

DIME COMMUNITY BANCSHARES INC
Form DEF 14A
April 11, 2011

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 11, 2011

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 19, 2011 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, 2011, 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
Chairman of the Board and Chief Executive Officer

Dime Community Bancshares, Inc.
209 Havemeyer Street
Brooklyn, New York 11211
(718) 782-6200

NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS
To Be Held on May 19, 2011

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 19, 2011 at 10:00 a.m. Eastern Time, to consider and vote upon the following:

1. Election of six 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, 2011;
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 has fixed March 24, 2011 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 209 Havemeyer Street, Brooklyn, NY 11211 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 11, 2011

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.

DIME COMMUNITY BANCSHARES, INC.

PROXY STATEMENT FOR THE
ANNUAL MEETING OF SHAREHOLDERS

To Be Held on May 19, 2011

GENERAL INFORMATION

General

This Proxy Statement and accompanying proxy card are being furnished to the shareholders of Dime Community Bancshares, Inc. (the "Company") 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 19, 2011 (the "Annual Meeting") at Giando on the Water, 400 Kent Avenue, Brooklyn, New York, 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 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 12, 2011.

Record Date

The Company's Board of Directors has fixed the close of business on March 24, 2011 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 24, 2011 will be entitled to vote at the Annual Meeting. There were 34,683,130 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 Shareholder Meeting to Be Held on May 19, 2011

The notice of meeting, proxy statement, annual report and sample proxy card are available for review at <http://www.amstock.com/proxyservices/viewmaterial.asp?CoNumber=15119>. The notice of meeting, proxy statement and annual report are also available on the Company's website at 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.

You may vote your shares 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 19, 2011 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 six nominees for Director, FOR ratification of the appointment of Crowe Horwath LLP as independent auditors for the year ending December 31, 2011, FOR the compensation of the Company's executive officers, FOR an annual advisory vote on the compensation of the Company's 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 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 six 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.

With respect to the advisory vote determining the frequency of advisory shareholder votes on the compensation of executive officers (Proposal 4), shareholders may vote for any one of three frequency options or abstention. 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 votes on the compensation of executive officers, and on the frequency of the advisory vote on the compensation of executive officers are non-binding as provided by law, the Company's Board of Directors will review the results of the votes and consider them in making future determinations concerning executive compensation and the frequency of the advisory 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 209 Havemeyer Street, Brooklyn, New York 11211 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.

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 American Stock Transfer & Trust Company to assist in the solicitation of proxies. The cost of such solicitation, which will be comprised of reimbursement for reasonable out-of-pocket expense, will be paid by the Company.

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. Ten of the eleven individuals who were members of the Board at the time attended the annual meeting held in 2010. Due to religious observance, Director Steven D. Cohn did not attend the 2010 Annual meeting.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Principal Shareholders of the Company

The following table sets forth, as of March 24, 2011, 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. Management knows of no person, except as listed below, who beneficially owned more than 5% of the Common Stock as of March 24, 2011. Except 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 24, 2011. 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") 209 Havemeyer Street Brooklyn, NY 11211	3,266,029 (1)	9.42 %
Common Stock	Compensation Committee of Dime Community Bancshares, Inc. (includes the 3,266,029 ESOP Trust shares reflected above) 209 Havemeyer Street Brooklyn, NY 11211	3,787,354 (2)	10.92 %
Common Stock	Blackrock, Inc. 40 East 52nd Street New York, NY 10022	3,142,629 (3)	9.06 %

(1) The Employee Stock Ownership Plan of Dime Community Bancshares, Inc. and Certain Affiliates (the "ESOP") filed a Schedule 13G with the SEC on February 10, 2011. The ESOP is administered by the Compensation Committee of the Company's Board of Directors (the "Compensation Committee"). The ESOP's assets are held in the ESOP Trust, for which Pentegra Asset Management (formerly RS Group Trust Company) serves as trustee (the "ESOP Trustee"). The ESOP Trust purchased these shares with funds borrowed from the Company and placed them in a suspense account for release and allocation to participants' accounts in annual installments. As of March 24, 2011, 2,093,715 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 and any shares that have not been allocated to participants' accounts 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. The ESOP Trustee will tender or exchange any shares in the suspense account or that otherwise have not been allocated to participants' accounts in the same proportion as allocated shares with respect to which the ESOP Trustee receives instructions are tendered or exchanged, 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 Committee disclaims beneficial ownership of such shares. See footnote 2 for a discussion of the voting and investment powers of the Compensation Committee.

(2) The Compensation Committee filed a Schedule 13G with the SEC on February 10, 2011. The Compensation Committee serves certain administrative functions for the ESOP and The Dime Savings Bank of Williamsburgh 401(k) Plan [the "401(k) Plan"]. In addition, the Compensation Committee serves as trustee for 309,783 unvested restricted stock awards granted to certain officers of the Company or Bank under the 2004 Stock Incentive Plan. Shares indicated in the table as beneficially owned by the Compensation Committee include all shares indicated in the table as beneficially owned by the ESOP Trust. The Compensation 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 both allocated and unallocated 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 Committee disclaims beneficial ownership of such shares.

(3) Blackrock, Inc. ("Blackrock") filed a Schedule 13G on February 4, 2011 related to the former holdings of Barclay's Private Bank and Trust Limited ("Barclays"), of which Blackrock assumed ownership in December 2009. The shares are held in various trust accounts for the economic benefit of former Barclay's customers who are the beneficiaries of those accounts. The Schedule 13G states that Blackrock has sole voting and dispositive powers over 3,142,629 shares.

Security Ownership of Management

The following table sets forth information 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 officer) of the Company or Bank (the "Named Executive Officers"), and all of the Company's Directors and executive officers as a group, as of the Record Date. 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.

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 (4)	Other Non-Beneficial Ownership (5)
Common	Vincent F. Palagiano	Director, Chairman of the Board and Chief Executive Officer	1,587,543(6)	4.6%	910,830	316,323
Common	Michael P. Devine	Director, President and Chief Operating Officer	1,005,872(7)	2.9	539,197	214,265
Common	Kenneth J. Mahon	Director, First Executive Vice President and Chief Financial Officer	634,690(8)	1.8	300,758	117,026
Common	Anthony Bergamo	Director	163,545(9)	*	55,807	-
Common	George L. Clark, Jr.	Director	290,779(10)	*	64,676	-
Common	Steven D. Cohn	Director	112,384(11)	*	41,057	-
Common	Patrick E. Curtin	Director	138,804(12)	*	64,676	-
Common	Fred P. Fehrenbach	Director	142,619(13)	*	57,926	-
Common	John J. Flynn	Director	82,180(14)	*	41,557	-
Common	Robert C. Golden	Director	1,000	*	-	-
Common	Kathleen M. Nelson	Director	-	*	-	-
Common	Joseph J. Perry	Director	52,221	*	32,946	-
Common	Omer S.J. Williams	Director	49,122	*	32,946	-
Common	Daniel J. Harris	Executive Vice President and	73,916 (15)	*	43,289	42,041

		Chief Lending Officer				
Common	Timothy B. King	Executive Vice President and Chief Investment Officer (16)	282,351 (17)	*	109,141	-
All Directors and executive officers as a group (17 persons)			4,838,258	13.9%	2,414,172	732,643

* Less than one percent

(1) See "Security Ownership of Certain Beneficial Owners and Management – Principal Shareholders of the Company" for a definition of "beneficial ownership."

(2) The figures shown include ESOP shares held in trust that have been allocated to individual accounts as follows: Mr. Palagiano, 56,897 shares; Mr. Devine, 56,897 shares; Mr. Mahon, 56,897 shares; Mr. Harris, 1,854 shares, Mr. King, 53,732 shares and all Directors and executive officers as a group, 276,419 shares (the Directors do not participate in the ESOP). Such persons have voting power (subject to the legal duties of the ESOP Trustee) but no investment power, except in limited circumstances, as to such shares. The figures shown for Messrs. Palagiano, Devine, Mahon, Harris and King do not include any portion of the 1,172,317 ESOP shares held in trust that have not been allocated to any individual's account and as to which Messrs. Palagiano, Devine, Mahon, Harris and King may be deemed to share voting power with other ESOP participants. The figure shown for all Directors and executive officers as a group includes 1,172,317 shares as to which the members of the Compensation Committee (consisting of Messrs. Williams, Bergamo, Fehrenbach, Flynn and Perry) may be deemed to have sole investment power, except in limited circumstances, thereby causing each such Compensation Committee member to be deemed a beneficial owner of such shares. Each member of the Compensation Committee disclaims beneficial ownership of such shares and, accordingly, such shares are not attributed to the members of the Compensation Committee individually. In addition, the figure shown for all Directors and executive officers as a group includes 732,643 shares held in trust ("BMP Trust") for the benefit of Messrs. Palagiano, Devine, Mahon, King and other officers under the Benefit Maintenance Plan of Dime Community Bancshares, Inc. (the "BMP"). The BMP Trust, as directed by the Company, exercises voting and investment power over these shares (See "Compensation – Executive Compensation – Compensation Plans – ESOP").

(3) The figures shown include shares held pursuant to the 401(k) Plan that were allocated as of the Record Date to individual accounts as follows: Mr. Mahon, 115,684 shares; Mr. Harris, 2,534 shares, and all Directors and executive officers as a group, 118,218 shares. Such persons have sole voting power and sole investment power as to such shares [See "Compensation – Executive Compensation – Compensation Plans – 401(k) Plan"].

(4) Amounts include stock options eligible to be exercised within 60 days of March 24, 2011 as follows: Messrs. Bergamo, Clark, Cohn, Curtin, Fehrenbach, Flynn, Perry and Williams, 4,077 options each; Mr. Palagiano, 62,500 options; Mr. Devine, 61,285 options; Mr. Mahon, 38,707 options; Mr. Harris, 17,469 options; Mr. King, 20,355 options and all Directors and executive officers as a group, 251,552 options.

- (5) Other non-beneficial ownership amounts represent shares that are held in trust for the benefit of the respective Named Executive Officers under the BMP. Messrs. Palagiano, Devine, Mahon and King have neither voting nor investment power with respect to these shares. However, since the Company maintains full voting and dispositive powers over these shares, they are included in the total beneficial ownership amount for the full Directors and executive officers group (see footnote 2 above).
- (6) Includes 619,816 shares as to which Mr. Palagiano may be deemed to share voting and investment power.
- (7) Includes 369,560 shares as to which Mr. Devine may be deemed to share voting and investment power.
- (8) Includes 134,596 shares as to which Mr. Mahon may be deemed to share voting and investment power.
- (9) Includes 106,562 shares as to which Mr. Bergamo may be deemed to share voting and investment power.
- (10) Includes 84,375 shares as to which Mr. Clark may be deemed to share voting and investment power.
- (11) Includes 70,151 shares as to which Mr. Cohn may be deemed to share voting and investment power.
- (12) Includes 72,952 shares as to which Mr. Curtin may be deemed to share voting and investment power.
- (13) Includes 83,517 shares as to which Mr. Fehrenbach may be deemed to share voting and investment power.
- (14) Includes 39,447 shares as to which Mr. Flynn may be deemed to share voting and investment power.
- (15) Includes 6,968 shares as to which Mr. Harris may be deemed to share voting and investment power.
- (16) Mr. King's title was changed to Executive Vice President and Chief Risk Officer effective March 17, 2011.
- (17) Includes 100,519 shares as to which Mr. King may be deemed to share voting and investment power.

PROPOSAL 1

ELECTION OF DIRECTORS

General

The Company's Certificate of Incorporation and Bylaws provide for the election of Directors by the shareholders. For this purpose, the Company's Board of Directors is divided into three classes, each class to be as nearly equal in number as possible. The terms of office of the members of one class expire, and a successor class is to be elected, at each annual meeting of shareholders. The Company currently has thirteen Directors.

George L. Clark, Jr., Steven D. Cohn, John J. Flynn, and Kenneth J. Mahon, incumbent Directors whose terms expire at the Annual Meeting, have been nominated by the Nominating Committee of the Board of Directors to be re-elected at the Annual Meeting for a term expiring at the annual meeting to be held in 2014, or when their successors are otherwise duly elected and qualified. In addition, Kathleen M. Nelson and Robert C. Golden were elected to the Board in March 2011. Ms. Nelson and Mr. Golden have also been nominated by the Nominating Committee to be

elected at the Annual Meeting for a term expiring at the annual meeting to be held in 2014, or when their successors are otherwise duly elected and qualified.

Each nominee has consented to being named in this Proxy Statement and to serve, if elected. In the event that any nominee for election as a Director at the Annual Meeting is unable or declines to serve, which the Board of Directors has no reason to expect, the persons named in the Proxy Card will vote with respect to a substitute nominee designated by the present Board of Directors, unless the shareholder has elected to "withhold authority" with respect to all nominees.

Information as to Nominees and Continuing Directors

In March 2011, the Board determined that all of its current Directors with the exception of Messrs. Palagiano, Devine, Mahon and Curtin were independent pursuant to its Policy Regarding Director Independence (the "Director Independence Policy") and National Association of Securities Dealers, Inc. Rule 5605(a)(2) ["Rule 5605(a)(2)"]. Messrs. Palagiano, Devine and Mahon were not independent because they were officers of the Company. Mr. Curtin was deemed not independent because he was a member of a law firm providing various legal services to the Company or its subsidiaries. See, "Transactions with Certain Related Persons." The Director Independence Policy is available on the Company's website at www.dime.com by clicking Investor Relations and then Corporate Governance within the Investor Relations menu.

The Nominating Committee is responsible for identifying and selecting nominees for election by the Company's shareholders. The Nominating Committee is authorized to retain search firm(s) to assist in the identification of candidates. The 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 Nominating Committee has adopted general criteria for nomination to the Board which establish the minimum qualifications and experience to be examined in determining candidates for election. Pursuant to the general criteria, Directors should possess personal and professional ethics, integrity and values; be committed to representing the long-term

interests of the Company's shareholders and other constituencies; possess the ability to (a) exercise sound business judgment, (b) work with others as an effective group, and (c) commit adequate time to their responsibilities; be independent as defined in applicable law, the Director Independence Policy and the Company's Code of Business Ethics and be able to impartially represent the interests of the Company's shareholders and other constituencies; possess experience and expertise relevant to the business of the Company; and possess such other knowledge, experience or skills as required or which may be useful considering the composition of the Board, the operating requirements of the Company and the long-term interests of the shareholders. The nomination guidelines promote Board diversity to respond to business needs and shareholder interests.

The following table sets forth certain information with respect to each nominee for election as a Director and each Director whose term does not expire at the Annual Meeting ("Continuing Director"). There are no arrangements or understandings between the Company and any Director or nominee pursuant to which such person was selected as a Director or nominee. For information with respect to security ownership by Directors, see "Security Ownership of Certain Beneficial Owners and Management – Security Ownership of Management."

	Age(1)	Director Since(2)	Term Expires	Position(s) Held with the Company and the Bank
Nominees				
George L. Clark, Jr.	70	1980	2011	Director
Steven D. Cohn	62	1994	2011	Director
John J. Flynn	74	1994	2011	Director
Kenneth J. Mahon	60	2003	2011	Director, First Executive Vice President and Chief Financial Officer ("CFO")
Kathleen M. Nelson	65	2011	2011	Director
Robert C. Golden	64	2011	2011	Director
Continuing Directors				
Vincent F. Palagiano	70	1978	2013	Director, Chairman of the Board and Chief Executive Officer ("CEO")
Michael P. Devine	64	1980	2012	Director, President and Chief Operating Officer
Anthony Bergamo	64	1986	2012	Director
Patrick E. Curtin	65	1986	2013	Director
Fred P. Fehrenbach	74	1987	2012	Director
Joseph J. Perry	44	2005	2012	Director
Omer S. J. Williams	70	2006	2013	Director

(1) As of March 24, 2011.

(2) Includes service as a Director or Trustee with the Bank prior to the Company's incorporation on December 12, 1995.

The principal occupation and current public company directorships, as well as public company directorships held at any time during the past five years, of each of the nominees is listed below. The information with respect to the nominees is as of March 24, 2011, and includes each nominee's affiliations with the Bank and its principal operating subsidiaries.

The principal occupation and business experience of each nominee for election as a Director and each Continuing Director are set forth below.

Nominees for Election as Director

George L. Clark, Jr. has served as a Director of the Company since its formation in 1995 and as a Trustee or Director of the Bank since 1980. Mr. Clark has served as Lead Director of the Boards of both the Company and Bank since 2007. Mr. Clark is President of George L. Clark Inc. (Realtors), a New York State licensed real estate firm. Mr. Clark was a director of the Federal National Mortgage Association between 1986 and 1992, and a former Chairman of the New York State Republican Committee. Mr. Clark has been a licensed real estate broker for 50 years. This experience and these qualifications led the Board to conclude that Mr. Clark should serve as a Director of the Company.

Steven D. Cohn has served as a Director of the Company since its formation in 1995 and as a Trustee or Director of the Bank since 1994. Mr. Cohn is the managing partner in the law firm of Goldberg and Cohn LLP, in Brooklyn Heights, New York, and is both a past President of the Brooklyn Bar Association and a delegate to the New York State Bar Association. Mr. Cohn is also an adjunct professor at the Fashion Institute of Technology, teaching classes in business law and marketing research. This experience and these qualifications led the Board to conclude that Mr. Cohn should serve as a Director of the Company.

John J. Flynn has served as a Director of the Company since its formation in 1995 and as a Trustee or Director of the Bank since October 1994, and before that from February

1983 to February 1993. From February 1993 through August 1994, Mr. Flynn was Executive Vice President of Flushing Savings Bank, FSB in Flushing, New York. Since September 1994, Mr. Flynn has been a self-employed real estate mortgage broker and consultant. This experience and these qualifications led the Board to conclude that Mr. Flynn should serve as a Director of the Company.

Kenneth J. Mahon has served as a Director of the Company since 2002 and of the Bank since 1998. Mr. Mahon has served as the CFO of both the Company and the Bank since 1996. Mr. Mahon was named First Executive Vice President of both the Company and the Bank in 2008 and Executive Vice President of both the Company and Bank in 1997. Prior to serving as Executive Vice President, Mr. Mahon served as the Bank's Comptroller and Senior Vice President. Mr. Mahon is a member of the Financial Managers Society, the National Investor Relations Institute and the National Association of Corporate Directors, and serves on the Neighborhood Advisory Board of Brooklyn Legal Services Corporation A. Prior to joining the Bank in 1980, Mr. Mahon served in the financial areas of several New York City metropolitan area savings banks. This experience and these qualifications led the Board to conclude that Mr. Mahon should serve as a Director of the Company.

Robert C. Golden was elected to the Boards of Directors of both the Holding Company and the Bank in March 2011. Mr. Golden is currently retired, after having served from 1997 to 2010 as Executive Vice President of Corporate Operations and Systems at Prudential Financial, Inc. (previously Prudential Insurance Company of America), where he managed operations, technology infrastructure and communications and Administrative services for all of Prudential Financial Inc.'s subsidiaries. From 1976 through 1997, Mr. Golden served in several capacities at Prudential Securities, Inc., formerly a wholly-owned subsidiary of Prudential Insurance Company of America until majority ownership was sold in 2003, ending his tenure at Prudential Securities as Chief Administrative Officer in charge of operations, technology, systems infrastructure, communications, human resources, administrative services and real estate. Mr. Golden is a licensed member of the Financial Industry Regulatory Authority as a General Securities Representative, as well as in the specialties of Financial and Operations Principal and Uniform Securities Agent State Law Examination. This experience and these qualifications led the Board to conclude that Mr. Golden should serve as a Director of the Company. Mr. Golden was recommended by a retired Director of the Company.

Kathleen M. Nelson was elected to the Boards of Directors of both the Holding Company and the Bank in March 2011. Ms. Nelson currently serves as managing principal of Bay Hollow Associates, a commercial real estate advisory firm that she co-founded in 2009, as well as President of KMN Associates, LLC, a commercial real estate consulting firm which she founded, that provides consulting service to mixed-use and commercial retail real estate developers or owners. Ms. Nelson also served in the mortgage and real estate division of TIAA-CREF from 1968 through 2004, retiring as the Managing Director and Group leader of the division. Ms. Nelson currently serves on the Board of Directors and Compensation Committees of CBL & Associates Properties, Inc., a publicly traded Real Estate Investment Trust focused on shopping center properties, as well as Apartment Investment and Management Co., a publicly traded owner and manager of rental apartments. Ms. Nelson also currently serves as a trustee of the International Council of Shopping Centers ("ICSC"), where she chairs the Audit Committee and serves on the Nominating Committee, Investment and Employee Retirement Committee and the Architectural & Design Award Committee. She also serves as treasurer and a Director of ICSC's charitable foundation. Ms. Nelson is also a member of the advisory board of Castagna Realty Company, the Beverly Willis Architecture Foundation and the Anglo American Real Property Institute. This experience and these qualifications led the Board to conclude that Ms. Nelson should serve as a Director of the Company. Ms. Nelson was recommended by a business associate of an independent, non-management Director.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE NOMINEES FOR ELECTION AS DIRECTORS.

Continuing Directors

Vincent F. Palagiano has served as Chairman of the Board and CEO of the Company since its formation in 1995 and of the Bank since 1989. He has served as a Trustee or Director of the Bank since 1978. In addition, Mr. Palagiano has served on the Board of Directors of the Boy Scouts of America, Brooklyn Division since 1999, and served on the Boards of Directors of the Institutional Investors Capital Appreciation Fund from 1996 to 2006, and The Community Banker's Association of New York from 2001 to 2005. Mr. Palagiano joined the Bank in 1970 as an appraiser and has also served as President of both the Company and the Bank, and as Executive Vice President, Chief Operating Officer and Chief Lending Officer of the Bank. Prior to 1970, Mr. Palagiano served in the real estate and mortgage departments at other financial institutions and title companies. This experience and these qualifications led the Board to conclude that Mr. Palagiano should serve as a Director of the Company.

Michael P. Devine has served as a Director of the Company since its formation in 1995 and as a Trustee or Director of the Bank since 1980. Mr. Devine has served as President of both the Company and Bank since January 1, 1997 and as Chief Operating Officer of the Company since its inception in 1995 and of the Bank since 1989. Prior to Mr. Devine's appointment as President, he served as Executive Vice President and Secretary of both the Company and the Bank. Mr. Devine joined the Bank in 1971 and has served as the Internal

Auditor, Comptroller and Investment Officer. Prior to 1971, Mr. Devine served as a Senior Accountant with the firm of Peat Marwick Mitchell & Co. From August 2001 through September 12, 2008, Mr. Devine served on the Board of Directors of Retirement Systems Group, Inc. In September 2007, Mr. Devine joined the Board of Trustees of Long Island University and serves on its Audit and Budget and Finance Committees. In March 2009, Mr. Devine was elected a director of RSI Retirement Trust, for which he is not compensated. This experience and these qualifications led the Board to conclude that Mr. Devine should serve as a Director of the Company.

Anthony Bergamo has served as a Director of the Company since its formation in 1995 and as a Trustee or Director of the Bank since 1986. Mr. Bergamo is an attorney licensed in New York and New Jersey and currently serves as Vice Chairman of MB Real Estate, headquartered in Manhattan, New York. Mr. Bergamo is also the chief executive officer of Niagara Falls Redevelopment LLC, Chairman of the Federal Law Enforcement Foundation and Audit Chairman of SP Acquisition Holdings, Inc. In 2002, Mr. Bergamo was elected a director of Lonestar Steakhouse and Saloon, Inc., a publicly traded company. Mr. Bergamo also serves as a member of the New York State Judicial Screening Committee and as a board member of the New York City division of Off Track Betting. This experience and these qualifications led the Board to conclude that Mr. Bergamo should serve as a Director of the Company.

Patrick E. Curtin has served as a Director of the Company since its formation in 1995 and as a Trustee or Director of the Bank since 1986. Mr. Curtin is a senior member in the law firm of Conway Farrell Curtin & Kelly, P.C. ("Conway Farrell") in New York, New York, and has represented the Bank in loan closings, litigation and various other matters for over 26 years. This experience and these qualifications led the Board to conclude that Mr. Curtin should serve as a Director of the Company.

Fred P. Fehrenbach has served as a Director of the Company since its formation in 1995 and as a Trustee or Director of the Bank since 1987. Mr. Fehrenbach is President of Consolidated Brokerage Corp., a retail insurance brokerage located in Great Neck, New York. Mr. Fehrenbach has been with Consolidated Brokerage Corp. since 1975. Mr. Fehrenbach is also the President of Shell Realty Corp., a real estate holding company. This experience and these qualifications led the Board to conclude that Mr. Fehrenbach should serve as a Director of the Company.

Joseph J. Perry has served as a Director of both the Company and Bank since September 2005, and from January 2004 through August 2005 as a Director of Havemeyer Equities, Inc., a previously wholly-owned subsidiary of the Bank. He is currently a partner at Marcum LLP, a public accounting and consulting firm headquartered in New York, New York, where he has served as the Partner-In-Charge of the Long Island Tax Department since July 2004 and Firm-Wide Partner-in-Charge of Tax Services since 2006. Prior to joining Marcum LLP, Mr. Perry was a tax partner at one of the leading "Big 5" accounting firms and provided services to several financial services companies throughout the New York metropolitan area. Mr. Perry is a member of the American Institute of Certified Public Accountants and the New York State Society of Public Accountants. This experience and these qualifications led the Board to conclude that Mr. Perry should serve as a Director of the Company.

Omer S.J. Williams has served as a Director of both the Company and Bank since July 2006. Mr. Williams is an attorney, counsel to the law firm of SNR Denton LLP. He was a previously a partner at Thacher Proffitt & Wood LLP ("Thacher"), where he served as both Chairman of the firm's Executive Committee and Managing Partner of the firm from 1991 to 2003. Thacher's partners determined to dissolve the firm as of December 31, 2008, and Mr. Williams has served as Chairman of Thacher's dissolution committee since January 2009. Mr. Williams has more than 41 years of experience in banking, corporate and financial institution law, including securities and mortgage finance issues. This experience and these qualifications led the Board to conclude that Mr. Williams should serve as a Director of the Company.

