

SB ONE BANCORP
Form PRE 14A
March 08, 2019

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

SCHEDULE 14A
(RULE 14a-101)
SCHEDULE 14A INFORMATION
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 §240.14a-12

SB ONE BANCORP
(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):

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Proposed maximum aggregate value of transaction:

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(1)

Amount Previously Paid:

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Form, Schedule or Registration Statement No.:

(3)

Filing Party:

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Date Filed:

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March 25, 2019

Dear Shareholder:

You are cordially invited to attend the 2019 Annual Meeting of Shareholders (the “Annual Meeting”) of SB One Bancorp, the holding company for SB One Bank, to be held on April 24, 2019, at 10:00 a.m., Eastern time, at the office of SB One Bancorp, located at 100 Enterprise Drive, Suite 700, Rockaway, New Jersey 07866.

The attached Notice of Annual Meeting of Shareholders and proxy statement describe the formal business that we will transact at the Annual Meeting.

The Board of Directors of SB One Bancorp has determined that an affirmative vote on each matter to be considered at the Annual Meeting is in the best interest of SB One Bancorp and its shareholders and unanimously recommends a vote “FOR” all such matters considered at the Annual Meeting. The Board of Directors of SB One Bancorp has also determined that an advisory vote on the compensation of our named executive officers occurring every year is the most appropriate alternative for SB One Bancorp and its shareholders and unanimously recommends a vote of every “1 YEAR” with respect to the frequency of such an advisory vote.

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 cannot attend.

On behalf of the Board of Directors and the employees of SB One Bancorp and SB One Bank, we thank you for your continued support and look forward to seeing you at the Annual Meeting.

Sincerely yours,

Anthony Labozzetta

President and Chief Executive Officer

IF YOU HAVE ANY QUESTIONS, PLEASE CALL US AT (844) 256-7328

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SB ONE BANCORP

100 Enterprise Drive, Suite 700

Rockaway, New Jersey 07866

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder:

Notice is hereby given that the 2019 Annual Meeting of Shareholders (the “Annual Meeting”) of SB One Bancorp (the “Company,” “we,” “us” or “our”) will be held at the time and place below and for the following purposes:

DATE Wednesday, April 24, 2019

TIME 10:00 a.m. Eastern time

PLACE SB One Bancorp
100 Enterprise Drive, Suite 700
Rockaway, New Jersey 07866

ITEMS OF BUSINESS (1)
Election of the five nominees named in the attached proxy statement as directors to serve on the Board of Directors for a three-year term.

(2)
Ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

(3)
Consideration and approval of a non-binding advisory resolution on the compensation of our named executive officers.

(4)
Consideration of a non-binding advisory vote on the frequency of the shareholder advisory vote on the compensation of our named executive officers.

(5)
Consideration and approval of an amendment to our Restated Certificate of Incorporation to increase the number of authorized shares of common stock.

(6)
Consideration and approval of the SB One Bancorp 2019 Equity Incentive Plan.

(7)
Consideration of any other business properly brought before the Annual Meeting, or at any adjournment or postponement thereof.

RECORD DATE The record date for the Annual Meeting is March 4, 2019. Only shareholders of record at the close of business on that date may vote at the Annual Meeting or any adjournment thereof.

PROXY VOTING You are cordially invited to attend the Annual Meeting in person. Whether or not you expect to attend the Annual Meeting, please submit the enclosed proxy or voting instructions by mail. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience. Submitting a proxy or voting instructions will not prevent you from attending the Annual Meeting and voting in person. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the Annual Meeting, you must obtain a

proxy issued in your name from that record holder.

By Order of the Board of Directors,

Linda Kuipers

Secretary

Rockaway, New Jersey

March 25, 2019

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE SHAREHOLDER MEETING TO BE HELD ON APRIL 24, 2019.

This proxy statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 are available
free of charge at <http://www.snl.com/irweblinkx/GenPage.aspx?IID=4015338&GKP=203214>.

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SB ONE BANCORP

100 Enterprise Drive, Suite 700

Rockaway, New Jersey 07866

(844) 256-7328

PROXY STATEMENT FOR THE

2019 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 24, 2019

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

Why am I receiving these materials?

We have sent you this proxy statement and the enclosed proxy card because the Board of Directors (the “Board”) of SB One Bancorp is soliciting your proxy to vote at the 2019 Annual Meeting of Shareholders, which will be held on April 24, 2019, at 10:00 a.m., Eastern time, at the office of SB One Bancorp, located at 100 Enterprise Drive, Suite 700, Rockaway, New Jersey 07866. This proxy statement and proxy card are being mailed to shareholders on or about March 25, 2019. As used in this proxy statement, “we,” “us,” “our” and “Company” refer to SB One Bancorp and/or its subsidiaries, depending on the context. The term “Annual Meeting,” as used in this proxy statement, means the 2019 Annual Meeting of Shareholders and includes any adjournment or postponement of such meeting.

Who can vote at the Annual Meeting?

Only shareholders of record as of the close of business on March 4, 2019 (the “Record Date”) will be entitled to vote at the Annual Meeting. Each share of common stock outstanding as of the close of business on the Record Date will be entitled to one vote on each matter properly submitted at the Annual Meeting. On the Record Date, there were 9,501,741 shares of common stock issued and outstanding and entitled to vote. The Company has no other outstanding voting security.

