	—
	Deferral Plan	—	—	—	—	—

Represents annual SERP contribution. The contributions are credited to a bookkeeping account and reflected as a (1) liability on the Company's financial statements. Contributions and related earnings are taxed to the participant in the year they are distributed.

Represents annual SERP contribution. The contributions are held in trust for the irrevocable benefit of the SERP (2) participant. Contributions are taxed to the participant in the year they are added to the trust. SERP account balances are treated as participant assets, rather than Company assets, and are not reflected on the Company's financial statements.

(3) Excludes SERP account balance.

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The following describes the provisions of contracts, agreements or plans (other than plans available generally to salaried employees that do not discriminate in favor of executive officers) which provide for payments to executive officers at, following or in connection with termination of employment or a change in control of the Company.

Employment Agreements — Involuntary or Constructive Termination

The employment agreements of Messrs. Maher, Fitzpatrick, Lebel, Iantosca and Tsimbinos provide for certain severance payments in the event employment is terminated by the Company or the Bank without cause or the Executive's qualifying voluntary resignation under the agreements. The severance payment provided under the employment agreements would be equal to the greater of (x) the remaining base salary payments the executive would have earned until the expiration of the term of the employment agreement or (y) the executive's base salary for one year plus the greater of (i) the cash incentive payment paid to the Executive for the prior fiscal year or (ii) the target cash compensation for the current fiscal year. In the event of such a qualifying termination, the Company would also continue to pay for the Executive's life, health and disability coverage for the remaining term of the employment agreement or 18 months, whichever is less.

Employment Agreements — Involuntary or Constructive Termination Following Change in Control

The employment agreements Messrs. Maher, Fitzpatrick, Lebel, Iantosca and Tsimbinos provide for certain payments if the officer's employment is terminated by the Company or the Bank following a "change in control" due to (i) the executive's dismissal, other than for cause, or (ii) the executive's qualifying voluntary resignation under the agreements. Such payment would be equal to the sum of (x) Executive's base salary and (y) the greater of (i) the cash incentive payment paid to the Executive for the prior fiscal year or (ii) the target cash incentive compensation for the current fiscal year. The Executive would also be entitled to continued health and welfare benefits as described above. If the Bank is adequately capitalized at the time of the change in control, the Change in Control Payment will be multiplied by a factor of three, provided, however, that the total value of the Change in Control Payment (including any insurance benefits provided) shall not exceed three times the sum of (x) the Executive's salary and (y) the greater of (i) the cash incentive payment paid to the Executive for the prior fiscal year or the (ii) target cash incentive compensation for the current fiscal year. If the amount of such termination benefits are deemed to be parachute payments as defined in section 280G of the Internal Revenue Code of 1986, as amended, such termination benefits will be reduced to an amount \$1.00 less than the amount that triggers such excise tax, but only if such reduced amount is greater than the aggregate amount of the termination benefits unreduced less the amount of the excise tax and any applicable state and federal taxes.

Supplemental Executive Retirement Plan — Involuntary or Constructive Termination

In the event of a “change in control,” Mr. Fitzpatrick is entitled to a lump sum contribution equal to the supplemental retirement income benefit contribution required for the year in which the change in control occurs plus the present value of the total supplemental retirement income benefit contributions which would have been required for the three years following the year in which the change in control occurs. In the event of a “change in control,” Mr. Maher is entitled to a lump sum contribution equal to the sum of: (a) the account balance as of the date of the change in control, (b) the amount required to be credited to the account for year in which such change in control occurs (unless already made); and (c) the present value (computed using a discount rate equal to 4% per annum) of the amounts that would have been required to be credited to the account for the three years following the year in which such change in control occurs.

Summary of Potential Payments Upon Termination or Change in Control

The following tables summarize potential payments to each executive officer listed on the summary compensation table assuming a triggering termination of employment occurred on December 31, 2017. The tables do not reflect benefits under plans that do not discriminate in favor of executive officers and are available generally to all salaried employees.

