



# Corporate Governance Guidelines

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Dime Community Bank

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## Corporate Governance Guidelines

These Corporate Governance Guidelines (“Guidelines”) were adopted by the Board of Directors (the “Board”) of Dime Community Bancshares, Inc. (the “Company”). The Guidelines are intended to comply with the corporate governance rules of the Designated Exchange (as defined in Article VIII of the Company’s Bylaws). Terms used but not otherwise defined in these Guidelines shall have the definitions ascribed to them in Article VIII of the Company’s Bylaws.

### **I. Board Composition and Director Qualifications**

During the Specified Period, the Entire Board of Directors shall be comprised of twelve (12) directors, of which six (6) shall be Legacy Bridge Bancorp Directors and six (6) shall be Legacy DCB Directors. Following the termination of the Specified Period, the Entire Board of Directors shall consist of a number of directors as designated by resolution of a majority of the Board from time to time. A majority of the members of the Board shall be, in the business judgment of the board, “independent” under the applicable rules of the Designated Exchange.

The Corporate Governance and Nominating Committee of the Board of Directors is responsible, subject to the provisions of the Company’s Bylaws, for leading the search for individuals qualified to become members of the board of directors, selecting director nominees to be presented for shareholder approval at the annual meeting, and recommending committee memberships. The Corporate Governance and Nominating Committee seeks a diverse group of candidates who possess the background, skills and expertise to make a significant contribution to the Board, to the Company and its stockholders. The Corporate Governance and Nominating Committee shall select individuals as director nominees who shall have the highest personal and professional integrity, who shall have demonstrated exceptional ability and judgment and who shall be most effective, in conjunction with the other nominees to the board, in collectively serving the long-term interests of the Company’s shareholders.

The Corporate Governance and Nominating Committee annually (or more frequently, if warranted) reviews director suitability and the continuing composition of the Board; it then recommends director nominees who are voted on by the Entire Board of Directors. The Board believes that, if this evaluation is performed well, it obviates the need for term limits, which could unnecessarily deprive the Company of experienced directors.

The Corporate Governance and Nominating Committee is authorized to retain search firm(s) to assist in the identification of candidates for director nominees. The Corporate Governance and Nominating Committee is not limited to a specific process in identifying candidates and will consider potential nominees from various sources, including recommendations from shareholders as well as Directors and officers of the Company. Individuals recommended by shareholders are evaluated in a manner identical to other potential nominees. The Corporate Governance and Nominating Committee is empowered to adopt general criteria and minimum qualifications in determining candidates for election as director.

## II. Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In fulfilling its responsibilities, the Board performs the following principal functions:

- Ensuring legal and ethical conduct;
- Selecting, evaluating and compensating the Chief Executive Officer;
- Approving corporate strategy;
- Reviewing and approving policies for the operation of the Company;
- Providing general oversight of the business of the Company;
- Monitoring Board-established risk limits and the overall risk profile of the Company;
- Evaluating Board processes and performance;
- Selecting directors; and
- Compensating directors.

Directors are expected to attend Board meetings and meetings of Board committees on which they serve, to use their best efforts to attend every shareholder meeting, to spend the time needed to discharge their Board duties in a reasonable manner, and to meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

The Executive Chairman of the Board, in conjunction with the Chief Executive Officer, should establish the agenda for each Board meeting. Each Board member may suggest the inclusion of items on the agenda. Each Board member also may raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

Minutes of each Board meeting and each committee meeting will be compiled by the Company's Corporate Secretary who shall act as Secretary to the Board and each committee, or in the absence of the Corporate Secretary, by any other person designated by the Executive Chairman of the Board, or by a committee, as the case may be.

Independent directors shall meet in regularly convened executive sessions. The Company shall disclose the procedure by which interested parties may communicate directly with the

independent directors, which can be the same process established for communications with Audit Committee members.

The Board believes that the management speaks for the Company. Individual Board members, from time to time, may meet or otherwise communicate with various constituencies that are involved with the Company. It is expected, however, that Board members would do this with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

In discharging their obligations, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors will also be entitled to be covered by reasonable directors' and officers' liability insurance purchased by the Company on their behalf; to the benefits of indemnification to the fullest extent permitted by law and by the Company's Amended and Restated Certificate of Incorporation, Bylaws, as amended, and any indemnification agreements; and to exculpation as provided by state law and the Company's Amended and Restated Certificate of Incorporation.

### **III. Executive Chairman of the Board**

The Board will designate and appoint an Executive Chairman of the Board (the "Executive Chairman") in accordance with Article VIII of the Company's Bylaws. In addition to the duties of all Board members as set forth in the Corporate Governance Guidelines, the Executive Chairman shall provide overall leadership to enhance the effectiveness and performance of the Entire Board of Directors and act as primary spokesperson for the Entire Board of Directors, and shall, among other things, have the power and authority to (i) confer with the Chief Executive Officer of the Company on succession planning and key hiring and firing decisions, (ii) confer with the Chief Executive Officer on reviewing and developing strategic initiatives, including coordinating on strategic initiatives and written plans to bring to the Entire Board of Directors, (iii) confer with the Chief Executive Officer and senior executives of the Company on identifying and evaluating potential merger and acquisition transactions, and (iv) perform such other customary duties as the Board, upon the affirmative vote of at least seventy-five percent (75%) of the Entire Board of Directors, may give to the Executive Chairman from time to time.