Shareholder of Record: Shares Registered in Your Name

If on the Record Date, your shares were registered directly in your name with our transfer agent, American Stock Transfer and Trust Company, then you are a shareholder of record. As a shareholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to fill out and return the enclosed proxy card by mail to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on Record Date, your shares were held not in your name but rather in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account.

How do I vote?

For Proposal 1, you may either vote “FOR” all the nominees to the Board or you may “WITHHOLD” your vote for any nominee you specify. For Proposal 4, you may vote for every “3 Years,” “2 Years” or “1 Year” or abstain from voting. For any other matter to be voted on, you may vote “FOR” or “AGAINST” or abstain from voting. The procedures for voting are as follows:

Shareholder of Record: Shares Registered in Your Name

If you are a shareholder of record, you may (a) vote in person at the Annual Meeting or (b) vote by proxy using the enclosed proxy card, in each case as described below. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the Annual Meeting and vote in person even if you have already voted by proxy.

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•
To vote in person, attend the Annual Meeting and we will give you a ballot when you arrive.

•
To vote by proxy, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, the designated proxy holders will vote your shares as you direct.

If you sign the proxy card but do not make specific choices, your proxy will vote your shares “FOR” Proposals 1, 2, 3, 5 and 6 and every “1 YEAR” for Proposal 4 as set forth in the Notice of Annual Meeting of Shareholders.

If any other matter is presented at the Annual Meeting, the proxies will vote as recommended by the Board or, if no recommendation is given, in their own discretion in the best interest of the Company and its shareholders. As of the date of this proxy statement, we know of no other matters that may be presented at the Annual Meeting, other than those listed in the Notice of Annual Meeting of Shareholders.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, also referred to as holding shares in “street name,” you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from us. Simply complete and mail the proxy card and voting instructions to ensure that your vote is counted. Alternatively, you may vote by telephone or over the Internet as instructed by your broker or bank, if applicable. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

What is the quorum requirement?

A quorum of shareholders is necessary to hold a valid meeting. A quorum will be present if shareholders holding at least a majority of our outstanding shares of common stock entitled to vote at the Annual Meeting are present at the Annual Meeting in person or represented by proxy.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the holders of a majority of shares of common stock present at the Annual Meeting in person or represented by proxy may adjourn the Annual Meeting to another date.

What are broker non-votes?

Broker non-votes occur when a beneficial owner of shares held in “street name” does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed “non-routine.” Generally, if shares are held in “street name,” the beneficial owner of the shares is entitled to give voting instructions to the broker or nominee holding the shares. If the beneficial owner does not provide voting instructions, the broker or nominee may vote the shares with respect to matters that are considered to be “routine” under New York Stock Exchange Rules (“NYSE”), which govern NYSE brokerage members, but may not vote the shares with respect to “non-routine” matters. Proposals 1, 3, 4, 5 and 6 are considered “non-routine” and Proposal 2 is considered “routine” under current NYSE rules.

What am I voting on and how many votes are needed to approve each proposal?

Proposal 1: Election of Directors. Directors will be elected by a plurality of the votes cast at the Annual Meeting by the shareholders present in person or represented by proxy and entitled to vote on the election of directors. Plurality means that the individuals who receive the largest number of “FOR” votes cast are elected as directors up to the maximum number of directors to be chosen at the Annual Meeting. Accordingly, the five nominees receiving the most “FOR” votes will be elected as directors. Abstentions and broker non-votes are not counted as votes cast and they will have no effect on the outcome of the election of directors. You may not vote your shares cumulatively for the election of directors.

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Proposal 2: Ratification of Appointment of Independent Registered Public Accounting Firm. The ratification of BDO USA, LLP (“BDO”) as our independent registered public accounting firm for the fiscal year ending December 31, 2019 will require “FOR” votes from a majority of the votes cast at the Annual Meeting by the shareholders present in person or represented by proxy and entitled to vote on this proposal. Abstentions and broker non-votes are not counted as votes cast and they will have no effect on the outcome of the vote.

Proposal 3: Consideration and Approval of a Non-Binding Advisory Resolution on the Compensation of our Named Executive Officers. The approval of the non-binding advisory resolution on the compensation of our named executive officers will require “FOR” votes from a majority of the votes cast at the Annual Meeting by the shareholders present in person or represented by proxy and entitled to vote on this proposal. Abstentions and broker non-votes are not counted as votes cast and they will have no effect on the outcome of the vote.

Proposal 4: Consideration of a Non-Binding Advisory Vote on the Frequency of the Shareholder Advisory Vote on the Compensation of our Named Executive Officers. The alternative (either every “3 YEARS,” “2 YEARS” or “1 YEAR”) receiving the greatest number of votes cast at the Annual Meeting by the shareholders present in person or represented by proxy and entitled to vote on this proposal will be the frequency that shareholders will be deemed to have approved. Abstentions and broker non-votes are not counted as votes cast and they will have no effect on the outcome of the vote.