Board Leadership Structure

The Chief Executive Officer also serves as Chairman of the Board, due, in part, to his extensive tenure with the Company and Bank, which provides unique and vital knowledge regarding their history, strategy, business and operations. The Board, however, has created a lead independent director position in order to enhance Board independence and oversight. George L. Clark, Jr. is currently the Lead Director. Among other functions, the Lead Director presides at executive sessions of the independent Directors and serves as a liaison between the Chairman of the Board and the independent Directors.

In the ordinary course of business, the Company faces various strategic, operating, compliance and financial risks. Management is responsible for the day-to-day management of risk, while the Board, as a whole and through its standing Committees, is responsible for the oversight of risk management. In its risk oversight role, the Board has the responsibility of satisfying itself that the risk management processes designed and implemented by management are adequate and functioning as designed. To accomplish this objective, the Board invites senior management to attend, and present reports at, all Board meetings. In addition, the Bank's Director of Risk Management attends all meetings of the Audit and Mortgage

Review Committees of the Board, and twice annually presents updates on risk management activities to the Audit Committee.

The Board has also recently created a Risk Committee, the purpose of which is to assist the Board with respect to oversight of the following risk management activities of the Company: identification; measurement; control processes; and ongoing monitoring. In addition, in March 2011, Mr. King was appointed Chief Risk Officer of the Company and Bank. In this newly created position, Mr. King will report directly to the Risk Committee, and be responsible for coordinating the various risk management activities of the Company, and providing periodic status reports to senior management and the Risk Committee. The Chief Risk Officer will attend all meetings of the Audit, Mortgage Review, and Risk Committees of the Board, and twice annually present updates on the Company's risk management activities to the Audit and Risk Committees.

Meetings and Committees of the Company's Board of Directors

The Board of Directors meets on a monthly basis and may have additional special meetings upon the request of the Chairman of the Board, President or at least 60% (but not less than five) of the Directors then in office. The Company's Board of Directors met twelve times during the year ended December 31, 2010. No incumbent Directors during 2010 attended fewer than 75% of the aggregate of: (i) the total number of Board meetings conducted during the period for which he was a Director, and (ii) the total number of meetings conducted by all committees of the Board on which he served during the periods that he served.

The Company's Board of Directors has established the following committees:

The Executive Committee consists of Messrs. Palagiano (Chair), Devine, Bergamo, Clark, Cohn and Fehrenbach. The purpose of the Executive Committee is to exercise all the powers of the Board in the management of the business and affairs of the Company in the intervals between the meetings of the Board. The Executive Committee meets at the call of the Chairman, President or a majority of the members of the Executive Committee. The Executive Committee conducted no meetings during the year ended December 31, 2010.

The Compensation Committee consisted of four independent Directors, Messrs. Bergamo (Chair), Fehrenbach, Flynn and Perry in 2010. Mr. Williams was added to the Committee as Chair in 2011. The Compensation Committee establishes the compensation of the CEO, approves the compensation of executive management, oversees administration of the process for determining the compensation and benefits of officers and employees of the Bank, recommends Director compensation to the Board and assists the Board in its oversight of the human resources activities of the Company and its subsidiaries.

The Compensation Committee utilizes Mercer, a nationally recognized compensation consulting firm, and outside legal counsel, to assist in performing its duties. Mercer is instructed to analyze the Company's performance and executive pay levels. A peer group of public banks and thrifts is used for comparison of both pay level and corporate performance. The Compensation Committee uses this analysis to assist it in understanding market practices and trends and to develop and evaluate the effectiveness of recommended performance-linked compensation strategies. The Committee relies on legal counsel to advise on its obligations under applicable corporate, securities and employment laws, to assist in interpreting the Company's obligations under compensation plans and agreements, and to draft plans and agreements to document business decisions. The Committee considers the expectations of executive management with respect to their own compensation, and their recommendations with respect to the compensation of Directors and more junior executive officers.

The Compensation Committee may delegate such of its powers and responsibilities as it deems appropriate to subcommittees of its membership or officers of the Company. The Compensation Committee operates pursuant to a charter, which is available on the Company's website at www.dime.com, by initially selecting "Investor Relations"

and subsequently selecting "Governance Documents." The Compensation Committee's charter requires that it meet annually and as requested by the Chairman of the Board of Directors. The Compensation Committee met six times during the year ended December 31, 2010.

The Nominating Committee consists of Messrs. Fehrenbach, (Chair), Curtin and Williams, each of whom is independent as defined in Rule 5605(a)(2). The Nominating Committee identifies and selects nominees for all Directorships, recommends committee memberships to the Board, and establishes criteria for the selection of new Directors to serve on the Board. The Nominating Committee met twice during 2010. In addition, the Nominating Committee met on March 17, 2011 to, among other matters, select the nominees for election as Directors at the Annual Meeting. In accordance with the Company's Bylaws, provided the Nominating Committee makes such nominations, no nominations for election as Director except those made by the Nominating Committee shall be voted upon at the Annual Meeting unless properly made by a shareholder in accordance with the procedures set forth under "2011 Annual Meeting Stockholder Proposals" in the proxy statement for the annual meeting held in May 2010. The Nominating Committee operates pursuant to a charter. A current copy of the Nominating Committee charter is available on the Company's website, at www.dime.com, by clicking Investor Relations and then Corporate Governance within the Investor Relations menu.

The Governance Committee consisted of Messrs. Williams (Chair), Cohn and Perry in 2010. In 2011, Mr. Flynn replaced Mr. Perry. The Governance Committee develops and recommends to the Board corporate governance principles applicable to the Company, and otherwise assumes a leadership role in the corporate governance of the Company. The Governance Committee met twice during 2010.

The Risk Committee was established in March 2011, and consists of Mr. Perry (Chair), Mr. Curtin, Mr. Golden and Ms. Nelson. The Risk Committee is appointed by the Board of Directors of the Company to assist the Board with respect to oversight of the Company's risk: identification; measurement; control processes; and ongoing monitoring. The Risk Committee operates pursuant to a written charter. A current copy of the charter may be viewed on the Company's website at www.dime.com. The Risk Committee charter requires that it meet at least four times annually or more frequently as circumstances dictate.

The Audit Committee consists of Messrs. Bergamo (Chair), Clark, Cohn, and Perry, each of whom is independent as defined in Rule 5605(a)(2) and satisfies the independence criteria set forth in Rule 10A-3(b)(1) of the Exchange Act. The Board of Directors has determined that Messrs. Bergamo and Perry qualify as Audit Committee financial experts as defined in Item 407(d)(5) of SEC Regulation S-K. The Audit Committee is appointed by the Board of Directors of the Company to assist the Board in (1) monitoring the integrity of the financial statements of the Company, (2) monitoring Company compliance with legal and regulatory requirements and internal controls, (3) monitoring the independence and performance of the Company's internal and independent auditors, and (4) maintaining an open means of communication among the independent auditor, senior management, the internal auditors, and the Board. The Audit Committee operates pursuant to a written charter. A current copy of the charter may be viewed on the Company's website at www.dime.com. The Audit Committee charter requires that it meet at least four times annually or more frequently as circumstances dictate. The Audit Committee met five times during the year ended December 31, 2010.

Report of Audit Committee

The following Report of the Company's Audit Committee is provided in accordance with the rules and regulations of the SEC.

Under rules promulgated by the SEC, the Company is required to provide certain information regarding the activities of its Audit Committee. In fulfillment of this requirement, the Audit Committee, at the discretion of the Board, has prepared the following report for inclusion in the Proxy Statement:

1. The Audit Committee has reviewed and discussed the audited consolidated financial statements of the Company as of and for the year ended December 31, 2010 with management;
2. The Audit Committee has discussed with the independent auditors the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T;
3. The Audit Committee has received the written disclosures and the letter from the independent accountant required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communication with the Audit Committee concerning independence, and has discussed with the independent accountant the independent accountant's independence; and
4. Based on the review and discussions referred to in paragraphs 1 through 3 above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010 for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE OF DIME COMMUNITY BANCSHARES, INC.

Anthony Bergamo, Chair
George L. Clark, Jr., Member
Steven D. Cohn, Member
Joseph J. Perry, Member

-10-

Directors' Compensation

Fee Arrangements. Fee arrangements in existence during the year ended December 31, 2010 were summarized as follows:

- Separate \$15,000 semi-annual retainer fees paid in June and December to each Director in compliance with the Company's Director Retainer Policy.
- Meeting attendance fees of \$1,500 for each of the monthly Company or Bank Board meetings attended by the Director. If the Boards of the Bank and the Holding Company met on the same day, Directors received only one fee for both meetings;
- \$1,000 for all Committee meetings attended by the Director from March 1, 2010 through December 31, 2010, as well as all Audit Committee meetings attended by the Director throughout 2010. \$900 for all non-Audit Committee meetings attended from January 1 through February 28, 2010. If a committee of both the Bank and the Holding Company met on the same day, only one fee is received for both meetings.
- Separate \$5,000 semi-annual retainer fees paid in June and December to the Chairman of the Audit Committee, provided such Chairman is in compliance with the Company's Director Retainer Policy.
- Separate \$2,500 semi-annual retainer fees paid in June and December to the Chairman of the Compensation Committee, provided such Chairman is in compliance with the Company's Director Retainer Policy.

Directors' Retirement Plan. The Company has adopted the Retirement Plan for Board Members of Dime Community Bancshares, Inc. (the "Directors' Retirement Plan"), which provides benefits to each eligible non-employee Director ("Outside Director") commencing on termination of Board service at or after age 65. An eligible Outside Director retiring at or after age 65 will be paid an annual retirement benefit equal to the amount of the aggregate compensation for services as a Director (excluding stock compensation) paid to him or her for the twelve-month period immediately prior to termination of Board service, multiplied by a fraction, the numerator of which is the number of years of service, up to a maximum of 10, as an Outside Director (including service as a Director or trustee of the Bank or any predecessor) and the denominator of which is 10. An individual who terminates Board service after having served as an Outside Director for 10 years may elect to begin collecting benefits under the Directors' Retirement Plan at or after attainment of age 55, however, the annual retirement benefits will be reduced pursuant to an early retirement reduction formula to reflect the commencement of benefit payments prior to age 65. An Outside Director may elect to have benefits distributed in any one of the following forms: (i) a single life annuity; (ii) a 50% or 100% joint and survivor annuity; or (iii) a single life annuity with a 5, 10, or 15 year guaranteed term. In the event that an Outside Director dies prior to the commencement of earned benefit payments under the Directors' Retirement Plan, a 50% survivor annuity will automatically be paid to his or her surviving spouse, unless the decedent has elected otherwise. This plan was frozen effective March 31, 2005.

2001 Stock Option Plan. The Dime Community Bancshares, Inc. 2001 Stock Option Plan for Outside Directors, Officers and Employees (the "2001 Stock Option Plan") was adopted by the Company's Board of Directors and subsequently approved by its shareholders at their annual meeting held in 2001. During the year ended December 31, 2010, six of the Company's eight Outside Directors were each granted 4,077 options under the 2001 Stock Option Plan. All of these options expire on April 30, 2020 and vest to the respective recipients on May 1, 2011. At December 31, 2010, there were up to 5,163 stock options eligible for future grant to Outside Directors under the 2001 Stock Option Plan.

2004 Stock Incentive Plan. The Dime Community Bancshares, Inc. 2004 Stock Incentive Plan (the "2004 Stock Incentive Plan") was initially adopted by the Company's Board of Directors and subsequently approved by its shareholders at their annual meeting held in 2004. Amendment Number One to the 2004 Stock Incentive Plan was adopted by the Company's Board of Directors in March 2008 and subsequently approved by its shareholders at their annual meeting held in 2008. At December 31, 2010, 602,784 shares remained eligible for future grant to either Outside Directors or officers and employees of the Company and its subsidiaries under the 2004 Stock Incentive Plan.

These may be granted in the form of either stock options or restricted stock awards, or a combination thereof. During the year ended December 31, 2010, two of the Company's eight Outside Directors were each granted 4,077 options under the 2004 Stock Incentive Plan. All of these options expire on April 30, 2020 and vest to the respective recipients on May 1, 2011. In addition, during the year ended December 31, 2010 a grant of 1,176 restricted stock awards was made to each of the eight Outside Directors of the Company under the 2004 Stock Incentive Plan, all of which vest to the respective recipients on May 1, 2011.

The following table sets forth information regarding compensation earned by each Outside Director during the year ended December 31, 2010:

DIRECTOR COMPENSATION							
Name	Fees Earned or Paid in Cash (1)	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings(4)	All Other Compensation (5)	Total
A n t h o n y Bergamo	\$74,900	\$14,994	\$15,000	—	\$70,671	\$746	\$176,311
George L. Clark, Jr.	56,000	14,994	15,000	—	20,703	746	107,443
Steven D. Cohn	55,400	14,994	15,000	—	70,384	746	156,524
Patrick E. Curtin	54,400	14,994	15,000	—	50,090	746	135,230
F r e d P . Fehrenbach	57,900	14,994	15,000	—	10,428	746	99,068
John J. Flynn	57,800	14,994	15,000	—	9,910	746	98,450
Joseph J. Perry	40,900	14,994	15,000	—	—	746	71,640
O m e r S . J . Williams	56,900	14,994	15,000	—	—	746	87,640

(1) Includes retainer payments, meeting fees, and committee and/or chairmanship fees earned during the year, whether such fees were paid currently or deferred.

(2) Represents the value of the award on the April 30, 2010 grant date, computed as 1,176 shares multiplied by an award value of \$12.75 per share (the Common Stock closing price on April 30, 2010).

(3) Represents the value of the award on the April 30, 2010 grant date, computed as 4,077 shares multiplied by an award value of \$3.679 per share as determined using the Black-Scholes option pricing model. For more information concerning the assumptions used for the option value calculation, please refer to Note 15 to the audited consolidated financial statements included in the Company's 2010 Annual Report on Form 10-K.

(4) Includes for each individual the increase (if any) for the year in the present value of the individual's accrued benefit (whether or not vested) under each tax-qualified and non-qualified actuarial or defined benefit plan calculated by comparing the present value of each individual's accrued benefit under each such plan in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 715 as of the plan's measurement date in such fiscal year to the present value of the individual's accrued benefit as of the plan's measurement date in the prior fiscal year.

(5) Amount represents dividends paid on unvested restricted stock awards that were granted on April 30, 2009 and April 30, 2010.

Executive Officers

The following individuals are executive officers of the Company, holding the offices set forth opposite their names:

Name	Position Held
------	---------------

V i n c e n t F .

Palagiano Chairman of the Board and CEO

Michael P. Devine President and Chief Operating Officer ("COO")

Kenneth J. Mahon First Executive Vice President ("FEVP") and CFO

Daniel J. Harris EVP and Chief Lending Officer ("CLO")

Terence J. Mitchell EVP and Chief Retail Officer

Timothy B. King EVP and Chief Investment Officer ("CIO")(1)

Michael Pucella EVP and Chief Accounting Officer ("CAO")

(1) Mr. King's title was changed to Executive Vice President and Chief Risk Officer effective March 17, 2011.

The executive officers are elected annually and hold office until their respective successors have been elected and qualified, or until death, resignation or removal by the Board of Directors. The Company has entered into Employment Agreements with certain of its executive officers which set forth the terms of their employment. See "Compensation Discussion and Analysis – Potential Payments Upon Termination and Change of Control."

-12-

Biographical information of the executive officers who are not Directors of the Company or Bank is set forth below.

Daniel J. Harris, age 54, was hired by the Bank in January 2008 as EVP and CLO, and was named an EVP and CLO of the Company in January 2009. Prior to joining the Bank, Mr. Harris served as EVP & Chief Credit Officer at Hudson Valley Bank, a commercial bank and financial services company. Prior to that role, Mr. Harris held senior positions at Credit Re Mortgage Capital, The Greater New York Savings Bank and Dollar Dry Dock Bank. Mr. Harris earned a Juris Doctor from St. John's University and has practiced law, with a specialty in real estate, as an employee of Manufacturers Hanover Trust Co. as well as two New York law firms.

Terence J. Mitchell, age 58, is an Executive Vice President and the Chief Retail Officer of both the Company and the Bank. Mr. Mitchell oversees all retail banking operations, including Dime Direct (the Bank's call center), and retail marketing strategies. Mr. Mitchell was most recently Executive Vice President and Senior Market Leader for Sovereign Bank's New York and New Jersey metropolitan division. Prior to that, he served at Independence Community bank for 32 years, rising to the position of Executive Vice President and President of Consumer Banking. Mr. Mitchell has served on the Boards of numerous not-for-profit organizations in the Brooklyn community.

Timothy B. King, age 52, has over 28 years of banking experience, and has been with the Bank since 1983. Mr. King was promoted to Treasurer of the Bank in 1989, Vice President of the Bank in 1993, Treasurer of the Company at its inception in 1995, First Vice President of both the Company and Bank in 1997, Senior Vice President of both the Company and the Bank in 1999 and EVP of both the Company and the Bank in 2008. In 2002, Mr. King was named the CIO of both the Company and Bank, overseeing the securities investment function of the both entities. In March 2011, Mr. King was named the Chief Risk Officer of both the Company and the Bank, in charge of oversight of all risk management functions of both entities.

Michael Pucella, age 57, was promoted to Comptroller of the Bank in 1989 and of the Company at its inception in 1995, Vice President of both the Company and Bank in 1996, First Vice President of both the Company and Bank in 1997, Senior Vice President of both the Company and the Bank in 1999, and EVP of both the Company and Bank in 2009. He currently serves as the CAO of both the Company and Bank, responsible for financial reporting, budgeting, corporate planning and tax administration. Mr. Pucella has been with the Bank since 1981, and has over 36 years of banking experience.

Compensation Discussion and Analysis

Introduction

Set forth below are (i) a description of the Company's decision making process for compensating the Named Executive Officers, (ii) a discussion of the background and objectives of the Company's compensation programs for Named Executive Officers, and (iii) a description of the material elements of the compensation of each of the Named Executive Officers.

The descriptions of compensation plans, programs and individual arrangements referred to in the Compensation Discussion and Analysis that are governed by written documents are qualified in their entirety by reference to the full text of their governing documents. Other than broad-based plans applicable to substantially all salaried employees, these documents have been filed as exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2010 and are incorporated herein by this reference.

1. Objectives

The goals of the executive compensation program are to enable the Company to attract, develop and retain strong executive officers capable of maximizing the Company's performance for the benefit of its shareholders. The

Company's executive compensation philosophy is to provide competitive target compensation opportunities with actual amounts earned commensurate with its financial performance and the generation of long-term value for shareholders through dividends and stock price appreciation. To accomplish these goals, the Company sets a base salary to provide a reasonable level of predictable base income and near- and long-term performance-based compensation to provide executive officers with clear opportunities to increase the value of their compensation by positive contribution to stockholder interests. The pay elements are intended to balance an appropriate mix of risk and return. Annual incentive awards are designed to provide incentives to encourage efforts to attain near-term goals which do not encourage excessive risk taking. Longer term incentive and stock awards are structured to align the executive's interest with those of the Company's shareholders and serve to retain executives over the long term. 2010 was a year of continuing economic difficulty as evidenced by the turmoil in the financial services and banking industries and persistent high unemployment and depressed real estate values in the New York metropolitan area. As a result, the Company's continued focus was on retaining and motivating key executives while controlling expense, managing credit issues and maintaining adequate capital.

2. Key Elements of the Compensation Package

The Company's 2010 compensation program for Named Executive Officers consisted of three key elements:

- base salary to provide a reasonable level of recurring income;
- annual incentives to motivate the Named Executive Officers to achieve short-term operating objectives; and
- long-term incentives designed to retain talented employees and provide an incentive to maximize shareholder return in the longer term.

The Company additionally provides certain retirement plans, termination benefits, fringe benefits and perquisites, in some instances for a large group of employees and in others limited to one or more executives.

Base Salary. The Company seeks to pay competitive base salaries by establishing a median pay level approach (See "3. Material Policies and Procedures – Benchmarking and Survey Data" for further detail regarding the methods used to that end). Executive base salary levels are generally reviewed on an annual basis and adjusted as appropriate. The Company desires to compensate executives fairly while being sensitive to increasing fixed costs.

For 2010, the Compensation Committee considered the prevailing market conditions and determined, with the input of Mercer, an independent, nationally recognized compensation consulting firm, to increase the base salary for the Named Executive Officers of the Company.

In 2010, base salary increases for the Named Executive Officers were as follows:

Name	% Increase	Dollar Increase	Resulting Annual Base Salary Rate
Vincent F. Palagiano	N/A	\$ -	\$ 686,000
Michael P. Devine	N/A	-	541,000
Kenneth J. Mahon	N/A	-	402,000
Daniel Harris	4.8	15,000	325,000
Timothy King	3.1	9,900	300,000

Messrs. Palagiano, Devine and Mahon waived any salary increase for 2010. Salary decisions for other Named Executive Officers resulted from an assessment of the Company's 2009 performance within the context of a competitive compensation review produced by Mercer that evaluated corporate performance during 2009. These salary increases were designed to reflect cost of living changes, reward effort and accomplishment in a challenging 2009 operating environment and to assist in the retention of executives directly responsible for managing the Company and the key operating units within the Company. Overall, the base salaries provided to the CEO, COO and CFO are within 10% (plus or minus) of the median of the fourteen comparable sized and similarly located public banks and thrifts used by Mercer for comparison of both pay level and corporate performance (the "2009 Comparison Group"), while the base salaries provided to Messrs. Harris and King approximate the 75th percentile.

Annual Incentives. The Company maintains a formal, shareholder-approved Annual Incentive Plan under which the Named Executive Officers may be awarded the opportunity to earn an annual cash payment based on the degree of achievement of pre-determined, formulaic performance measures. For 2010, the Company used a goal attainment approach to determine annual incentive payments for Named Executive Officers. Under this approach, target annual incentive award opportunities as a percent of base salary were established for each Named Executive Officer to provide competitive target cash compensation opportunities. Target represents the payout level for performance at expectation. A threshold opportunity for performance below which no award is paid was set at 50% of target and a maximum payout of 150% of target was set to reward superior performance. Target annual incentive percentages for

the Named Executive Officers approximate median relative to levels obtained from the 2009 Comparison Group.

The award opportunities were then linked with performance outcomes. For 2010, performance was initially assessed on four equally weighted measures: Core Earnings Per Share before credit costs ("Core EPS Before Credit Costs"), Reported Earnings Per Share ("Reported EPS"), Return on Average Stockholders' Equity ("Reported ROE") and Return on Risk-weighted Assets. Results on these measures relative to the pre-established objectives were used to determine preliminary payout levels at the end of 2010. The

Compensation Committee also considered Company performance on supplemental measures, including efficiency ratio, non-performing assets, net charge-offs and capital ratio, relative to historical and peer company results. The Compensation Committee may exercise judgment to adjust the payout levels based on its review of performance on supplemental or other relevant measures.

Performance results were as follows:

Key Measures	Target	Result
Core EPS Before Credit Costs(1)	\$1.40	\$1.47
Reported EPS	1.06	1.24
Reported ROE	11.53%	13.15%
Return on average risk-weighted assets (2)	1.29%	1.57%

(1) Core EPS Before Credit Costs reflects the following adjustments from Reported EPS:

Other than temporary impairment charges on investment securities	\$0.04
Provision for loan losses	0.19
Total adjustment	\$0.23

(2) Average risk-weighted assets is computed as the average of the Bank's period-end risk weighted assets as of December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, as reported on Schedule CCR of the Bank's quarterly Thrift Financial Report ("TFR") filed publicly with the Office of Thrift Supervision. Schedule CCR of the TFR reconciles the Bank's period-end stockholders' equity computed under Accounting Principles Generally Accepted in the U. S. ("GAAP"), with the period-end risk-weighted assets.

The Compensation Committee, in consideration of the aforementioned supplemental measures, as well as the continuing effort to control operating expenses, approved reduced payment amounts as follows: Mr. Palagiano, \$400,000 (116.6% of target payout, and 81.6% of payment calculation); Mr. Devine, \$285,000 (117.3% of target payout, and 82.0% of payment calculation). The approved payments Mr. Mahon, Mr. Harris, and Mr. King were \$193,000, \$148,000 and \$104,000, respectively. These bonus payments were analyzed as part of a collective bonus paid to the Company's remaining executive officer group. The aggregate bonus paid to this group of remaining executives totaled 108.6% of the target payout and 76.0% of the payment calculation.

Long-term Incentives. The Compensation Committee believes that grants of long-term incentives in the form of stock options and/or restricted stock are the most effective method, where available, of aligning executive rewards with the creation of value for shareholders through stock appreciation.

In consideration of the Company's performance for the year ended December 31, 2009, the Compensation Committee granted awards of restricted stock and options to the Named Executive Officers after considering Mercer's assessment of comparable practices at the 2009 Comparison Group as well as Company and individual performance, the 2009 operating environment and competitive market conditions.

In 2010, the following grants of stock options and restricted stock shares were made to the Named Executive Officers:

Name	Total Share Grant	# of Options	# of Shares	Total Value of Grant
Vincent F. Palagiano	-	-	-	-
Michael P. Devine	34,118	18,206	15,912	\$ 270,502
Kenneth J. Mahon	22,817	12,176	10,641	180,899

Daniel Harris	17,216	9,187	8,029	136,494
Timothy King	14,757	7,875	6,882	116,996

Overall, long-term incentives of the Named Executive Officers other than the CFO are positioned between the median and 75th percentile of the 2009 Comparison Group. The CFO is positioned in the 75th percentile.

