

DIME COMMUNITY BANCSHARES INC  
Form DEF 14A  
April 14, 2017

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

SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. \_)

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-16(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

DIME COMMUNITY BANCSHARES, INC.

(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(i)(1) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:



April 14, 2017

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders (the "Annual Meeting") of Dime Community Bancshares, Inc. (the "Company"), which will be held on May 25, 2017 at 10:00 a.m. Eastern Time, at Giando on the Water, 400 Kent Avenue, Brooklyn, New York 11211.

The attached Notice of the Annual Meeting of Shareholders and Proxy Statement describe the business to be transacted at the Annual Meeting. The Directors and several officers of the Company, as well as a representative of Crowe Horwath LLP, the accounting firm appointed by the Audit Committee of the Board of Directors to be the Company's independent auditors for the year ending December 31, 2017, will be present at the Annual Meeting.

The Company's Board of Directors has determined that an affirmative vote on each matter to be considered at the Annual Meeting is in the best interests of the Company and its shareholders and unanimously recommends a vote "FOR" each of these matters.

Please complete, sign and return the enclosed proxy card promptly, whether or not you plan to attend the Annual Meeting. Your vote is important regardless of the number of shares you own. Voting by proxy will not prevent you from voting in person at the Annual Meeting, but will assure that your vote is counted if you are unable to attend. If you are a shareholder whose shares are not registered in your own name, you will need additional documentation from your record holder to attend and vote personally at the Annual Meeting. Examples of such documentation include a broker's statement, letter or other document confirming your ownership of the Company's shares.

On behalf of our Board of Directors and employees, we thank you for your continued support and hope to see you at the Annual Meeting.

Sincerely yours,

Vincent F. Palagiano    Kenneth J. Mahon  
Chairman of the Board    President and Chief Executive Officer

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Dime Community Bancshares, Inc.  
300 Cadman Plaza West, 8<sup>th</sup> Floor  
Brooklyn, New York 11201  
(718) 782-6200

**NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS**  
To Be Held on May 25, 2017

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Dime Community Bancshares, Inc. (the "Annual Meeting") will be held at Giando on the Water, 400 Kent Avenue, Brooklyn, New York 11211, on Thursday, May 25, 2017 at 10:00 a.m. Eastern Time, to consider and vote upon the following:

1. Election of three Directors for terms of three years each;
2. Ratification of the appointment of Crowe Horwath LLP as the Company's independent auditors for the year ending December 31, 2017;
3. Approval, by a non-binding advisory vote, of the compensation of the Company's Named Executive Officers;
4. To recommend, by a non-binding advisory vote, the frequency of future advisory votes on the compensation of the Company's Named Executive Officers;
5. Transaction of such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof. As of the date hereof, management is not aware of any other such business.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" EACH OF THESE ITEMS FOR THE REASONS DESCRIBED IN THE PROXY STATEMENT.**

The Board of Directors has fixed March 29, 2017 as the record date for the Annual Meeting and any adjournment or postponement thereof. Only shareholders of record at the close of business on that date will be entitled to notice of, and to vote at, the Annual Meeting and any adjournment or postponement thereof. A list of such shareholders will be available for inspection by any shareholder for any lawful purpose germane to the Annual Meeting at the Company's corporate headquarters at 300 Cadman Plaza West, 8<sup>th</sup> Floor, Brooklyn, NY 11201 at any time during regular business hours for 10 days prior to the Annual Meeting.

By Order of the Board of Directors  
Lance J. Bennett  
Secretary

Brooklyn, New York  
April 14, 2017

**YOU ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING. IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED REGARDLESS OF THE NUMBER OF SHARES YOU OWN. THE BOARD OF DIRECTORS URGES YOU TO COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE. RETURNING THE PROXY CARD WILL NOT PREVENT YOU FROM VOTING IN PERSON IF YOU ATTEND THE ANNUAL MEETING.**



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DIME COMMUNITY BANCSHARES, INC.

