

PROVIDENT FINANCIAL SERVICES INC
Form DEF 14A
March 13, 2015
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-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to ss.240.14a-12

PROVIDENT FINANCIAL SERVICES, 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)(4) 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:

*239 Washington Street
Jersey City, New Jersey 07302*

Dear Fellow Stockholder:

I am pleased to invite you to attend the 2015 Annual Meeting of Stockholders of Provident Financial Services, Inc., which will be held on Thursday, April 23, 2015, at 10:00 a.m., local time, at the DoubleTree by Hilton Newark Airport Hotel, 128 Frontage Road, Newark, New Jersey.

At our Annual Meeting you will be asked to elect three directors, approve on an advisory (non-binding) basis the compensation paid to our named executive officers, approve our executive annual incentive plan, and ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015.

Your vote is very important regardless of the number of shares you own. Whether or not you plan to attend the Annual Meeting, I encourage you to promptly submit your vote by Internet, telephone or mail, as applicable, to ensure that your shares are represented at our Annual Meeting.

On behalf of the board of directors, officers and employees of Provident Financial Services, Inc., I thank you for your continued support.

Sincerely,

Christopher Martin

Chairman, President and Chief Executive Officer

March 13, 2015

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Notice of
Annual Meeting of Stockholders

Thursday, April 23, 2015

10:00 a.m. Local Time,

*DoubleTree by Hilton Newark Airport Hotel,
128 Frontage Road, Newark, New Jersey*

NOTICE IS HEREBY GIVEN THAT the 2015 Annual Meeting of Stockholders of Provident Financial Services, Inc. will be held at the DoubleTree by Hilton Newark Airport Hotel, 128 Frontage Road, Newark, New Jersey, on Thursday, April 23, 2015, at 10:00 a.m., local time, to consider and vote upon the following matters:

1. The election of three persons named in the attached Proxy Statement to serve as directors, each for a three-year term.
2. An advisory (non-binding) vote to approve the compensation paid to our named executive officers.
3. The approval of our Executive Annual Incentive Plan under Internal Revenue Code Section 162(m).
4. The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015.
5. The transaction of such other business as may properly come before the Annual Meeting, and any adjournment or postponement of the Annual Meeting.

The board of directors of Provident Financial Services, Inc. established March 2, 2015 as the record date for determining the stockholders who are entitled to notice of, and to vote at the Annual Meeting and any adjournment or postponement of the Annual Meeting.

Your vote is very important. Please submit your proxy as soon as possible via the Internet, telephone or mail, as applicable. Stockholders of record who attend the Annual Meeting may vote in person, even if they have previously mailed or delivered a signed proxy or voted by Internet or telephone.

Jersey City, New Jersey

March 13, 2015 By Order of the Board of Directors

John F. Kuntz, Esq.

Corporate Secretary

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Internet Availability of Proxy Materials

We are relying upon a U.S. Securities and Exchange Commission rule that allows us to furnish proxy materials to stockholders over the Internet. As a result, beginning on or about March 13, 2015, we sent by mail or e-mail a Notice Regarding the Availability of Proxy Materials containing instructions on how to access our proxy materials, including our Proxy Statement and Annual Report to Stockholders, over the Internet and how to vote. Internet availability of our proxy materials is designed to expedite receipt by stockholders and lower the cost and environmental impact of our Annual Meeting. However, if you received such a notice and would prefer to receive paper copies of the proxy materials, please follow the instructions included in the Notice Regarding the Availability of Proxy Materials.

If you received your proxy materials via e-mail, the e-mail contains voting instructions, including a control number required to vote your shares, and links to the Proxy Statement and the Annual Report to Stockholders on the Internet. If you received your proxy materials by mail, the Notice of Annual Meeting, Proxy Statement, Proxy Card and Annual Report to Stockholders are enclosed.

If you hold our common stock through more than one account, you may receive multiple copies of these proxy materials and will have to follow the instructions for each in order to vote all of your shares of our common stock.

**Important Notice Regarding the Availability of Proxy Materials
For the 2015 Annual Meeting of Stockholders to be Held on April 23, 2015:
Our Proxy Statement and 2014 Annual Report to Stockholders are available at
www.proxyvote.com**

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GENERAL INFORMATION

The board of directors of Provident Financial Services, Inc. (“Provident” or “company”) is soliciting proxies for our 2015 Annual Meeting of Stockholders, and any adjournment or postponement of the meeting (“Annual Meeting”). The Annual Meeting will be held on Thursday, April 23, 2015 at 10:00 a.m., local time, at the DoubleTree by Hilton Newark Airport Hotel, 128 Frontage Road, Newark, New Jersey.

A Notice Regarding the Availability of Proxy Materials is first being sent to stockholders of Provident on March 13, 2015.

The 2015 Annual Meeting of Stockholders

Date, Time and Place: Our Annual Meeting of Stockholders will be held on April 23, 2015, 10:00 a.m., local time, at the DoubleTree by Hilton Newark Airport Hotel, 128 Frontage Road, Newark, New Jersey.

Record Date: March 2, 2015.

Shares Entitled to Vote: 65,395,275 shares of Provident common stock were outstanding on the record date and are entitled to vote at the Annual Meeting.

Purpose of the Annual Meeting: To consider and vote on the election of three directors, an advisory (non-binding) vote to approve the compensation paid to our named executive officers, to approve our executive annual incentive plan, and the ratification of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015.

Vote Required: Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which authority to vote for the nominees proposed is withheld. The advisory vote to approve executive compensation, the approval of our executive annual incentive plan, and the ratification of KPMG LLP as our independent registered public accounting firm are each determined by a majority of the votes cast, without regard to broker non-votes or proxies marked “ABSTAIN.”

Board Recommendation: Our board of directors unanimously recommends that stockholders vote “**FOR**” each of the nominees for director listed in this Proxy Statement, “**FOR**” approval of the compensation paid to our named executive officers, “**FOR**” approval of our executive annual incentive plan, and “**FOR**” the ratification of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015.

Provident: Provident is a Delaware corporation and the bank holding company for The Provident Bank, an FDIC-insured New Jersey-chartered capital stock savings bank that operates a network of full-service branch offices throughout northern and central New Jersey and eastern Pennsylvania. Provident had \$8.52 billion in total assets at December 31, 2014. Our principal executive offices are located at 239 Washington Street, Jersey City, New Jersey 07302. Our telephone number is (732) 590-9200.

Who Can Vote

March 2, 2015 is the record date for determining the stockholders of record who are entitled to vote at the Annual Meeting. On March 2, 2015, 65,395,275 shares of Provident common stock, par value of \$0.01 per share, were outstanding and held by approximately 5,500 holders of record. The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of our common stock is necessary to constitute a quorum at the Annual Meeting.

How Many Votes You Have

Each holder of shares of our common stock outstanding on March 2, 2015 will be entitled to one vote for each share held of record. However, our certificate of incorporation provides that stockholders of record who beneficially own in excess of 10% of the then outstanding shares of our common stock are not entitled to vote any of the shares held in excess of that 10% limit. A person or entity is deemed to beneficially own shares that are owned by an affiliate of, as well as by any person acting in concert with, such person or entity.