All of the above grants were made effective April 30, 2010 under either the 2001 Stock Option Plan or the 2004 Stock Incentive Plan, vest over four years and had a grant date fair value of \$3.714 per option and \$12.75 per restricted stock share. The Company intends to make selective equity awards in the future as part of its ongoing competitive executive compensation program. Please refer to Note 15 of the Company's financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2010 for information on the calculation of these award values.

Long-Term Incentives - Vincent F. Palagiano. The 2008 amendments to the 2004 Stock Incentive Plan increasing the number of shares available provide that Mr. Palagiano is ineligible to receive stock options or awards under that plan. Instead, the Company has adopted a cash-based, multi-year long-term incentive plan in which Mr. Palagiano is eligible to participate. The plan was designed to provide a competitive long-term incentive arrangement instead of the opportunities that Mr. Palagiano would otherwise have received under the 2004 Stock Incentive Plan. The plan enhances overall pay for performance since the value earned relates directly to the Company's performance on selected key metrics. The period for measurement of the grant awarded in 2010 is January 1, 2010 through December 31, 2012. The plan sets an incentive target for this period of \$429,000 (62.5% of base salary of \$686,000), and a range of payout levels for this period as follows: threshold payout level represents a payment of \$214,500 (50% of the target), and is paid for a baseline level of acceptable performance to receive any award; target payout represents a payment of \$429,000 and is paid for performance at expectation; and maximum payout represents a payment of \$643,500 (150% of target) and is paid for exceptional performance. The criteria for payment for this period are as follows:

	Threshold	Target	Maximum	Criteria Weight in Determining Payout
Total Shareholder Return ("TSR") (percentile rank in 2009 Comparison Group)(1)	40th	50th	74th	50%
Cumulative Core EPS (2)	\$3.07	\$3.41	\$3.75	25%
Average Annualized Reported ROE	9.8%	11.6%	13.3%	25%

(1) The 2009 Comparison Group is discussed below under "3. Material Policies and Procedures."

(2) Core EPS is a non-GAAP measure that is calculated as Reported EPS excluding other-than-temporary impairment charges on investments, gains or losses on disposals of assets (excluding loans held for sale), and other significant income or expense items that are non-recurring in nature.

The Compensation Committee does not have discretion to increase the size of the payout or to award compensation if the goals are not met. Payment will be made in cash in the first quarter of 2013 if Mr. Palagiano is employed on December 31, 2012. If Mr. Palagiano's employment terminates prior to that date due to death, disability or retirement, the Company's obligation will be prorated for performance as of the effective date of the termination and paid at the end of the performance period unless the Compensation Committee has determined otherwise. The Compensation Committee may provide for immediate payout in the case of death. In the event of a change of control, performance will be assessed through the end of the change of control date and prorated payment made as soon as possible after that date. If the actual performance results cannot be calculated, the target will be used.

A similar long-term incentive arrangement implemented for Mr. Palagiano in 2008 for the 27-month period beginning October 1, 2008 and ending December 31, 2010 was settled. The plan set an incentive target for this period of \$428,750 (62.5% of base salary of \$686,000), and a range of payout levels for this period as follows: threshold payout level represents a payment of \$214,375 (50% of the target), and is paid for a baseline level of acceptable performance to receive any award; target payout represents a payment of \$428,750 and is paid for performance at expectation; and maximum payout represents a payment of \$643,125 (150% of target), and is paid for exceptional performance. The established performance goals, actual achievement levels and incentive earned for the measurement period are shown in the following table:

Performance Goal	Threshold	Target	Maximum	Actual	Achievement (% of Target)	Weighted Achievement(1)	Payout Amount (\$)
TSR (percentile rank in 2007 Comparison Group) (2)	40th	50th	74th	71st	143.16%	71.580%	
Cumulative Core EPS (3)	\$2.23	\$2.48	\$2.73	\$2.43	89.58	22.395%	
Average Annualized Reported ROE	10.3%	12.1%	13.9%	10.8%	62.5%	15.625%	
Total Payout						109.600%	\$469,910

(1) The weighted achievement is calculated as the achievement percentage multiplied by the weighting of the performance goal in determining the payout amount. In accordance with

the plan, the TSR was provided a 50% weighting, while Cumulative Core EPS and Average Annualized Reported ROE were each provided a 25% weighting. See "Compensation – Compensation Plans - Long Term Cash Incentive Payment Plan – for a further discussion of the applicable provisions of the plan.

(2) The 2007 Comparison Group was developed by Mercer, and consisted of the following: Astoria Financial Corporation, First Niagara Financial Group, Flushing Financial Corp., Hudson City Bancorp, Inc., Investors Bancorp, Inc., NewAlliance Bancshares, Inc., New York Community Bancorp., Inc., OceanFirst Financial Corporation, Provident Financial Services, Inc., Signature Bank, Sterling Bancorp, Inc., Sun Bancorp, Inc., and Valley National Bancorp, Inc.

(3) The following adjustments were made in deriving Core EPS from Reported EPS:

Reported EPS	\$2.18
Other than temporary impairment charges on investments	0.24
Losses recognized on other real estate owned	0.01
Core EPS	\$2.43

Other Elements of the Executive Compensation Package. The Company’s compensation program for Named Executive Officers consisted of the following additional elements:

Retirement Plan – The Bank maintains the Retirement Plan of The Dime Savings Bank of Williamsburgh (the “Retirement Plan”), a noncontributory, tax-qualified defined benefit pension plan for eligible employees; however, all participant benefits under the Retirement Plan were frozen in March of 2000, and no benefits have been accrued under the Retirement Plan since that date.

401(k) Plan – The Bank maintains the 401(k) Plan, which is a tax-qualified defined contribution plan permitting salaried employees with at least one year of service to make pre-tax salary deferrals under Section 401(k) of the Internal Revenue Code of 1986 (the “Code”). Each participant receives a fully vested contribution of 3% of “covered compensation” as defined in the 401(k) Plan, up to applicable Internal Revenue Service (“IRS”) limits. The 3% contribution was required through 2006 and is discretionary in years after 2006.

ESOP – The Company has established, and the Bank has adopted, the ESOP and related trust for the benefit of eligible employees. All of the Company’s and the Bank’s salaried employees are eligible to become participants in the ESOP after one year of employment.

BMP – The Bank maintains a BMP, which provides eligible employees with benefits that would be due under the Retirement Plan, ESOP and 401(k) Plan, if such benefits were not limited under the Code. Effective April 1, 2000, Retirement Plan benefit accruals were frozen, thus eliminating related benefit accruals under the BMP. However, the present value of such benefits continues to increase as the Named Executive Officers approach normal retirement age. These increases in present value are reported in the Summary Compensation Table under the column Change in Pension Value and Nonqualified Deferred Compensation Earnings. Effective January 1, 2005, the BMP benefit accruals associated with the 401(k) Plan and ESOP were suspended even though contributions to the 401(k) Plan and ESOP were continued. In December 2010, the BMP benefit accruals associated with the 401(k) Plan and ESOP were reactivated and catch-up credits were made for the 2005-2010 period. These credits are reported in the Summary Compensation Table under the column All Other Compensation.

2001 Stock Option Plan – The Company’s Board of Directors adopted the 2001 Stock Option Plan, which was approved by the Company’s shareholders at their 2001 annual meeting. At December 31, 2010, there were up to 20,520 stock options eligible for future grant under the 2001 Stock Option Plan, of which up to 5,163 were eligible for future grant to Outside Directors and 15,357 were eligible for future grant to officers and employees of the Company or its subsidiaries. Under the terms of the 2001 Stock Option Plan, the eligible grant amounts may be increased by the amount of options granted under the 2001 Stock Option Plan that are subsequently forfeited by the recipient. All grants made prior to December 30, 2005 under the 2001 Stock Option Plan vested as of December 30, 2005. The 2001 Stock Option Plan will expire on November 14, 2011, after which no further awards may be made.

2004 Stock Incentive Plan – The Company’s Board of Directors has adopted the 2004 Stock Incentive Plan, which was approved by the Company’s shareholders at their 2004 annual meeting and additional shares were approved by shareholders at their 2008 annual meeting. At December 31, 2010, up to 602,784 shares remained eligible for future grant to either Outside Directors or officers and employees of the Company and its subsidiaries under the 2004 Stock Incentive Plan. All of these may be granted in the form of stock options, while up to 452,237 shares may be granted as restricted stock awards. Under the terms of the 2004 Stock Incentive Plan, the eligible grant amount may be increased by the amount of shares granted under the 2004 Stock Incentive Plan that are subsequently forfeited by the recipient. All grants made prior to December 30, 2005 under the 2004 Stock Incentive Plan vested as of December 30, 2005.

Perquisites – Certain Named Executive Officers are provided with modest perquisites, including use of a company car and professional financial planning and tax preparation services. The Company provides these benefits in kind, but the Compensation Committee considers the cost of these items in establishing the other elements of compensation. The Company provides these benefits because they are usual and customary in the industry.

Potential Payments Upon Termination and Change of Control – The Company believes it is in its best interests to provide severance benefits to the Named Executive Officers in the event of their termination of employment under certain circumstances. Specifically, Messrs. Palagiano, Mahon and Devine (the "Senior Executives") are entitled to severance benefits upon their termination of employment by the Company without cause, their resignation for good reason or the occurrence of a change of control during their employment period. Messrs. Harris and King (the "Contract Employees") have change of control agreements that provide severance benefits payable only upon a change of control and termination of their employment by the Company or its successors without cause or their resignation for good reason, in each case, within certain periods following or preceding a change of control. The Company and Bank have determined that these types of protections are required in order to retain talented and qualified executive officers. The Compensation Committee has determined that a more comprehensive employment agreement with change of control triggers is necessary to retain the Senior Executives.

Employment Agreements and Change in Control Agreements. Consistent with the practices of other financial institutions of similar size and business mix in the greater New York metropolitan area, the Company and Bank have entered into employment or change in control severance agreements with each of their executive officers. The Company considers these arrangements important retention devices. They also provide a measure of financial security for executive officers so that, when faced with the prospect of a negotiated or unsolicited merger opportunity, they can focus on the business of the Company with reduced personal distractions. The Company periodically reviews the terms of these agreements against the publicly disclosed terms and conditions of contracts in place at other institutions and compares their projected costs to those disclosed for similar contracts in the merger proxy statements in recent financial institution mergers. The Company conducted such a review in 2007.

The employment agreements and change in control agreements were amended and restated in 2008 to include provisions required to comply with Section 409A of the Code. Generally, under these provisions, if the Named Executive Officer is a "specified employee" under Section 409A, payments upon certain terminations of employment will be paid on the first day of the seventh month after termination of employment.

Employment Agreements for Messrs. Palagiano, Devine and Mahon. At December 31, 2010, the Company and the Bank were parties to employment agreements ("Employment Agreements") with each of the Senior Executives. These Employment Agreements establish the respective duties and compensation of the Senior Executives and are intended to ensure that both the Company and Bank will be able to maintain a stable and competent management base. The continued success of the Company and Bank depend to a significant degree on the skills and competence of the Senior Executives.

The Employment Agreements provide for three-year terms. The Bank's Employment Agreements provide that, prior to the first anniversary date and continuing each anniversary date thereafter, the Bank's Board of Directors may agree, after conducting a performance evaluation of the Senior Executive, to extend his Employment Agreement for an additional year, so that the remaining term shall be three years. Each of the Bank's Employment Agreements has been extended to a December 31, 2011 expiration date. The Company's Employment Agreements provide for automatic daily extensions unless written notice of non-renewal is provided by the Board of Directors or the Senior Executive, in which event the Employment Agreement shall end on the third anniversary of such notice.

The Employment Agreements provide for termination by the Bank or the Company at any time for cause as defined in the Employment Agreements. In the event that either the Company or Bank chooses to terminate a Senior Executive's

employment other than for cause, or a Senior Executive resigns from the Bank or Company for “good reason” as defined in the Employment Agreements, the Senior Executive or, in the event of death, his beneficiary, would be entitled to a lump sum cash payment in an amount equal to the remaining base salary and bonus payments due to the Senior Executive and the additional contributions or benefits that would have been earned under any employee benefit plans during the remaining term of the Employment Agreement and payments that would have been made under any incentive compensation plan during the remaining term of the Employment Agreement. The Senior Executive would also have the right to receive a lump sum cash payment of benefits to which the Senior Executive would have been entitled under the BMP. Both the Bank and Company would also continue the Senior Executive’s life, health and disability insurance coverage for the remaining term of the Employment Agreement. For purposes of the Employment Agreements, “good reason” generally means (i) assignment of duties inconsistent with the Senior Executive’s status or a substantial adverse alteration in the nature or

status of responsibilities or a requirement to report to a different position, (ii) reduction in annual base salary (unless mandated at the initiation of applicable regulatory authority), (iii) failure to pay compensation or deferred compensation within seven days of when due unless inadvertent, immaterial or cured after notice, (iv) failure to continue in effect compensation plans material to total compensation (or substitute plans) with respect to the Senior Executive, (v) failure to continue to provide certain benefits or materially maintain benefits (unless mandated at the initiation of applicable regulatory authority), (vi) failure of the Bank to obtain satisfactory agreement from a successor to assume and agree to perform the Employment Agreements, (vii) any purported termination by the Bank not for cause or disability, (viii) any or no reason during the period of sixty days beginning on the first anniversary of the effective date of a change of control, as defined in the Employment Agreement, (ix) a change in the majority of the Board, unless approved by a vote of at least two-thirds of the members of the Board at the time the Employment Agreements were entered into or members elected or nominated by such members, (x) a relocation of the Senior Executive's principal place of employment outside of the New York metropolitan area, or (xi) a material breach of the Employment Agreements, unless cured within 30 days.

In general, for purposes of the Employment Agreements, a "change of control" will be deemed to occur when a person or group of persons acting in concert acquires beneficial ownership of 25% or more of any class of equity security, such as the Common Stock, or in connection with mergers or consolidations of assets or a contested election of Directors which results in a change of control of the majority of the Company's or Bank's Board of Directors or liquidation or sale of substantially all the assets of the Company or Bank. In the event of a change in control of the Company or Bank, the Company's Employment Agreements provide that (1) the term of employment will be converted to a fixed two year period beginning on the date of the change in control, and (2) if the Senior Executive signs a release of any further rights under his Employment Agreement with the Bank, an immediate lump sum payment will be paid (whether or not employment has terminated) equal to the present value of three years salary, bonus and fringe benefits plus an additional lump sum equal to the present value x minus y , where x is a specified target pension for each Senior Executive and y is the actual pension benefits due to the Senior Executive under the Bank's and the Company's qualified and nonqualified defined benefit pension plans. The target pension is 26-2/3% of highest aggregate salary and bonus for Mr. Palagiano; 25% of highest aggregate salary and bonus for Mr. Devine; and 16-2/3% of highest aggregate salary and bonus for Mr. Mahon. Highest aggregate salary and bonus for this purpose is the highest salary and bonus for the three consecutive years during the final 10 years of employment for which the aggregate is the highest.

Payments to the Senior Executives under the Bank's Employment Agreements are guaranteed by the Company in the event that payments or benefits are not paid by the Bank. The Company will make all payments under its own Employment Agreements. To the extent that payments under the Company's Employment Agreements and the Bank's Employment Agreements are duplicative, payments due under the Company's Employment Agreements would be offset by amounts actually paid by the Bank. Senior Executives would be entitled to reimbursement of certain costs incurred in interpreting or enforcing the Employment Agreements up to \$50,000 for each Senior Executive.

Cash and benefits paid to a Senior Executive under the Employment Agreements together with payments under other benefit plans following a change of control of the Bank or Company may constitute an "excess parachute" payment under Section 280G of the Code, resulting in the imposition of a 20% excise tax on the recipient and the denial of the deduction for such excess amounts to the Company and the Bank. The Company's Employment Agreements include a provision indemnifying each Senior Executive on an after-tax basis for any "excess parachute" excise taxes.

Subsequent to December 31, 2010, the Company completed negotiations initiated in 2009 with Messrs. Palagiano, Devine and Mahon to restructure their Employment Agreements. These negotiations resulted in the following changes to the material terms of each executive's Employment Agreement:

- The lump sum payment of three times base salary, bonus and fringe benefits upon a change in control whether or not employment terminated has been eliminated.

- The lump sum payment due in the event of termination of employment, other than for cause, following a change in control has been increased from two times to three times salary, bonus and fringe benefits.
- The basis for calculating the bonus component of a termination payment has been changed from highest historical bonus to the higher of current target bonus or highest actual bonus in any of the most recent three years.
- The lump sum non-qualified pension payment payable only in the event of a change in control has been eliminated.

Employee Retention Agreements for Messrs. Harris and King. The Bank has, jointly with the Company, entered into Employee Retention Agreements (“Retention Agreements”) with the Contract Employees. The purpose of the Retention Agreements is to secure the Contract Employees’ continued availability and attention to the Bank’s affairs,

relieved of distractions arising from the possibility of a change of control, as defined in the Retention Agreements. The Retention Agreements do not impose an obligation on the Bank to continue the Contract Employees' employment, but provide for a period of assured compensation (the "Assurance Period") following a change of control. The Retention Agreements provide for an Assurance Period of three years. The applicable Assurance Periods for the present agreements with Mr. Harris and Mr. King will be automatically extended on a daily basis under the Retention Agreements until written notice of non-extension is provided by the Bank or the Contract Employee. Both Retention Agreements expire as of December 31, 2011, on which date, or prior thereto, the Bank may choose to extend either or both Retention Agreements.

If, during the Assurance Period, or prior to commencement of the Assurance Period but within three months of and in connection with a change of control (as defined in the Retention Agreements), a Contract Employee is discharged without "cause" (as defined in the Retention Agreements) or voluntarily resigns within ninety days following: (i) a failure to appoint or elect the Contract Employee to the same position in which he was serving; (ii) a material failure, after notice, to vest in the Contract Employee his responsibilities on the day before the Assurance Period commenced (or the functions, duties and responsibilities of a more senior office to which he may be appointed); (iii) a failure of the Bank to cure a material breach of the Retention Agreement after notice; (iv) a reduction in compensation or a material reduction in benefits; or (v) relocation of the Contract Employee's principal place of employment which results in certain adverse commuting increases, the Contract Employee (or, in the event of his death, his estate) would be entitled to, subject to certain restrictions, (a) continued group life, health, accident and long-term disability insurance benefits for the unexpired Assurance Period, (b) a lump sum cash payment equal to the remaining base salary (present value) and bonus payments the Contract Employee would have earned during the unexpired Assurance Period, and (c) any additional contributions and benefits that the Contract Employee would have earned under the Bank's or the Company's employee benefit plans during the unexpired Assurance Period.

The cash and benefits paid under the Retention Agreements, together with payments under other benefit plans following a "change of control," may constitute an "excess parachute" payment under Section 280G of the Code, resulting in the imposition of a 20% excise tax on the recipient and the denial of the deduction for such excess amounts to the Company and Bank under Section 4999 of the Code. The Retention Agreements include a provision whereby the Company pays Messrs. Harris and King the net amount of their termination benefits after any tax imposed under Section 4999 of the Code or the maximum amount which may be paid without giving rise to any tax under Section 4999, whichever is greater. Payments to Messrs. Harris and King under their respective Retention Agreements are guaranteed by the Company to the extent that the required payments are not made by the Bank.

3. Material Policies and Procedures

Benchmarking and Survey Data. The Compensation Committee utilizes legal counsel and a nationally recognized compensation consulting firm, Mercer, to assist in performing its duties. The Committee relies on legal counsel to advise on its obligations under applicable corporate, securities and employment laws, to assist in interpreting the Company's obligations under compensation plans and agreements, and to draft plans and agreements to document business decisions. The consulting firm regularly analyzes the Company's executive pay levels, by each of the three key elements cited and in total, and the Company's performance. The 2009 Comparison Group was used for comparison of both pay level and corporate performance. The following companies comprised the 2009 Comparison Group: Astoria Financial Corporation, First Niagara Financial Group Inc., Flushing Financial Corp., Investors Bancorp Inc., New Alliance Bancshares Inc., New York Community Bancorp, OceanFirst Financial Corporation, Provident Financial Services Inc., Signature Bank, Smithtown Bancorp Inc., Sterling Bancorp, Sun Bancorp Inc., and Valley National Bancorp. For 2010, Kearny Financial Corporation, Oritani Financial Corporation and TrustCo Bank Corporation were added to the Comparison Group, and Astoria Financial Corporation and New York Community Bancorp were removed from the Comparison Group. The Compensation Committee uses this analysis to assist it in understanding market practices and trends and to develop and evaluate the effectiveness of recommended performance-linked compensation strategies. Generally, the Compensation Committee endorses a median pay level

approach, with actual pay commensurate with relative performance. To that end, the flexibility provided by the bonus program permits the Compensation Committee to take market conditions into account each year.

Impact of Accounting and Tax Treatment.

Section 162(m) – Section 162(m) of the Code imposes a \$1,000,000 annual limit per executive officer on the Company's federal tax deduction for certain types of compensation paid to the Named Executive Officers. It has been the Compensation Committee's practice to structure the compensation and benefit programs offered to the Named Executive Officers with a view to maximizing the tax deductibility of amounts paid. However, in structuring compensation programs and making compensation decisions, the Compensation Committee considers a variety of factors, including the Company's tax position, the materiality of the payments and tax deductions involved, and the need for flexibility to address unforeseen circumstances. After considering these factors, the Compensation Committee may decide to authorize payments all or part of which would be nondeductible for federal tax purposes. It is anticipated that any compensation for 2010 that is rendered non-deductible by this limit will not have a material effect. Payments made on account of a change of control under the

agreements described above might include non-deductible payments.

Sections 4999 and 280G – Section 4999 of the Code imposes a 20% excise tax on certain “excess parachute payments” made to “disqualified individuals.” Under section 280G of the Code, such excess parachute payments are also nondeductible to the Company. If payments that are contingent on a change of control to a disqualified individual (which includes the Named Executive Officers) exceed three times the individual’s “base amount,” they constitute “excess parachute payments” to the extent they exceed one time the individual’s base amount.

Pursuant to the Employment Agreements and Retention Agreements, the Company or Bank will reimburse the Named Executive Officers for the amount of the excise tax, if any, and make an additional gross-up payment so that, after payment of the excise tax and all income and excise taxes imposed on the reimbursement and gross-up payments, the Named Executive Officer would retain approximately the same net after-tax amounts under the Employment Agreement or Retention Agreement that he would have retained if there was no excise tax. Neither the Bank nor the Company is permitted to claim a federal income tax deduction for the portion of the change of control payment that constitutes an excess parachute payment, the excise tax reimbursement payment or the gross-up payment.

Accounting Considerations. The Compensation Committee is informed of the financial statement implications of the elements of the Named Executive Officer compensation program. However, the probable contribution of a compensation element to the objectives of the Company’s Named Executive Officer compensation program and its projected economic cost, which may or may not be reflected on the Company’s financial statements, are the primary drivers of Named Executive Officer compensation decisions.

Risk. The Company’s compensation program is designed to mitigate risk by (1) providing non-performance-based salaries, retirement and fringe benefits that permit executives to pay living expenses and plan for the future without reliance on incentives, (2) incorporating cash incentives to reward current successes, and (3) including long-term incentives in the form of restricted stock and stock options to maintain focus on long-term shareholder value. The Compensation Committee exercises substantial discretion in awarding annual incentives, including a retrospective assessment of management’s performance in light of prevailing business conditions, to discourage excessive focus on formulaic goals. This retrospective assessment includes, in addition to financial measures, consideration of indicators of business prudence such as credit quality and capital ratios, Management stock ownership requirements and equity-based retirement benefits provided through the Company’s tax-qualified ESOP and related BMP assure that management retains a significant financial interest in the long-term performance of the Common Stock, and sensitivity to the potential long-term effects of short-term business strategies, throughout their tenure with the Company. The Company believes these features recognize a balance between the need to accept risk exposure in the successful operation of its business and the need to identify and prudently manage such risks.

Compensation Committee Report

The following Report of the Company’s Compensation Committee is provided in accordance with the rules and regulations of the SEC.

Under the rules promulgated by the SEC, the Company is required to provide certain data and information regarding the activities of its Compensation Committee. In fulfillment of this requirement, the Compensation Committee, at the discretion of the Board, has prepared the following report for inclusion in the Proxy Statement.

1. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management; and
2. Based on the review and discussions referred to in paragraph 1 above, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company’s Proxy Statement on Schedule 14A for the 2011 Annual Meeting of Shareholders.

COMPENSATION COMMITTEE OF
DIME COMMUNITY BANCSHARES, INC.

Omer S.J. Williams (Chair)
Anthony Bergamo, Member
Fred P. Fehrenbach, Member
John J. Flynn, Member
Joseph J. Perry, Member

-21-

Compensation Committee Interlocks and Insider Participation

In 2010, the Compensation Committee consisted of Messrs. Bergamo, Fehrenbach, Flynn and Perry. Mr. Williams was added to the Committee effective January 1, 2011. There are no interlocks, as defined under the rules and regulations of the SEC, between the Company and the members of the Compensation Committee and corporations with respect to which they are affiliated, or otherwise.

COMPENSATION

Executive Compensation

The following table provides information about the compensation paid for services rendered in all capacities during 2010 by the Named Executive Officers.