[Back to Contents](#)**Christopher D. Maher**

Payments and Benefits	Involuntary or Constructive Termination	Change in Control	Involuntary or Constructive Termination following a Change in Control⁽¹⁾	Death
Cash Compensation	\$ 1,679,167 ⁽²⁾	—	\$ 3,551,670 ⁽³⁾	—
Value of Continued Health and Welfare Benefits	48,330 ⁽⁴⁾	—	48,330 ⁽⁴⁾	—
Acceleration of Stock and Option Awards	—	\$ 1,702,964 ⁽⁵⁾	—	\$ 1,702,964 ⁽⁵⁾
SERP Contribution	167,870 ⁽⁶⁾	277,987 ⁽⁶⁾	—	167,870 ⁽⁶⁾
TOTAL	\$ 1,895,367	\$ 1,980,951	\$ 3,600,000	\$ 1,870,834

(1) Executive would also receive benefits set forth under “Change in Control.”

Represents an amount equal to the greater of (x) the remaining base salary payments the executive would have earned until the expiration of the term of the employment agreement or (y) the executive’s base salary for one year plus the greater of (i) the cash incentive payment paid to the executive for the prior fiscal year or (ii) the target cash compensation for the current fiscal year.

Represents an amount equal to three times the sum of (x) the executive’s base salary and (y) the greater of (i) the cash incentive payment paid to the executive for the prior fiscal year or (ii) the target cash compensation for the current fiscal year; provided, however, if the cash compensation or any of the other benefits in connection with the change in control would be deemed to be parachute payments as defined in section 280G of the Internal Revenue Code of 1986, as amended, and therefore subject the executive to an excise tax under section 4999 of the Internal Revenue Code of 1986, as amended, then such cash compensation will be reduced to an amount \$1.00 less than the maximum amount of cash compensation that can be paid without triggering such excise tax if reducing the amount of cash compensation would increase the total amount of termination benefits the executive would receive, after all taxes.

(4) Approximate lump sum value of continued life, medical, dental and disability coverage for remaining term of the employment agreement, or 18 months if less.

Represents the value of accelerated vesting of 12,799 shares of restricted Company stock and stock options covering 226,126 shares of Company stock. Stock options that become vested due to a change in control or death are valued based on their option spread (i.e., the difference between the fair market value of a share of common stock at the time of the change in control or death and the exercise price).

Mr. Maher’s SERP account balance was \$132,653 as of December 31, 2017. In the event of his involuntary termination, constructive separation or death on that date, Mr. Maher (or his beneficiary in the event of his death) would be entitled to receive his account balance plus the scheduled contribution for 2017, \$35,217. In the event of a change in control of the Company on that date, Mr. Maher would be entitled to receive the sum of: (i) his account balance; (ii) the scheduled contribution for 2017; and (iii) the present value of the scheduled contributions for the three years beginning after that date, discounted at the rate of 4%.

Michael J. Fitzpatrick

Payments and Benefits	Involuntary or Constructive Termination	Change in Control	Involuntary or Constructive Termination following a Change in Control ⁽¹⁾	Death
Cash Compensation	\$ 775,000 ⁽²⁾	—	\$ 1,527,332 ⁽³⁾	—
Value of Continued Health and Welfare Benefits	47,668 ⁽⁴⁾	—	47,668 ⁽⁴⁾	—
Acceleration of Stock and Option Awards	—	\$523,176 ⁽⁵⁾	—	\$523,176 ⁽⁵⁾
SERP Contribution	—	414,063 ⁽⁶⁾	—	448,612 ⁽⁷⁾
TOTAL	\$ 822,668	\$ 937,239	\$ 1,575,000	\$ 971,788

(1) Executive would also receive benefits set forth under “Change in Control.”

Represents an amount equal to the greater of (x) the remaining base salary payments the executive would have earned until the expiration of the term of the employment agreement or (y) the executive’s base salary for one year plus the greater of (i) the cash incentive payment paid to the executive for the prior fiscal year or (ii) the target cash compensation for the current fiscal year.

Represents an amount equal to three times the sum of (x) the executive’s base salary and (y) the greater of (i) the cash incentive payment paid to the executive for the prior fiscal year or (ii) the target cash compensation for the current fiscal year; provided, however, if the cash compensation or any of the other benefits in connection with the change in control would be deemed to be parachute payments as defined in section 280G of the Internal Revenue

Code of 1986, as amended, and therefore subject the executive to an excise tax under section 4999 of the Internal Revenue Code of 1986, as amended, then such cash compensation will be reduced to an amount \$1.00 less than the maximum amount of cash compensation that can be paid without triggering such excise tax if reducing the amount of cash compensation would increase the total amount of termination benefits the executive would receive, after all taxes.