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Matters to Be Considered

The purpose of the Annual Meeting is to elect three directors, vote on an advisory basis on executive compensation, approve our executive annual incentive plan, and ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015. We may adjourn or postpone the Annual Meeting for the purpose of allowing additional time to solicit proxies.

Our board of directors is not aware of any other matters that may be presented for consideration at the Annual Meeting. If other matters properly come before the Annual Meeting, we intend that shares represented by properly submitted proxies will be voted, or not voted, by the persons named as proxies in their best judgment.

How to Vote

You may vote your shares:

In person at the Annual Meeting. All stockholders of record may vote in person at the Annual Meeting. Beneficial owners may vote in person if they have a legal proxy from their bank or broker.

By telephone or Internet (see the instructions at www.proxyvote.com). Beneficial owners may also vote by telephone or Internet if their bank or broker makes those methods available, in which case the bank or broker will include the instructions with the proxy materials.

By written proxy. All stockholders of record can vote by written proxy card. If you received a printed copy of this Proxy Statement, you may vote by signing, dating and mailing the enclosed Proxy Card, or if you are a beneficial owner, you may request a voting instruction form from your bank or broker.

If you return an executed Proxy Card without marking your instructions, your executed Proxy Card will be voted “FOR” the election of the three nominees for director, “FOR” approval of the executive compensation paid to our named executive officers, “FOR” approval of our executive annual incentive plan, and “FOR” the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015.

Participants in Provident Benefit Plans

If you are a participant in our Employee Stock Ownership Plan or 401(k) Plan, or any other benefit plans sponsored by us through which you own shares of our common stock, you will have received a Notice Regarding the Availability of Proxy Materials by e-mail. Under the terms of these plans, the trustee or administrator votes all shares held by the plan, but each participant may direct the trustee or administrator how to vote the shares of our common stock allocated to his or her plan account. If you own shares through any of these plans and you do not vote, the respective plan trustees or administrators will vote your shares in accordance with the terms of the respective plans.

Quorum and Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of our common stock is necessary to constitute a quorum at the Annual Meeting. Abstentions and broker non-votes (unvoted proxies submitted by a banker or broker) will be counted for the purpose of determining whether a quorum is present.

Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which authority to vote for the nominees proposed is “Withheld.” The advisory vote on executive compensation, the approval of our executive annual incentive plan, and the ratification of the appointment of our independent registered public accounting firm are each determined by a majority of the votes cast, without regard to broker non-votes or proxies marked “Abstain.”

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Revocability of Proxies

You may revoke your proxy at any time before the vote is taken at the Annual Meeting. You may revoke your proxy by:

- submitting a written notice of revocation to the Corporate Secretary of Provident prior to the voting of such proxy;
- submitting a properly executed proxy bearing a later date;
- voting again by telephone or Internet (provided such new vote is received on a timely basis); or
- voting in person at the Annual Meeting; however, simply attending the Annual Meeting without voting will not revoke an earlier proxy.

Written notices of revocation and other communications regarding the revocation of your proxy should be addressed to:

Provident Financial Services, Inc.
100 Wood Avenue South
P.O. Box 1001
Iselin, New Jersey 08830-2727

Attention: John F. Kuntz
Corporate Secretary

If your shares are held in street name, you should follow your bank's or broker's instructions regarding the revocation of proxies.

Solicitation of Proxies

Provident will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, we will request that banks, brokers and other holders of record send proxies and proxy materials to the beneficial owners of our common stock and secure their voting instructions, if necessary. We will reimburse such holders of record for their reasonable expenses in taking those actions. Laurel Hill Advisory Group, LLC will assist us in soliciting proxies and we have agreed to pay them a fee of \$7,000 plus reasonable expenses for their services. If necessary, we may also use several of our employees, who will not be specially compensated, to solicit proxies from stockholders, personally or by telephone, facsimile, e-mail or letter.

Householding

Unless you have provided us contrary instructions, we have sent a single copy of these proxy materials to any household at which one or more stockholders reside if we believe the stockholders are members of the same household. Each stockholder in the household will receive a separate Proxy Card. This process, known as “householding,” reduces the volume of duplicate information received by you and helps reduce our expenses. If you would like to receive your own set of proxy materials, please follow these instructions:

If your shares are registered in your own name, contact our transfer agent and inform them of your request to revoke householding by calling them at 1-888-542-1061, or by writing them at Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717, Attention: Householding Department.

If a bank, broker or other nominee holds your shares, contact your bank, broker or other nominee directly.

Recommendation of the Board of Directors

Your board of directors unanimously recommends that you vote “**FOR**” each of the nominees for director listed in this Proxy Statement, “**FOR**” approval of the compensation paid to our named executive officers, “**FOR**” approval of our executive annual incentive plan, and “**FOR**” the ratification of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015.

Security Ownership of Certain Beneficial Owners and Management

Persons and groups who beneficially own in excess of five percent of Provident’s issued and outstanding shares of common stock are required to file certain reports with the Securities and Exchange Commission regarding such beneficial ownership. The following table shows, as of March 2, 2015, certain information as to persons who beneficially own more than five percent of the issued and outstanding shares of our common stock. We know of no persons, except as listed below, who beneficially owned more than five percent of the issued and outstanding shares of our common stock as of March 2, 2015.

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Name and Address of Beneficial Owner	Number of Shares Owned and Nature of Beneficial Ownership	Percent of Shares of Common Stock Outstanding ⁽¹⁾	
The Provident Bank Employee Stock Ownership Plan Trust GreatBanc Trust Company, Trustee 801 Warrenville Road, Suite 500 Lisle, Illinois 60532	4,306,431 ⁽²⁾	6.6	%
Dimensional Fund Advisors LP Building One 6300 Bee Cave Road Austin, Texas 78746	5,281,539 ⁽³⁾	8.0	%
BlackRock, Inc. 55 East 52 nd Street New York, New York 10022	5,025,351 ⁽⁴⁾	7.7	%
The Vanguard Group 100 Vanguard Boulevard Malvern, Pennsylvania 19355	3,785,587 ⁽⁵⁾	5.8	%

(1) Based on 65,395,275 shares of Provident common stock outstanding as of March 2, 2015.

This information is based on Amendment No. 11 to Schedule 13G filed with the Securities and Exchange Commission on February 6, 2015 by GreatBanc Trust Company, as Trustee on behalf of The Provident Bank Employee Stock Ownership Plan Trust. According to the filing, The Provident Bank Employee Stock Ownership

(2) Plan Trust had: (i) sole power to vote or direct the vote of 2,652,047 shares of Provident common stock; (ii) shared power to vote or direct the vote of 1,654,384 shares of Provident common stock; (iii) sole power to dispose or direct the disposition of 4,224,162 shares of Provident common stock; and (iv) shared power to dispose or direct the disposition of 82,269 shares of Provident common stock.

(3) This information is based on Amendment No. 7 to Schedule 13G filed with the Securities and Exchange Commission on February 5, 2015 by Dimensional Fund Advisors LP.