SUMMARY COMPENSATION TABLE

Name and Principal Positions	Year	Salary		Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation (4)	Change in Pension Value and Nonqualified All Other Compensation (5) (6)		Total
		(1)	Bonus(1)				Earnings		
Vincent F. Palagiano, Chairman of the Board and CEO	2010	\$686,000	\$400,000	\$-	\$-	\$469,910	\$662,625	\$477,568	\$2,696,103
	2009	686,000	334,000	-	-	—	208,720	62,020	1,290,740
	2008	686,000	225,000	-	-	—	—	69,327	980,327
Michael P. Devine, President and COO	2010	\$541,000	\$285,000	\$202,878	\$67,624	—	\$371,928	\$360,018	\$1,828,448
	2009	541,000	243,000	202,875	67,625	—	488,941	57,916	1,601,357
	2008	541,000	170,000	202,875	67,625	—	130,859	31,639	1,143,998
Kenneth J. Mahon, FEVP and CFO	2010	\$402,000	\$193,000	\$135,673	\$45,227	—	\$143,436	\$228,593	\$1,147,929
	2009	402,000	161,000	135,675	45,225	—	193,318	48,462	985,680
	2008	388,000	127,000	130,950	43,650	—	32,653	28,173	750,426
Daniel J. Harris, EVP and CLO	2010	\$325,000	\$148,000	\$102,370	34,124	—	—	\$32,312	\$641,806
	2009	310,000	\$118,000	94,658	31,553	—	—	19,388	573,599
	2008	290,000	100,000	91,350	140,450	—	—	110,000	731,800
Timothy B. King, EVP and CIO	2010	\$300,000	\$104,000	\$87,746	29,251	—	\$65,815	\$70,331	\$657,143
	2009	290,100	\$87,000	84,851	28,285	—	83,244	17,735	591,215
	2008	280,000	75,000	81,893	27,299	—	8,274	22,959	495,425

The figures shown for salary and bonus represent amounts earned for the fiscal year, whether or not actually paid (1) during such year, and include amounts deferred pursuant to non-incentive deferred compensation plans and

amounts of salary or bonus earned but deferred on a voluntary basis in exchange for awards of restricted stock, stock options or other forms of non-cash compensation. The 2008 salary amount shown for Daniel Harris represents the base salary earned from his commencement as an employee of the Company on January 28, 2008 through December 31, 2008.

(2) The amounts represent the grant date fair market value of the awards determined on the basis of the assumptions and methodology set forth in the notes to the Company's consolidated financial statements set forth in the Company's 2010 Annual Report on Form 10-K filed with the SEC on March 14, 2011. This amount does not reflect the value of dividends paid on unvested restricted stock, which is included in the Summary Compensation Table under the caption "All Other Compensation" if it exceeds \$10,000 for an individual Named Executive Officer.

(3) The amounts represent the grant date fair market value of the awards determined on the basis of the assumptions and methodology set forth in Note 15 to the Company's consolidated financial statements set forth in the Company's 2010 Annual Report on Form 10-K filed with the SEC on March 14, 2011. For more information concerning the assumptions used for these calculations, please refer to the notes to the audited consolidated financial statements included in the Company's 2010 Annual Report on Form 10-K.

(4) Amount represents cash payments made to Mr. Palagiano under the Long Term Cash Incentive Payment Plan in the respective year. Please refer to "Compensation Discussion Analysis - 2. Key Elements of the Compensation Package – Long-Term Incentives – Vincent F. Palagiano," for the determination of the payout shown for 2010. Please also see "Compensation – Compensation Plans - Long Term Cash Incentive Payment Plan," commencing on page 22 for a discussion of all non-equity incentive awards granted to Mr. Palagiano.

Includes for each Named Executive Officer (a) the increase (if any) for the fiscal year in the present value of the (5) individual's accrued benefit (whether or not vested) under the Retirement Plan and BMP calculated by comparing the present value of each individual's accrued benefit under each such plan in accordance with FASB ASC Topic 715 ("ASC Topic 715") as of the plan's measurement date in such fiscal year to the present value of the individual's accrued benefit as of the plan's measurement date in the prior fiscal year, plus (b) the amount of interest accrued on defined contribution deferred compensation balances at a rate in excess of 120% of the applicable federal long-term rate under section 1274(d) of the Code. In 2008, Mr. Palagiano experienced year-to-year declines totaling \$55,025 in the actuarial value of his accrued benefits under defined benefit or actuarial plans that are not reflected in the reported figures for that year.

The Named Executive Officers participate in certain group life, health, and disability insurance and medical (6) reimbursement plans not disclosed in the Summary Compensation Table that are generally available to salaried employees and do not discriminate in scope, terms and operation. The figure shown for each Named Executive Officer includes the following items exceeding \$10,000 in value:

Name	Year	Life Insurance Premiums	Automobile	401(k) Plan Employer Cash Contribution	ESOP Allocation (a)	BMP Reinstatement (b)	Other	Total
Vincent F. Palagiano	2010	\$30,927	\$13,087	\$7,350	\$12,204	\$421,400	-	\$484,968
	2009	30,825	14,227	7,350	9,618	-	-	62,020
	2008	30,210	16,883	6,900	15,334	-	-	69,327
Michael P. Devine	2010	\$9,818	\$15,076	\$7,350	\$12,204	\$303,700	\$21,570(c)	\$369,718
	2009	9,754	14,403	7,350	9,618	-	16,791(c)	57,916
	2008	9,405	-	6,900	15,334	-	-	31,639
Kenneth J. Mahon	2010	\$6,114	\$12,589	\$7,350	\$12,204	\$183,600	\$14,336(c)	\$236,193
	2009	6,197	14,282	7,350	9,618	-	11,015(c)	48,462
	2008	5,939	-	6,900	15,334	-	-	28,173
Daniel J. Harris	2010	\$2,502	-	\$7,350	\$12,204	-	\$10,256	\$32,312
	2009	2,420	-	7,350	9,618	-	-	19,388
	2008	-	-	-	-	-	\$110,000(d)	110,000
Timothy B. King	2010	816	-	\$7,350	\$12,204	\$46,100	\$10,461(c)	\$76,931
	2009	767	-	7,350	9,618	-	-	17,735
	2008	725	-	6,900	15,334	-	-	22,959

(a) The amount reported for ESOP allocation was determined based upon the average price of the Common Stock of \$13.108 per share in 2010, \$10.42 per share in 2009 and \$15.89 per share in 2008 (See Notes 1 and 15 to the audited consolidated financial statements in the Company's 2010 Annual Report on Form 10-K, which discuss the manner in which ESOP expense is recognized).

(b) Please refer to "Compensation Discussion and Analysis - Key Elements of the Compensation Package – BMP" for a discussion of the nature of this item. For 2010, the amount shown represents the aggregate expense recognized for the reinstatement of this benefit at December 31, 2010, and assumed a valuation of \$14.59 per share for the ESOP shares to be funded into the accounts of the respective Named Executive Officer. The funding of this benefit to the

BMP trustee on behalf of each Named Executive Officer is expected to occur during the quarter ending June 30, 2011.

(c) Amount represents dividends paid on unvested restricted stock awards during 2010, and were excluded to the extent that they did not exceed \$10,000 in the aggregate for an individual Named Executive Officer during the reporting periods presented.

(d) Amount represents a cash remuneration paid to Mr. Harris on February 15, 2008 to reimburse compensation and benefits he forfeited with his previous employer.

The Company or Bank provides certain non-cash perquisites and personal benefits to each Named Executive Officer that do not exceed \$10,000 in the aggregate for any individual, and are not included in the reported figures.

Compensation Plans

Retirement Plan. The Bank maintains the Retirement Plan, a non-contributory, tax-qualified defined benefit pension plan for eligible employees. All salaried employees at least age 21 who have completed a minimum of one year of service are eligible to participate in the Retirement Plan. The Retirement Plan provides for a benefit for each participant, including the Named Executive Officers, equal to 2% of the participant's average annual earnings multiplied by the participant's years (and any fraction thereof) of eligible employment (up to a maximum of 30 years). Such benefit is not reduced by a Social Security offset. A participant is fully vested in his or her benefit under the Retirement Plan after five years of service. The Retirement Plan is funded by the Bank on an actuarial basis and all assets are held in trust by the Retirement Plan trustee. Effective March 31, 2000, all participant benefits under the Retirement Plan were frozen, and no benefits have been accrued under the Retirement Plan since that date.

There are currently no benefits earned by the Named Executive Officers under the Retirement Plan.

401(k) Plan. The Bank maintains the 401(k) Plan, which is a tax-qualified defined contribution plan permitting salaried employees with at least one year of service to make pre-tax salary deferrals under Section 401(k) of the Code.

Under a 401(k) Plan amendment effective July 1, 2000, the 401(k) Plan annually received the proceeds from a 100% vested cash contribution to all participants in the ESOP in the amount of 3% of "covered compensation" as defined in the 401(k) Plan, up to applicable IRS limits. This contribution, which was guaranteed through December 31, 2006 and has been made on a discretionary basis thereafter, was allocated to eligible participants regardless of their participant contribution level.

The 401(k) Plan permits participating employees to elect to invest all or any part of their 401(k) Plan account balances in Common Stock. Common Stock held by the 401(k) Plan may be newly issued shares or outstanding shares purchased on the open market or in privately negotiated transactions. All Common Stock held by the 401(k) Plan is held by an independent trustee and allocated to the accounts of individual participants. Participants control the exercise of voting and investment rights relating to Common Stock held in their accounts.

ESOP. The Company has established, and the Bank has adopted, the ESOP and related trust for the benefit of eligible employees. All of the salaried employees of the Company and its subsidiaries are eligible to become participants in the ESOP. As of the Record Date, the ESOP held 3,288,113 shares of Common Stock, all of which were purchased during the Company's initial public offering. Of this total, 2,093,715 shares were allocated to individual participant accounts, while 1,172,317 remained unallocated. In order to fund the ESOP's purchase of such Common Stock, the ESOP borrowed the aggregate purchase price from the Company. Effective July 1, 2000, the loan maturity period was extended by approximately 20 years from June 2006 to June 2026, and it continues to bear interest at the rate of 8% per annum. The loan calls for level annual payments of principal and interest designed to amortize the loan over its term, except that payments in any year may be deferred, in whole or in part, in prescribed circumstances. Prepayments are also permitted.

Shares purchased by the ESOP were pledged as collateral for the loan from the Company and are held in a suspense account until released for allocation among participants in the ESOP as the loan is repaid. The pledged shares will be released annually from the suspense account in an amount proportional to the repayment of the ESOP loan for each plan year. The released shares will be allocated among the accounts of participants on the basis of the participant's compensation for the calendar year preceding allocation. Benefits generally become vested at the rate of 25% per year after two years with 100% vesting after five years of service. Participants become immediately vested upon termination of employment due to death, retirement at age 65, permanent disability or the occurrence of a "change of control," as defined by the ESOP. Forfeitures will be utilized to reduce the contribution required by the Bank. Vested benefits may be paid in a single payment of cash or shares of Common Stock or installment payments of cash and are payable upon death, retirement at age 65, disability or separation from service.

BMP. The Bank maintains a BMP, which provides eligible employees with benefits that would be due under the Retirement Plan, ESOP and 401(k) Plan, if such benefits were not limited under the Code. Effective April 1, 2000, Retirement Plan benefit accruals were frozen, thus eliminating related benefit accruals under the BMP. However, the present value of such benefits continues to increase as the participating Named Executive Officers approach normal retirement age. These increases in present value are reported in the Summary Compensation Table under the column Change in Pension Value and Nonqualified Deferred Compensation Earnings. Effective January 1, 2005, the BMP benefit accruals associated with the 401(k) Plan and ESOP were suspended even though contributions to the 401(k) Plan and ESOP were continued. In December 2010, the BMP benefit accruals associated with the 401(k) Plan and ESOP were reactivated and catch-up credits were made for the period January 1, 2005 to 2010. These credits are reported in the Summary Compensation Table under the column All Other Compensation. Messrs. Palagiano, Devine, Mahon and King have previously been, and continue to be, participants in the BMP. Mr. Harris is eligible to participate in the BMP commencing in 2011.

Long Term Cash Incentive Payment Plan ("LTIP")- Pursuant to an amendment to the 2004 Stock Incentive Plan, the Chairman of the Board and CEO is no longer eligible for equity awards thereunder.

On October 16, 2008, pursuant to authority granted under the Dime Community Bancshares, Inc. Annual Incentive Plan (the "AIP"), the Compensation Committee made an incentive award to Mr. Palagiano in lieu of an equity award under the 2004 Stock Incentive Plan (the "First LTIP Tranche"). The threshold, target and maximum award opportunities were \$214,375, \$428,750 and \$643,125, respectively, and were earned based on performance relative to three performance goals measured over the period beginning August 1, 2008 and ending December 31, 2010. The three performance measures and their relative weights were as follows:

Goal	Weight	Threshold	Target	Maximum
TSR Relative to Compensation Peer Group	50%	40th Percentile	50th Percentile	>74th Percentile
Cumulative Core Earnings per Share	25%	\$2.23	\$2.48	\$2.73
GAAP Return on Equity	25%	10.3%	12.1%	13.9%

The First LTIP Tranche was settled in March 2011, with a total cash payment made to Mr. Palagiano of \$469,910. Please refer to Compensation Discussion and Analysis for further information regarding the calculation of this payment.

On March 19, 2009, pursuant to authority granted under the AIP, the Compensation Committee made an additional incentive award to Mr. Palagiano in lieu of an equity award under the 2004 Stock Incentive Plan. The threshold, target and maximum award opportunities are \$214,375, \$428,750 and \$643,125, respectively, and are earned based on performance relative to three performance goals measured over the period beginning January 1, 2009 and ending December 31, 2011. The award will be paid in full on or about March 31, 2012. The three performance measures and their relative weights are as follows:

Goal	Weight	Threshold	Target	Maximum
TSR Relative to Compensation Peer Group		40th	50th	>74th
	50%	Percentile	Percentile	Percentile
Cumulative Core Earnings per Share	25%	\$2.36	\$2.62	\$2.88
GAAP Return on Equity	25%	8.4%	9.85%	11.3%

On March 18, 2010, pursuant to authority granted under the AIP, the Compensation Committee made an additional incentive award to Mr. Palagiano in lieu of an equity award under the 2004 Stock Incentive Plan. The threshold, target and maximum award opportunities are \$214,500, \$429,000 and \$643,500, respectively, and are earned based on performance relative to three performance goals measured over the period beginning January 1, 2010 and ending December 31, 2012. The award will be paid in full on or about March 31, 2013. The three performance measures and their relative weights are as follows:

Goal	Weight	Threshold	Target	Maximum
TSR Relative to Compensation Peer Group		40th	50th	74th
	50%	Percentile	Percentile	Percentile
Cumulative Core Earnings per Share	25%	\$3.07	\$3.41	\$3.75
GAAP Return on Equity	25%	9.8%	11.6%	13.3%

2001 Stock Option Plan. The Company's Board of Directors has adopted the 2001 Stock Option Plan, which was approved by the Company's shareholders at their annual meeting held in 2001. At December 31, 2010, there were up to 20,520 stock options eligible for future grant under the 2001 Stock Option Plan, of which up to 5,163 were eligible for future grant to Outside Directors and 15,357 were eligible for future grant to officers and employees of the Company or its subsidiaries. Under the terms of the 2001 Stock Option Plan, the eligible grant amounts may be increased by the amount of options granted under the 2001 Stock Option Plan that are subsequently forfeited by the recipient. As of the Record Date, 2,129,762 stock options were granted to Outside Directors, officers and employees of the Company or its subsidiaries, of which 1,591,405 were outstanding and 1,503,997 were exercisable. On March 3, 2008, a grant of 34,425 stock options was made to Mr. Harris under the 2001 Stock Option Plan. All of these options expire on May 1, 2018 and 25% vested on each of May 1, 2009 and 2010, respectively, with the remainder vesting in equal 25% installments on May 1, 2011 and 2012, respectively. On April 30, 2009, a grant of 16,228 stock options was made to Mr. King. All of these options expire on April 30, 2019, and 25% vested on May 1, 2010, with the remainder vesting in equal 25% installments on May 1, 2011, 2012 and 2013, respectively. On April 30, 2010, a grant of stock options was made to Named Executive Officers as follows: Mr. Devine – 18,206 shares and Mr. King – 7,875 shares. All of these options expire on April 30, 2019 and vest in equal 25% installments on May 1, 2011, 2012, 2013 and 2014. All options granted under the 2001 Stock Option Plan are subject to earlier expiration in the event of termination of employment. In the case of termination due to death, disability, retirement, or under a "change of control," as defined by the 2001 Stock Option Plan, all options become immediately vested. Options granted under the 2001 Stock Option Plan are intended to qualify as "incentive stock options" under Section 422 of the Code.

2004 Stock Incentive Plan. The Company's Board of Directors has adopted the 2004 Stock Incentive Plan, which was approved by the Company's shareholders at their annual meeting held in 2004. At December 31, 2010, up to 602,784 shares remained eligible for future grant to either Outside Directors or officers and employees of the Company and its subsidiaries under the 2004 Stock Incentive Plan. All of these may be granted in the form of stock options, while up to 452,237 shares may be granted as restricted stock awards. Under the terms of the 2004 Stock Incentive Plan, the eligible grant amounts may be increased by the amount of shares granted under the 2004 Stock Incentive Plan that are subsequently forfeited by the recipient. The Compensation Committee of the Board of Directors administers the 2004 Stock Incentive Plan and authorizes all equity grants. All equity grants under the 2004 Stock Incentive Plan fully vest in the event of a change in control. On March 16, 2006, a grant of 10,000 shares of restricted stock was awarded to Mr. King, 80% of which vested in equal 20% installments on May 1, 2007, 2008, 2009 and 2010, with the remainder vesting on May 1, 2011. On May 1, 2007, a grant of stock options was made to Named Executive Officers as follows: Mr. Palagiano - 250,000 shares; Mr. Devine - 170,000 shares; Mr. Mahon - 105,000 shares; and Mr. King - 50,000 shares. All of these options expire on May 1, 2017, and vested in equal 25% installments on May 1, 2008, 2009 and 2010, respectively, with the remainder vesting May 1, 2011. On July 31, 2008, a grant of stock options was made to Named Executive Officers as follows: Mr. Devine - 18,135 shares; Mr. Mahon - 11,706 shares; Mr. Harris - 8,166 shares; and Mr. King - 7,321 shares. All of these options

expire on July 31, 2018, and vested in equal 25% installments on May 1, 2009 and 2010, respectively, with the remainder vesting in equal 25% installments on May 1, 2011 and 2012. On July 31, 2008, a grant of restricted stock awards was made to Named Executive Officers as follows: Mr. Devine – 12,126 shares; Mr. Mahon – 7,827 shares; Mr. Harris - 5,460 shares; and Mr. King – 4,895 shares. These awards vested in equal 25% installments on May 1, 2009 and 2010, respectively, with the remainder vesting in equal 25% installments on May 1, 2011 and 2012. On April 30, 2009, a grant of stock options was made to Named Executive Officers as follows: Mr. Devine – 38,798 shares; Mr. Mahon – 25,947 shares; Mr. Harris - 18,102 shares; and Mr. King – 16,228 shares. All of these options expire on April 30, 2019 and 25% vested on May 1, 2010, with the remainder vesting in equal 25% installments on May 1, 2011, 2012 and 2013. On April 30, 2009, a grant of restricted stock awards was made to Named Executive Officers as follows: Mr. Devine – 24,326 shares; Mr. Mahon – 16,268 shares; Mr. Harris - 11,350 shares; and Mr. King – 10,174 shares. 25% of these awards vested on May 1, 2010, with the remainder vesting in equal 25% installments on May 1, 2011, 2012 and 2013. On April 30, 2010, a grant of stock options was made to Named Executive Officers as follows: Mr. Mahon – 12,176 shares; Mr. Harris - 9,187 shares; and Mr. King – 7,875 shares. All of these options expire on April 30, 2020 and vest in equal 25% installments on May 1, 2011, 2012, 2013 and 2014. On April 30, 2010, a grant of restricted stock awards was made to Named Executive Officers as follows: Mr. Devine – 15,912 shares; Mr. Mahon – 10,641 shares; Mr. Harris - 8,029 shares; and Mr. King – 6,882 shares. These awards vest in equal 25% installments on May 1, 2011, 2012, 2013 and 2014.

The following table sets forth information regarding plan-based awards granted to the Named Executive Officers during the last fiscal year:

GRANTS OF PLAN-BASED AWARDS (1)

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units(3)	All Other Option Awards: Number of Underlying Securities (3)	Exercise Price of Option Awards	Grant Date Fair Value of Stock and Option Awards (4)
		Threshold(2)	Target(2)	Maximum(2)				
Vincent F. Palagiano	3/18/2010	\$214,500	\$429,000	\$643,500	-	-	-	-
Michael P. Devine	4/30/2010	-	-	-	15,912	-	-	\$202,878
Michael P. Devine	4/30/2010	-	-	-	-	18,206	\$12.75	67,624
Kenneth J. Mahon	4/30/2010	-	-	-	10,641	-	-	135,673
Kenneth J. Mahon	4/30/2010	-	-	-	-	12,176	\$12.75	45,227
Daniel J. Harris	4/30/2010	-	-	-	8,029	-	-	102,370
Daniel J. Harris	4/30/2010	-	-	-	-	9,187	\$12.75	34,124
Timothy B. King	4/30/2010	-	-	-	6,882	-	-	87,746

Timothy B. King	4/30/2010	-	-	-	-	7,875	\$12.75	29,251
--------------------	-----------	---	---	---	---	-------	---------	--------

(1) There were no estimated future payouts under equity incentive plan awards during the years ended December 31, 2010, 2009 and 2008.

(2) Amount represents awards granted for future payment to Mr. Palagiano under the LTIP. Please see the section titled "Compensation Plans" commencing on page 23 for a discussion of the LTIP.

The reported awards were restricted stock awards and stock options granted under either the 2001 Stock Option (3) Plan or the 2004 Stock Incentive Plan and vest as stated in the sections titled "2001 Stock Option Plan" or "2004 Stock Incentive Plan" commencing on page 25.

Calculated based upon a grant date fair value of \$12.75 per award for non-option stock awards granted on April (4) 30, 2010, and a grant date fair value approximating \$3.714 per option for option grants made on April 30, 2010. The major assumptions underlying the calculation of the fair value of option grants on April 30, 2010 were as follows: Expected life of 5.6 years; Risk free interest rate of 2.63%; Volatility of 44.51%; and dividend yield of 4.39%.

Stock Awards And Stock Option Grants Outstanding

The following tables set forth information regarding stock awards that have not vested, unexercised stock options and similar equity compensation outstanding at December 31, 2010, whether granted in 2010 or earlier, including awards that have been transferred other than for value.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END (1)

Name	Grant Date	Option Awards				Stock Awards		
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares of Stock That Have Not Vested (#) (2)	Market Value of Shares of Stock That Have Not Vested (\$)
Vincent F. Palagiano	11/21/2001	168,750	-	-	\$10.91	11/21/2011	-	-
	2/1/2003	174,750	-	-	13.16	2/1/2013	-	-
	1/27/2004	174,750	-	-	19.90	1/27/2014	-	-
	5/31/2005	142,580	-	-	15.10	5/31/2015	-	-
	5/1/2007	187,500	62,500	-	13.74	5/1/2017	-	-
Michael P. Devine	11/21/2001	28,664	-	-	\$10.91	11/21/2011	-	-
	2/1/2003	111,000	-	-	13.16	2/1/2013	-	-
	1/27/2004	111,000	-	-	19.90	1/27/2014	-	-
	5/31/2005	90,537	-	-	15.10	5/31/2015	-	-
	5/1/2007	127,500	42,500	-	13.74	5/1/2017	-	-
	7/31/2008	9,067	9,068	-	16.73	7/31/2018	-	-
	4/30/2009	9,699	29,099	-	8.34	4/30/2019	-	-
	4/20/2010	-	18,206	-	12.75	4/30/2020	-	-
	7/31/2008						6,062	88,445
	4/30/2009						18,244	266,180
	4/30/2010						15,912	232,156
Kenneth J. Mahon	11/21/2001	56,250	-	-	\$10.91	11/21/2011	-	-
	2/1/2003	60,750	-	-	13.16	2/1/2013	-	-
	1/27/2004	60,750	-	-	19.90	1/27/2014	-	-
	5/31/2005	49,462	-	-	15.10	5/31/2015	-	-
	5/1/2007	78,750	26,250	-	13.74	5/1/2017	-	-
	7/31/2008	5,853	5,853	-	16.73	7/31/2018	-	-
	4/30/2009	6,486	19,461	-	8.34	4/30/2019	-	-
	4/30/2010	-	12,176	-	12.75	4/30/2020	-	-
	7/31/2008						3,913	57,091
	4/30/2009						12,201	178,013
	4/30/2010						10,641	155,252
Daniel J. Harris	3/3/2008	17,212	17,213	-	\$14.92	3/3/2018	-	-
	7/31/2008	4,083	4,083	-	16.73	7/31/2018	-	-
	4/30/2009	4,525	13,577	-	8.34	4/30/2019	-	-
	4/30/2010	-	9,187	-	12.75	4/30/2020	-	-
	7/31/2008						2,730	39,831
	4/30/2009						8,512	124,190

	4/30/2010						8,029,117,143
Timothy B. King	1/27/2004	24,000	-	-	19.90	1/27/2014	-
	5/31/2005	19,569	-	-	15.10	5/31/2015	-
	5/1/2007	37,500	12,500	-	13.74	5/1/2017	-
	7/31/2008	3,660	3,661	-	16.73	7/31/2018	-
	4/30/2009	4,057	12,171	-	8.34	4/30/2019	-
	4/30/2010	-	7,875	-	12.75	4/30/2020	-
	7/31/2008						2,000 29,180
	7/31/2008						2,447 35,702
	4/30/2009						7,630 111,322
	4/30/2010						6,882 100,408

(1) At December 31, 2010, there were no unearned shares, units or other rights that had not vested under Equity Incentive Plan awards.

(2) Please refer to the sections titled "2001 Stock Option Plan" and "2004 Stock Incentive Plan" commencing on page 25 for a detailed discussion of the expiration and vesting dates for each of the unexercisable options and unvested restricted stock awards.