PROXY STATEMENT FOR THE  
ANNUAL MEETING OF SHAREHOLDERS

To Be Held on May 25, 2017

GENERAL INFORMATION

General

This Proxy Statement and accompanying proxy card are being furnished to the shareholders of Dime Community Bancshares, Inc. (the "Company", "Dime", "we", "our" or "us") in connection with the solicitation of proxies by the Company's Board of Directors from holders of the shares of the Company's issued and outstanding common stock, par value \$0.01 per share (the "Common Stock"), for use at the Annual Meeting of Shareholders to be held on May 25, 2017 (the "Annual Meeting") at Giando on the Water, 400 Kent Avenue, Brooklyn, New York, 11211 at 10:00 a.m. Eastern Time, and at any adjournment or postponement thereof. The Company is a Delaware corporation and operates as a unitary savings and loan holding company for Dime Community Bank (f/k/a The Dime Savings Bank of Williamsburgh) (the "Bank"). This Proxy Statement, together with the enclosed proxy card, is first being mailed to shareholders on or about April 14, 2017.

Record Date

The Company's Board of Directors has fixed the close of business on March 29, 2017 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting (the "Record Date"). Accordingly, only holders of record of shares of Common Stock at the close of business on March 29, 2017 will be entitled to vote at the Annual Meeting. There were 37,569,348 shares of Common Stock outstanding on the Record Date. The presence, in person or by proxy, of the holders of at least a majority of the total number of shares of Common Stock entitled to vote at the Annual Meeting is necessary to constitute a quorum.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting

The notice of meeting, Proxy Statement, annual report and sample proxy card are available for review at [www.materials.proxyvote.com/253922](http://www.materials.proxyvote.com/253922). The notice of meeting, Proxy Statement and annual report are also available on the Company's website at [www.dime.com](http://www.dime.com).

Voting Rights

Each holder of Common Stock on the Record Date will be entitled to one vote at the Annual Meeting for each share of record held on the Record Date (other than Excess Shares as defined below). As provided in the Company's Certificate of Incorporation, record holders (other than any compensation plan maintained by the Company and certain affiliates) of Common Stock who beneficially own in excess of 10% of the issued and outstanding shares of Common Stock (such shares in excess of 10% referred to herein as "Excess Shares") shall be entitled to cast only one-hundredth of one vote per share for each Excess Share. A person or entity is deemed to beneficially own shares owned by an affiliate or associate as well as by persons acting in concert with such person or entity. The Company's Certificate of Incorporation authorizes a majority of the Board of Directors to interpret the provisions of the Certificate of Incorporation governing Excess Shares, and to determine, on the basis of information known to them after reasonable inquiry, all facts necessary to ascertain compliance with the Excess Shares provisions of the Certificate of Incorporation, including, without limitation, (i) the number of shares of Common Stock beneficially owned by any person or purported owner, (ii) whether a person or purported owner is an affiliate or associate of, or is



acting in concert with, any other person or purported owner, and (iii) whether a person or purported owner has an agreement or understanding with any other person or purported owner as to the voting or disposition of any shares of Common Stock.

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You may vote your shares of Common Stock by marking and signing the enclosed Proxy Card and returning it in the enclosed postage-paid envelope, by telephone or internet by following the instructions stated on the Proxy Card or by attending the Annual Meeting and voting in person. All properly executed proxies received by the Company on or before the close of voting on May 25, 2017 will be voted in accordance with the instructions indicated thereon. If no instructions are given, executed proxies will be voted FOR election of each of the three nominees for Director, FOR ratification of the appointment of Crowe Horwath LLP as independent auditors for the year ending December 31, 2017, FOR the compensation of the Company's Named Executive Officers (as defined subsequently herein), FOR an annual advisory vote on the compensation of the Company's Named Executive Officers; and FOR each other proposal identified in the Notice of the Annual Meeting of Shareholders.