(4) This information is based on Amendment No. 5 to Schedule 13G filed with the Securities and Exchange Commission on January 26, 2015 by BlackRock, Inc.

(5) This information is based on Amendment No. 3 to Schedule 13G filed with the Securities and Exchange Commission on February 10, 2015 by The Vanguard Group, Inc.

Management

The following table shows certain information about shares of our common stock owned by each nominee for election as director, each incumbent director, each named executive officer identified in the summary compensation table included elsewhere in this Proxy Statement, and all nominees, incumbent directors and executive officers as a group, as of March 2, 2015.

Name	Position(s) held with Provident Financial Services, Inc. and/or The Provident Bank	Shares Owned Directly and Indirectly ⁽¹⁾	Shares Subject to Stock Options ⁽²⁾	Beneficial Ownership	Percent of Class ⁽³⁾	Unvested Stock Awards included in Beneficial Ownership
Nominees						
Christopher Martin	Chairman, President and Chief Executive Officer	451,257	(4) 303,326	754,583	1.1 %	8,333
Edward O'Donnell	Director	86,773	7,000	93,773	*	—
John Pugliese	Director	83,363	—	83,363	*	—
Incumbent Directors						
Thomas W. Berry	Director	75,387	22,000	97,387	*	—
Laura L. Brooks	Director	39,195	15,000	54,195	*	—
Geoffrey M. Connor ⁽⁵⁾	Director	76,528	7,000	83,528	*	—
Frank L. Fekete	Director	68,937	7,000	75,937	*	—
Terence Gallagher	Director	26,887	—	26,887	*	—
Matthew K. Harding	Director	13,887	—	13,887	*	—
Carlos Hernandez	Director	76,436	7,000	84,436	*	—
Thomas B. Hogan Jr.	Director	30,887	—	30,887	*	—
Jeffries Shein ⁽⁶⁾	Director	805,834	(7) 14,000	819,834	1.3 %	—

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Name	Position(s) held with Provident Financial Services, Inc. and/or The Provident Bank	Shares Owned Directly and Indirectly ⁽¹⁾	Shares Subject to Stock Options ⁽²⁾	Beneficial Ownership	Percent of Class ⁽³⁾	Unvested Stock Awards included in Beneficial Ownership
Executive Officers Who are Not Directors						
Donald W. Blum**	Executive Vice President and Chief Lending Officer	70,279	61,641	131,920	*	3,856
John F. Kuntz	Executive Vice President, General Counsel and Corporate Secretary	72,236	59,845	132,081	*	3,979
Thomas M. Lyons	Executive Vice President and Chief Financial Officer	91,592	46,722	138,314	*	4,345
James D. Nesci**	Executive Vice President and Chief Wealth Management Officer	28,003	26,598	54,601	*	4,356
All directors and executive officers as a group (22 persons)		2,313,424	745,920	3,059,344	4.6 %	43,722

* Less than 1%

** Messrs. Blum and Nesci are not officers of Provident Financial Services, Inc.

(1) The amounts shown for executive officers include shares held in our 401(k) Plan and shares allocated to the executive officer in our Employee Stock Ownership Plan (“ESOP”) as follows:

Name	401(k) Plan Shares	ESOP Shares
Christopher Martin	130,814	10,542
Donald W. Blum	4,883	14,094
John F. Kuntz	1,735	13,832
Thomas M. Lyons	31,854	8,929
James D. Nesci	13,291	3,380
All executive officers as a group (11 persons)	208,898	91,838

(2) Includes shares underlying stock options that are presently exercisable or will become exercisable within 60 days of March 2, 2015.

(3) Based on 65,395,275 shares of Provident common stock outstanding as of March 2, 2015. Shares subject to stock options that are presently exercisable or will become exercisable within 60 days of March 2, 2015 are deemed outstanding for computing the percentage ownership of the person holding such stock options, but are not deemed outstanding for purposes of computing the percentage ownership of other persons.

(4) Includes 17,785 shares held by Mr. Martin in the First Savings Bank Directors’ Deferred Fee Plan.

(5) Mr. Connor’s term of office will expire as of the date of the Annual Meeting and he will retire from the board of directors.

(6) Mr. Shein’s term of office will expire as of the date of the Annual Meeting and he will retire from the board of directors.

(7) Includes 383,819 shares held by Mr. Shein in the First Savings Bank Directors’ Deferred Fee Plan.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and anyone holding 10% or more of our common stock (reporting persons) to file reports with the Securities and Exchange Commission showing the holdings of, or transactions in, our common stock. Based solely on a review of copies of such reports, and written representations from each such reporting person that no other reports are required, we believe that in 2014 all reporting persons filed the required reports on a timely basis under Section 16(a).

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Proposal 1 Election of Directors

General

Our board of directors currently consists of 12 members and is divided into three classes, with one class of directors elected each year. Each of the members of our board of directors also serves as a director of The Provident Bank. Directors are elected to serve for a three-year term and until their respective successors shall have been elected and qualified. A director is not eligible to be elected or appointed to either board of directors after reaching age 73. As of the Annual Meeting, the terms of office of Messrs. Connor and Shein will expire and they will both retire from the board of directors. As of the Annual Meeting, the board of directors will consist of ten members.

Three directors will be elected at the Annual Meeting to serve for a three-year term and until their respective successors shall have been elected and qualified. On the recommendation of our Governance/Nominating Committee, our board of directors nominated Christopher Martin, Edward O'Donnell and John Pugliese for election as directors at the Annual Meeting.

All of the nominees for election at the Annual Meeting currently serve as directors of Provident and The Provident Bank, and each of them was previously elected by our stockholders, except for Mr. Pugliese. Mr. Pugliese was appointed to our board of directors and the board of directors of The Provident Bank effective May 30, 2014 following the completion of our acquisition of Team Capital Bank. No arrangements or understandings exist between any nominee and any other person pursuant to which any such nominee was selected. **Unless authority to vote for the nominees is withheld, it is intended that the shares represented by each fully executed Proxy Card will be voted "FOR" the election of all nominees.**

Each of the nominees has consented to be named a nominee. In the event that any nominee is unable to serve as a director, the persons named as proxies will vote with respect to a substitute nominee designated by our current board of directors. At this time, we know of no reason why any of the nominees would be unable or would decline to serve, if elected.

The Board of Directors recommends a vote "FOR" the election of the nominees for director named in this proxy statement.

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Our board of directors is comprised of individuals with considerable and varied business experiences, backgrounds, skills and qualifications. Collectively, they have a strong knowledge of our company's business and markets and are committed to enhancing long-term stockholder value. Our Governance/Nominating Committee is responsible for identifying and selecting director candidates who meet the evolving needs of our board of directors. Director candidates must have the highest personal and professional ethics and integrity. Additional criteria weighed by the Governance/Nominating Committee in the director identification and selection process include the relevance of a candidate's experience to our business, enhancement of the diversity of experience of our board, the candidate's independence from conflict or direct economic relationship with our company, and the candidate's ability and willingness to devote the proper time to prepare for and attend meetings. The Governance/Nominating Committee also takes into account whether a candidate satisfies the criteria for independence under our Independence Standards and the New York Stock Exchange listing rules, and if a nominee is sought for service on the Audit Committee, the financial and accounting expertise of a candidate, including whether the candidate qualifies as an Audit Committee financial expert. While the Governance/ Nominating Committee does not have a formal policy respecting diversity on our board of directors, consideration is given to nominating persons with different perspectives and experience to enhance the deliberation and strategic decision-making processes of our board of directors.