Proposal 5: Consideration and Approval of an Amendment to our Restated Certificate of Incorporation to Increase the Number of Authorized Shares of Common Stock. The approval of the amendment to our Restated Certificate of Incorporation to increase the number of authorized shares of common stock will require “FOR” votes from a majority of the votes cast at the Annual Meeting by the shareholders present in person or represented by proxy and entitled to vote on this proposal. Abstentions and broker non-votes are not counted as votes cast and they will have no effect on the outcome of the vote.

Proposal 6: Consideration and Approval of the SB One Bancorp 2019 Equity Incentive Plan. The approval of the SB One Bancorp 2019 Equity Incentive Plan (the “2019 Equity Plan”) will require “FOR” votes from a majority of the votes cast at the Annual Meeting by the shareholders present in person or represented by proxy and entitled to vote on this proposal. Abstentions and broker non-votes are not counted as votes cast and they will have no effect on the outcome of the vote.

How does the Board recommend that I vote my shares?

Unless you give other instructions on your proxy card, the persons named as proxies on the card will vote in accordance with the recommendations of the Board. The Board’s recommendation for each proposal, together with the description of each proposal, is set forth in this proxy statement. The Board recommends that you vote as follows:

- “FOR” the election of the five nominees to the Board;
- “FOR” the ratification of the appointment of BDO as our independent registered public accounting firm for the fiscal year ending December 31, 2019;
- “FOR” the approval of the non-binding advisory resolution on the compensation of our named executive officers;
- “1 YEAR” for the frequency of the shareholder advisory vote on the compensation of our named executive officers;
- “FOR” the approval of an amendment to our Restated Certificate of Incorporation to increase the number of authorized shares of common stock; and
- “FOR” the approval of the 2019 Equity Plan.

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With respect to any other matter that properly comes before the Annual Meeting, the proxies will vote as recommended by the Board or, if no recommendation is given, in their own discretion in the best interest of the Company and its shareholders. As of the date of this proxy statement, the Board had no knowledge of any business other than that described herein that would be presented for consideration at the Annual Meeting.

May I change my vote after submitting my proxy card?

Yes. You may revoke your proxy at any time before the final vote at the Annual Meeting. If you are the shareholder of record, you may revoke your proxy in any one of the following three ways:

- filing a timely written revocation of the proxy with our Secretary;
- submitting a signed proxy card bearing a later date; or
- attending the Annual Meeting and voting in person.

If your shares are not registered in your own name, you will need appropriate documentation from the 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 shares. If your shares are held by your broker, bank or another party as a nominee or agent, you should follow the instructions provided by such party.

Your personal attendance at the Annual Meeting does not revoke your proxy. Your last vote, prior to or at the Annual Meeting, is the vote that will be counted.

Who will bear the expense of soliciting proxies?

We will bear the cost of solicitation of proxies, including preparation, assembly, printing and mailing of this proxy statement, the proxy card and any additional information furnished to shareholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of our common stock beneficially owned by others to forward to such beneficial owners. We may reimburse persons representing beneficial owners of our common stock for their costs of forwarding solicitation materials to such beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, telegram or personal solicitation by our directors, officers or other regular employees. No additional compensation will be paid to directors, officers or other regular employees for such services.

When are shareholder proposals due for the 2020 Annual Meeting of Shareholders?

If you wish to submit proposals to be included in our proxy statement for the 2020 annual meeting of shareholders, we must receive them on or before November 26, 2019, pursuant to the proxy soliciting regulations of the Securities and Exchange Commission (the "SEC"). Nothing in this paragraph shall be deemed to require us to include in our proxy statement and proxy card for such meeting any shareholder proposal which does not meet the requirements of the SEC in effect at the time. Any such proposal will be subject to Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

In addition, under our Second Amended and Restated By-laws, if you wish to nominate a director or bring other business before the 2020 annual meeting of shareholders, the following criteria must be met: (i) you must be a shareholder of record; (ii) you must have given timely notice in writing to our Secretary; and (iii) your notice must contain specific information required in Section 2.11 or 3.23 of our Second Amended and Restated By-laws, as applicable. To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at our principal executive offices between December 26, 2019 and January 25, 2020; provided, however, that in the event that the 2020 annual meeting of shareholders is called for a date that is not within 30 days before or after the anniversary date of the Annual Meeting, notice by the shareholder in order to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the 2020 annual meeting of shareholders was mailed or such public disclosure of the date of the 2019 annual meeting of shareholders was made, whichever first occurs. For additional information about our director nomination requirements, please see our Second Amended and Restated By-laws.

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Obtaining an Annual Report on Form 10-K

We will provide a copy of our Annual Report on Form 10-K for the year ended December 31, 2018 (without exhibits) without charge, upon written request, to any registered or beneficial owner of common stock entitled to vote at the Annual Meeting. Requests should be made in writing to Linda Kuipers, Secretary, SB One Bancorp, 100 Enterprise Drive, Suite 700, Rockaway, New Jersey 07866. The Annual Report on Form 10-K is also available on the SEC's website at www.sec.gov and on our website at www.sbone.bank by clicking on "Investors — SEC Filings."