### **IV. Lead Director**

The Board will designate and appoint a Lead Director of the Board (the "Lead Director") in accordance with Article VIII of the Company's Bylaws, who shall qualify as an independent director under the rules of the Designated Exchange (and any other requirements). The Lead Director shall chair any meeting of the independent directors in executive session, and shall, among other things, have the power and authority to (i) preside at meetings of the Board at which the Executive Chairman is not present, (ii) work with the Executive Chairman and the Chief Executive Officer to determine the information and materials provided to members of the Board, (iii) consult with the Executive Chairman on such other matters as are pertinent to the Board and the Company, (iv) call meetings of the independent directors, (v) serve as a liaison between the Executive Chairman and the other independent directors, and (vi) perform such other customary duties as the Board, upon the affirmative vote of at least seventy-five percent (75%) of the Entire Board of Directors, may give to the Lead Director from time to time.

## **V. Board Committees**

At all times, the Board shall have an Audit Committee, a Compensation and Human Resources Committee and a Corporate Governance and Nominating Committee. All of the members of these committees will be independent directors under the applicable rules of the Designated Exchange. Additionally, members of the Audit Committee will be independent under the rules of the U.S. Securities and Exchange Commission applicable to audit committee independence, including the requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended. For Compensation and Human Resources Committee members, the Board will determine whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a Compensation and Human Resources Committee member. The Corporate Governance and Nominating Committee, subject to the provisions of the Company's Bylaws, shall recommend to the Board for its approval directors to serve as members of each committee and a chairperson for each committee, or a process for such selections. The Corporate Governance and Nominating Committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies, as needed.

Each committee shall have its own charter, which will set forth the purposes and responsibilities of the respective committee, as well as committee structure, operations and reporting to the Board.

The Chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairperson of each committee, in consultation with the members of the committee and management, will develop the committee's agenda.

The Board and each committee have the power to hire independent legal, financial, or other advisors, as they may deem necessary, without consulting with or obtaining the approval of any officer of the Company in advance.

The Board, from time to time, may establish or maintain additional committees as necessary or appropriate.

## **VI. Director Access to Officers, Employees and Independent Advisors**

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Corporate Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the Chief Executive Officer on any written communications between a director and an officer or employee of the Company.

The Board, as appropriate in its judgment, will invite senior officers and senior management of the Company to attend Board meetings. If the Chief Executive Officer wishes to have Company personnel attend meetings on a regular basis or periodic basis, this suggestion should be brought to the Board for approval.

The main responsibility for providing assistance to the Board rests with the Company. The Board and its committees may seek legal or other expert advice from a source independent of management and shall be provided with resources for such purposes. Generally, this would be with the knowledge of the Chief Executive Officer, but this is not a condition to retaining such advisors.

## **VII. Director Compensation**

The form and amount of director compensation will be recommended by the Compensation and Human Resources Committee in accordance with the policies and principles set forth in its charter and approved by the Board. The Compensation and Human Resources Committee shall conduct a periodic review of director compensation.

## **VIII. Director Orientation and Continuing Education**

At such time as a director joins the Board, the Board and the Chief Executive Officer will provide appropriate orientation for the new director, including arrangement of meetings with management. The Board considers it desirable that all directors participate in continuing education opportunities and will reimburse directors for reasonable expenses as appropriate.

## **IX. Chief Executive Officer, Executive Officer and Executive Management Compensation and Management Succession**

The Compensation and Human Resources Committee shall review, evaluate and determine (or recommend to the Entire Board of Directors (as defined in Article VIII of the Company's Bylaws)) the compensation, employment agreements and severance agreements/arrangements, including any change of control and indemnification provisions, of the Chief Executive Officer and executive officers.

The Compensation and Human Resources Committee shall review, evaluate and determine (or recommend to the Entire Board of Directors) the terms of employment and severance agreements/arrangements for executive management, including any change of control and indemnification provisions, and review and evaluate compensation for executive management.

The Compensation and Human Resources Committee, in conjunction with the Corporate Governance and Nominating Committee, shall review, evaluate and recommend succession planning and management development for executive officers, including the Chief Executive Officer.

## **X. Codes of Ethics; Other Guidelines and Policies**

The Company has adopted and maintains a Code of Ethics, and other internal guidelines and policies applicable to all employees, officers and directors of the Company and its subsidiaries. The Code of Ethics and other guidelines and policies are designed to support the Company's mission statement and address several areas governing the Company's business operations, including compliance with law, conflicts of interest, confidentiality of information, respect for diversity, prohibition on harassment, protection and proper use of company assets and the reporting of any illegal or unethical behavior. The Company also maintains policies regarding trading of Company securities and restrictions on hedging and pledging of Company common

stock, which are reviewed and monitored by the Company's Corporate Governance and Nominating Committee.

## **XI. Confidentiality**

It is essential that all directors maintain absolute confidentiality regarding Board discussions and decisions. Violations of this confidentiality obligation may constitute grounds for the removal of a Board member for cause.

## **XII. Whistleblower Policy**

The Company has adopted a Whistleblower Policy. Each director is expected to be familiar with and follow the Whistleblower Policy.

## **XIII. Annual Performance Evaluation**

The Board will conduct an annual self-evaluation developed by the Corporate Governance and Nominating Committee to determine whether it and its committees are functioning effectively. The Corporate Governance and Nominating Committee will report annually to the Board with an assessment of the Board's and its committees' performance based on the results of the self-evaluation. The evaluations will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and on areas in which the Board or management believes that the Board could improve.

## **XIV. Disclosure of Guidelines**

These Guidelines will be made available in accordance with applicable rules and regulations.