(4) Approximate lump sum value of continued life, medical, dental and disability coverage for remaining term of the employment agreement, or 18 months if less.

Represents the value of accelerated vesting of 4,304 shares of restricted Company stock and stock options covering 67,500 shares of Company stock. Stock options that become vested due to a change in control or death are valued based on their option spread (i.e., the difference between the fair market value of a share of common stock at the time of the change in control or death and the exercise price).

(6) Represents the present value of the SERP contributions that would be required for the three years following the change in control, discounted at the rate of 4%.

(7) Represents the sum of the remaining SERP contributions that would be required following the death of the executive.

[Back to Contents](#)**Joseph J. Lebel III**

Payments and Benefits	Involuntary or Constructive Termination	Change in Control	Involuntary or Constructive Termination following a Change in Control⁽¹⁾	Death
Cash Compensation	\$ 775,000	⁽²⁾ —	\$ 1,602,016	⁽³⁾ —
Value of Continued Health and Welfare Benefits	47,984	⁽⁴⁾ —	47,984	⁽⁴⁾ —
Acceleration of Stock and Option Awards	—	\$741,059	⁽⁵⁾ —	\$741,059
TOTAL	\$ 822,984	\$ 741,059	\$ 1,650,000	\$ 741,059

(1) Executive would also receive benefits set forth under “Change in Control.”

Represents an amount equal to the greater of (x) the remaining base salary payments the executive would have earned until the expiration of the term of the employment agreement or (y) the executive’s base salary for one year plus the greater of (i) the cash incentive payment paid to the executive for the prior fiscal year or (ii) the target cash compensation for the current fiscal year.

Represents an amount equal to three times the sum of (x) the executive’s base salary and (y) the greater of (i) the cash incentive payment paid to the executive for the prior fiscal year or (ii) the target cash compensation for the current fiscal year; provided, however, if the cash compensation or any of the other benefits in connection with the change in control would be deemed to be parachute payments as defined in section 280G of the Internal Revenue

(3) Code of 1986, as amended, and therefore subject the executive to an excise tax under section 4999 of the Internal Revenue Code of 1986, as amended, then such cash compensation will be reduced to an amount \$1.00 less than the maximum amount of cash compensation that can be paid without triggering such excise tax if reducing the amount of cash compensation would increase the total amount of termination benefits the executive would receive, after all taxes.

(4) Approximate lump sum value of continued life, medical, dental and disability coverage for remaining term of the employment agreement, or 18 months if less.

Represents the value of accelerated vesting of 6,735 shares of restricted Company stock and stock options covering 107,250 shares of Company stock. Stock options that become vested due to a change in control or death are valued based on their option spread (i.e., the difference between the fair market value of a share of common stock at the time of the change in control or death and the exercise price).

Joseph R. Iantosca

Payments and Benefits	Involuntary or Constructive Termination	Change in Control	Involuntary or Constructive Termination following a Change in Control⁽¹⁾	Death
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Cash Compensation	\$ 736,250	(2)	—	\$ 1,458,088	(3)	—
Value of Continued Health and Welfare Benefits	47,912	(4)	—	47,912	(4)	—
Acceleration of Stock and Option Awards	—		\$741,059	(5)	—	\$741,059
TOTAL	\$ 784,162		\$ 741,059		\$ 1,506,000	\$ 741,059

(1) Executive would also receive benefits set forth under “Change in Control.”

Represents an amount equal to the greater of (x) the remaining base salary payments the executive would have earned until the expiration of the term of the employment agreement or (y) the executive’s base salary for one year plus the greater of (i) the cash incentive payment paid to the executive for the prior fiscal year or (ii) the target cash compensation for the current fiscal year.

Represents an amount equal to three times the sum of (x) the executive’s base salary and (y) the greater of (i) the cash incentive payment paid to the executive for the prior fiscal year or (ii) the target cash compensation for the current fiscal year; provided, however, if the cash compensation or any of the other benefits in connection with the change in control would be deemed to be parachute payments as defined in section 280G of the Internal Revenue Code of 1986, as amended, and therefore subject the executive to an excise tax under section 4999 of the Internal Revenue Code of 1986, as amended, then such cash compensation will be reduced to an amount \$1.00 less than the maximum amount of cash compensation that can be paid without triggering such excise tax if reducing the amount of cash compensation would increase the total amount of termination benefits the executive would receive, after all taxes.