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PROPOSAL 1

ELECTION OF DIRECTORS

Upon the recommendation of the Nominating and Corporate Governance Committee, our Board has nominated the five individuals listed in the table below for election as directors at the Annual Meeting. If you elect the nominees listed below, they will hold office until the 2022 annual meeting of shareholders or until their successors have been duly elected and qualified. All nominees are currently serving on our Board and have consented to being named in this proxy statement and to serve if elected.

If for any reason these nominees prove unable or unwilling to stand for election or cease to qualify to serve as directors, the Board will nominate alternates or reduce the size of the Board to eliminate the vacancies. If any nominee is unable or does not qualify to serve, you or your proxy may vote for another nominee proposed by the Board. The Board has no reason to believe that any of the nominees would prove unable to serve if elected. There are no arrangements or understandings between us and any nominee, pursuant to which such person was nominated to be a director.

Nominees	Term Expires	Position(s) Held
Richard Branca	2019	Director
Salvatore A. Davino	2019	Director
Anthony Labozzetta	2019	President and Chief Executive Officer; Director
Michael F. Lombardi	2019	Director
Robert McNerney	2019	Director

Vote Required

Directors are elected by a plurality of the votes cast at the Annual Meeting by the shareholders present in person or represented by proxy and entitled to vote on the election of directors. The five nominees receiving the highest number of "FOR" votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the five nominees named above. If any nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will be voted for the election of a substitute nominee proposed by our Board. Abstentions and broker non-votes will have no effect on the outcome of the election of directors. You may not vote your shares cumulatively for the election of directors.

Our Recommendation

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES SET FORTH ABOVE.

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INFORMATION ABOUT OUR BOARD OF DIRECTORS

Our Board currently consists of 13 directors and is divided into three classes as nearly equal in number as possible. Each class of directors serves a staggered, three-year term so that the term of office of a single class expires each year. Effective December 21, 2018, in connection with the consummation of the merger of Enterprise Bank NJ with and into SB One Bank, the Board appointed Messrs. Salvatore A. Davino and Michael F. Lombardi to the Board. Ms. Katherine Caristia's term on the Board expires at this Annual Meeting and she will not be nominated for re-election. Set forth below are the names, ages and length of service of each of the nominees and the continuing and non-continuing members of our Board.

Nominees	Age(1)	Term Expires	Position(s) Held	Director Since
Richard Branca	71	2019	Director	2005
Salvatore A. Davino	77	2019	Director	2018
Anthony Labozzetta	55	2019	President and Chief Executive Officer; Director	2010
Michael F. Lombardi	70	2019	Director	2018
Robert McNerney	60	2019	Director	2011
Continuing Directors	Age(1)	Term Expires	Position(s) Held	Director Since
Patrick E. Brady	65	2020	Director	2005
Edward J. Leppert	58	2020	Chairman of the Board	2001
Michael X. McBride	65	2020	Director	2017
Dominick J. D'Agosta	77	2021	Director	2018
Mark J. Hontz	52	2021	Director	1998
Walter E. Loeffler	70	2021	Director	2018
Peter A. Michelotti	50	2021	Senior Executive Vice President and Chief Operating Officer; Director	2018
Non-Continuing Directors	Age(1)	Term Expires	Position(s) Held	Director Since
Katherine H. Caristia	65	2019	Director	2010

(1)

At March 1, 2019.

The principal occupation, education and business experience, where applicable, of each nominee for election as a director and each continuing and non-continuing director are set forth below. The biographical descriptions below include the specific experience, qualifications, attributes and skills that led to the conclusion by the Board that such person should serve as a director of the Company. Unless otherwise indicated, principal occupations shown for each director have extended for five or more years.

Nominees

Mr. Richard Branca is the owner and President of Bergen Engineering Company, an East Rutherford, New Jersey general contractor established in 1945 that builds commercial and industrial properties, hotels and printing plants. He is also the President of Branca Properties, which owns and manages over 1.3 million square feet of office, warehouse and retail space. Mr. Branca is also an investor in Concord Hospitality, an entity which owns or operates over 105 full and select service hotels throughout the United States and Canada. Mr. Branca's broad based business experience has provided him with insight and understanding of many of the same issues that both our small business customers and we deal with today, including financial and strategic planning, capital allocation and management development.

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Mr. Salvatore A. Davino is the owner and President of Fidelity Land Development Corp., which owns and manages shopping centers, office buildings and recreation centers. Mr. Davino was the Chairman of the Board of Enterprise Bank NJ and served as a trustee of Cathedral Healthcare Systems and the Chairman of the Board of Columbus Hospital. In addition, Mr. Davino serves as a trustee of the Board of John Cabot University in Rome, as the President of the Board of The Shepherds of Youth, on the Board of Overseers of Redemptoris Mater Seminary, as a member of the Board of Opportunity Project and as a commissioner of the Italian-American Heritage Commission.

Mr. Anthony Labozzetta has been our President and Chief Executive Officer since January 2010. He was previously an Executive Vice President of TD Bank from 2006 to 2010. Prior to joining TD Bank, Mr. Labozzetta served as the Senior Executive Vice President and COO of Interchange Financial Services Corporation until its acquisition by TD Bank in 2006. Mr. Labozzetta also previously served as the Chief Financial Officer of Interchange Financial Services Corporation. He was formerly a certified public accountant with Deloitte & Touche. With more than 30 years of banking experience, including strategic planning and growth, regulatory compliance, investor relations, risk management, mergers and acquisitions and management development, Mr. Labozzetta has extensive and diverse knowledge of the banking business.

