

## **ANTI HEDGING AND PLEDGING POLICY**

The Board of Directors of Dime Community Bancshares, Inc. (the “Company”) believes it in the best interests of its shareholders, and promotes the Company’s commitment to sound corporate governance, that every Director and Executive Officer of the Company and the Bank possess a meaningful personal financial interest in the Company. In the opinion of the Board, such an investment commits the individual to the future of the Company and aligns his/her interests with those of the Company's shareholders. Transactions that are designed to hedge or offset declines in the market value of Company stock can disrupt this alignment, compromise Company compensation programs and philosophies, and undermine policies regarding stock ownership.

In addition, securities held in a margin account as collateral for a margin loan may be sold by the broker without customer consent upon the failure to satisfy a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure upon a default by the borrower. A margin or foreclosure sale may occur at a time when the pledger is in possession of material non-public information or is otherwise prohibited from trading in the Company’s securities, or may artificially depress the value of Company stock. The Board thus additionally recognizes that Executive Officer and Director pledging of Company stock as collateral for indebtedness may be adverse to the interests of shareholders.

### **POLICY**

Executive Officers and Directors of the Company and its subsidiaries shall not, directly or indirectly:

- Purchase any financial instrument, or enter into any transaction, that is designed to hedge or offset a decrease in the market value of Company stock (including, but not limited to, prepaid variable forward contracts, equity swaps, collars or exchange funds); or
- Pledge, hypothecate, or otherwise encumber shares of Company stock as collateral for indebtedness. This prohibition includes, but is not limited to, holding such shares in a margin account.

Violations of this policy will be subject to disciplinary action, up to and including termination.