

**DIME COMMUNITY BANCSHARES, INC.  
AND SUBSIDIARIES**

**MINIMUM STOCK OWNERSHIP GUIDELINES FOR  
EXECUTIVE OFFICERS AND DIRECTORS**

**I. Purpose**

The Board of Directors of Dime Community Bancshares, Inc. (the “Company”) believes it is 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.

**II. Individuals Subject to the Minimum Ownership Requirements**

All Directors and Executive Officers are subject to the minimum stock ownership guidelines.

Executive Officers serving as Directors shall be subject to the minimum stock ownership guidelines for executive officers.

**III. Minimum Stock Ownership Requirements**

- **Directors** – Non-employee Directors are required to own stock valued at a minimum of five-times their annual cash retainer.
- **Executive Officers** – Executive Officers are required to own the following amounts of minimum stock value:
  - **Chief Executive Officer and President** – Five times base salary
  - **Senior Executive Vice President** – Three times base salary
  - **Executive Vice President** – Two times base salary

The minimum stock ownership requirement must be satisfied within five years of the later of adoption of, or becoming subject to, these guidelines.

Once a Director or Executive Officer is in compliance with the relevant minimum stock ownership guideline, a decrease in the price of the stock will not impact satisfaction of the requirement.

**IV. Eligible Shares**

- Shares owned outright or jointly with an immediate family member
- Shares or share equivalents in benefit plans [401(k), ESOP, BMP]
- Unvested restricted shares

**V. Stock Retention Requirements**

All officers and directors subject to these Guidelines must retain ownership of 100% of the “net after-tax shares” received through the vesting of restricted stock or the exercise of stock options

until s/he is in compliance with the applicable, fully phased-in, minimum ownership requirement. Unless the Governance Committee determines otherwise, “net after-tax shares” shall mean 60% of the net number of shares acquired on the vesting date in connection with restricted stock, or the exercise date in connection with stock options.

#### **VI. Hardship Exemption**

Circumstances may occur in which the guidelines cause a severe hardship to a participant or prevent compliance with a court order, such as a divorce settlement. In these instances, the participant must submit a request in writing to the Governance Committee which summarizes the circumstances and describes the exemption requested. After reviewing the request with the Chief Executive Officer, the Governance Committee will render a determination as to whether an exemption will be granted. If an exemption is granted, in whole or in part, an alternative stock ownership expectation that reflects both the intention of the stock ownership guidelines and the participant’s individual circumstances may be developed. In no event, however, may an exempted participant fail to satisfy the minimum ownership guideline set forth in section III in excess of five years.

#### **VII. Compliance**

The Director of Financial Reporting will review each proposed sale of stock by Directors and Executive Officers to determine whether the projected transaction would result in the breach of a minimum ownership requirement, and, if so, promptly report the concern to the affected individual. In addition, non-interested members of the Governance Committee shall periodically, however, no less than annually, review the compliance of each Director and Executive Officer with the ownership guidelines, and, within ninety days of determination of a deficiency, adopt appropriate resolution.