Approximate lump sum value of continued life, medical, dental and disability coverage for remaining term of the employment agreement, or 18 months if less.

Represents the value of accelerated vesting of 6,735 shares of restricted Company stock and stock options covering 107,250 shares of Company stock. Stock options that become vested due to a change in control or death are valued based on their option spread (i.e., the difference between the fair market value of a share of common stock at the time of the change in control or death and the exercise price).

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Steven J. Tsimbinos

Payments and Benefits	Involuntary or Constructive Termination	Change in Control	Involuntary or Constructive Termination following a Change in Control ⁽¹⁾	Death
Cash Compensation	645,833	(2) —	\$ 1,077,248	(3) —
Value of Continued Health and Welfare Benefits	47,752	(4) —	47,752	(4) —
Acceleration of Stock and Option Awards	—	\$ 558,270	(5) —	\$ 558,270
TOTAL	693,585	\$ 558,270	\$ 1,125,000	\$ 558,270

(1) Executive would also receive benefits set forth under “Change in Control.”

Represents an amount equal to the greater of (x) the remaining base salary payments the executive would have earned until the expiration of the term of the employment agreement or (y) the executive’s base salary for one year plus the greater of (i) the cash incentive payment paid to the executive for the prior fiscal year or (ii) the target cash compensation for the current fiscal year.

Represents an amount equal to three times the sum of (x) the executive’s base salary and (y) the greater of (i) the cash incentive payment paid to the executive for the prior fiscal year or (ii) the target cash compensation for the current fiscal year; provided, however, if the cash compensation or any of the other benefits in connection with the change in control would be deemed to be parachute payments as defined in section 280G of the Internal Revenue

(3) Code of 1986, as amended, and therefore subject the executive to an excise tax under section 4999 of the Internal Revenue Code of 1986, as amended, then such cash compensation will be reduced to an amount \$1.00 less than the maximum amount of cash compensation that can be paid without triggering such excise tax if reducing the amount of cash compensation would increase the total amount of termination benefits the executive would receive, after all taxes.

(4) Approximate lump sum value of continued life, medical, dental and disability coverage for remaining term of the employment agreement, or 18 months if less.

Represents the value of accelerated vesting of 11,806 shares of restricted Company stock and stock options covering 64,875 shares of Company stock. Stock options that become vested due to a change in control or death are valued based on their option spread (i.e., the difference between the fair market value of a share of common stock at the time of the change in control or death and the exercise price).

[Back to Contents](#)**DIRECTOR COMPENSATION**

The following table sets forth certain information regarding compensation earned by or paid to the Directors during the Company's fiscal year ended December 31, 2017:

Name	Fees Earned or Paid in Cash (\$)⁽¹⁾	Stock Awards (\$)⁽²⁾	Option Awards (\$)⁽³⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)⁽⁴⁾	All Other Compensation (\$)⁽⁵⁾	Total (\$)
Steven E. Brady	67,600	30,025	—	—	68,664	166,289
Joseph J. Burke	79,600	30,025	—	—	14,378	124,003
Angelo Catania	79,200	30,025	—	—	14,378	123,603
Michael D. Devlin	65,600	30,025	—	—	6,883	102,508
Jack M. Farris	67,600	30,025	—	—	—	97,625
John R. Garbarino ⁽⁶⁾	29,600	30,025	—	—	14,378	74,003
Dorothy F. McCrosson	70,800	30,025	—	—	655	101,480
Donald E. McLaughlin	77,200	30,025	—	—	14,378	121,603
Diane F. Rhine	75,600	30,025	—	—	14,378	120,003
Mark G. Solow	66,800	30,025	—	—	14,378	111,203
John E. Walsh	77,200	30,025	—	37,356	—	144,581
Samuel R. Young	67,600	30,025	—	—	—	97,625

(1) Aggregate dollar amount of all fees earned or paid in cash for services as a Director, including annual retainer fees, committee and/or chairmanship fees, and meeting fees.

For awards of stock, the amounts presented above reflect the full grant date fair value. Each Director, received an

(2) award of 1,035 shares of restricted stock in 2017. The grant date fair value of these stock awards is expensed over a five-year vesting period. Each of the Directors had the following number of shares of restricted stock unvested at the end of 2017: Mr. Brady, 1,035; Mr. Burke, 4,430; Mr. Catania, 4,430;