The following table states our directors' names and when their current term expires.

Name	Position(s) held with Provident Financial Services, Inc. and The Provident Bank	Expiration of Term	
Nominees			
Christopher Martin	Chairman, President and Chief Executive Officer	2015	
Edward O'Donnell	Director	2015	
John Pugliese	Director	2015	
Incumbent Directors			
Thomas W. Berry	Director	2016	
Laura L. Brooks	Director	2017	
Geoffrey M. Connor	Director	2015	(1)
Frank L. Fekete	Director	2016	
Terence Gallagher	Director	2017	
Matthew K. Harding	Director	2016	
Carlos Hernandez	Director	2017	
Thomas B. Hogan Jr.	Director	2016	
Jeffries Shein	Director	2015	(2)

(1)Mr. Connor will retire at the end of his current term.

(2)Mr. Shein will retire at the end of his current term.

The business experience of each of our continuing directors and the nominees for election as directors and directorships held by them with other public companies during the past five years, as well as their qualifications, attributes and skills that led our board of directors to conclude that each such person should serve as a director are as follows:

Thomas W. Berry

Director Since 2005

Age 67

Mr. Berry retired from investment banking in 1998 after a 26-year career with Goldman Sachs & Co. where he served as a partner since 1986. Mr. Berry was a founding director of Red Oak Bank, a New Jersey bank, which was acquired by another financial institution in 2005. He is a director of the Hyde and Watson Foundation. Mr. Berry has an extensive financial background and considerable experience in investment banking, as well as a strong knowledge of the capital markets, which are valuable to our board of directors in its assessment of Provident's sources and uses of capital.

Laura L. Brooks

Director Since 2006

Age 62

Ms. Brooks is retired. She previously served as Vice President-Risk Management and Chief Risk Officer of PSEG in Newark, New Jersey since November 2002. Prior to November 2002, she was Vice President-Risk Management of PG&E in San Francisco, California. She serves on the Advisory Board for the Enterprise Risk Management Program at North Carolina State University and for the Quantitative Finance Program at Rutgers University. She is a member of the board of directors of the National Association of Corporate Directors, New Jersey Chapter and Chair of the board of trustees of Philip's Education Partners. Ms. Brooks' extensive background in enterprise risk management provides a valuable resource to our board of directors in meeting its responsibility for risk management oversight.

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Frank L. Fekete

Director Since 1995

Age 63

Mr. Fekete is a certified public accountant and the Managing Partner of the accounting firm of Mandel, Fekete & Bloom, CPAs, located in Jersey City, New Jersey. He serves on the board of trustees of St. Peter's University, Hackensack University Health Network, and John Cabot University, Rome, Italy. He has over 35 years of public accounting experience, including supervision of audits of public companies. This experience benefits our board of directors in its oversight of financial reporting and disclosure issues, and Mr. Fekete qualifies as an Audit Committee financial expert.

Terence Gallagher

Director Since 2010

Age 59

Mr. Gallagher is President and a member of the board of directors of Battalia Winston, a national executive search firm headquartered in New York, New York. He has served on the Americas Board for the Association of Executive Search Consulting Firms and the Advisory Committee for the National Association of Corporate Directors, New Jersey Chapter. Mr. Gallagher's considerable background in human resources, management succession planning, executive recruitment and retention and executive compensation provides our board of directors valuable experience.

Matthew K. Harding

Director Since 2013

Age 51

Mr. Harding is President and Chief Operating Officer and a member of the board of directors of Levin Management Corporation, a leading retail real estate services firm. Prior to 2001, he served as the firm's Senior Vice President and Deputy Chief Operating Officer. Mr. Harding serves as Vice President of The Philip and Janice Levin Foundation. Mr. Harding's considerable experience provides our board of directors with a comprehensive understanding of the real estate market from a competitive and a credit risk perspective.

Carlos Hernandez

Director Since 1996

Age 65

Mr. Hernandez is retired. He previously served as President of New Jersey City University, located in Jersey City, New Jersey. As a local civic leader, he has served, and continues to serve on many local not-for-profit boards and brings to our board of directors an extensive knowledge of local markets and the communities served by Provident.

Thomas B. Hogan Jr

Director Since 2010

Age 69

Mr. Hogan is retired. He had a 40-year career with the international public accounting and consulting firm of Deloitte & Touche where he served as the chief operating officer of that firm's northeast practice area prior to his retirement. Mr. Hogan serves on the board of directors of Supreme Industries, Inc. He formerly served on the board of directors of Energy East Corporation before its acquisition by Iberdrola, SA in 2008. Mr. Hogan is a certified public accountant and his background in public accounting enhances our board of directors' oversight of financial reporting and disclosure issues, and he qualifies as an Audit Committee financial expert.

Christopher Martin

Director Since 2005

Age 58

Mr. Martin has served as Chairman since April 2010 and as President and Chief Executive Officer of Provident and The Provident Bank since September 2009. Prior to that time, he was President and Chief Operating Officer of The Provident Bank since January 2007, and he was President of Provident and The Provident Bank since July 2004. He serves on the board of directors of the Federal Home Loan Bank of New York. Mr. Martin's extensive banking experience and knowledge of financial markets enhance the breadth of experience of our board of directors.

Edward O'Donnell

Director Since 2002

Age 64

Mr. O'Donnell is retired. He previously served as President of Tradelinks Transport, Inc., a transportation consulting company located in Westfield, New Jersey from 1999 to 2012. Previously, he was the Director and Executive Vice President of NPR, Inc. (Navieras de Puerto Rico), a transportation company located in Edison, New Jersey. Mr. O'Donnell's business experience in sales, marketing and the capital markets provides a broad business perspective to our board of directors.

John Pugliese

Director Since 2014

Age 55

Mr. Pugliese is President of Motors Management Corporation which provides management oversight and direction to one of the top automobile dealership groups in the country. Prior to that, he served as EVP and Head of Retail Banking for the Bank of New York Mellon. Mr. Pugliese serves as Chairman of the board of directors of Buzz Points (formerly Fisoc, Inc.) a company that provides services and goods to community banks and credit unions, and he serves on the board of directors of Vertose Company Ltd. He previously served as Chairman of the Better Business Bureau of Metropolitan New York, and as Chairman of Team Capital Bank, as well as on the Board of Regents of St. Peter's University. Mr. Pugliese's extensive banking and management experience and knowledge of the retail credit markets enhance the overall experience and qualifications of our board of directors.