Management is not aware of any matters other than those set forth in the Notice of the Annual Meeting of Shareholders that may be brought before the Annual Meeting. If any other matters properly come before the Annual Meeting, the persons named in the accompanying proxy will vote the shares represented by all properly executed proxies on such matters in such manner as shall be determined by a majority of the Company's Board of Directors.

If you are a shareholder whose shares of Common Stock are not registered in your own name, you will need appropriate documentation from your shareholder of record to vote personally at the Annual Meeting. Examples of such documentation include a broker's statement, letter or other document that will confirm your ownership of the Common Stock.

## Vote Required

Directors are elected by a plurality of the votes cast in person or by proxy at the Annual Meeting. The holders of Common Stock may not vote their shares cumulatively for the election of Directors. With respect to the election of the three nominees for Director, shares as to which the "WITHHOLD AUTHORITY" box has been selected for either all or some of the nominees will be counted as being present for the matter but not as voting "for" the election of the respective nominee(s). Therefore, the proxy represented by these shares will have the same effect as voting against the respective nominee(s). In contrast, shares underlying broker non-votes will not be counted as present and entitled to vote and will have no effect on the vote on Proposal 1.

Proposals 2 and 3 require the affirmative vote of the holders of a majority of the number of votes eligible to be cast by the holders of Common Stock represented, in person or by proxy, and entitled to vote at the Annual Meeting. Shares as to which the "ABSTAIN" box has been selected on the Proxy Card with respect to Proposals 2 and 3 will be counted as present and entitled to vote and will have the effect of a vote against these proposals. In contrast, shares underlying broker non-votes will not be counted as present and entitled to vote and will have no effect on the vote on Proposals 2 and 3.

Although the advisory vote on the compensation of Named Executive Officers is non-binding as provided by law, the Company's Board of Directors will review the results of the vote and consider them in making future determinations concerning executive compensation.

With respect to Proposal 4, shareholders may vote for any one of three frequency options, or abstain. The frequency option that receives the most votes of all the votes cast in person or by proxy at the Annual Meeting is the one that will be deemed approved by the shareholders. Neither abstentions nor broker non-votes will impact the outcome of this proposal.

Although the advisory vote on the frequency of the vote on the compensation of our Named Executive Officers is non-binding as provided by law, the Company's Board of Directors will review the results of the vote and consider them in making future determinations concerning the frequency of the say on pay vote.

Revocability of Proxies

A proxy may be revoked at any time before it is voted by filing a written revocation of the proxy with the Company's Secretary at 300 Cadman Plaza West, 8<sup>th</sup> Floor, Brooklyn, New York 11201 or by submitting a duly executed proxy bearing a later date. A proxy also may be revoked by attending and voting at the Annual Meeting, only if a written revocation is filed with the Secretary prior to the voting of such proxy.

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Solicitation of Proxies

The Company will bear the costs of soliciting proxies from its shareholders. In addition to the use of mail, proxies may be solicited by officers, Directors or employees of the Company or the Bank by telephone or other forms of communication. The Company will also request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy materials to, and obtain proxies from, such beneficial owners, and will reimburse such holders for reasonable expenses incurred in connection therewith. In addition, the Company has retained Broadridge Financial Solutions, Inc. to assist in the solicitation of proxies. The cost of such solicitation will be paid by the Company.

Interests of Directors and Management in Certain Proposals

Shareholders will be asked to cast a non-binding advisory vote on Proposal No. 3 regarding compensation to the Company's Named Executive Officers, and the results of such advisory vote may influence future compensation decisions. The Board was aware of these interests and took them into account in recommending that the shareholders vote in favor of Proposal No. 3.