Mr. Michael F. Lombardi is the senior officer of Lombardi & Lombardi, P.A., a personal injury law firm. He is a director and principal shareholder of Chefs International, Inc., a multi-unit casual restaurant operator. He is a principal of several real estate holding companies. He was a director of Enterprise Bank from 2004 until 2018, having served on the executive committee, loan committee, audit committee and ALCO committee.

Mr. Robert McNerney has been the owner of a real estate company, McNerney & Associates, Inc., since 1981. McNerney & Associates, Inc. provides appraisal, management, brokerage and development services throughout northern New Jersey and New York. He is a licensed appraiser and real estate broker in NJ and NY and holds an MAI and SRA designation from the Appraisal Institute. He holds a CRE designation from the Counselors of Real Estate, which is awarded to individuals nominated by their peers who possess extensive experience in the commercial real estate business. Mr. McNerney's extensive experience in the real estate markets and as a business owner provides us valuable insight into the current market.

Continuing Directors

Mr. Patrick E. Brady has been the Chief Executive Officer of Heath Alliance for Care of Hackettstown, New Jersey, a not-for-profit corporation providing housing and services for the elderly, since 1995. Heath Alliance for Care, Inc. is parent to Heath Village, Inc. and Canterbury Village, Inc. Mr. Brady was also formerly a trustee of Cathedral Healthcare Systems. As a Chief Executive Officer, Mr. Brady has experience in many of the issues we deal with, including financial and strategic planning, technology and government relations.

Mr. Edward J. Leppert is a certified public accountant and founder of Leppert Group LLC, and has been in public practice since 1986. Effective January 1, 2012, he was elected Chairman of the Board of both the Company and SB One Bank. He previously served as Vice Chairman of the Board and has also served as the Chairman of the Audit, Executive, and Nominating and Corporate Governance Committees. His experience with financial and corporate governance matters and knowledge of the customers and communities in the northern New Jersey marketplace are beneficial to us.

Mr. Michael X. McBride, Esq. is an attorney and partner at Connell Foley LLP ("Connell Foley") in Roseland, New Jersey. His practice focuses on real estate and construction. From 2010 through 2015, Mr. McBride served as Connell Foley's Managing Partner. He is admitted to the New York State Bar and the New Jersey State Bar. Mr. McBride is a Board member of The Frank McBride Company Inc., a New Jersey construction and real estate company. He is a graduate of Stanford University and Georgetown University Law Center. Mr. McBride's knowledge of the customers and communities in the northern New Jersey marketplace are beneficial to us and provides us valuable insight into the current market.

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Mr. Dominick J. D'Agosta is retired and a banking industry veteran who began his career in 1959 at First Jersey National Bank. Over the course of nearly 55 years, Mr. D'Agosta has held senior management positions with various financial institutions (many of which have merged or consolidated), including National Westminster Corporation, Summit Bank Corporation, Fleet Bank Boston, Bank of America and Capital One. Mr. D'Agosta continues to serve the community through non-profit work. Currently, he is the Chairman of Youth Consultation Services (YCS) in Hackensack, New Jersey. He was past Chairman of both the Hudson County and Meadowlands Chambers of Commerce, and he is a Board member, and past Chair, for the Hudson/Bergen County Workforce Investment Board. Mr. D'Agosta previously held chair positions with the New Jersey City University Foundation and the Bon Secours Health Systems NJ with hospitals in Jersey City and Hoboken.

Mr. Mark J. Hontz is a partner in the Newton, New Jersey based law firm of Hollander, Strelzik, Pasculli, Hinkes, Wojcik, Gacquin, Vandenberg & Hontz, L.L.C. and has been a practicing lawyer since 1992. His experience counseling various clients and business entities has given him insight into many of the issues we deal with, including risk mitigation and corporate governance.

Mr. Walter E. Loeffler is a certified public accountant and managing member of Walter E. Loeffler, CPA, LLC, a CPA firm since 1986. Mr. Loeffler is also the President of Business Valuation Associates, Inc. since 1995.

Mr. Loeffler's experience includes consulting services for closely-held corporations, business valuations, forensic and traditional accounting services as well as tax return preparation. Mr. Loeffler was a Board member of Community Bank of Bergen County, NJ and the Chairman of their Audit Committee.

Mr. Peter A. Michelotti has been our Chief Operating Officer and Senior Executive Vice President since January 2018. He is a certified financial planner and he was previously the President and Chief Executive Officer as well as a Board member of Community Bank of Bergen County, NJ since January 2009. He held various other positions with Community Bank of Bergen County, NJ since 1987. He also has held several officer and director positions with banking related associations. Mr. Michelotti has more than 30 years of banking experience, including strategic planning, lending, regulatory compliance, risk management and operations.