(3) Market value is calculated on the basis of \$14.59 per share for 2010, the closing sales price of the Common Stock on the Nasdaq Stock Market on the final trading day of the year.

The following table sets forth the stock awards that vested and the option awards that were exercised for the Named Executive Officers during the last fiscal year:

OPTION EXERCISES AND STOCK VESTED				
Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting(\$)(1)
Michael P. Devine	-	-	9,114	118,801
Kenneth J. Mahon	-	-	6,024	78,523
Daniel J. Harris	-	-	4,203	54,786
Timothy B. King	-	-	5,768	75,186

Amount calculated on the basis of \$13.035 per share (the average of the high and low sales prices for a share of (1) Common Stock on the Nasdaq Stock Market on April 30, 2010) for various grants to the Named Executive Officers which contractually vested on May 1, 2010. Unexercised stock options and unvested restricted stock may not be transferred for value.

Post-Employment Compensation

Pension Benefits

The following table sets forth information regarding pension benefits accrued by the Named Executive Officers through the end of the Company's last fiscal year:

PENSION BENEFITS

Name	Plan Name	Number of Years Credited Service (#) (1)	Present Value of Accumulated Benefit (\$)(1)	Payments During Last Fiscal Year(\$)
Vincent F. Palagiano	Retirement Plan	29.6	\$1,770,951	—
	BMP (Defined Benefit Portion)	29.6	2,941,563	—
Michael P. Devine	Retirement Plan	28.7	1,116,445	—
	BMP (Defined Benefit Portion)	28.7	1,325,649	—
Kenneth J. Mahon	Retirement Plan	19.7	579,907	—
	BMP (Defined Benefit Portion)	19.7	159,400	—
Timothy B. King	Retirement Plan	16.5	252,841	—
	BMP (Defined Benefit Portion)	16.5	—	—

The figures shown are determined as of the plan's measurement date during 2010 under GAAP as disclosed in (1) Notes 1 and 15 to the Company's audited consolidated financial statements, included in the Company's 2010 Annual Report on Form 10-K. The discount rate and other assumptions used for this purpose are discussed in Note 15 to the audited consolidated financial statements, included in the Company's 2010 Annual Report on Form 10-K. The assumed mortality rates were as follows: Mr. Palagiano, 1.69%; Mr. Devine, 0.88%, Mr. Mahon, 0.49%, and Mr. King, 0.165%

Non-Qualified Deferred Compensation

The following table sets forth information regarding nonqualified deferred compensation earned by the Named Executive Officers during the last fiscal year under non-qualified defined contribution plans:

NON-QUALIFIED DEFERRED COMPENSATION (1)

Name	Executive Contributions in Last Fiscal Year (\$)	Company Contributions in Last Fiscal Year (\$) (2)	Aggregate Earnings in Last Fiscal Year (\$) (3)	Aggregate Withdrawals/ Distributions (\$) (4)	Aggregate Balance at Last Fiscal Year End (\$) (5)
Vincent F. Palagiano	—	—	\$1,145,526	\$177,141	\$5,251,526
Michael P. Devine	—	—	\$777,357	\$119,988	\$3,567,833
Kenneth J. Mahon	—	—	\$424,013	\$65,534	\$1,940,563
Timothy B. King			\$154,158	\$23,544	\$714,979

(1) Non-qualified deferred compensation includes benefits provided under the BMP.

(2) Company contributions are included under the caption "All Other Compensation" in the Summary Compensation Table.

(3) Earnings did not accrue at above-market or preferential rates. These numbers are not reflected in the Summary Compensation Table.

(4) Amount represents pass through dividend on shares of Common Stock held in the ESOP overflow component of the BMP.

(5) None of these amounts have been historically included in total compensation included in the Summary Compensation Table on page 22.

Termination and Change in Control Benefits

The Company provides additional benefits, not included in the previous tables, to the Named Executive Officers in the event of retirement or termination of employment in certain circumstances and in the event of a change in control.

Employment Agreements

The Company and the Bank are parties to the Employment Agreements with each of the Senior Executives. See "Compensation Discussion and Analysis – Potential Payments Upon Termination and Change of Control" for a discussion of the Employment Agreements.

Retention Agreements

The Bank has, jointly with the Company, entered into the Retention Agreements with the Contract Employees. See "Compensation Discussion and Analysis – Potential Payments Upon Termination and Change in Control" for a discussion of the Retention Agreements.

The following table provides an estimate of the value of termination and change of control benefits, assuming termination of employment or a change in control occurred on December 31, 2010.

	Vincent F. Palagiano	Michael P. Devine	Kenneth J. Mahon	Daniel J. Harris	Timothy B. King
Death					
Death Benefit(1)	\$2,058,000	\$1,623,000	\$1,206,000	-	-
Stock Option Vesting(8)	53,125	251,487	166,341	\$101,754	\$101,184
Restricted Stock					
Vesting(9)	-	586,781	390,370	281,164	276,619
Incentive Award					
Vesting(10)	857,500	-	-	-	-
Disability					
Disability Benefit(2)	\$2,058,000	\$1,623,000	\$1,206,000	-	-
Stock Option Vesting(8)	-	251,487	166,341	\$101,754	\$101,184
Restricted Stock					
Vesting(9)	-	586,781	390,370	281,164	276,619
Incentive Award					
Vesting(10)	857,500	-	-	-	-
Discharge without Cause or Resignation with Good Reason - No Change in Control					
Severance Pay(3)	\$1,882,420	\$1,484,532	\$1,103,109	-	-
Bonus(3)	1,069,650	850,647	648,436	-	-
ESOP(4)	36,323	36,323	36,323	-	-
Insurance(5)	67,676	38,039	33,810	-	-
401(k) Payment(6)	20,169	20,169	20,169	-	-
BMP-ESOP Payout(7)	-	-	-	-	-
Stock Option Vesting(8)	-	-	-	-	-
Restricted Stock					
Vesting(9)	-	-	-	-	-
Incentive Award					
Vesting(10)	857,750	-	-	-	-
Discharge without Cause or Resignation with Good Reason - Change in Control Related					
Transaction Pay Salary					
(3)	\$1,996,359	\$1,574,388	\$1,169,878	-	-
Severance Pay(3)	1,330,906	1,049,592	779,919	\$970,305	\$895,666
Bonus(3)	1,887,579	1,501,110	1,144,275	444,000	467,532
ESOP(4)	-	-	-	-	-
Insurance(5)	67,676	38,039	33,810	41,982	37,746
401(k) Payment(6)	34,014	34,014	34,014	21,944	21,944
BMP-ESOP Payout(7)	2,491,292	1,687,497	921,664	-	331,106
Stock Option Vesting(8)	-	251,487	166,341	101,754	101,184
Restricted Stock					
Vesting(9)	-	586,781	390,370	281,164	276,619
Incentive Award					
Vesting(10)	857,750	-	-	-	-
Pension Payment(11)	3,806,560	4,456,621	2,570,086	-	-
Tax Indemnity(12)	5,976,207	5,471,807	3,542,139	662,764	825,870
Change in Control – No Termination of Employment					
Transaction Pay					
(Salary)(3)	\$1,996,359	\$1,574,388	\$1,169,878	-	-

Transaction Pay(Bonus)					
(3)	1,132,547	900,666	686,565	-	-
ESOP(4)	-	-	-	-	-
Insurance(5)	-	-	-	-	-
401(k) Payment(6)	20,169	20,169	20,169	-	-
BMP-ESOP Payout(7)	2,491,292	1,687,497	921,664	-	\$331,106
Stock Option Vesting(8)	-	251,487	166,341	\$101,754	101,184
Restricted Stock					
Vesting(9)	-	586,781	390,370	281,164	276,619
Incentive Award					
Vesting(10)	857,750	-	-	-	-
Pension Payment(11)	3,806,560	4,456,621	2,570,086	-	-
Tax Indemnity(12)	4,744,731	4,504,827	2,811,881	-	-

(1) On termination by reason of death, the Employment Agreements provide for (i) payment of earned but unpaid salary, (ii) benefits to which the executive is entitled as a former employee, (iii) payment for all unused vacation days and floating holidays in the year of termination at the highest rate of annual salary for such year and (iv) a death benefit, payable to the beneficiaries of the executive through life insurance or otherwise. This death benefit is the equivalent on a net after-tax basis, of the benefit payable under a term life insurance policy with a stated face value of three times such executive's then annual base salary. This death benefit shall be paid within thirty days of death. The Retention Agreements provide no severance benefits on termination by reason of death, except for (a) earned but unpaid salary, and (b) benefits to which such executive is entitled as a former employee.

(2) On termination by reason of disability, the Employment Agreements provide for (i) payment of earned but unpaid salary, (ii) benefits the executive is entitled to as a former employee, (iii) payment for all unused vacation days and floating holidays in the year of termination at the highest rate of annual salary for such year and (iv) a disability benefit. The disability benefit is a lump sum amount equal to three times the executive's then annual base salary, payable within thirty days after termination. The Retention Agreements provide no severance benefits on termination by reason of disability.

(3) As of December 31, 2010, in the event of a termination without cause, a resignation with good reason and/or a change in control, the Employment Agreements provided for a lump sum payment in an amount equal to the present value of the salary and bonus that the executive would have earned if he had worked for the Company during the remaining unexpired employment period at the highest annual rate of salary (assuming, if a change in control has occurred, that annual 6% salary increases would apply from the time of the change in control) and received the highest bonus as a percentage of the annual rate of salary provided for under the Employment Agreement. The present value of these payments is to be determined using a discount rate of six percent (6%) per year, compounded, in the case of salary, with the frequency corresponding to the Company's regular payroll periods with respect to its officers, and, in the case of bonus, annually. In the event of a termination without cause or resignation with good reason, in either event following a change in control, the Retention Agreements provide for a lump sum payment, in an amount equal to the present value of the salary that the executive would have earned if he had continued working for the Bank during the remaining unexpired Assurance Period at the highest annual rate of salary achieved during the executive's period of actual employment with the Bank. This present value is to be determined using a discount rate equal to the applicable short-term federal rate prescribed under section 1274(d) of the Code, compounded using the compounding periods corresponding to the Bank's regular payroll periods for its officers. In addition, the Retention Agreements provide for a lump sum payment equal to the amount of incentives the executive would have received under all cash bonus or long-term or short-term cash incentive compensation plans maintained by, or covering employees of, the Bank, if he had continued working for the Bank and had earned the maximum bonus or incentive award in each calendar year that ends during the remaining unexpired Assurance Period. These incentive payments are to be equal to the product of: (a) the maximum percentage rate at which an award was ever available to such Contract Employee under such incentive compensation plan, multiplied by (b) the salary that would have been paid to such Contract Employee during each such calendar year at the highest annual rate of salary achieved during the remaining unexpired Assurance Period. The Assurance Period for both Mr. Harris and Mr. King is three years. In the event that the employee is a "specified employee" within the meaning of Section 409A of the Code, then, if necessary to comply with Section 409A, payments will be held in a grantor trust which meets the requirements of Revenue Procedure 92-65 and paid on the first day of the seventh month following separation from service.

(4) As of December 31, 2010, in the event of a termination without cause or a resignation with good reason in the absence of a change in control, the Employment Agreements provided for a lump sum payment in an amount approximately equal to the present value of three years of participation in the ESOP, where such present value is determined using a discount rate of six percent per annum, compounded with the frequency corresponding to the Company's regular payroll periods with respect to its officers. The Retention Agreements provide for no severance benefits in the event of a termination without cause or a resignation with good reason in the absence of a change in control. Market value is calculated on the basis of \$14.59 per share, which was the closing sales price for the Common Stock on the NASDAQ National Market on December 31, 2010.

(5) In the event of a termination without cause or a resignation with good reason, the Employment Agreements provide for continued group life, health (including hospitalization, medical, major medical, and dental), accident and long-term disability insurance benefits, in addition to benefits to which the executive is entitled as a former employee, after taking into account the coverage provided by any subsequent employer. These continued benefits will be provided if and to the extent necessary to provide the executive and his family and dependents for a period of three years following termination of employment, with coverage identical to, and in any event no less favorable

than, the coverage to which they would have been entitled under plans in effect on the date of his termination of employment. If the executive's termination of employment occurs after a change in control, he may elect coverage to which he would be entitled under plans in effect on the date of his termination of employment or during the one-year period ending on the date of such change in control. These continued benefits will be determined as if the executive had continued working for the Company during the remaining unexpired employment period as defined in the Employment Agreement at the highest annual rate of compensation (assuming, if a change in control has occurred, that annual 6% salary increases would apply from the time of the change in control) under the Employment Agreement. In the event of a termination without cause or resignation with good reason, in either event following a change in control, the Retention Agreements provide for continued group life, health (including hospitalization, medical and major medical), accident and long term disability insurance benefits, in addition to benefits to which the executive is entitled as a former employee, and after taking into account the coverage provided by any subsequent employer. These continued benefits will be provided if and to the extent necessary to provide the executive, for the remaining unexpired Assurance Period, with coverage equivalent to the coverage to which such Contract Employee would have been entitled under plans in effect on the date of his termination of employment. or, if his termination of employment occurs after a change of control, under plans in effect upon the change of control, if the benefits are greater. These continued benefits will be determined as if the Contract Employee had continued working for the Bank during the remaining unexpired Assurance Period at the highest annual rate of compensation achieved during the Contract Employee's period of actual employment with the Bank. Each figure shown represents the present value of continued insurance benefits for a fixed period of three years and assumes no offset for benefits provided by a subsequent employer, calculated on the basis of the assumptions used by the Company in measuring its liability for retiree benefits other than pensions for financial statement purposes under ASC Topic 715. For more information concerning other major assumptions used for these calculations, please refer to Note 15 to the audited consolidated financial statements included in the Company's 2010 Annual Report on Form 10-K.

- (6) As of December 31, 2010, in the event of a termination without cause or a resignation with good reason in the absence of a change in control, or upon a change of control, the Employment Agreements provided for a lump sum payment in an amount approximately equal to the present value of matching contributions for three years of participation in the 401(k) Plan. In the event of a termination without cause or a resignation with good reason following a change of control, the Employment Agreements provide for an additional lump sum payment in an amount approximately equal to the present value of two years of participation in the 401(k) Plan. Each such present value is determined using a discount rate of six percent per annum, compounded with the frequency corresponding to the Company's regular payroll periods with respect to its officers. The Retention Agreements provide for no severance benefits in the event of a termination without cause or a resignation with good reason in the absence of a change in control, but do provide for a lump sum payment for termination without cause or resignation with good reason following a change in control. The amount of this payment would be approximately equal to the present value of matching contributions for three years of participation in the 401(k) Plan, where such present value is determined using a discount rate equal to the applicable short-term federal rate prescribed under section 1274(d) of the Code, compounded with the frequency corresponding to the Company's regular payroll periods with respect to its officers.
- (7) The ESOP provides that in the event of a change in control of the Company or Bank, a portion of the proceeds from the sale of the shares of the Common Stock held in a suspense account for future allocation to employees would be applied to repay the outstanding balance on the loan used to purchase the unallocated shares. The remaining unallocated shares (or the proceeds from their sale) would be distributed among the accounts of plan participants in proportion to the balances credited to such accounts immediately prior to such allocation. The Company estimates this distribution to be approximately \$7.88 per allocated share, based on 1,681,252 allocated shares that are held by current participants, 1,172,317 unallocated shares, an outstanding loan balance of \$3,862,924, and a price of \$14.59 per share, which was the closing sales price for the Common Stock on the NASDAQ National Market on December 31, 2010. The BMP provides eligible employees with benefits that would be due under the ESOP if such benefits were not limited under the Code. The figures shown represent an estimated earnings credit of \$7.88 per stock unit credited to Messrs. Palagiano, Devine and Mahon under the BMP as of December 31, 2010.
- (8) All stock options granted under the 2001 Stock Option Plan and 2004 Stock Incentive Plan provide for full vesting upon death, disability, retirement or change in control. The figures shown reflect the in-the-money value of those stock options that would accelerate, calculated based on the positive difference between the option exercise price and \$14.59, which was the closing sales price for a share of Common Stock on December 31, 2010.
- (9) All restricted stock awards granted under the 2004 Stock Incentive Plan provide for full vesting upon death, disability, retirement or change in control. The figures shown reflect the value of those restricted stock awards that would accelerate, calculated based on a per share value of \$14.59, which was the closing sales price for a share of Common Stock on December 31, 2010.
- (10) In 2009, Mr. Palagiano was granted an incentive award with a performance period ending December 31, 2011. In 2010, Mr. Palagiano was granted an additional incentive award with a performance period ending December 31, 2012. A description of the payment levels and criteria are set forth in the "Compensation Discussion and Analysis." Upon a change of control, death, disability or retirement, each amount is pro-rated based on performance through the date of such event. Since the amount of the performance awards cannot be determined at this time, the estimate has been prepared based on the December 31, 2011 target award of \$428,750 and the December 31, 2012 target award of \$428,750.

As of December 31, 2010, in the event of a change in control of the Company or Bank, the Employment (11) Agreements provided that (i) the term of employment will be converted to a fixed two year period beginning on the date of the change in control, and (ii) if the Senior Executive signs a release of any further rights under his Employment Agreement with the Bank, an immediate contribution will be paid to a trust compliant with Rev. Proc. 92-65 (whether or not employment has terminated) for payment upon later termination for any reason. The amount to be contributed to this trust is equal to the present value of three years of salary, bonus and fringe benefits plus an additional lump sum equal to the present value x minus y , where x is a specified target pension for each Senior Executive and y is the actual pension benefit due to the Senior Executive under the Bank's and the Company's qualified and nonqualified defined benefit pension plans. The target pension is a given percentage of the highest aggregate salary and bonus for any 36 month period in the last 120 months of employment. This percentage is 26-2/3% for Mr. Palagiano; 25% for Mr. Devine; and 16-2/3% for Mr. Mahon. The Retention Agreements do not provide for a similar additional payment in the event of a change in control of the Company or Bank.

Cash and benefits paid to Messrs. Palagiano, Mahon and Devine under the Employment Agreements and Messrs. (12) Harris and King under their Retention Agreements, together with payments under other benefit plans following a change of control of the Bank or the Company may constitute an "excess parachute" payment under Section 280G of the Code, resulting in the imposition of a 20% excise tax on the recipient and the denial of the deduction for such excess amounts to the Company and the Bank. Each Employment Agreement and Retention Agreement includes a provision indemnifying the executive on an after-tax basis for any "excess parachute" excise taxes.

Changes to Termination and Change in Control Benefits Effective in 2011

Changes effective in 2011 to the BMP and the Employment Agreements with each of the Senior Executives are expected to result in changes to the values of termination and change of control benefits beginning in 2011. These changes are not reflected in the table of Termination and Change in Control Benefits above, which is required to reflect estimated values of benefits assuming termination of employment or a change in control on December 31, 2010.

As described above in "Compensation Discussion and Analysis – Other Elements of the Executive Compensation Package," in December 2010, BMP benefit accruals associated with the 401(k) Plan and ESOP were reactivated and catch-up credits were made for the 2005-2010 period. These reactivations and credits were not effective until January 1, 2011, and thus are not reflected in termination benefits dependent upon BMP benefit accruals or account balances in the table of Termination and Change in Control Benefits above.

As described above in "Compensation Discussion and Analysis – Potential Payments Upon Termination and Change in Control," subsequent to December 31, 2010, the Company and Bank completed negotiations with Messrs. Palagiano, Devine and Mahon to restructure their Employment Agreements.

The table on the following page provides an estimate of the pro-forma value of termination and change of control benefits, assuming termination of employment or a change in control occurred on December 31, 2010 subject to the 2011 changes to the BMP and restructuring of the Employment Agreements noted above.

	Vincent F. Palagiano	Michael P. Devine	Kenneth J. Mahon	Daniel J. Harris	Timothy B. King
Death					
Death Benefit(1)	\$2,058,000	\$1,623,000	\$1,206,000	-	-
Stock Option Vesting(8)	53,125	251,487	166,341	\$101,754	\$101,184
Restricted Stock					
Vesting(9)	-	586,781	390,370	281,164	276,619
Incentive Award					
Vesting(10)	857,500	-	-	-	-
Disability					
Disability Benefit(2)	\$2,058,000	\$1,623,000	\$1,206,000	-	-
Stock Option Vesting(8)	-	251,487	166,341	\$101,754	\$101,184
Restricted Stock					
Vesting(9)	-	586,781	390,370	281,164	276,619
Incentive Award					
Vesting(10)	857,750	-	-	-	-
Discharge without Cause or Resignation with Good Reason - No Change in Control					
Severance Pay(3)	\$1,882,420	\$1,484,532	\$1,103,109	-	-
Bonus(3)	877,182	638,449	444,154	-	-
ESOP(4)	163,095	125,929	91,063	-	-
Insurance(5)	67,676	38,039	33,810	-	-
401(k) Payment(6)	85,349	65,898	47,654	-	-
BMP-ESOP Payout(7)	-	-	-	-	-
Stock Option Vesting(8)	-	-	-	-	-
Restricted Stock					
Vesting(9)	-	-	-	-	-
Incentive Award					
Vesting(10)	857,750	-	-	-	-
Discharge without Cause or Resignation with Good Reason - Change in Control Related					
Transaction Pay Salary					
(11)	-	-	-	-	-
Severance Pay(3)	\$1,996,359	\$1,574,388	\$1,169,878	\$970,305	\$895,666
Bonus(3)	930,276	677,094	471,038	444,000	467,532
ESOP(4)	-	-	-	-	-
Insurance(5)	67,676	38,039	33,810	41,982	37,746
401(k) Payment(6)	90,362	69,768	50,452	21,944	35,714
BMP-ESOP Payout(7)	2,641,161	1,795,719	987,379	-	347,944
Stock Option Vesting(8)	53,125	251,487	166,341	101,754	101,184
Restricted Stock					
Vesting(9)	-	586,781	390,370	281,164	276,619
Incentive Award					
Vesting(10)	857,750	-	-	-	-
Pension Payment (11)					
	-	-	-	-	-
Tax Indemnity(12)	2,630,449	1,956,900	1,302,892	662,764	843,261
Change in Control – No Termination of Employment					
Transaction Pay					
(Salary)(3)	-	-	-	-	-
Transaction Pay(Bonus)					
(3)	-	-	-	-	-

ESOP(4)	-	-	-	-	-
Insurance(5)	-	-	-	-	-
401(k) Payment(6)	-	-	-	-	-
BMP-ESOP Payout(7)	\$2,641,161	\$1,795,719	\$987,379	-	\$347,944
Stock Option Vesting(8)	-	251,487	166,341	\$101,754	101,184
Restricted Stock Vesting(9)	-	586,781	390,370	281,164	276,619
Incentive Award Vesting(10)	857,500	-	-	-	-
Pension Payment (11)	-	-	-	-	-
Tax Indemnity(12)	-	-	-	-	-

(1) On termination by reason of death, the Employment Agreements provide for (i) payment of earned but unpaid salary, (ii) benefits to which the executive is entitled as a former employee, (iii) payment for all unused vacation days and floating holidays in the year of termination at the highest rate of annual salary for such year and (iv) a death benefit, payable to the beneficiaries of the executive through life insurance or otherwise. This death benefit is the equivalent, on a net after-tax basis of the benefit payable under a term life insurance policy with a stated face value of three times such executive's then annual base salary. This death benefit shall be paid within thirty days of death. The Retention Agreements provide no severance benefits on termination by reason of death, except for (a) earned but unpaid salary, and (b) benefits to which such executive is entitled as a former employee.

(2) On termination by reason of disability, the Employment Agreements provide for (i) payment of earned but unpaid salary, (ii) benefits to which the executive is entitled as a former employee, (iii) payment for all unused vacation days and floating holidays in the year of termination at the highest rate of annual salary for such year and (iv) a disability benefit. The disability benefit is a lump sum amount equal to three times the executive's then annual base salary, payable within thirty days after termination. The Retention Agreements provide no severance benefits on termination by reason of disability.

(3) In the event of a termination without cause or a resignation with good reason, the Employment Agreements as renegotiated provide for a lump sum salary severance payment in an amount equal to the present value of the salary that the executive would have earned if he had worked for the Company during the remaining unexpired employment period at the highest annual rate of salary (assuming, if a change in control has occurred, that annual 6% salary increases would apply from the time of the change in control). The present value of this payment is to be determined using a discount rate of 6% per year, compounded with the frequency corresponding to the Company's regular payroll periods with respect to its officers. In addition, the Employment Agreements as renegotiated provide for a lump sum bonus severance payment in an amount equal to the lump sum salary severance described immediately above, multiplied by the greater of (i) the target bonus (expressed as a percentage of salary) in effect at the time of termination, and (ii) the average of the actual bonuses (expressed as a percentage of salary) earned for the most recent three years. In the event of a termination without cause or resignation with good reason, in either event following a change in control, the Retention Agreements provide for a lump sum payment, in an amount equal to the present value of the salary that the executive would have earned if he had continued working for the Bank during the remaining unexpired Assurance Period at the highest annual rate of salary achieved during the executive's period of actual employment with the Bank. This present value is to be determined using a discount rate equal to the applicable short-term federal rate prescribed under section 1274(d) of the Code, compounded using the compounding periods corresponding to the Bank's regular payroll periods for its officers. In addition, the Retention Agreements provide for a lump sum payment equal to the amount of incentives the executive would have received under all cash bonus or long-term or short-term cash incentive compensation plans maintained by, or covering employees of, the Bank, if he had continued working for the Bank and had earned the maximum bonus or incentive award in each calendar year that ends during the remaining unexpired Assurance Period. These incentive payments are to be equal to the product of: (a) the maximum percentage rate at which an award was ever available to such Contract Employee under such incentive compensation plan, multiplied by (b) the salary that would have been paid to such Contract Employee during each such calendar year at the highest annual rate of salary achieved during the remaining unexpired Assurance Period. The Assurance Period for both Mr. Harris and Mr. King is three years. In the event that the employee is a "specified employee" within the meaning of Section 409A of the Code, then, if necessary to comply with Section 409A, payments will be held in a grantor trust which meets the requirements of Revenue Procedure 92-65 and paid on the first day of the seventh month following separation from service.