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Executive Officers

The business experience of each of Provident's executive officers who are not directors is as follows:

Donald W. Blum

Age 58

Mr. Blum has been Executive Vice President and Chief Lending Officer of The Provident Bank since January 2005. He previously served as Senior Vice President and Chief Lending Officer of The Provident Bank since December 2001.

James A. Christy

Age 47

Mr. Christy has been Senior Vice President and Chief Risk Officer of The Provident Bank since January 2012 and previously served as Senior Vice President & General Auditor since January 2009. He was First Vice President and General Auditor since May 2005 and he was Vice President and General Auditor since September 2001.

Brian Giovinazzi

Age 60

Mr. Giovinazzi has been Executive Vice President and Chief Credit Officer of The Provident Bank since December 2008, and prior to that, he was Executive Vice President-Corporate Administration since April 2007. Prior to that time, he was President and Chief Executive Officer of First Morris Bank & Trust and a member of its board of directors.

Janet D. Krasowski

Age 62

Ms. Krasowski has been Executive Vice President and Chief Human Resources Officer of The Provident Bank since January 2012 and prior to that time she was Senior Vice President and Chief Human Resources Officer of The Provident Bank since May 2006.

John F. Kuntz

Age 59

Mr. Kuntz has been Executive Vice President, General Counsel and Corporate Secretary of Provident since January 2003, and has been Executive Vice President, Chief Administrative Officer and General Counsel of The Provident Bank since January 2011, and prior to that time Executive Vice President and General Counsel since May 2005. Prior to that time, he was Senior Vice President and General Counsel of The Provident Bank since November 2002, and Vice President and General Counsel of The Provident Bank since September 2001.

Thomas M. Lyons

Age 50

Mr. Lyons has been Executive Vice President and Chief Financial Officer of Provident and The Provident Bank since January 2011. Prior to that time he was Senior Vice President and Chief Financial Officer of Provident and The Provident Bank since September 2009, and previously was First Vice President and Chief Accounting Officer of The Provident Bank since February 2005 and First Vice President, Finance of The Provident Bank since July 2004.

Frank S. Muzio

Age 61

Mr. Muzio has been Senior Vice President and Chief Accounting Officer of The Provident Bank since January 2011. Prior to that time, he was First Vice President and Chief Accounting Officer of The Provident Bank since June 2010. Prior to joining The Provident Bank, he was Senior Vice President and Controller for the New York Division of Sovereign Bank since June 2006.

James D. Nesci

Age 42

Mr. Nesci has been President of Beacon Trust Company, a wholly owned subsidiary of The Provident Bank since August 2011 and Executive Vice President and Chief Wealth Management Officer of The Provident Bank since January 2013, and Senior Vice President and Chief Wealth Management Officer since March 2009. Prior to that time, he served as Chief Operating Officer of National Wealth Management for Wilmington Trust Corporation.

Jack Novielli

Age 55

Mr. Novielli has been Executive Vice President and Chief Information Officer of The Provident Bank since December 2008. Prior to that time, he was Senior Vice President and Chief Information Officer of The Provident Bank since January 2006, and previously was First Vice President and Chief Information Officer of The Provident Bank.

Michael A. Raimonde

Age 62

Mr. Raimonde has been Executive Vice President and Director of Retail Banking of The Provident Bank since January 2011. Prior to that time he was Senior Vice President and Director of Retail Banking of The Provident Bank since April 2007. He was Executive Vice President of the Community Banking Division and Market President of the New York Retail System of Sovereign Bank prior to that time.

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Corporate Governance Matters

We are committed to maintaining sound corporate governance principles and the highest standards of ethical conduct and we are in compliance with applicable corporate governance laws and regulations.

Board of Directors Meetings and Committees

Our board of directors meets quarterly, or more often as may be necessary. The board of directors met nine times in 2014. There are four standing committees of the board of directors: the Audit, Compensation, Risk and Governance/Nominating Committees. The board of directors of The Provident Bank meets monthly at least 11 times a year, as required by New Jersey banking law.

All directors attended no fewer than 75% of the total number of meetings held by the board of directors and all committees of the board on which they served (during the period they served) in 2014. When the Provident and The Provident Bank board of directors and committee meetings are aggregated, all directors attended no fewer than 75% of the aggregated total number of meetings in 2014. We have a policy requiring each director to attend the Annual Meeting of Stockholders. All persons serving on the board of directors at the time of the Annual Meeting of Stockholders held on April 24, 2014 attended the meeting.

Board Leadership Structure

Our board of directors believes that combining the Chairman and Chief Executive Officer positions, together with the appointment of an independent Lead Director is the appropriate board leadership structure for our company. Thomas B. Hogan Jr. currently serves as the Lead Director. Our board of directors believes that the Chief Executive Officer is most knowledgeable about our business and corporate strategy and is in the best position to lead the board of directors, especially in relation to its oversight of corporate strategy formation and execution. Management accountability and our board's independence from management are best served by maintaining a super majority of independent directors, electing an independent Lead Director, and maintaining standing board committees that are comprised of independent leadership and members. The Lead Director plays an important role on our board of directors and has the following responsibilities:

- Schedules executive sessions of the non-management directors without management present at least twice each year and advises the Chairman and Chief Executive Officer of the schedule for such executive sessions.
- With input from the non-management directors, develops agendas for, and presides over the executive sessions. The Lead Director provides the Chairman and Chief Executive Officer with timely feedback from the executive sessions

where appropriate.

Acts as the principal liaison between the non-management directors and the Chairman and Chief Executive Officer on issues relating to the working relationship between our board and management, including providing input as to the

- quality and timeliness of information provided by management to ensure that the conduct of board meetings allows adequate time for discussion of important issues and that appropriate information is made available to our board on a timely basis.

- Provides input to the Chairman and Chief Executive Officer regarding board meeting agendas and meeting materials based on requests from the non-management directors.

- Attends board committee meetings as a non-member at the invitation of the respective committee chair.

Risk Oversight/Risk Committee

Our entire board of directors is engaged in risk management oversight. A separate standing Risk Committee of the board facilitates our board's risk oversight responsibilities. The current members of the Risk Committee are: Ms. Brooks (Chair) and Messrs. Berry, Connor and Harding. Each member of the Risk Committee is considered independent as defined in the New York Stock Exchange corporate governance listing standards. The Risk Committee's charter is posted on the "Governance Documents" section of the "Investor Relations" page of The Provident Bank's website at www.providentnj.com. The Committee met eight times during 2014.

The Risk Committee oversees the overall risk management activities employed by management in pursuit of:

- maintaining an effective culture of discipline that provides proper guidance and support for a sound, effective and coordinated enterprise risk management process designed to identify potential events that may affect our business and to appropriately manage risks in order to provide reasonable assurance that our stated objectives will be achieved; and

- identifying potential emerging risks in a routine and systematic manner, assessing the implications of those risks to our business, and managing those risks in a manner consistent with reducing the probability of their occurrence and potential consequences to our company to an acceptable level.

Our Risk Committee receives regular reports from management and other standing board committees regarding relevant risks and the actions taken by management to adequately address those risks.