Non-Continuing Directors

Ms. Katherine H. Caristia is a certified public accountant and has served as the Chief Operating Officer/Chief Financial Officer of Jan Packaging, Inc. of Randolph, New Jersey since 2001. She was previously the Controller of the Jan Group of Companies. Her accounting and prior business positions have given Ms. Caristia experience in the service, retail and financial sectors. Ms. Caristia's financial and accounting background allowed her to provide insight to the Board on many of the issues we deal with on a daily basis. In addition, Ms. Caristia's accounting experience qualified her to serve on our Audit Committee.

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INFORMATION ABOUT OUR EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS

The following are our executive officers who are not also members of the Board and therefore are not listed above:

Mr. Steven M. Fusco CMA CFM, age 52, has served as Chief Financial Officer and Senior Executive Vice President since 2010. Mr. Fusco also has served as the Chief Financial Officer of SB One Bank since June 2010. Mr. Fusco has over 30 years of banking experience, including managing accounting and treasury functions, strategic planning, risk management, regulatory compliance, operations, mergers and acquisitions and consulting. Prior to joining the Company and SB One Bank, Mr. Fusco served as a Vice President and Treasury Manager with Investors Bank and as the Chief Financial and Operating Officer and Executive Vice President of Mariner's Bancorp and Mariner's Bank. Mr. Fusco also served as the Treasurer and First Vice President for Interchange Bank during his 10 years at the bank. Mr. Fusco also serves on two non-profit Boards, including being Chairman of the Board for Financial Managers Society, Inc., which services financial professionals from community banks, thrifts, and credit unions.

Mr. George Lista, age 59, has served as the President and Chief Executive Officer of our subsidiary, Tri-State Insurance Agency, since 2001. Mr. Lista joined SB One Bank when we acquired Tri-State Insurance Agency in 2001. Mr. Lista served as Chief Operating Officer of Tri-State prior to its acquisition. Mr. Lista has 37 years of experience in the insurance industry.

Mr. Vito Giannola, age 42, has served as Senior Executive Vice President and Chief Banking Officer of SB One Bank since March 2018 and has been with SB One Bank since September 2010. Mr. Giannola has over 16 years of experience in retail, small business and government banking. Prior to joining SB One Bank, Mr. Giannola served as Retail Market Manager and Senior Vice President with TD Bank, where he held various positions throughout the bank. Mr. Giannola also held various positions with Chase and First Union (Wells Fargo).

Mr. Donald Haake, age 61, has served as Senior Executive Vice President for regional banking of SB One Bank since December 2018. Don previously served as President and CEO of Enterprise Bank NJ for the past 12 years. Prior to joining Enterprise Bank NJ, he was Senior Vice President and Division Executive for North Fork Bank's 78 branch network in New Jersey and Rockland County, NY. Prior to North Fork Bank, Mr. Haake was the President and Chief Operating Officer of bcpbank, headquartered in Newark, NJ. He has also held senior management positions at The Bank of New York, where he directed the retail and business banking activities for their southern New Jersey operations. Earlier in his 39-year career, Mr. Haake held management positions at Merrill Lynch and Citibank.

Mr. Richard Glicini, age 57, was appointed to the role of Executive Vice President and Chief Administrative Officer of Sussex Bank in January 2019. Mr. Glicini also has served as the Senior Vice President and Chief Administrative Officer of SB One Bank since September 2016. In this role, Mr. Glicini is responsible for managing the Human Resources, Marketing and Communications and Facilities Management departments of SB One Bank. Mr. Glicini has 30 years of professional experience as a strategic business partner with a proven track record of leading complex organizational change initiatives. Prior to joining SB One Bank, Mr. Glicini held a series of senior executive roles with Pearson plc, the world's largest education and testing company. As Senior Vice President of Human Resources for Pearson Education, Mr. Glicini was responsible for managing all human resources functions for Pearson Education's 20,000 worldwide employees and most recently as Senior Vice President of Corporate Social Responsibility for Pearson Education, Mr. Glicini developed and led Pearson Education's global social responsibility agenda.

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CORPORATE GOVERNANCE

Board of Directors

The Board oversees our business and monitors the performance of our management. In accordance with our corporate governance procedures, the Board does not involve itself in our day-to-day operations. Our executive officers and management oversee the day-to-day operations. Our directors fulfill their duties and responsibilities by attending regular meetings of the Board, which are held on a monthly basis. Our directors also discuss business and other matters with the Chairman of the Board, the President and Chief Executive Officer, other key executives and our principal external advisers (legal counsel, auditors, financial advisors and other consultants).

The Board held 4 regularly scheduled meetings and 5 special meetings during the year ended December 31, 2018. Each incumbent director attended at least 75% of the total of (i) the meetings of the Board held during the period for which he or she has been a director and (ii) the meetings of the committee(s) on which that particular director served during such period.

It is our policy to encourage directors and nominees to attend the Annual Meeting. At the 2018 annual meeting of shareholders, all members then serving on the Board were in attendance.