Director Attendance at Annual Meetings

The Company considers Board attendance at shareholder meetings a priority. It is the policy of the Company that Directors exercise their best efforts to attend every meeting. All eleven of the Company's Directors during the year ended December 31, 2015 attended the annual meeting held in 2016.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Principal Shareholders of the Company

The following table sets forth certain information as to persons known to the Company to be the beneficial owner of in excess of 5% of the shares of Common Stock as of March 29, 2017. Management knows of no person, except as listed below, who beneficially owned more than 5% of the Common Stock as of March 29, 2017. Except for the column titled "Percent of Class," and as otherwise indicated, the information provided in the table was obtained from filings with the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Addresses provided are those listed in the filings as the address of the person authorized to receive notices and communications. For purposes of the table below and the table set forth under "Security Ownership of Management," in accordance with Rule 13d-3 under the Exchange Act, a person is deemed to be the beneficial owner of any shares of Common Stock: (1) over which he or she has or shares, directly or indirectly, voting or investment power, and (2) of which he or she has the right to acquire beneficial ownership at any time within 60 days after March 29, 2017. As used herein, "voting power" includes the power to vote, or direct the voting of, Common Stock and "investment power" includes the power to dispose, or direct the disposition, of such shares. Unless otherwise noted, each beneficial owner has sole voting and sole investment power over the shares beneficially owned.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	The Employee Stock Ownership Plan Trust of Dime Community Bancshares, Inc. and Certain Affiliates (the "ESOP Trust") 300 Cadman Plaza West, 8 <sup>th</sup> Floor Brooklyn, NY 11201	2,601,107 <sup>(1)</sup>	6.9%

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Common Stock	Compensation and Human Resources Committee of Dime Community Bancshares, Inc. (includes the 2,601,107 ESOP Trust shares reflected above) 300 Cadman Plaza West, 8 <sup>th</sup> Floor Brooklyn, NY 11201	3,424,700 <sup>(2)</sup> 9.1%
Common Stock	Blackrock, Inc. 40 East 52nd Street New York, NY 10022	3,891,975 <sup>(3)</sup> 10.4%
Common Stock	The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	2,938,936 <sup>(4)</sup> 7.8%
Common Stock	Dimensional Fund Advisors LP 6300 Bee Cave Road Austin, TX 78746	2,412,079 <sup>(5)</sup> 6.4%

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(Notes to the table located on the following page)

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The ESOP is administered by the Compensation and Human Resources Committee of the Company's Board of Directors (the "Compensation and HR Committee"). The ESOP's assets are held in the ESOP Trust, for which Pentegra Trust Company serves as trustee (the "ESOP Trustee"). The ESOP Trust purchased shares of Common Stock on behalf of the ESOP with funds borrowed from the Company. The shares of Common Stock were held in a loan suspense account for release and allocation to participants' accounts as the ESOP loan was repaid. During the year ended December 31, 2016, the ESOP paid off the outstanding loan balance using 140,260 unallocated shares of Common Stock held in the loan suspense account. The 563,127 shares of Common Stock remaining in the ESOP Trust after the loan was repaid were allocated to active ESOP participants. As of March 29, 2017, all of the 2,601,107 shares held by the ESOP Trust were allocated. The terms of the ESOP provide that, subject to the ESOP Trustee's fiduciary responsibilities under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the ESOP Trustee will vote, tender or exchange shares of Common Stock held in the ESOP Trust in accordance with instructions received from the participants. The ESOP Trustee will vote allocated shares as to which no instructions are received in the same proportion as allocated shares with respect to which the ESOP Trustee receives instructions are voted, subject to fiduciary duties of the ESOP Trustee. With respect to allocated shares as to which no instructions are received, the ESOP Trustee will be deemed to have received instructions not to tender or exchange such shares. Each member of the Compensation and HR Committee disclaims beneficial ownership of such shares. See footnote 2 for a discussion of the voting and investment powers of the Compensation and HR Committee.