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Corporate Governance Principles

Our board of directors has adopted Corporate Governance Principles, which are posted on the “Governance Documents” section of the “Investor Relations” page of The Provident Bank’s website at www.providentnj.com. These Corporate Governance Principles cover the general operating policies and procedures followed by our board of directors including:

- establishing the size and composition of our board of directors and the desired qualifications of directors;
- setting a minimum stock ownership requirement for directors at 15,000 shares of our common stock to be achieved over six years;
- providing for director orientation, continuing education and an annual performance assessment of our board of directors;
- selecting board committee membership; and
- reviewing annual compensation paid to the non-management directors.

The Corporate Governance Principles provide for our board of directors to meet in regularly scheduled executive sessions without management at least two times a year. Four executive sessions were conducted in 2014. The Lead Director presided over these executive sessions conducted by the non-management directors, all of whom are independent.

Director Independence

The New York Stock Exchange rules provide that a director does not qualify as independent unless the board of directors affirmatively determines that the director has no direct or indirect material relationship with the company. The New York Stock Exchange rules require our board of directors to consider all relevant facts and circumstances in determining the materiality of a director’s relationship with Provident and permit the board of directors to adopt and disclose standards to assist the board in making independence determinations. Accordingly, our board of directors has adopted Independence Standards to assist the board in determining whether a director has a material relationship with the company. These Independence Standards, which should be read with the New York Stock Exchange rules, are available on the “Governance Documents” section of the “Investor Relations” page of The Provident Bank’s website at www.providentnj.com.

Our board of directors conducted an evaluation of director independence, based on the Independence Standards and the New York Stock Exchange rules. In connection with this review, our board of directors considered all relevant facts and circumstances relating to relationships that each director and his or her immediate family members and their

related interests had with Provident.

After its evaluation, our board of directors affirmatively determined that Messrs. Berry, Connor, Fekete, Gallagher, Harding, Hernandez, Hogan, O'Donnell, Pugliese and Shein and Ms. Brooks is each an independent director. The board of directors determined that Mr. Martin is not independent because he has served as a Provident employee in the last three years.

Governance/Nominating Committee

The current members of our Governance/Nominating Committee are: Messrs. Hernandez (Chair), Fekete, Gallagher, and Shein. Each member of the Committee is considered independent as defined in the New York Stock Exchange corporate governance listing standards. The Committee's charter is posted on the "Governance Documents" section of the "Investor Relations" page of The Provident Bank's website at www.providentnj.com. The Committee met five times during 2014.

The functions of our Governance/Nominating Committee include, among other things:

- evaluating and making recommendations to the board concerning the number of directors and committee assignments;
- establishing the qualifications, relevant background, and selection criteria for board members;
- making recommendations to the board concerning board nominees;
- conducting evaluations of the effectiveness of the operation of the board;
- developing and maintaining corporate governance principles;
- recommending revisions to the code of business conduct and ethics;
- making recommendations to the board regarding director orientation and continuing education; and
- evaluating the Governance/Nominating Committee's performance on an annual basis.

Our Governance/Nominating Committee identifies nominees for director by first assessing the performance, qualifications and skills of the current members of our board of directors willing to continue service. Current members of the board with skills and experience that are relevant to our business and who are willing to continue service are first considered for re-nomination, balancing the value of continuity of service by existing members of the board with that of obtaining a new perspective. If a vacancy should exist on our board, or if the size of the board is increased, the Committee will solicit suggestions for director candidates from all board members. In addition, the Committee is

authorized by its charter to engage a third party to assist in the identification of director nominees. Persons under consideration to serve on our board of directors must have the highest personal and professional ethics and integrity.

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Procedures for the Recommendation of Directors by Stockholders

If a determination is made that an additional candidate is needed for our board, the Governance/Nominating Committee will consider candidates properly submitted by our stockholders. Stockholders can submit the names of qualified candidates for director by writing to the Corporate Secretary at Provident Financial Services, Inc., 100 Wood Avenue South, P.O. Box 1001, Iselin, New Jersey 08830-2727. The Corporate Secretary must receive a submission not less than 120 days prior to the date of Provident's proxy materials for the preceding year's Annual Meeting. A stockholder's submission must be in writing and include the following information:

- the name and address of the stockholder as they appear on our books, and the number of shares of our common stock that are beneficially owned by such stockholder (if the stockholder is not a holder of record, appropriate evidence of the stockholder's ownership should be provided);

- the name, address and contact information for the candidate, and the number of shares of our common stock that are owned by the candidate (if the candidate is not a holder of record, appropriate evidence of the candidate's ownership should be provided);

- a statement of the candidate's business and educational experience;

- such other information regarding the candidate as would be required to be included in our proxy statement pursuant to Securities and Exchange Commission Regulation 14A;

- a statement detailing any relationship between the candidate and Provident, The Provident Bank and any subsidiaries of The Provident Bank;

- a statement detailing any relationship between the candidate and any customer, supplier or competitor of Provident and The Provident Bank;

- detailed information about any relationship or understanding between the proposing stockholder and the candidate; and

- a statement that the candidate is willing to be considered and willing to serve as a director if nominated and elected.

Stockholder submissions that are timely and that meet the criteria outlined above will be forwarded to the Chair of our Governance/ Nominating Committee for further review and consideration. A nomination submitted by a stockholder for presentation at an Annual Meeting of our stockholders must comply with the procedural and informational requirements described later in this Proxy Statement under the heading "Advance Notice Of Business To Be Conducted at an Annual Meeting."

Stockholder and Interested Party Communications with the Board

Our stockholders and any other interested party may communicate with the board of directors, the non-management directors, the Lead Director or with any individual director by writing to the Chair of the Governance/Nominating Committee, c/o Provident Financial Services, Inc., 100 Wood Avenue South, P.O. Box 1001, Iselin, New Jersey 08830-2727. A communication from a stockholder should indicate that the author is a stockholder and, if shares of our common stock are not held of record, the letter should include appropriate evidence of stock ownership.

Code of Business Conduct and Ethics

We have a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees, including the principal executive officer, principal financial officer, principal accounting officer, and all persons performing similar functions. Our Code of Business Conduct and Ethics is posted on the “Governance Documents” section of the “Investor Relations” page of The Provident Bank’s website at www.providentnj.com. Amendments to and waivers from our Code of Business Conduct and Ethics will also be disclosed on The Provident Bank’s website.

Transactions With Certain Related Persons

Federal laws and regulations generally require that all loans or extensions of credit to directors and executive officers must be made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with the general public and must not involve more than the normal risk of repayment or present other unfavorable features. However, regulations also permit directors and executive officers to receive the same terms through benefit or compensation plans that are widely available to other employees, as long as the director or executive officer is not given preferential treatment compared to participating employees. Pursuant to such a program, loans may be extended to executive officers on substantially the same terms as those prevailing at the time for comparable transactions with the general public, except as to the interest rate charged, which may be the interest rate generally available to all other participating employees. These loans may not involve more than the normal risk of repayment or present other unfavorable features. As of December 31, 2014, The Provident Bank had aggregate loans and loan commitments totaling \$228,448 to its executive officers. The Provident Bank does not make loans to members of the board of directors or to their immediate family members and their related interests, as such terms are defined in The Provident Bank’s Lending Policy.