Board of Directors Independence

Rule 5605 of the NASDAQ Marketplace Rules (the “NASDAQ Listing Rules”) requires that independent directors compose a majority of a listed company’s board of directors. In addition, the NASDAQ Listing Rules require that, subject to specified exceptions, each member of a listed company’s audit, compensation, and nominating and corporate governance committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act. Compensation committee members must also satisfy independence criteria set forth in Rule 10C-1 under the Exchange Act. Under Rule 5605(a)(2) of the NASDAQ Listing Rules, a director will only qualify as an “independent director” if, in the opinion of our Board, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered independent for purposes of Rule 10A-3 under the Exchange Act, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee: (i) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries; or (ii) be an affiliated person of the listed company or any of its subsidiaries. In addition to satisfying general independence requirements under the NASDAQ Listing Rules, members of a compensation committee must also satisfy independence requirements set forth in Rule 10C-1 under the Exchange Act and NASDAQ Listing Rule 5605(d)(2). Pursuant to Rule 10C-1 under the Exchange Act and NASDAQ Listing Rule 5605(d)(2), in affirmatively determining the independence of a member of a compensation committee of a listed company, the board of directors must consider all factors specifically relevant to determining whether that member has a relationship with the company which is material to that member’s ability to be independent from management in connection with the duties of a compensation committee member, including: (a) the source of compensation of such member, including any consulting, advisory or other compensatory fee paid by the company to such member; and (b) whether such member is affiliated with the company, a subsidiary of the company or an affiliate of a subsidiary of the company.

The Board consults with our legal counsel to ensure that the Board’s determinations are consistent with relevant securities and other laws and regulations regarding the definition of “independent,” including those set forth in pertinent NASDAQ Listing Rules, as in effect from time to time. Consistent with these considerations, the Board has affirmatively determined that all of its directors, including the director nominees, satisfy general independence requirements under the NASDAQ Listing Rules, other than Messrs. Labozzetta and Michelotti. In making this determination, the Board found that none of the directors, other than Messrs. Labozzetta and Michelotti, had a material or other disqualifying relationship with us that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and that each director, other than Messrs. Labozzetta and Michelotti, is “independent” as that term is defined under Rule 5605(a)(2) of the NASDAQ Listing Rules. The Board determined that Mr. Labozzetta, our President and Chief Executive Officer, and Mr. Michelotti, our Senior Executive Vice

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President and Chief Operating Officer, are not independent directors by virtue of their respective current or former employment with us. The Board also determined that each member of the Audit, Compensation, and Nominating and Corporate Governance Committees satisfies the independence standards for such committees established by the SEC and the NASDAQ Listing Rules, as applicable.

Code of Ethics and Corporate Governance Guidelines

We have a Code of Conduct, which applies to all our directors, officers and employees. We also have a Senior Management Code of Ethics, which applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions for us, and which requires compliance with the Code of Conduct. The Senior Management Code of Ethics meets the requirements of a “code of ethics” as defined by Item 406 of Regulation S-K.

We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or a waiver from, a provision of our Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions, by posting such information on our website at the internet address set forth below. We did not amend or grant any waivers of a provision of our Code of Ethics during 2018.

The Board adopted Corporate Governance Guidelines to assure that it will have the necessary authority and practices in place to review and evaluate our business operations as needed and to make decisions that are independent of our management. The Corporate Governance Guidelines are also intended to align the interests of directors and management with those of our shareholders. The Corporate Governance Guidelines set forth the practices the Board intends to follow with respect to Board independence, composition and selection, Board meetings and involvement of senior executives, senior executive performance evaluation and succession planning, and Board committees and compensation.

The Code of Conduct, the Senior Management Code of Ethics and the Corporate Governance Guidelines are available on our website at www.sbone.bank. The inclusion of our website address here and elsewhere in this proxy statement does not include or incorporate by reference the information on our website into this proxy statement.

Board Leadership Structure and Role in Risk Oversight

Board Leadership Structure

The Board does not have a formal policy on separating the roles of Chairman of the Board and Chief Executive Officer and, if separate, whether the Chairman of the Board should be a non-employee director or an employee. The Board believes that no single, one-size fits all board leadership model is universally or permanently appropriate. The Board prefers to retain the flexibility to structure its leadership from time to time in any manner that is in our best interest and that of our shareholders. The positions of our Chairman of the Board and Chief Executive Officer are currently separated. Separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing the Chairman of the Board to lead our Board in its fundamental role of providing advice to and independent oversight of management. The Board recognizes the time, effort and energy that our Chief Executive Officer must devote to his position in the current business environment, as well as the commitment required to serve as our Chairman of the Board, particularly as the Board’s oversight responsibilities continue to grow. The Board also believes that this structure ensures a greater role for the independent directors in the oversight of the Company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of our Board. The Board recognizes that depending on the circumstances other leadership models, such as combining the role of Chairman of the Board with the role of Chief Executive Officer, might be appropriate.

Accordingly, our Board may periodically review its leadership structure.

Board’s Role in Risk Oversight

Risk is an inherent part of the business of banking. Risks faced by us include credit risk relating to our loans and interest rate risk related to our balance sheet. The Board oversees these risks through the adoption of policies and by delegating oversight to certain Board committees, including the loan and

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asset-liability committees. These committees exercise oversight by establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability and compliance with all applicable laws and regulations.