(4) In the event of a termination without cause or a resignation with good reason in the absence of a change in control, the Employment Agreements provide for a lump sum payment in an amount approximately equal to the present value of three years of participation in the ESOP, and, following reactivation of benefit accruals with respect to the ESOP under the BMP, the present value of excess benefits under the BMP that would have been due for three years participation in the ESOP if such benefits were not limited under the Code, where such present values are determined using a discount rate of six percent per annum, compounded with the frequency corresponding to the Company's regular payroll periods with respect to its officers. The Retention Agreements provide for no severance benefits in the event of a termination without cause or a resignation with good reason in the absence of a change in control. Market value is calculated on the basis of \$14.59 per share, which was the closing sales price for the Common Stock on the NASDAQ National Market on December 31, 2010.

(5) In the event of a termination without cause or a resignation with good reason, the Employment Agreements provide for continued group life, health (including hospitalization, medical, major medical, and dental), accident

and long-term disability insurance benefits, in addition to benefits to which the executive is entitled as a former employee, after taking into account the coverage provided by any subsequent employer. These continued benefits will be provided if and to the extent necessary to provide the executive and his family and dependents, for a period of three years following termination of employment, with coverage identical to, and in any event no less favorable than, the coverage to which they would have been entitled under plans in effect on the date of his termination of employment. If the executive's termination of employment occurs after a change in control, he may elect coverage to which he would be entitled under plans in effect on the date of his termination of employment or during the one-year period ending on the date of such change in control. These continued benefits will be determined as if the executive had continued working for the Company during the remaining unexpired employment period as defined in the Employment Agreement at the highest annual rate of compensation (assuming, if a change in control has occurred, that annual 6% salary increases would apply from the time of the change in control) under the Employment Agreement. In the event of a termination without cause or resignation with good reason, in either event following a change in control, the Retention Agreements provide for continued group life, health (including hospitalization, medical and major medical), accident and long term disability insurance benefits, in addition to benefits to which the executive is entitled as a former employee, and after taking into account the coverage provided by any subsequent employer. These continued benefits will be provided if and to the extent necessary to provide the executive, for the remaining unexpired Assurance Period, with coverage equivalent to the coverage to which such Contract Employee would have been entitled under plans in effect on the date of his termination of employment, or, if his termination of employment occurs after a change of control, under plans in effect upon the change of control, if the benefits are greater. These continued benefits will be determined as if the Contract Employee had continued working for the Bank during the remaining unexpired Assurance Period at the highest annual rate of compensation achieved during the Contract Employee's period of actual employment with the Bank. Each figure shown represents the present value of continued insurance benefits for a fixed period of three years and assumes no offset for benefits provided by a subsequent employer, calculated on the basis of the assumptions used by the Company in measuring its liability for retiree benefits other than pensions for financial statement purposes under ASC Topic 715. For more information concerning other major assumptions used for these calculations, please refer to Note 15 to the audited consolidated financial statements included in the Company's 2010 Annual Report on Form 10-K.

- (6) In the event of a termination without cause or a resignation with good reason, the Employment Agreements as renegotiated provide for a lump sum payment in an amount approximately equal to the present value of matching contributions for three years of participation in the 401(k) Plan, and, following reactivation of benefit accruals with respect to the 401(k) Plan under the BMP, the present value of excess benefits under the BMP that would have been due for three years participation in the 401(k) Plan if such benefits were not limited under the Code. In the event of a termination without cause or a resignation with good reason following a change of control, the Employment Agreements provide for an additional lump sum payment in an amount approximately equal to the present value of two years of participation in the 401(k) Plan. Each such present value is determined using a discount rate of six percent per annum, compounded with the frequency corresponding to the Company's regular payroll periods with respect to its officers. The Retention Agreements provide for no severance benefits in the event of a termination without cause or a resignation with good reason in the absence of a change in control, but do provide for a lump sum payment for termination without cause or resignation with good reason following a change in control. The amount of this payment would be approximately equal to the present value of matching contributions for three years of participation in the 401(k) Plan, where such present value is determined using a discount rate equal to the applicable short-term federal rate prescribed under section 1274(d) of the Code, compounded with the frequency corresponding to the Company's regular payroll periods with respect to its officers.
- (7) The ESOP provides that in the event of a change in control of the Company or Bank, a portion of the proceeds from the sale of the shares of the Common Stock held in a suspense account for future allocation to employees would be applied to repay the outstanding balance on the loan used to purchase the unallocated shares. The remaining unallocated shares (or the proceeds from their sale) would be distributed among the accounts of plan participants in proportion to the balances credited to such accounts immediately prior to such allocation. The Company estimates this distribution to be approximately \$7.88 per allocated share, based on 1,681,252 allocated shares that are held by current participants, 1,172,317 unallocated shares, an outstanding loan balance of \$3,862,924, and a price of \$14.59 per share, which was the closing sales price for the Common Stock on the NASDAQ National Market on December 31, 2010. The BMP provides eligible employees with benefits that would be due under the ESOP if such benefits were not limited under the Code. The figures shown represent an estimated earnings credit of \$7.88 per stock unit credited to Messrs. Palagiano, Devine, Mahon and King under the BMP, following allocation of catch-up credits to the BMP with respect to the ESOP for the 2005-2010 period.
- (8) All stock options granted under the 2001 Stock Option Plan and 2004 Stock Incentive Plan provide for full vesting upon death, disability, retirement or change in control. The figures shown reflect the in-the-money value of those stock options that would accelerate, calculated based on the positive difference between the option exercise price and \$14.59, which was the closing sales price for a share of Common Stock on December 31, 2010.
- (9) All restricted stock awards granted under the 2004 Stock Incentive Plan provide for full vesting upon death, disability, retirement or change in control. The figures shown reflect the value of those restricted stock awards that would accelerate, calculated based on a per share value of \$14.59, which was the closing sales price for a share of Common Stock on December 31, 2010.

In 2009, Mr. Palagiano was granted an incentive award with a performance period ending December 31, 2011. In 2010, Mr. Palagiano was granted an additional incentive award with a performance period ending December 31, 2012. A description of the payment levels and criteria are set forth in the “Compensation Discussion and Analysis.” Upon a change of control, death, disability or retirement, each amount is pro-rated based on performance through the date of such event. Since the amount of the performance awards cannot be determined at this time, the estimate has been prepared based on the December 31, 2011 target award of \$428,750 and the December 31, 2012 target award of \$428,750.

(11)				
Diluted				
Earnings				
(Loss) Per				
Share from				
Continuing				
Operations				
Attributable				
to Common				
Shareholders	\$ 2.10	\$ (0.80)		\$ (0.27)

**Weighted
Average
Common
Shares
Outstanding**

Basic	45,485	128,050	(63,145) (h)	110,390
Diluted	45,659	128,050	(63,145) (h)	110,564

Please see accompanying Notes to the Unaudited Pro Forma Condensed Combined Consolidated Financial Statements below, which are an integral part of these statements.

Table of Contents**MARTIN MARIETTA AND VULCAN****UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED BALANCE SHEET**

As of September 30, 2011

(in thousands)

	Martin Marietta	Vulcan	Pro Forma Adjustments	Note 3	Pro Forma Combined
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 56,840	\$ 152,460	\$		\$ 209,300
Accounts and notes receivable	259,773	430,039	(280)	(i)	689,532
Inventories	337,730	317,777	203,075	(j); (k)	858,582
Other current assets	113,073	101,790			214,863
Total Current Assets	767,416	1,002,066	202,795		1,972,277
Property, plant & equipment, net	1,686,641	3,443,468			5,130,109
Goodwill	639,039	3,086,716	613,123	(l)	4,338,878
Other noncurrent assets	65,462	849,631	(16,786)	(j)	898,307
Total Assets	\$ 3,158,558	\$ 8,381,881	\$ 799,132		\$ 12,339,571
LIABILITIES AND EQUITY					
Current Liabilities					
Current maturities of long-term debt	\$ 7,150	\$ 5,215	\$		\$ 12,365
Other accrued liabilities	190,596	359,089	64,720	(i); (m)	614,405
Total Current Liabilities	197,746	364,304	64,720		626,770
Long-term debt	1,038,335	2,816,223	(167,016)	(n)	3,687,542
Deferred income taxes	249,572	800,770	80,418	(k)	1,130,760
Other noncurrent liabilities	187,354	524,485			711,839
Total Liabilities	1,673,007	4,505,782	(21,878)		6,156,911
Equity					
Common stock	456	129,233	(128,584)	(o)	1,105
Additional paid-in-capital	400,855	2,538,987	2,222,473	(o)	5,162,315
Accumulated other comprehensive loss	(49,560)	(164,943)	164,943	(o)	(49,560)
Retained earnings	1,094,469	1,372,822	(1,437,822)	(m); (o)	1,029,469
Total Shareholders' Equity	1,446,220	3,876,099	821,010		6,143,329
Noncontrolling interests	39,331				39,331
Total Equity	1,485,551	3,876,099	821,010		6,182,660
Total Liabilities and Equity	\$ 3,158,558	\$ 8,381,881	\$ 799,132		\$ 12,339,571

Please see accompanying Notes to the Unaudited Pro Forma Condensed Combined Consolidated Financial Statements below, which are an integral part of these statements.

Table of Contents

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED
COMBINED CONSOLIDATED FINANCIAL STATEMENTS**

Note 1. Basis of Pro Forma Presentation

The pro forma statements of earnings for the nine months ended September 30, 2011, and the year ended December 31, 2010, give effect to the acquisition as if it were completed on January 1, 2010. The pro forma balance sheet as of September 30, 2011, gives effect to the acquisition as if it were completed on September 30, 2011.

The pro forma financial statements have been derived from the historical consolidated financial statements of Martin Marietta and Vulcan that are incorporated by reference into this document. Assumptions and estimates underlying the pro forma adjustments are described in these notes, which should be read in conjunction with the pro forma financial statements. Since the pro forma financial statements have been prepared based upon preliminary estimates and assumptions, the final amounts recorded at the date of the acquisition may differ materially from the information presented. These estimates are subject to change pending further review and analysis of the assets acquired and liabilities assumed.

Under U.S. generally accepted accounting principles, the total estimated purchase price is calculated as described in Note 2 to the pro forma financial statements, and the assets acquired and the liabilities assumed, have been measured at estimated fair value. For the purpose of measuring the estimated fair value of the assets acquired and liabilities assumed, Martin Marietta has applied the accounting guidance for fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The following presents the assumptions reflected in the pro forma balance sheet for the assets acquired and the liabilities assumed from Vulcan:

ASSETS:	FAIR VALUE ASSUMPTIONS
Cash and cash equivalents; Accounts and notes receivable	Approximates carrying value, per Note 7 of Vulcan's September 30, 2011 Form 10-Q
Inventories	Estimated based on disclosures in Notes 3 and 15 of Vulcan's 2010 Annual Report to Shareholders
Property, plant and equipment (inclusive of mineral reserves)	Equal to carrying value; fair values will change as additional information regarding Vulcan's books and records becomes available
Other current assets and other noncurrent assets, including other intangible assets	Equal to carrying value; fair value of acquired other intangible assets will change as additional information regarding Vulcan's books and records becomes available
Goodwill	Amount preliminarily based on difference between the estimated purchase price and the current assumptions for the fair values of assets acquired and liabilities assumed; amount will be adjusted to reflect the final purchase price and changes in the fair values of assets acquired and liabilities assumed
LIABILITIES:	
Current maturities of long-term debt; Other accrued liabilities	Approximates carrying value, per Note 7 of Vulcan's September 30, 2011 Form 10-Q
Long-term debt	Fair value per Note 11 of Vulcan's September 30, 2011 Form 10-Q
Deferred income taxes; Other noncurrent liabilities	Equal to carrying value; fair value may change as additional information regarding Vulcan's books and records becomes available

Table of Contents

The pro forma adjustments and assumptions included herein are preliminary and will be revised at the time of the acquisition as further information becomes available and as additional analyses are performed. The final purchase price allocation will be determined at the time that the acquisition is completed, and the final amounts recorded for the acquisition may differ materially from the information presented herein the pro forma financial statements.

Estimated transaction costs have been excluded from the pro forma statements of earnings as they reflect non-recurring charges directly related to the acquisition. However, the anticipated transaction costs are reflected in the pro forma balance sheet as an increase to accounts payable and a decrease to retained earnings.

At the effective time of the second-step merger following the offer, any vesting conditions applicable to any restricted stock units and any incentive stock plan units payable in shares of Martin Marietta common stock granted pursuant to Martin Marietta's stock plans will, subject to applicable law and otherwise subject to the terms of the applicable award or plan, lapse. The pro forma statements of earnings do not reflect any one-time charge for any remaining stock-based compensation expense that may be recognized upon the lapsing of vesting conditions. The pro forma statements of earnings include recurring stock-based compensation expense of Martin Marietta and Vulcan as included in each entity's historical financial statements.

The pro forma financial statements do not reflect any cost savings or associated costs to achieve such savings from operating efficiencies, synergies or other restructuring that result from the acquisition. Further, the pro forma financial statements do not reflect the effect of any regulatory actions that may impact the pro forma financial statements when the acquisition is completed. As a condition to their approval of the transactions contemplated by this prospectus/offer to exchange, agencies may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of the combined company's business. These requirements, limitations, costs, divestitures or restrictions could jeopardize or delay the consummation of the offer or may reduce the anticipated benefits of the combination contemplated by the offer. Please see the section of this prospectus/offer to exchange entitled "Risk Factors - Risks Relating to the Offer and the Second-Step Merger."

Note 2. Preliminary Purchase Price

The exchange offer provides that each outstanding share of Vulcan common stock will be exchanged into the right to receive 0.50 shares of Martin Marietta common stock. The estimated purchase price for the acquisition is calculated as follows:

Vulcan common shares outstanding as of September 30, 2011	129,233,000
Nonvested deferred stock units and performance units assumed to vest at time of transaction	577,808
Total Vulcan shares assumed to be exchanged	129,810,808
Exchange ratio (shares of Martin Marietta common stock issued for each outstanding share of Vulcan common stock)	0.50
Estimated shares of Martin Marietta common stock to be issued for transaction	64,905,404
Martin Marietta common stock share price as of December 9, 2011	\$ 73.37
Total estimated purchase price	\$ 4,762,109,491

The preliminary purchase price will fluctuate with the market price of Martin Marietta's common stock until it is reflected on an actual basis when the acquisition is completed.

Table of Contents

Note 3. Adjustments to Pro Forma Financial Statements

The pro forma adjustments included in the pro forma financial statements are as follows:

(a) *Martin Marietta and Vulcan historical presentation.* Based on the amounts reported in the consolidated statements of earnings and balance sheets of Martin Marietta and Vulcan for the nine months ended and as of September 30, 2011, and in the consolidated statements of earnings of Martin Marietta and Vulcan for the year ended December 31, 2010, certain financial statement line items included in Vulcan's historical presentation have been reclassified to conform to corresponding financial statement line items included in Martin Marietta's historical presentation. These reclassifications have no material impact on the historical operating earnings, earnings from continuing operations, total assets, liabilities or shareholders' equity reported by Martin Marietta or Vulcan. The accompanying pro forma statements of earnings exclude the results of discontinued operations.

The total preliminary purchase price has been allocated to Vulcan's tangible and intangible assets acquired and liabilities assumed based on preliminary estimates and assumptions of fair value. The excess of the purchase price over the net tangible and identifiable intangible assets will be recorded as goodwill. Based on currently-available information, Martin Marietta has assumed that the fair value of Vulcan's property, plant, equipment (inclusive of mineral reserves) and other intangible assets equals the carrying value of these assets on Vulcan's balance sheet as of September 30, 2011. The final determination of fair value and allocation of the purchase price will be determined after the acquisition is consummated and additional analyses and valuation studies are performed to determine the fair values of Vulcan's tangible and intangible assets acquired and liabilities assumed as of the date the acquisition is completed. Changes in the fair value of the net assets of Vulcan as of the date the acquisition is completed will change the amount of the purchase price allocable to goodwill. The actual amounts recorded when the acquisition is completed may differ materially from the pro forma adjustments presented herein. To the extent that the purchase price is allocated to assets other than goodwill, such assets may be depreciable or amortizable and the combined entity may incur depreciation and amortization expense in addition to the amounts set forth herein.

Adjustments to Pro Forma Condensed Combined Consolidated Statements of Earnings

(b) *Net Sales and Cost of Sales.* Reflects the elimination of transactions between Martin Marietta and Vulcan that occurred during the year ended December 31, 2010, and the nine months ended September 30, 2011, as if Martin Marietta and Vulcan were consolidated affiliates during the periods. The transactions between the entities were for the purchases/sales of aggregates products.

(c) *Cost of Sales and Other Operating Income and Expenses, Net.* Reflects the reclassification of Vulcan's asset retirement obligation expenses to other operating expenses to conform with the accounting policy of Martin Marietta.

(d) *Selling, General and Administrative Expenses and Other Operating Income and Expense, Net.* Reflects the reclassification of Vulcan's research and development costs from selling, general and administrative expenses to other operating expenses to conform to the presentation of Martin Marietta.

(e) *Other Operating Income and Expenses, Net.* Reflects the elimination of Vulcan's gains on sales of property, plant, equipment and businesses as a result of the adjustment to fair value as of the date of acquisition.

(f) *Interest Expense.* Reflects the reduction in Vulcan's interest expense as a result of the write up of Vulcan's long-term debt to fair value at the date of acquisition. The write up is amortized and recorded as a reduction of interest expense over the remaining terms of the related debt issuances.

(g) *Income Tax Expense.* Reflects the income tax effects of the pro forma adjustments calculated using an estimated statutory income tax rate of 39.6%.

Table of Contents

(h) *Net Earnings Per Share and Weighted Average Shares Outstanding.* The pro forma basic and diluted earnings per share are based on the historical weighted average number of shares of Martin Marietta common stock outstanding adjusted for additional common stock issued to Vulcan shareholders as part of the purchase consideration. Shares of common stock issued to Vulcan shareholders are assumed to have been issued as of January 1, 2010 and outstanding for the entire period.

The following table presents the computation of pro forma basic and diluted weighted-average shares outstanding for the nine months ended September 30, 2011.

	Weighted-Average Shares (Amounts in thousands)
Martin Marietta's historical weighted-average common shares outstanding basic	45,634
Estimated shares of Martin Marietta's common stock issued to Vulcan's shareholders	64,905
Pro forma weighted-average common shares outstanding basic	110,539
Martin Marietta's historical weighted-average common shares outstanding diluted	45,783
Estimated shares of Martin Marietta's common stock issued to Vulcan's shareholders	64,905
Pro forma weighted-average common shares outstanding diluted	110,688

The following table presents the computation of pro forma basic and diluted weighted-average shares outstanding for the year ended December 31, 2010:

	Weighted-Average Shares (Amounts in thousands)
Martin Marietta's historical weighted-average common shares outstanding basic	45,485
Estimated shares of Martin Marietta's common stock issued to Vulcan's shareholders	64,905
Pro forma weighted-average common shares outstanding basic	110,390
Martin Marietta's historical weighted-average common shares outstanding diluted	45,659
Estimated shares of Martin Marietta's common stock issued to Vulcan's shareholders	64,905
Pro forma weighted-average common shares outstanding diluted	110,564

Adjustments to Pro Forma Condensed Combined Consolidated Balance Sheet

(i) *Accounts Receivable and Accounts Payable.* Reflects the elimination of accounts receivable and payable between Martin Marietta and Vulcan for the purchases/sales of aggregates products.

(j) *Inventories and Other Noncurrent Assets.* Reflects the reclassification of certain of Vulcan's inventories from other noncurrent assets to conform to the presentation of Martin Marietta. These inventories are fully reserved for consistency with Martin Marietta's accounting policy.

(k) *Inventories and Deferred Tax Liabilities.* Reflects the adjustment to record Vulcan's inventory at fair value. The write-up of inventory resulted in the recognition of a deferred income tax liability, which was calculated using the statutory rate of 39.6%.

(l) *Goodwill.* Reflects the elimination of Vulcan's historical goodwill and the preliminary estimate of the excess of the purchase price paid over the fair value of Vulcan's identifiable assets acquired and liabilities assumed.

Edgar Filing: DIME COMMUNITY BANCSHARES INC - Form DEF 14A

(m) *Accounts Payable and Retained Earnings*. Represents the accrual for estimated non-recurring acquisition transaction costs of \$65 million for the combined companies to be incurred after September 30, 2011.

Table of Contents

(n) *Long-Term Debt*. Represents the adjustment to write down Vulcan's long-term debt to fair value.

(o) *Shareholders' Equity*. The pro forma balance sheet reflects the elimination of Vulcan's historical equity balances, including the components of accumulated other comprehensive loss. The pro forma balance sheet also reflects the issuance of approximately 64.9 million new Martin Marietta common shares issued (\$649,054 of common stock at \$0.01 par value and \$4,761,460,437 of additional paid-in capital).

Note 4. Nonrecurring Transactions

For the year ended December 31, 2010, Vulcan incurred a nonrecurring legal settlement expense of \$40,000,000, prior to any impact on income taxes. For the nine months ended September 30, 2011, Vulcan received insurance recoveries totaling \$46,404,000 related to litigation, which was recorded as income prior to any impact on income taxes. While these amounts have been included in the pro forma results of operations, Martin Marietta believes the magnitude of these legal settlements and recoveries are nonrecurring in nature.

Table of Contents**FORWARD-LOOKING STATEMENTS**

Certain items contained in this prospectus/offer to exchange may constitute forward-looking statements. Statements that include words such as anticipate, expect, should be, believe, will, and other words of similar meaning in connection with future events or future operating or financial performance are often used to identify forward-looking statements. All statements in this prospectus/offer to exchange, other than those relating to historical information or current conditions, are forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Martin Marietta's control, which could cause actual results to differ materially from such statements. Risks and uncertainties relating to the proposed transaction with Vulcan include, but are not limited to: Vulcan's willingness to accept Martin Marietta's proposal and enter into a definitive transaction agreement reasonably satisfactory to the parties; Martin Marietta's ability to obtain shareholder, antitrust and other approvals on the proposed terms and schedule; uncertainty as to the actual premium that will be realized by Vulcan shareholders in connection with the proposed transaction; uncertainty of the expected financial performance of the combined company following completion of the proposed transaction; Martin Marietta's ability to achieve the cost-savings and synergies contemplated by the proposed transaction within the expected time frame; Martin Marietta's ability to promptly and effectively integrate the businesses of Vulcan and Martin Marietta; a downgrade of the credit rating of Vulcan's indebtedness, which could give rise to an obligation to redeem Vulcan's existing indebtedness; the potential implications of alternative transaction structures with respect to Vulcan, Martin Marietta and/or the combined company, including potentially requiring an offer to repurchase certain of Martin Marietta's existing debt; the implications of the proposed transaction on certain of Martin Marietta's and Vulcan's employee benefit plans; and disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees or suppliers. Additional risks and uncertainties include, but are not limited to: the performance of the United States economy; decline in aggregates pricing; the inability of the U.S. Congress to pass a successor federal highway bill; the discontinuance of the federal gasoline tax or other revenue related to infrastructure construction; the level and timing of federal and state transportation funding, including federal stimulus projects; the ability of states and/or other entities to finance approved projects either with tax revenues or alternative financing structures; levels of construction spending in the markets that Martin Marietta and Vulcan serve; a decline in the commercial component of the nonresidential construction market, notably office and retail space; a slowdown in residential construction recovery; unfavorable weather conditions, particularly Atlantic Ocean hurricane activity, the late start to spring or the early onset of winter and the impact of a drought or excessive rainfall in the markets served by Martin Marietta and Vulcan; the volatility of fuel costs, particularly diesel fuel, and the impact on the cost of other consumables, namely steel, explosives, tires and conveyor belts; continued increases in the cost of other repair and supply parts; transportation availability, notably barge availability on the Mississippi River system and the availability of railcars and locomotive power to move trains to supply Martin Marietta's and Vulcan's long haul distribution markets; increased transportation costs, including increases from higher passed-through energy and other costs to comply with tightening regulations as well as higher volumes of rail and water shipments; availability and cost of construction equipment in the United States; weakening in the steel industry markets served by Martin Marietta's dolomitic lime products; inflation and its effect on both production and interest costs; Martin Marietta's ability to successfully integrate acquisitions and business combinations quickly and in a cost-effective manner and achieve anticipated profitability to maintain compliance with Martin Marietta's leverage ratio debt covenants; changes in tax laws, the interpretation of such laws and/or administrative practices that would increase Martin Marietta's and/or Vulcan's tax rate; violation of Martin Marietta's debt covenant if price and/or volumes return to previous levels of instability; a potential downgrade in the rating of Martin Marietta's or Vulcan's indebtedness; downward pressure on Martin Marietta's or Vulcan's common stock price and its impact on goodwill impairment evaluations; the highly competitive nature of the construction materials industry; the impact of future regulatory or legislative actions; the outcome of pending legal proceedings; healthcare costs; the amount of long-term debt and interest expense; changes in interest rates; volatility in pension plan asset values which may require cash contributions to pension plans; the impact of environmental clean-up costs and liabilities relating to previously divested businesses; the ability to secure and permit aggregates reserves in strategically located areas; exposure to residential construction markets; and the impact on the combined company (after giving effect to the proposed transaction with Vulcan) of any of the foregoing risks, as well as other risk factors listed from time to time in Martin Marietta's and Vulcan's filings with the SEC.