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Section 402 of the Sarbanes-Oxley Act of 2002 generally prohibits an issuer from: (1) extending or maintaining credit; (2) arranging for the extension of credit; or (3) renewing an extension of credit in the form of a personal loan for a director or officer. There are several exceptions to this general prohibition, one of which is applicable to us. The provisions of the Sarbanes-Oxley Act of 2002 that prohibit loans do not apply to loans made by a depository institution, such as The Provident Bank, that is insured by the Federal Deposit Insurance Corporation and is subject to the insider lending restrictions of the Federal Reserve Act. All loans to our officers are made in conformity with the Federal Reserve Act and Regulation O.

Our Code of Business Conduct and Ethics requires directors and executive officers to promptly disclose any interest they may have in any proposed transaction involving Provident or The Provident Bank, and any such director or executive officer shall abstain from any deliberation or voting on the transaction. Any such transaction requires the approval of a majority of the directors who have no interest in the proposed transaction. In addition, our directors and executive officers annually disclose any transactions, relationships or arrangements they or their related interests may have with Provident or The Provident Bank. These disclosures, together with information obtained from each director's annual statement of interest form, are used to monitor related party transactions and make independence determinations.

Anti-Hedging Policy

Our stock trading policy prohibits our directors, officers and employees from engaging in any transaction designed to hedge or offset the economic risk of owning shares of our common stock. Accordingly, any hedging, derivative or other similar transaction that is specifically designed to reduce or limit the extent to which declines in the trading price of our common stock would affect the value of the shares of common stock owned by a director, officer or employee is prohibited. In addition, the policy provides that our directors, officers and employees should avoid pledging their shares of our common stock as collateral for a margin account or loan.

Audit Committee Matters

Audit Committee

The current members of our Audit Committee are: Messrs. Hogan (Chair), Fekete, Harding, and Pugliese. Each member of the Audit Committee is considered independent as defined in the New York Stock Exchange corporate governance listing standards and under Securities and Exchange Commission Rule 10A-3.

The duties and responsibilities of the Audit Committee include, among other things:

- sole authority for retaining, overseeing and evaluating a firm of independent registered public accountants to audit Provident's annual financial statements;
- in consultation with the independent registered public accounting firm and the internal auditor, reviewing the integrity of Provident's financial reporting processes, both internal and external;
- reviewing the financial statements and the audit report with management and the independent registered public accounting firm;
- reviewing earnings and financial releases and quarterly and annual reports filed with the Securities and Exchange Commission; and
- approving all engagements for audit and non-audit services by the independent registered public accounting firm.

Our Audit Committee met ten times during 2014. The Audit Committee reports to our board of directors on its activities and findings. The board of directors believes that Frank L. Fekete and Thomas B. Hogan Jr. each qualify as an Audit Committee financial expert as that term is used in the rules and regulations of the Securities and Exchange Commission.

Audit Committee Report

Pursuant to rules and regulations of the Securities and Exchange Commission, this Audit Committee Report shall not be deemed incorporated by reference to any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Provident specifically incorporates this information by reference, and otherwise shall not be deemed "soliciting material" or to be "filed" with the Securities and Exchange Commission subject to Regulation 14A or 14C of the Securities and Exchange Commission or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended.

Our Audit Committee operates under a written charter approved by our board of directors, which is posted on the "Governance Documents" section of the "Investor Relations" page of The Provident Bank's website at www.providentnj.com.

Management has primary responsibility for the internal control and financial reporting process, and for making an assessment of the effectiveness of our internal control over financial reporting. Our independent registered public accounting firm is responsible for performing an independent audit of our company's consolidated financial statements in accordance with the standards of the

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Public Company Accounting Oversight Board (United States) and to issue an opinion on those financial statements, and for providing an attestation report on the company's internal control over financial reporting. The Audit Committee's responsibility is to monitor and oversee these processes.

As part of its ongoing activities, our Audit Committee has:

- reviewed and discussed with management, and our independent registered public accounting firm, the audited consolidated financial statements of Provident for the year ended December 31, 2014;
- discussed with our independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, as amended, and as adopted by the Public Company Accounting Oversight Board; and
- received the written disclosures and the letter from our independent registered public accounting firm mandated by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with our independent registered public accounting firm its independence from Provident.

Based on the review and discussions referred to above, the Audit Committee recommended to our board of directors that the audited consolidated financial statements for the year ended December 31, 2014 and related footnotes be included in Provident's Annual Report on Form 10-K for the year ended December 31, 2014 and filed with the Securities and Exchange Commission. In addition, the Audit Committee approved the re-appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2015, subject to the ratification of this appointment by our stockholders.

**THE AUDIT COMMITTEE OF PROVIDENT
FINANCIAL SERVICES, INC.**

Thomas B. Hogan Jr. (Chair)
Frank L. Fekete
Matthew K. Harding
John Pugliese

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Compensation Committee Matters

Compensation Committee

The current members of our Compensation Committee are: Messrs. Gallagher (Chair), Hogan, and O'Donnell and Ms. Brooks. Each member of the Compensation Committee has been determined to be independent as defined in the current New York Stock Exchange corporate governance listing standards. The Compensation Committee is responsible for reviewing the performance of and the compensation payable to our senior executive officers, including the Chief Executive Officer; management development and succession planning; and for reviewing and evaluating compensation programs and policies and risks associated with such programs and policies. This includes setting performance measures and goals consistent with principles of safety and soundness, approving awards under existing compensation plans and administering long-term equity awards. Director compensation is established by our board of directors upon the recommendation of the Compensation Committee and is discussed in this Proxy Statement under the heading "Director Compensation."

The Compensation Committee's charter is posted on the "Governance Documents" section of the "Investor Relations" page of The Provident Bank's website at www.providentnj.com. The Compensation Committee met 15 times during 2014.

Compensation Committee Interlocks and Insider Participation

Messrs. Gallagher, Hogan and O'Donnell and Ms. Brooks served as members of the Compensation Committee during 2014. None of these directors has ever been an officer or employee of Provident. In addition, none of these directors is an executive officer of another entity where one of our executive officers serves on the compensation committee or the board of directors, or which had any transactions or relationships with us in 2014 requiring specific disclosures under Securities and Exchange Commission rules.