The Compensation and HR Committee serves certain administrative functions for the ESOP and Dime Community Bank 401(k) Plan [the "401(k) Plan"]. In addition, the Compensation and HR Committee serves as trustee for 246,732 unvested stock awards granted to certain officers of the Company or Bank under either the Dime Community Bancshares, Inc. 2004 Stock Incentive Plan (the "2004 Stock Incentive Plan") or the Dime Community Bancshares, Inc. 2013 Equity and Incentive Plan (the "2013 Equity and Incentive Plan") over which the Compensation and HR Committee has sole voting power. Shares indicated in the table as beneficially owned by the Compensation and HR Committee include all shares indicated in the table as beneficially owned by the ESOP Trust and 576,861 shares of Common Stock in the 401(k) Plan. The Compensation and HR Committee has the authority to direct the ESOP Trustee with respect to the investment of the ESOP's assets (including the acquisition or disposition of allocated shares) in the absence of a tender offer, but has no voting power with respect to any shares. With respect to the ESOP, ERISA, in limited circumstances, may confer upon the ESOP Trustee the power and duty to control the voting and tendering of Common Stock allocated to the accounts of participating employees and beneficiaries who fail to exercise their voting and/or tender rights. Each member of the Compensation and HR Committee disclaims beneficial ownership of such shares.

Blackrock, Inc. ("Blackrock") filed a Schedule 13G on January 12, 2017. The shares are held in various trust accounts for the economic benefit of former Barclay Private Bank and Trust Limited's customers who are the beneficiaries of those accounts. The Schedule 13G states that Blackrock has sole voting power over 3,819,712 shares and dispositive powers over 3,891,975 shares of Common Stock.

The Vanguard Group filed a Schedule 13G/A on February 10, 2017. The shares are primarily held in various trust accounts for the economic benefit of customers who are the beneficiaries of those accounts. The Vanguard Group has sole voting power over 39,318 of the shares, and sole dispositive power over up to 2,899,324 shares and shared dispositive powers over up to 39,612 shares.

Dimensional Fund Advisors LP filed a Schedule 13G on February 9, 2017. Dimensional Fund Advisors LP is a registered investment company, and serves as an investment manager or sub-advisor to certain other registered investment companies, comingled funds, group trusts and separate accounts, and could possess voting and/or investment powers over the Common Stock. The Schedule 13G states that Dimensional Fund Advisors LP has sole voting power over up to 2,287,178 shares, and sole dispositive power over up to 2,412,079 shares.

## Security Ownership of Management

The following table sets forth information as of the Record Date with respect to the shares of Common Stock beneficially owned by each of the Company's Directors and the principal executive officer, principal financial officer and three most highly compensated executive officers (other than the principal executive and principal financial officers) of the Company or Bank (the "Named Executive Officers" or "NEOs") other than Daniel J. Harris who resigned from the Company effective January 6, 2017, and all of the Company's Directors and executive officers as a group. Except as otherwise indicated, each person and each group shown in the table has sole voting and investment power with respect to the shares of Common Stock indicated.

The Company's Anti Hedging and Pledging and Insider Trading Policies prohibit Directors and senior officers from pledging Common Stock as collateral for any loan.

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Title of Class	Name of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership (1)(2)(3)		Percent of Class Outstanding		Vested Stock Options Included in Beneficial Ownership Total	Other Non-Beneficial Ownership (4)
Common	Vincent F. Palagiano	Director, Chairman of the Board <sup>(16)</sup>	766,803	(5)	2.0	%	112	354,760
Common	Michael P. Devine	Director, Vice Chairman of the Board	670,986	(6)	1.8		37,209	14,938
Common	Kenneth J. Mahon	Director, President and Chief Executive Officer ("CEO") <sup>(7)</sup>	397,422	(7)	1.1		24,459	180,255
Common	Anthony Bergamo	Director	164,078	(8)	*		11,812	—
Common	Steven D. Cohn	Director	82,327	(9)	*		10,000	—
Common	Patrick E. Curtin	Director	87,046	(10)	*		—	—
Common	Robert C. Golden	Director	29,793	(11)	*		2,444	—
Common	Kathleen M. Nelson	Director	20,548	(12)	*		2,444	—
Common	Joseph J. Perry	Director						