Table of Contents

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this prospectus/offer to exchange and elsewhere, including the Risk Factors of the most recent reports on Form 10-K and Form 10-Q, and any other documents, of Martin Marietta and Vulcan filed with the SEC. Any forward-looking statements made in this prospectus/offer to exchange are qualified in their entirety by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us or our business or operations. Except to the extent required by applicable law, we undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

LEGAL MATTERS

Before this registration statement becomes effective, Robinson, Bradshaw & Hinson, P.A., Charlotte, North Carolina, will provide an opinion regarding the validity of the shares of Martin Marietta common stock to be issued pursuant to the offer. Richard A. Vinroot, Esq., a shareholder of Robinson, Bradshaw & Hinson, P.A., is a director of Martin Marietta. Certain members of Robinson, Bradshaw & Hinson, P.A. beneficially owned less than 1% of the outstanding shares of common stock of Martin Marietta as of the date of this prospectus/offer to exchange. Robinson, Bradshaw & Hinson, P.A. has provided certain legal services to Martin Marietta during 2010 and 2011. The amount of fees paid to Robinson, Bradshaw & Hinson, P.A. for such services in 2010 was approximately \$84,000 and in 2011 was approximately \$43,000, representing less than 0.2% of the firm's gross revenues for each of 2010 and the year to date 2011. Mr. Vinroot did not work on any of the legal matters for Martin Marietta. As described in the section entitled "The Exchange Offer - Material Federal Income Tax Consequences," Martin Marietta will receive an opinion from Skadden, Arps, Slate, Meagher & Flom LLP in connection with the consummation of the second-step merger, if any, stating that, for U.S. federal income tax purposes, the offer and the second-step merger, taken together, will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements and schedule included in our Annual Report on Form 10-K for the year ended December 31, 2010, and the effectiveness of our internal control over financial reporting as of December 31, 2010, as set forth in their reports, which are incorporated by reference in this prospectus/offer to exchange and elsewhere in the registration statement. Our consolidated financial statements and schedule are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

The consolidated financial statements of Vulcan appearing in its Annual Report (Form 10-K) for the year ended December 31, 2010 (including schedules appearing therein), and Vulcan's effectiveness of internal control over financial reporting as of December 31, 2010 included therein, have been audited by an independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Pursuant to Rule 439 under the Securities Act, Martin Marietta requires the consent of Vulcan's independent auditors to incorporate by reference their audit reports included in Vulcan's Annual Report on Form 10-K for the year ended December 31, 2010 in this prospectus/offer to exchange. Martin Marietta is requesting and has, as of the date hereof, not received such consent from Vulcan's independent auditors. If Martin Marietta receives this consent, Martin Marietta will promptly file it as an exhibit to Martin Marietta's registration statement of which this prospectus/offer to exchange forms a part.

Table of Contents

SOLICITATION OF PROXIES

As discussed in this prospectus/offer to exchange, Martin Marietta currently intends to file a proxy statement with the SEC for use in connection with the solicitation of proxies from Vulcan shareholders in respect of the election of certain persons nominated by Martin Marietta to be elected to serve as directors on the board of directors of Vulcan. Martin Marietta advises Vulcan shareholders to read such proxy statement when it becomes available, because it will contain important information regarding the proxy solicitation. Vulcan shareholders may, when such documents become available, obtain a free copy of the proxy statement and other documents that Martin Marietta files with the SEC at its web site at <http://www.sec.gov>. In addition, each of these documents, when prepared or available, may be obtained free of charge from Martin Marietta by contacting the information agent as directed on the back cover of this prospectus/offer to exchange.

MISCELLANEOUS

The offer is being made solely by this prospectus/offer to exchange and the accompanying letter of transmittal, and any amendments or supplements thereto, and is being made to all holders of shares of Vulcan common stock. Martin Marietta is not aware of any State within the United States where the making of the offer or the tender of shares of Vulcan common stock in connection therewith would not be in compliance with the laws of such State. If Martin Marietta becomes aware of any State in which the making of the offer or the tender of shares of Vulcan common stock in connection therewith would not be in compliance with applicable law, Martin Marietta will make a good faith effort to comply with any such law. If, after such good faith effort, Martin Marietta cannot comply with any such law, the offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of shares of Vulcan common stock in such State. In any jurisdiction where the securities, blue sky or other laws require the offer to be made by a licensed broker or dealer, the offer shall be deemed to be made on behalf of Martin Marietta by the dealer managers or by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

WHERE YOU CAN FIND MORE INFORMATION

Martin Marietta and Vulcan separately file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any of this information filed with the SEC at the SEC's public reference room:

Public Reference Room

100 F Street NE

Room 1024

Washington, D.C. 20549

For information regarding the operation of the Public Reference Room, you may call the SEC at 1-800-SEC-0330. These filings made with the SEC are also available to the public through the website maintained by the SEC at <http://www.sec.gov> or from commercial document retrieval services.

Martin Marietta has filed a registration statement on Form S-4 to register with the SEC the offering and sale of shares of Martin Marietta common stock to be issued in the offer and the second-step merger. This prospectus/offer to exchange is a part of that registration statement. We may also file amendments to the registration statement. In addition, on the date of the initial filing of the registration statement that contains this prospectus/offer to exchange, we filed with the SEC a Tender Offer Statement on Schedule TO under the Exchange Act, together with exhibits, to furnish certain information about the offer, and we may also file amendments to the Schedule TO. You may obtain copies of the Form S-4 and Schedule TO (and any amendments to those documents) by contacting the information agent as directed on the back cover of this prospectus/offer to exchange.

Table of Contents

The SEC allows Martin Marietta to incorporate information into this prospectus/offer to exchange by reference, which means that Martin Marietta can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus/offer to exchange, except for any information superseded by information contained directly in this prospectus/offer to exchange. This prospectus/offer to exchange incorporates by reference the documents set forth below that Martin Marietta and Vulcan have previously filed with the SEC. These documents contain important information about Martin Marietta and Vulcan and their financial condition, business and results.

Martin Marietta Filings (File No. 1-12744):

Annual Report on Form 10-K

Period

Fiscal Year Ended December 31, 2010, as filed on February 25, 2011

The description of the common stock as contained in Item 1 of Martin Marietta's Registration Statements on Form 8-A, filed on January 13, 1994 and October 19, 2006, respectively, including all amendments and reports filed for the purpose of updating such description.

The description of Martin Marietta's rights plan as contained in Item 1 of Martin Marietta's Registration Statement on Form 8-A, filed on October 19, 2006, including all amendments and reports filed for the purpose of updating such description.

Quarterly Reports on Form 10-Q

Fiscal Quarter ended on March 31, 2011, as filed on May 3, 2011

Fiscal Quarter ended on June 30, 2011, as filed on August 8, 2011

Fiscal Quarter ended on September 30, 2011, as filed on November 7, 2011

Current Reports on Form 8-K

Filed on March 1, 2011, April 6, 2011, April 20, 2011, May 3, 2011 (film no. 11805050), May 3, 2011 (film no. 11803127), May 18, 2011, June 13, 2011, August 2, 2011, August 22, 2011, September 2, 2011, October 13, 2011, November 1, 2011, November 10, 2011, December 6, 2011 (other than any portion of any documents not deemed to be filed)

Proxy Statement on Schedule 14A

Filed on April 8, 2011

Table of Contents

Vulcan Filings (File No. 1-33841):	Period
Annual Report on Form 10-K (except for the report of Vulcan's independent public accountants contained therein which is not incorporated herein by reference because the consent of Vulcan's independent public accountants has not yet been obtained nor has exemptive relief under Rule 437, promulgated under the Securities Act, been granted to Martin Marietta by the SEC)	Fiscal year ended December 31, 2010, as filed on February 28, 2011
Quarterly Reports on Form 10-Q	Fiscal quarter ended on March 31, 2011, as filed on May 6, 2011 Fiscal quarter ended on June 30, 2011, as filed on August 4, 2011 Fiscal quarter ended on September 30, 2011, as filed on November 4, 2011
Current Reports on Form 8-K	Filed on March 1, 2011, March 7, 2011, May 5, 2011 (film no. 11814541), May 5, 2011 (film no. 11812013), May 13, 2011, June 15, 2011, June 16, 2011, August 3, 2011, October 11, 2011, November 3, 2011, November 15, 2011 (other than any portion of any documents not deemed to be filed)
Proxy Statement on Schedule 14A Martin Marietta also hereby incorporates by reference any additional documents that it or Vulcan may file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act after the initial filing date of this registration statement that contains this prospectus/offer to exchange to the termination of the offering. Nothing in this prospectus/offer to exchange shall be deemed to incorporate information furnished but not filed with the SEC.	Filed March 31, 2011

Shareholders may obtain any of these documents without charge upon written or oral request to the information agent at Morrow & Co., LLC, 470 West Avenue, Stamford, CT 06902, toll-free at (877) 757-5404 (shareholders) or at (800) 662-5200 (banks and brokerage firms), or from the SEC at the SEC's website at <http://www.sec.gov>.

IF YOU WOULD LIKE TO REQUEST DOCUMENTS FROM MARTIN MARIETTA, PLEASE CONTACT THE INFORMATION AGENT NO LATER THAN MAY 11, 2012, OR FIVE BUSINESS DAYS BEFORE THE EXPIRATION DATE, WHICHEVER IS LATER, TO RECEIVE THEM BEFORE THE EXPIRATION DATE OF MARTIN MARIETTA'S OFFER. If you request any incorporated documents, the information agent will mail them to you by first-class mail, or other equally prompt means, within one business day of receipt of your request.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS/OFFER TO EXCHANGE IN MAKING YOUR DECISION WHETHER TO TENDER YOUR SHARES OF VULCAN COMMON STOCK INTO MARTIN MARIETTA'S OFFER. MARTIN MARIETTA HAS NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT DIFFERS FROM THAT CONTAINED IN THIS PROSPECTUS/OFFER TO EXCHANGE. THIS PROSPECTUS/OFFER TO EXCHANGE IS DATED DECEMBER 12, 2011. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS/OFFER TO EXCHANGE IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE, AND NEITHER THE MAILING OF THIS PROSPECTUS/OFFER TO EXCHANGE TO SHAREHOLDERS NOR THE ISSUANCE OF SHARES OF MARTIN MARIETTA COMMON STOCK IN MARTIN MARIETTA'S OFFER SHALL CREATE ANY IMPLICATION TO THE CONTRARY.

Table of Contents**SCHEDULE I****DIRECTORS AND EXECUTIVE OFFICERS OF MARTIN MARIETTA**

The name, current principal occupation or employment and material occupations, positions, offices or employment for the past five years, of each director and executive officer of Martin Marietta are set forth below. References in this Schedule I to Martin Marietta mean Martin Marietta Materials, Inc. Unless otherwise indicated below, the current business address of each director and officer is c/o Martin Marietta Materials, Inc., 2710 Wycliff Road, Raleigh, North Carolina 27607. Unless otherwise indicated below, the current business telephone of each director and officer is (919) 781-4550. Where no date is shown, the individual has occupied the position indicated for the past five years. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Martin Marietta. Each director and officer is a United States citizen. Except as described in this Schedule I, none of the directors and officers of Martin Marietta listed below has, during the past five years, (1) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (2) been a party to any judicial or administrative proceeding that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

DIRECTORS

Name	Age	Present Principal Occupation and Five-Year Employment History
Stephen P. Zelnak, Jr.	66	Stephen P. Zelnak, Jr. has been a member of our board since 1993. Mr. Zelnak has served as non-Executive Chairman since May 27, 2010. He served as Executive Chairman from January 1, 2010 to May 27, 2010. He previously served as Chief Executive Officer of Martin Marietta since 1993 and as President of Martin Marietta from 1993 to 2006. Mr. Zelnak joined Martin Marietta in 1981 and he had been responsible for the Aggregates operations since 1982. Mr. Zelnak is also a Director of Beazer Homes USA, Inc., and Pace Industries. Mr. Zelnak is also Chairman and majority owner of ZP Enterprises, a private investment firm engaged in the purchase of small manufacturing companies. Mr. Zelnak has served as Chairman of the North Carolina Chamber, North Carolina Community College Foundation, National Stone, Sand and Gravel Association, Peace College Board of Trustees, North Carolina Foundation For Research And Economic Education, North Carolina Aggregates Association and the NC State Physical and Mathematical Sciences Foundation. He currently serves on the Advisory Boards of North Carolina State University and Georgia Institute of Technology.
Sue W. Cole	61	Sue W. Cole has been a member of our board since 2002. Ms. Cole is the managing partner of SAGE Leadership & Strategy, LLC, an advisory firm for businesses, organizations and individuals relating to client research, client delivery strategy, marketing and strategic planning, and leadership transition. Ms. Cole was previously a principal of Granville Capital Inc., a registered investment advisor, from 2006 to 2011. Ms. Cole has more than 37 years experience in financial services and investment management. Before joining Granville Capital, she served as Regional Chief Executive Officer of the Mid-Atlantic Region of U.S. Trust Company, N.A., an integrated wealth management firm, from 2003 to 2006, and as Chief Executive Officer for U.S. Trust Company of North Carolina and North Carolina Trust Company. Previously she was Head of Corporate Lending for the Greensboro, North Carolina Region of NCNB. Ms. Cole also previously served as a Director of UNIFI, Inc., and has been active in the community and charitable

Table of Contents

Name	Age	Present Principal Occupation and Five-Year Employment History
David G. Maffucci	61	<p>organizations including serving on the Investment Committees of UNC-Greensboro, the Cone Health Foundation, and the Weaver Foundation; Chair of the Management Development and Compensation Committee and member of the Executive Committee of the North Carolina Biotechnology Center; member of the Board of Directors of the North Carolina Economic Development Board; and member of the Board of Governors of the Center for Creative Leadership.</p> <p>David G. Maffucci has been a member of our board since 2005. Mr. Maffucci is a Director of Domtar Corporation, the largest integrated manufacturer and marketer of uncoated freesheet paper in North America and the second largest in the world, and one of the largest manufacturers and marketers of pulp in North America. Mr. Maffucci served as Executive Vice President and Chief Financial Officer of Xerium Technologies, Inc., a manufacturer and supplier of consumable products used in paper production, from 2009 to 2010. He served on its Board of Directors from 2008 until 2010, serving on its Audit and Compensation Committees from 2008 to 2009. From 2005 to 2006, Mr. Maffucci served as Executive Vice President of Bowater Incorporated and President of its Newsprint Division. He served as Chief Financial Officer of Bowater Incorporated from 1995 to 2005. On October 29, 2007, Bowater Incorporated combined with Abitibi-Consolidated Inc. to form AbitibiBowater Inc. (NYSE: ABH). AbitibiBowater produces a wide range of newsprint and commercial printing papers, market pulp and wood products. It is the eighth largest publicly-traded pulp and paper manufacturer in the world. On March 30, 2010, Xerium Technologies, Inc. filed a voluntary petition for relief under Chapter 11 of the Federal bankruptcy laws as part of a pre-arranged restructuring plan with the support of its lenders. On May 25, 2010, Xerium Technologies, Inc. emerged from Chapter 11 protection. Mr. Maffucci previously worked at KPMG.</p>
William E. McDonald	69	<p>William E. McDonald has been a member of our board since 1996. Mr. McDonald served as President and Chief Executive Officer of Sprint Mid-Atlantic Telecom and Sprint Mid-Atlantic Operations from 1993 to 1998, and was President and Chief Executive Officer for the United Telephone-Eastern in Carlisle, PA. Mr. McDonald began working with Sprint in 1968 when he joined Sprint United Telephone-Southeast. He progressed through various management positions until 1980, when he was named Vice President-Revenue Requirements. In 1981, he became Vice President-Operations for Sprint United Telephone-Midwest in Kansas City, MO. Mr. McDonald became President of Uninet in 1982 and in 1984 served as Senior Vice President-Network Development for what is now Sprint Long Distance. He was named President of Sprint United Telephone-Northwest in Hood River, OR, in 1986, before becoming President of Sprint United Telephone-Eastern. Mr. McDonald served as Senior Vice President, Customer Service Operations, Sprint Corporation, a telecommunications company, until his retirement in 2000.</p>

Table of Contents

Name	Age	Present Principal Occupation and Five-Year Employment History
Frank H. Menaker, Jr.	71	Frank H. Menaker, Jr. has been a member of our board since 1993. Mr. Menaker is Contract Of Counsel in the DLA Piper international law firm, based in Washington, D.C., where he practices in the areas of internal investigations, corporate governance and regulatory matters. Mr. Menaker is also a member of the McCammon Group, a mediation, arbitration, facilitation, training and consulting group providing conflict resolution services throughout the mid-Atlantic region. Mr. Menaker previously served as Senior Vice President and General Counsel of Lockheed Martin Corporation, a defense, aeronautics, and aerospace company, from 1996 until 2005, and previously was General Counsel of Martin Marietta Corporation since 1981. During his tenure, Mr. Menaker helped guide Lockheed Martin Corporation and Martin Marietta Corporation through a period of consolidation in the defense industry, beginning with Martin Marietta Corporation's successful Pac Man defense of Bendix Corporation's attempted hostile takeover of Martin Marietta Corporation in 1980. He retired from Lockheed Martin Corporation in 2006. Mr. Menaker's professional activities include previously serving as past chair and fellow of the ABA Public Contract Law Section, as a board member of the Atlantic Legal Foundation, and as an advisor to Human Rights First. During the past five years, Mr. Menaker served as a Director and as Member of the Audit Committee of North American Galvanizing and Coatings, Inc., which merged with AZZ Incorporated in 2010.
C. Howard Nye	49	C. Howard Nye has been a member of our board since 2010. Mr. Nye has served as President and Chief Executive Officer of Martin Marietta since January 1, 2010. He previously served as President and Chief Operating Officer of Martin Marietta from August 2006 to 2009. From 2003 to 2006, Mr. Nye served as Executive Vice President of Hanson Aggregates North America, a producer of aggregates for the construction industry, and in other managerial roles since 1993. Mr. Nye has also been active in a number of various business, civic, and education organizations, including serving as a member of the Board of Directors for the National Stone, Sand & Gravel Association, the American Road & Transportation Builders Association, and Romeo Guest Associates, Inc. Mr. Nye is also a member of the Duke University Alumni Board, as well as a former gubernatorial appointee to the North Carolina Mining Commission.
Laree E. Perez	58	Laree E. Perez has been a member of our board since 2004. Ms. Perez serves as the Managing Partner in The Medallion Company, LLC, an investment management company, since 2003 and as an independent financial consultant with that company since 2002. Ms. Perez is a Director of GenOn Energy, Inc. (previously named RRI Energy, Inc.), one of the largest power producers in the United States, and is currently a member of its Audit and Risk and Finance Oversight Committees. She previously served as the Chairman of the Audit Committee of GenOn Energy, Inc. from 2002 to 2007. From 1996 to 2002, she was Vice President of Loomis, Sayles & Company, L.P. Ms. Perez was co-founder of Medallion Investment Company, Inc. and served as President and Chief Executive Officer from 1991 until it was acquired by Loomis Sayles in 1996. Ms. Perez recently served as Vice Chairman of the Board of Regents at Baylor University and previously served on the Board of Trustees of New Mexico State University, where she was also Chairman of the Board. Ms. Perez has also served on the Leadership Council and as Chair of the Development Committee for the Mayo Clinic Arizona. Ms. Perez has over 30 years experience in finance and investments.

Table of Contents

Name	Age	Present Principal Occupation and Five-Year Employment History
Michael J. Quillen	63	Michael J. Quillen has been a member of our board since 2008. Mr. Quillen has served as Chief Executive Officer and a member of the Board of Directors of Alpha Natural Resources, Inc., a leading Appalachian coal supplier, since its formation in 2004 until its merger with Foundation Coal Holdings, Inc. on July 31, 2009. He continued to serve as Executive Chairman until December 31, 2009. Mr. Quillen now serves as non-Executive Chairman of the combined entity, also named Alpha Natural Resources, Inc. He was named Chairman of the Board of Alpha in 2006. Mr. Quillen served as President of Alpha until 2006. In 2002, Mr. Quillen joined the Alpha management team as President and the sole manager of Alpha's operating subsidiary, Alpha Natural Resources, LLC, where he had served as Chief Executive Officer since 2003. From 2002 to 2005 he also served in senior executive capacities with other former affiliates of Alpha. From September 1998 to December 2002, Mr. Quillen was Executive Vice President Operations of AMCI Metals and Coal International Inc., a mining and marketing company (AMCI). While at AMCI, he was also responsible for the development of AMCI's Australian properties. He has held senior executive positions in the coal industry throughout his career, including Vice President-Operations of Pittston, President of Pittston Coal Sales Corp., Vice President of AMVEST Corporation, Vice President-Operations of NERCO Coal Corporation, President and Chief Executive Officer of Addington, Inc. and manager of Mid-Vol Leasing, Inc. Mr. Quillen has over 30 years of experience in the coal industry starting as an engineer.
Dennis L. Rediker	67	Dennis L. Rediker has been a member of our board since 2003. Mr. Rediker serves as the President and Chief Operating Officer of B4C, LLC, a developer and maker of composite materials for defense and aerospace applications. He previously served as President and Chief Executive Officer of The Standard Register Company, a document services company, from 2000 until his retirement in 2008. Mr. Rediker was also previously the Chief Executive Officer and a Director of English China Clays, plc. During the past five years, Mr. Rediker served as Director of The Standard Register Company. Mr. Rediker is past volunteer Chairman of the Board of Trustees of the National Composites Center, and previously served on the Dayton Development Coalition and on the Board of Managers for the National Museum of the U.S. Air Force Foundation.
Richard A. Vinroot	70	Richard A. Vinroot has been a member of our board since 1996. Mr. Vinroot has been a member of the law firm of Robinson, Bradshaw & Hinson, P.A. in Charlotte, NC since 1969, where he practices in the areas of civil litigation including construction, labor, employment discrimination, securities and commercial contract disputes and controversies. He has appeared and served as lead trial counsel in the successful prosecution, defense and resolution of numerous actions in the federal and state courts during the past several years. Mr. Vinroot has also been active in civic and community activities, including serving on the Board of Trustees of Sugar Creek Charter School and the Board of Trustees of the Charlotte-Mecklenburg County YMCA. From 1991 to 1995, Mr. Vinroot served as Mayor of Charlotte, North Carolina and, from 1983 to 1991, he served on the Charlotte City Council.

Table of Contents**EXECUTIVE OFFICERS**

Name	Title	Age	Present Principal Occupation and Five-Year Employment History
C. Howard Nye	President and Chief Executive Officer, and Director	49	For biographical information see under Directors above.
Anne H. Lloyd	Executive Vice President, Chief Financial Officer and Treasurer	50	Ms. Lloyd joined Martin Marietta in 1998 as Vice President and Controller and was promoted to Chief Accounting Officer in 1999. Before joining Martin Marietta, she was with Ernst & Young, LLP, an international public accounting firm. Ms. Lloyd is a graduate of the University of North Carolina at Chapel Hill. She holds a Bachelor of Science degree in Business Administration and is a Certified Public Accountant. Ms. Lloyd currently serves as Treasurer, member of the Executive Committee and Board Member of the National Stone Sand and Gravel Association (NSSGA). She also serves on the SAFETEA-LU Reauthorization Committee of the NSSGA and the Blue Ribbon Panel of Transportation Experts for the National Surface Transportation Policy and Revenue Study Commission. Ms. Lloyd currently serves as Treasurer, member of the Executive Committee, Personnel and Compensation Committee, Finance Committee and Audit Committee and Board Member of the North Carolina Chamber of Commerce. She is also a Member of the NC Chamber Infrastructure and Economic Development Policy Committee. Ms. Lloyd is a Board Member of Terra Nitrogen Company, L.P. and serves as the chair of its Audit Committee and as a member of its Corporate Governance and Nominating Committee.
Bruce A. Vaio	Executive Vice President and President of West Group	51	Mr. Vaio was President of Redland Stone Products Company from 1996 to 1998, when we purchased it and formed the Company's Southwest Division. After the Redland Stone purchase, Mr. Vaio served as President of our Southwest Division from 1999 to 2006, until promoted to his current position. Before joining Redland Stone, Mr. Vaio served two years, from 1994 to 1996, as vice president and regional manager of Western Mobile Inc. in Denver, CO. Mr. Vaio holds a Bachelor of Arts degree in Political Science from the University of Denver and a Master of Business Administration degree from the University of Phoenix.

Table of Contents

Name	Title	Age	Present Principal Occupation and Five-Year Employment History
Roselyn R. Bar	Senior Vice President, General Counsel and Corporate Secretary	53	Ms. Bar joined Martin Marietta in 1994 as assistant general counsel and assistant corporate secretary. Before joining us, she was corporate counsel at Sun America Inc., a financial services company based in Los Angeles, California. Prior to working for Sun America, she was a corporate lawyer at Skadden, Arps, Slate, Meagher and Flom LLP in New York and Los Angeles. Ms. Bar holds a bachelor's degree from the University of Rochester and a law degree from the Brooklyn Law School. Ms. Bar serves as a member of the Legal Task Force and on the Council of Counsel of the National Stone, Sand & Gravel Association (NSSGA). She is a member of the New York, California, Florida, and American Bar Associations.

SCHEDULE II**SECURITIES TRANSACTIONS IN THE PAST 60 DAYS**

Other than the purchase of shares of Vulcan common stock in the open market by Martin Marietta set forth in the table below, none of Martin Marietta or any of the persons identified on Schedule I has engaged in any transaction involving any securities of Vulcan in the past 60 days.

Trade Date	Shares	Average Price
November 15, 2011	1,000	\$ 30.6640

Table of Contents

ANNEX A

NEW JERSEY BUSINESS CORPORATION LAW

CHAPTER 10: NEW JERSEY SHAREHOLDER PROTECTION ACT

§ 14A:10A-1. Short title

This act shall be known and may be cited as the New Jersey Shareholders Protection Act. The requirements of this act shall be in addition to the requirements of applicable law, including Title 14A of the New Jersey Statutes and any additional requirements contained in the certificate of incorporation or bylaws of a resident domestic corporation with respect to business combinations as defined herein.