Compensation Discussion and Analysis

Overview

The following discussion provides an overview and analysis of our Compensation Committee's philosophy and objectives in designing compensation programs, as well as the compensation determinations and rationale for those determinations relating to our Chief Executive Officer, Chief Financial Officer, and the next three most highly compensated executive officers, to whom we refer collectively as our "named executive officers." Our named executive

officers for 2014 were:

Name	Title
Christopher Martin	Chairman, President and Chief Executive Officer of Provident Financial Services, Inc. and The Provident Bank
Thomas M. Lyons	Executive Vice President and Chief Financial Officer of Provident Financial Services, Inc. and The Provident Bank
Donald W. Blum	Executive Vice President and Chief Lending Officer of The Provident Bank Executive Vice President, General Counsel and Secretary of Provident Financial Services, Inc.
John F. Kuntz	and Executive Vice President, Chief Administrative Officer and General Counsel of The Provident Bank
James D. Nesci	Executive Vice President and Chief Wealth Officer of The Provident Bank and President of Beacon Trust Company

Executive Summary

Our executive compensation program is designed to align pay with performance in a manner consistent with safe and sound business practices and sustainable financial performance consistent with stockholder interests. The key features of the program are:

- Active oversight by the Compensation Committee consisting solely of independent directors;
- Assistance regularly provided to the Compensation Committee by an independent compensation consultant selected by the Compensation Committee;
- Focus on pay for performance in order to align compensation with business strategies and to enhance stockholder value;

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- The major components of our executive compensation program are salary, annual cash incentives and long-term equity;
- Executive salaries are evaluated based on data regarding a regional peer group of publicly-traded banks of comparable size, performance, and business model;
- Annual cash incentive compensation opportunities are tied to key corporate performance goals;
- Long-term incentive compensation opportunities are tied to key corporate performance goals and performance against peer group metrics over a period of time;
- Formulaic equity grants are 75% performance-based and 25% time-based;
- No dividends are paid on stock awards subject to performance-vesting conditions unless and until the awards have vested;
- Our incentive compensation plans provide for risk mitigation and accountability authorizing our Compensation Committee to condition incentive compensation awards with clawback, deferral, and adjustment provisions, and settlement in stock subject to holding periods;
- Executives are subject to share ownership guidelines;
- Executives are prohibited from engaging in hedging transactions to offset the economic risk of owning our common stock;
- Perquisites are limited and no tax gross-ups are provided; and
- No excise tax gross-ups are provided.

Financial and Strategic Highlights

Our Compensation Committee believes that executive compensation should be linked to Provident's overall financial performance and strategic success and the contribution of its executives to that performance and success. Highlights of Provident's 2014 performance include:

- Expansion of our franchise to eastern Pennsylvania through the acquisition of Team Capital Bank;
- Annual net income of \$73.6 million, an increase of 4.4% from 2013;
- Despite the continued low interest rate environment, the net interest margin remained fairly stable, decreasing just 1 basis point when compared to the prior year end;
- Solid loan growth with loan originations of \$1.79 billion, as the total loan portfolio increased by 5.0%, exclusive of the Team Capital transaction;

- Continued improvement in asset quality, with total non-performing loans of \$53.9 million, or 0.88% of total loans as of year-end, down from \$76.7 million or 1.48%, in 2013; and
- Wealth management fee income increased by \$1.4 million over 2013.

Key Executive Compensation Actions

The Compensation Committee regularly reviews the components of our executive compensation program with advice from its independent compensation consultant and after giving due consideration to the most recent non-binding stockholder advisory vote on executive compensation which resulted in a favorable vote of approximately 80% of the votes cast. Based on feedback from institutional stockholders received throughout 2014, the Compensation Committee made the following revisions to our executive compensation program for 2015:

- Extended the vesting period for long-term equity grants made after December 31, 2014 from two years to three years;
- Eliminated the duplication of performance goals in the annual and long-term incentive plans by moving the return on average assets measure to the long-term incentive plan and removing earnings per share goals from the long-term incentive plan; and
- Modified our approach to long-term equity grants to eliminate the use of discretionary grants.

Highlights of other key compensation actions in 2014 were:

• **2014 Base Salary:** Mr. Martin's base salary increased to \$640,000 in 2014, representing a 4.9% increase. The other named executive officers received salary increases that ranged from 3.2% to 4.4%.

• **2014 Cash Incentives:** Mr. Martin received a formulaic cash incentive of 75% of base salary or \$480,528. This represented attainment of overall corporate results that were at Target against established performance goals for 2014. The remaining named executive officers received formulaic cash incentives between 44% and 48% of base salary.

• **2014 Long-Term Incentives:** The Compensation Committee revised its equity grant practice in 2015 to eliminate the use of discretionary awards for the named executive officers, extend the performance-vesting and time-vesting period to three years from two years and to eliminate the duplication of goals between the annual cash incentive plan and the long-term equity incentive plan. Prior to those revisions, and during 2014, Mr. Martin was granted 79,851 stock options and 28,263 restricted stock awards which vest over two years based upon achievement of total shareholder return relative to the performance of a peer group and earnings per share goals. In recognition of strong financial performance, to maintain total compensation at a competitive level and as a retention incentive, additional equity awards were granted to Mr. Martin. He received 35,000 stock options and 12,000 restricted stock awards that vest between one and five years. The other named executive officers receive 75% of their equity in restricted stock that vests over a two-year period based upon the same total shareholder return relative to the performance of a peer group and earnings per share goals, and 25% of their equity in restricted stock that vests in two years. Messrs. Lyons and Kuntz were each granted an additional equity award of 750 shares subject to one-year vesting and Mr. Nesci was

granted an additional equity award of 1,000 shares subject to three-year vesting.

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Compensation Consultants

Our Compensation Committee retained the services of McLagan, an Aon Hewitt Company (“McLagan”) during 2013 and the first half of 2014 to assist with executive compensation planning for 2014. In mid 2014, the Compensation Committee retained Frederic W. Cook & Co. (“Cook & Co.”) to assist with 2015 compensation planning and analysis. Both McLagan and Cook & Co. were retained by and reported directly to the Compensation Committee and did not perform any other services for Provident, The Provident Bank or their affiliates or their management. The Compensation Committee regularly meets with its compensation consultant in executive session without management.

The Compensation Committee considered the independence of both McLagan and Cook & Co. in light of Securities and Exchange Commission rules and New York Stock Exchange listing standards. The Compensation Committee requested and received a report from both consultants addressing the independence of their firms and their respective consultants, including the following factors: (1) other services provided to Provident; (2) fees paid by Provident as a percentage of the consultant’s total revenue; (3) policies or procedures maintained by the consultants that are designed to prevent a conflict of interest; (4) any business or personal relationships between the consultants and a member of the Compensation Committee; (5) any company stock owned by the consultants; and (6) any business or personal relationships between Provident’s executive officers and the consultants. The Compensation Committee discussed these considerations and concluded that the work performed by both McLagan and Cook & Co. and their respective consultants involved in the engagements did not raise any conflict of interest and concluded that both consultants were independent Compensation Committee consultants.

Executive Compensation Philosophy

Our Compensation Committee believes that our executive compensation program is consistent with promoting sound risk management and long-term value creation for our stockholders. The program is intended to align the interests of our executive officers and employees with stockholders by rewarding performance against established corporate financial goals, and by rewarding strong executive leadership and superior individual performance. By offering annual cash incentives, long-term equity compensation and competitive benefits, we strive to attract, motivate and retain a highly qualified and talented team of executives who will help maximize long-term financial performance and earnings growth.

The compensation paid to each n