§ 14A:10A-2. Findings, declarations

The Legislature hereby finds and declares it to be the public policy of this State, the following:

- a. Resident domestic corporations, as defined in this act, encompass, represent and affect, through their ongoing business operations, a variety of constituencies, including New Jersey shareholders, employees, customers, suppliers and local communities and their economies whose welfare is vital to the State's interests.
- b. In order to promote such welfare, the regulation of the internal affairs of resident domestic corporations as reflected in the laws of this State governing business corporations should allow for the stable, long-term growth of resident domestic corporations.
- c. Takeovers of public corporations financed largely through debt to be repaid in the short term by the sale of substantial assets of the target corporation, in other states, have impaired local employment conditions and disrupted local commercial activity. These takeovers prevent shareholders from realizing the full value of their holdings through forced mergers and other coercive devices. The threat of these takeovers also deprives shareholders of value by forcing the adoption of short-term business strategies as well as defensive tactics which may not be in the public interest.

§ 4A:10A-3. Definitions

As used in this act:

- a. Affiliate means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a specified person.
- b. Announcement date, when used in reference to any business combination, means the date of the first public announcement of the final, definitive proposal for that business combination.
- c. Associate, when used to indicate a relationship with any person, means (1) any corporation or organization of which that person is an officer or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of voting stock, (2) any trust or other estate in which that person has a substantial beneficial interest or as to which that person serves as trustee or in a similar fiduciary capacity, or (3) any relative or spouse of that person, or any relative of that spouse, who has the same home as that person.
- d. Beneficial owner, when used with respect to any stock, means a person:
 - (1) that, individually or with or through any of its affiliates or associates, beneficially owns that stock, directly or indirectly;
 - (2) that, individually or with or through any of its affiliates or associates, has (a) the right to acquire that stock (whether that right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding (whether or not in writing), or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however,

Table of Contents

that a person shall not be deemed the beneficial owner of stock tendered pursuant to a tender or exchange offer made by that person or any of that person's affiliates or associates until that tendered stock is accepted for purchase or exchange; or (b) the right to vote that stock pursuant to any agreement, arrangement or understanding (whether or not in writing); provided, however, that a person shall not be deemed the beneficial owner of any stock under this subparagraph if the agreement, arrangement or understanding to vote that stock (i) arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made in accordance with the applicable rules and regulations under the Exchange Act, and (ii) is not then reportable on a Schedule 13D under the Exchange Act (or any comparable or successor report); or

(3) that has any agreement, arrangement or understanding (whether or not in writing), for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in subparagraph (b) of paragraph (2) of this subsection), or disposing of that stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, that stock.

e. Business combination, when used in reference to any resident domestic corporation and any interested stockholder of that resident domestic corporation, means:

(1) any merger or consolidation of that resident domestic corporation or any subsidiary of that resident domestic corporation with (a) that interested stockholder or (b) any other corporation (whether or not it is an interested stockholder of that resident domestic corporation) which is, or after a merger or consolidation would be, an affiliate or associate of that interested stockholder;

(2) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with that interested stockholder or any affiliate or associate of that interested stockholder of assets of that resident domestic corporation or any subsidiary of that resident domestic corporation (a) having an aggregate market value equal to 10% or more of the aggregate market value of all the assets, determined on a consolidated basis, of that resident domestic corporation, (b) having an aggregate market value equal to 10% or more of the aggregate market value of all the outstanding stock of that resident domestic corporation, or (c) representing 10% or more of the earning power or income, determined on a consolidated basis, of that resident domestic corporation;

(3) the issuance or transfer by that resident domestic corporation or any subsidiary of that resident domestic corporation (in one transaction or a series of transactions) of any stock of that resident domestic corporation or any subsidiary of that resident domestic corporation which has an aggregate market value equal to 5% or more of the aggregate market value of all the outstanding stock of that resident domestic corporation to that interested stockholder or any affiliate or associate of that interested stockholder, except pursuant to the exercise of warrants or rights to purchase stock offered, or a dividend or distribution paid or made, pro rata to all stockholders of that resident domestic corporation;

(4) the adoption of any plan or proposal for the liquidation or dissolution of that resident domestic corporation proposed by, on behalf of or pursuant to any agreement, arrangement or understanding (whether or not in writing) with that interested stockholder or any affiliate or associate of that interested stockholder;

(5) any reclassification of securities (including, without limitation, any stock split, stock dividend, or other distribution of stock in respect of stock, or any reverse stock split), or recapitalization of that resident domestic corporation, or any merger or consolidation of that resident domestic corporation with any subsidiary of that resident domestic corporation, or any other transaction (whether or not with, or into, or otherwise involving that interested stockholder), proposed by, on behalf of or pursuant to any agreement, arrangement or understanding (whether or not in writing) with that interested stockholder or any affiliate or associate of that interested stockholder, which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class or series of stock

Table of Contents

or securities convertible into voting stock of that resident domestic corporation or any subsidiary of that resident domestic corporation which is directly or indirectly owned by that interested stockholder or any affiliate or associate of that interested stockholder, except as a result of immaterial changes due to fractional share adjustments; or

(6) any receipt by that interested stockholder or any affiliate or associate of that interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of that resident domestic corporation), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by or through that corporation; provided, however, that the term "business combination" shall not be deemed to include the receipt of any of the foregoing benefits by that resident domestic corporation or any of that corporation's affiliates arising from transactions (such as intercompany loans or tax sharing arrangements) between that resident domestic corporation and its affiliates in the ordinary course of business.

f. Common stock means any stock other than preferred stock.

g. Consummation date, with respect to any business combination, means the date of consummation of that business combination.

h. Control, including the terms controlling, controlled by and under common control with, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person's beneficial ownership of 10% or more of the voting power of a corporation's outstanding voting stock shall create a presumption that that person has control of that corporation. Notwithstanding the foregoing in this subsection, a person shall not be deemed to have control of a corporation if that person holds voting power, in good faith and not for the purpose of circumventing this section, as an agent, bank, broker, nominee, custodian or trustee for one or more beneficial owners who do not individually or as a group have control of that corporation.

i. Exchange Act means the Securities Exchange Act of 1934, 48 Stat. 881 (15 U.S.C. s. 78a et seq.) as the same has been or hereafter may be amended from time to time.

j. Interested stockholder, when used in reference to any resident domestic corporation, means any person (other than that resident domestic corporation or any subsidiary of that resident domestic corporation) that:

(1) is the beneficial owner, directly or indirectly, of 10% or more of the voting power of the outstanding voting stock of that resident domestic corporation; or

(2) is an affiliate or associate of that resident domestic corporation and at any time within the five-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding stock of that resident domestic corporation. For the purpose of determining whether a person is an interested stockholder pursuant to this subsection, the number of shares of voting stock of that resident domestic corporation deemed to be outstanding shall include shares deemed to be beneficially owned by the person through application of subsection d. of this section but shall not include any other unissued shares of voting stock of that resident domestic corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

k. Market value, when used in reference to property of any resident domestic corporation, means:

(1) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of that stock on the composite tape for New York Stock Exchange-listed stocks, or, if that stock is not quoted on that composite tape or if that stock is not listed on that exchange, on the principal United States securities exchange registered under the Exchange Act on which that stock is listed, or, if that stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of that stock during the 30-day period preceding the date in question

Table of Contents

on the National Association of Securities Dealers, Inc. Automated Quotations System, or any system then in use, or if no such quotations are available, the fair market value on the date in question of a share of that resident domestic stock as determined by the board of directors of that corporation in good faith; and

(2) in the case of property other than cash or stock, the fair market value of that property on the date in question as determined by the board of directors of that resident domestic corporation in good faith.

l. Preferred stock means any class or series of stock of a resident domestic corporation which under the bylaws or certificate of incorporation of that resident domestic corporation is entitled to receive payment of dividends prior to any payment of dividends on some other class or series of stock, or is entitled in the event of any voluntary liquidation, dissolution or winding up of the resident domestic corporation to receive payment or distribution of a preferential amount before any payments or distributions are received by some other class or series of stock.

m. Resident domestic corporation means an issuer of voting stock which is organized under the laws of this State and, as of the stock acquisition date in question, has its principal executive offices located in this State or significant business operations located in this State.

n. Stock means:

(1) any stock or similar security, any certificate of interest, any participation in any profit sharing agreement, any voting trust certificate, or any certificate of deposit for stock; and

(2) any security convertible, with or without consideration, into stock, or any warrant, call or other option or privilege of buying stock without being bound to do so, or any other security carrying any right to acquire, subscribe to or purchase stock.

o. Stock acquisition date, with respect to any person and any resident domestic corporation, means the date that person first becomes an interested stockholder of that resident domestic corporation.

p. Subsidiary of any resident domestic corporation means any other corporation of which voting stock having a majority of the votes entitled to be cast is owned, directly or indirectly, by that resident domestic corporation.

q. Voting stock means shares of capital stock of a corporation entitled to vote generally in the election of directors.

§ 14A:10A-4. 5-year restriction

Notwithstanding anything to the contrary contained in this act (except section 6 of this act), no resident domestic corporation shall engage in any business combination with any interested stockholder of that resident domestic corporation for a period of five years following that interested stockholder's stock acquisition date unless that business combination is approved by the board of directors of that resident domestic corporation prior to that interested stockholder's stock acquisition date.

§ 14A:10A-5. Permissible business combinations

In addition to the restriction contained in section 4 of this act, and except as provided in section 6 of this act, no resident domestic corporation shall engage at any time in any business combination with any interested stockholder of that resident domestic corporation other than a business combination specified in any one of subsection a., b. or c. of this section (the satisfaction of any one subsection being sufficient):

a. a business combination approved by the board of directors of that resident domestic corporation prior to that interested stockholder's stock acquisition date.

Table of Contents

b. a business combination approved by the affirmative vote of the holders of two-thirds of the voting stock not beneficially owned by that interested stockholder at a meeting called for such purpose.

c. a business combination that meets all of the following conditions:

(1) the aggregate amount of the cash and the market value, as of the consummation date, of consideration other than cash to be received per share by holders of outstanding shares of common stock of that resident domestic corporation in that business combination is at least equal to the higher of the following:

(a) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by that interested stockholder for any shares of common stock of the same class or series acquired by it (i) within the five-year period immediately prior to the announcement date with respect to that business combination, or (ii) within the five-year period immediately prior to, or in, the transaction in which that interested stockholder became an interested stockholder, whichever is higher; plus, in either case, interest compounded annually from the earliest date on which that highest per share acquisition price was paid through the consummation date at the rate for one-year United States Treasury obligations from time to time in effect; less the aggregate amount of any cash dividends paid, and the market value of any dividends paid other than in cash, per share of common stock since that earliest date, up to the amount of that interest; and

(b) the market value per share of common stock on the announcement date with respect to that business combination or on that interested stockholder's stock acquisition date, whichever is higher; plus interest compounded annually from that date through the consummation date at the rate for one-year United States Treasury obligations from time to time in effect; less the aggregate amount of any cash dividends paid, and the market value of any dividends paid other than in cash, per share of common stock since that date, up to the amount of that interest;

(2) the aggregate amount of the cash and the market value as of the consummation date of consideration other than cash to be received per share by holders of outstanding shares of any class or series of stock, other than common stock, of that resident domestic corporation is at least equal to the highest of the following (whether or not that interested stockholder has previously acquired any shares of that class or series of stock):

(a) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by that interested stockholder for any shares of that class or series of stock acquired by it (i) within the five-year period immediately prior to the announcement date with respect to that business combination, or (ii) within the five-year period immediately prior to, or in, the transaction in which that interested stockholder became an interested stockholder, whichever is higher; plus, in either case, interest compounded annually from the earliest date on which that highest per share acquisition price was paid through the consummation date at the rate for one-year United States Treasury obligations from time to time in effect; less the aggregate amount of any cash dividends paid, and the market value of any dividends paid other than in cash, per share of that class or series of stock since that earliest date, up to the amount of that interest;

(b) the highest preferential amount per share to which the holders of shares of that class or series of stock are entitled in the event of any liquidation, dissolution or winding up of that resident domestic corporation, plus the aggregate amount of any dividends declared or due as to which those holders are entitled prior to payment of dividends on some other class or series of stock (unless the aggregate amount of those dividends is included in that preferential amount); and

(c) the market value per share of that class or series of stock on the announcement date with respect to that business combination or on that interested stockholder's stock acquisition date, whichever is higher; plus interest compounded annually from that date through the consummation date at the rate for one-year United States Treasury obligations from time to time in effect; less the

Table of Contents

aggregate amount of any cash dividends paid, and the market value of any dividends paid other than in cash, per share of that class or series of stock since that date, up to the amount of that interest;

(3) the consideration to be received by holders of a particular class or series of outstanding stock (including common stock) of that resident domestic corporation in that business combination is in cash or in the same form as the interested stockholder has used to acquire the largest number of shares of that class or series of stock previously acquired by it;

(4) the holders of all outstanding shares of stock of that resident domestic corporation not beneficially owned by that interested stockholder immediately prior to the consummation of that business combination are entitled to receive in that business combination cash or other consideration for those shares in compliance with paragraphs (1), (2) and (3) of this subsection; and

(5) after that interested stockholder's stock acquisition date and prior to the consummation date with respect to that business combination, that interested stockholder has not become the beneficial owner of any additional shares of stock of that resident domestic corporation, except:

(a) as part of the transaction which resulted in that interested stockholder becoming an interested stockholder;

(b) by virtue of proportionate stock splits, stock dividends or other distributions of stock in respect of stock not constituting a business combination under paragraph (5) of subsection e. of section 2 of this act;

(c) through a business combination meeting all of the conditions of paragraph (3) and this paragraph; or

(d) through purchase by that interested stockholder at any price which, if that price had been paid in an otherwise permissible business combination, the announcement date and consummation date of which were the date of that purchase, would have satisfied the requirements of paragraphs (1), (2) and (3) of this subsection.

§ 14A:10A-6. Exemptions

a. Unless the certificate of incorporation provides otherwise, the provisions of this act shall not apply to any business combination of a resident domestic corporation with an interested stockholder if the resident domestic corporation did not have a class of voting stock registered or traded on a national securities exchange or registered with the Securities and Exchange Commission pursuant to section 12(g) of the Exchange Act, 48 Stat. 892 (15 U.S.C. s.781) on that interested stockholder's stock acquisition date.

b. Unless the certificate of incorporation provides otherwise, the provisions of this act shall not apply to any business combination with an interested stockholder who was an interested stockholder prior to the effective date of this act unless subsequent thereto that interested stockholder increased his or its interested stockholder's proportion of the voting power of the resident domestic corporation's outstanding voting stock to a proportion in excess of the proportion of voting power that interested stockholder held prior to the effective date of this act.

c. (Deleted by amendment, P.L.1987, c.380.)

d. The provisions of this act shall not apply to any business combination of a resident domestic corporation with an interested stockholder of that corporation which became an interested stockholder inadvertently, if such interested stockholder (1) as soon as practicable divests itself or himself of a sufficient amount of the voting stock of that resident domestic corporation so that he or it no longer is the beneficial owner, directly or indirectly, of 10% or more of the voting power of the outstanding voting stock of that corporation, or a subsidiary of that resident domestic corporation, and (2) would not at any time within the five-year period preceding the announcement date with respect to that business combination have been an interested stockholder but for that inadvertent acquisition.

Table of Contents

e. (Deleted by amendment, P.L.1989, c.106.)

f. The provisions of this act shall not apply to any business combination of a resident domestic corporation with an interested stockholder of that corporation which, prior to August 5, 1986, became the beneficial owner of more than 50% of the voting power of the outstanding voting stock of that resident domestic corporation by reason of a purchase of voting stock directly from that resident domestic corporation in a transaction approved by the board of directors of that resident domestic corporation, provided that, at the time of the approval, none of the directors of the resident domestic corporation was an employee, officer, director, shareholder, affiliate or associate of the interested stockholder.

g. The provisions of this act shall not apply to any business combination of a resident domestic corporation with an interested stockholder of that corporation which became an interested stockholder on or after August 5, 1986 and before January 1, 1987.

A-7

Table of Contents

The Exchange Agent for the Offer is:

If delivering by mail:

American Stock Transfer & Trust Company, LLC

Operations Center

Attn: Reorganization Department

P.O. Box 2042

New York, New York 10272-2042

If delivering by hand or courier:

American Stock Transfer & Trust Company, LLC

Operations Center

Attn: Reorganization Department

6201 15th Avenue

Brooklyn, New York 11219

Phone: Toll-free (877) 248-6417

(718) 921-8317

Fax (718) 234-5001

Any questions or requests for assistance may be directed to the information agent or the dealer managers at their respective addresses or telephone numbers set forth below. Additional copies of this prospectus/offer to exchange, the letter of transmittal and the notice of guaranteed delivery may be obtained from the information agent at its address and telephone numbers set forth below. Holders of shares of Vulcan common stock may also contact their broker, dealer, commercial bank or trust company or other nominee for assistance concerning the offer.

The information agent for the offer is:

470 West Avenue

Stamford, CT 06902

(203) 658-9400

Shareholders May Call Toll Free: (877) 757-5404

Banks and Brokerage Firms May Call: (800) 662-5200

E-mail: exchangeofferinfo@morrowco.com

The dealer managers for the offer are:

J.P. Morgan Securities LLC

Edgar Filing: DIME COMMUNITY BANCSHARES INC - Form DEF 14A

Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
Toll Free: (877) 492-8974

383 Madison Avenue
New York, NY 10179
Toll Free: (877) 371-5947

Until the expiration of the offer, or any subsequent offering period, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus/offer to exchange.

Table of Contents

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS/OFFER TO EXCHANGE

Item 20. Indemnification of Directors and Officers.

Martin Marietta is a North Carolina corporation. Martin Marietta's Restated Articles of Incorporation, as amended, eliminate, to the fullest extent permitted by the North Carolina Business Corporation Act, or the Business Corporation Act, the personal liability of each director of Martin Marietta to the corporation and its shareholders for monetary damages for breach of duty as a director. This provision in the Restated Articles of Incorporation, as amended, does not change a director's duty of care, but it eliminates monetary liability for certain violations of that duty, including violations based on grossly negligent business decisions that may include decisions relating to attempts to change control of Martin Marietta. The provision does not affect the availability of equitable remedies for a breach of the duty of care, such as an action to enjoin or rescind a transaction involving a breach of fiduciary duty; in certain circumstances, however, equitable remedies may not be available as a practical matter. Under the Business Corporation Act, the limitation of liability provision is ineffective against liabilities for (i) acts or omissions that the director knew or believed at the time of the breach to be clearly in conflict with the best interests of the corporation, (ii) unlawful distributions described in Business Corporation Act Section 55-8-33, (iii) any transaction from which the director derived an improper personal benefit, or (iv) acts or omissions occurring prior to the date the provision became effective. The provision also in no way affects a director's liability under the federal securities laws.

Under the Business Corporation Act, Martin Marietta must indemnify its directors and officers who were wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a director or officer of the corporation against any reasonable expenses incurred by him or her in connection with such proceeding. The Business Corporation Act also provides that a corporation may in its articles of incorporation or bylaws or by contract or resolution indemnify or agree to indemnify any one or more of its directors, officers, employees and agents against liabilities and expenses incurred in a proceeding (including a proceeding brought by or on behalf of the corporation) arising out of a person's status as such or their activities in such capacity, except that a corporation may not indemnify a person against liabilities or expenses he or she may incur on account of his or her activities which were at the time taken known or believed by the person to be clearly in conflict with the best interests of the corporation. Under this provision of the Business Corporation Act, a corporation may likewise and to the same extent indemnify or agree to indemnify any person who, at the request of the corporation, is or was serving as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a trustee or administrator under an employee benefit plan. Martin Marietta's Restated Bylaws provide that Martin Marietta will indemnify any person (1) who at any time serves or has served as an officer, employee or a director of the Martin Marietta, or (2) who, while serving as an officer, employee or a director of Martin Marietta, serves or has served at the request of Martin Marietta as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or as a trustee, other fiduciary or administrator under an employee benefit plan, against any and all liability and litigation expense, including reasonable attorneys' fees, to the fullest extent permitted by North Carolina law, provided that any employee shall have a right to indemnification when acting in his or her capacity as an employee only upon satisfaction of the standards of conduct of officers and directors set forth in the Business Corporation Act.

Martin Marietta also maintains a directors and officers insurance policy pursuant to which its directors and officers are insured against liability for actions in their capacity as directors and officers.

Item 21. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Please see the Exhibit Index.

Table of Contents

(b) Financial Statement Schedules.

None.

(c) Reports, Opinions and Appraisals.

None.

Item 22. Undertakings.

(a) The undersigned registrant hereby undertakes:

(a)(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus/offer to exchange required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus/offer to exchange any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus/offer to exchange filed with the SEC pursuant to Rule 424(b) promulgated under the Securities Act if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) (1) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

(2) That every prospectus (i) that is filed pursuant to paragraph (h)(1) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any

Table of Contents

liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(e) To respond to requests for information that is incorporated by reference into the prospectus/offer to exchange pursuant to Item 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the Registration Statement through the date of responding to the request.

(f) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the Registration Statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Raleigh, State of North Carolina, on December 12, 2011.

MARTIN MARIETTA MATERIALS, INC.

By: /s/ C. Howard Nye
C. Howard Nye
President and Chief Executive Officer

Power of Attorney

Each person whose signature appears below hereby constitutes and appoints Roselyn R. Bar, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for him or her and in his/her name, place and stead, in any and all capacities, to sign any or all amendments or supplements to this registration statement, whether pre-effective or post-effective, including any subsequent registration statement for the same offering which may be filed under Rule 462(b) under the Securities Act of 1933, and to file the same with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing necessary or appropriate to be done with respect to this registration statement or any amendments or supplements hereto in the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Table of Contents

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on December 12, 2011:

Signature	Title
/s/ Stephen P. Zelnak, Jr. Stephen P. Zelnak, Jr.	Chairman of the Board
/s/ C. Howard Nye C. Howard Nye	Director, President and Chief Executive Officer
/s/ Anne H. Lloyd Anne H. Lloyd	Executive Vice President, Chief Financial Officer and Treasurer
/s/ Dana F. Guzzo Dana F. Guzzo	Senior Vice President, Controller, Chief Accounting Officer and Chief Information Officer
/s/ Sue W. Cole Sue W. Cole	Director
/s/ David G. Maffucci David G. Maffucci	Director
/s/ William E. McDonald William E. McDonald	Director
	Director
/s/ Frank H. Menaker, Jr.	

Frank H. Menaker, Jr.

/s/ Laree E. Perez

Director

Laree E. Perez

/s/ Michael J. Quillen

Director

Michael J. Quillen

/s/ Dennis L. Rediker

Director

Dennis L. Rediker

/s/ Richard A. Vinroot

Director

Richard A. Vinroot

II-4

Table of Contents

EXHIBIT INDEX

Exhibit

Number	Description
3.01	Restated Articles of Incorporation of Martin Marietta, as amended (incorporated by reference to Exhibits 3.1 and 3.2 to the Martin Marietta Current Report on Form 8-K, filed on October 25, 1996) (Commission File No. 1-12744).
3.02	Articles of Amendment with Respect to the Junior Participating Class B Preferred Stock of Martin Marietta, dated as of October 19, 2006 (incorporated by reference to Exhibit 3.1 to the Martin Marietta Current Report on Form 8-K, filed on October 19, 2006) (Commission File No. 1-12744).
3.03	Restated Bylaws of Martin Marietta, as amended (incorporated by reference to Exhibit 3.01 to the Martin Marietta Current Report on Form 8-K, filed on November 10, 2011) (Commission File No. 1-12744).
4.01	Specimen Martin Marietta Common Stock Certificate (incorporated by reference to Exhibit 4.01 to the Martin Marietta Annual Report on Form 10-K for the fiscal year ended December 31, 2003) (Commission File No. 1-12744).
4.02	Articles 2 and 8 of Martin Marietta's Restated Articles of Incorporation, as amended (incorporated by reference to Exhibits 3.1 and 3.2 to the Martin Marietta Current Report on Form 8-K, filed on October 25, 1996) (Commission File No. 1-12744).
4.03	Article I of Martin Marietta's Restated Bylaws (incorporated by reference to Exhibit 3.01 to the Martin Marietta Current Report on Form 8-K, filed on November 10, 2011) (Commission File No. 1-12744).
4.04	Rights Agreement, dated as of September 27, 2006, by and between Martin Marietta Materials, Inc. and American Stock Transfer & Trust Company, as Rights Agent, which includes the Form of Articles of Amendment With Respect to the Junior Participating Class B Preferred Stock of Martin Marietta, as Exhibit A, and the Form of Rights Certificate, as Exhibit B (incorporated by reference to Exhibit 4.1 of Martin Marietta's Current Report on Form 8-K, filed on September 28, 2006) (Commission File No. 1-12744).
5.01	Opinion of Robinson, Bradshaw & Hinson, P.A. regarding the validity of the common stock being registered.*
12.01	Computation of Ratio of Earnings to Fixed Charges.
21.01	List of Subsidiaries (incorporated by reference to Exhibit 21.01 to Martin Marietta's Annual Report on Form 10-K for the year ended December 31, 2010).
23.01	Consent of Ernst & Young LLP, an independent registered public accounting firm.
23.02	Consent of Robinson, Bradshaw & Hinson, P.A. (included in the opinion filed as Exhibit 5.01 to this Registration Statement).*
24.01	Power of Attorney (included on the signature pages hereto).
99.01	Form of Letter of Transmittal.
99.02	Form of Notice of Guaranteed Delivery.
99.03	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
99.04	Form of Letter to Clients.
99.05	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
99.06	Form of Merger Agreement.

* To be filed by Amendment.