Committees of the Board of Directors

The Board has established three committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The following table provides membership information as of the date of this proxy statement and meeting information for the year ended December 31, 2018, for each Board committee:

Name	Audit	Compensation	Nominating and Corporate Governance
Patrick E. Brady		X	X
Richard Branca		X	
Katherine H. Caristia(1)**	X		
Dominick J. D'Agosta			X
Mark J. Hontz	X	X*	X
Edward J. Leppert**	X	X	X*
Walter E. Loeffler**	X*		
Robert McNerney			X
Michael X. McBride		X	
Total meetings in 2018	6	6	4

*

Committee Chair

**

Financial Expert

(1)

Ms. Caristia's term on the Board expires at this Annual Meeting.

Below is a description of each committee of the Board.

Audit Committee

The purpose of the Audit Committee is to assist the Board's oversight of our accounting and financial reporting process, including our internal audit function and the audits of our financial statements.

The primary duties and responsibilities of the Audit Committee are to:

- oversee and monitor the financial reporting process, internal audit function and internal controls and procedures;
- appoint, compensate and oversee the work of the independent auditors;
- review and evaluate the audited financial statements with management and the independent auditors and report any substantive issues found during the audit to the Board;
- review and approve all transactions with related persons; and

- provide an open avenue of communication among the independent auditors, financial and senior management, the internal audit department and the Board.

The Audit Committee is also responsible for the pre-approval of all audit, review, attest and non-audit services provided by our independent auditors. The Audit Committee pre-approved 100% of the services performed by the independent registered public accounting firm during 2018.

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The Audit Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member), as it deems appropriate from time to time under the circumstances. Any decision of a subcommittee to pre-approve audit, review, attest or non-audit services shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee is currently chaired by Mr. Loeffler with Ms. Caristia and Messrs. Hontz and Leppert as members. The Board reviews the definition of independence for Audit Committee members on an annual basis and has determined that all members of our Audit Committee are independent (as defined in Rule 5605(a)(2) of the NASDAQ Listing Rules and Rule 10A-3 under the Exchange Act). The Board has also determined that Ms. Caristia and Messrs. Leppert and Loeffler each qualify as an “audit committee financial expert” as defined in applicable SEC rules. The Audit Committee has a written charter, which is available on our website at www.sbone.bank.

Compensation Committee

The purpose of the Compensation Committee is to review senior management’s performance and determine compensation, and review and set guidelines for compensation of all employees.

The primary duties and responsibilities of the Compensation Committee are to:

- annually review and approve corporate and/or individual goals and objectives relevant to the compensation of the President and Chief Executive Officer, evaluate performance in light of those goals and objectives, and recommend to the Board the compensation level based on this evaluation;
- annually review and recommend to the Board for the President and Chief Executive Officer and the senior executives (i) annual base salary, (ii) any annual and long-term incentives, and (iii) any special or supplemental benefits;
- make recommendations to the Board with respect to profit sharing and equity-based compensation plans; and
- review and adopt any necessary or desirable amendments or changes to any and all benefit, incentive compensation and equity-based plans.

The Compensation Committee has the authority to delegate its authority to subcommittees as it deems appropriate; provided, that any such subcommittee shall report to the entire Compensation Committee on its activities. The Compensation Committee also has the sole authority to retain compensation consultants to assist in its evaluation of executive and director compensation, including the authority to approve the consultant’s reasonable fees and other retention terms. During the past fiscal year, the Compensation Committee engaged Meridian Compensation Partners, a compensation consulting firm, to advise the Compensation Committee on peer group review, maintenance of incentive plans, governance calendars, proxy disclosures and compensation advice.

The Compensation Committee is currently chaired by Mr. Hontz, with Messrs. Brady, Branca, McBride and Leppert as members. The Board reviews the definition of independence for Compensation Committee members on an annual basis and has determined that all members of our Compensation Committee are independent (as defined in Rule 5605(a)(2) of the NASDAQ Listing Rules and Rule 10C-1 under the Exchange Act). The Compensation Committee has a written charter, which is available on our website at www.sbone.bank.

Nominating and Corporate Governance Committee

The purpose of the Nominating and Corporate Governance Committee is to identify and evaluate individuals qualified to become directors, and periodically review our organizational documents and corporate governance policies.

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The primary duties and responsibilities of the Nominating and Corporate Governance Committee are to:

- identify, review and evaluate candidates to serve as directors (consistent with criteria approved by the Board);
- recommend to the Board for selection candidates for election to the Board;
- review and evaluate incumbent directors;
- develop and oversee annual evaluations of the Board and its members, its committees and the Chief Executive Officer; and
- annually review our corporate governance guidelines and insider trading policies and procedures.

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. When we have an opening on the Board, we will always look at a diverse pool of candidates. It is the policy of the Nominating and Corporate Governance Committee to select individuals as director nominees who shall have the highest personal and professional integrity, who shall have demonstrated exceptional ability and judgment and who shall be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the shareholders. When considering candidates for the Board, the Nominating and Corporate Governance Committee takes into account the candidate's diversity, skills, such as an understanding of financial statements, financial reporting systems and our market area, and independence from management. We view and define diversity in its broadest sense, which includes gender, ethnicity, education, experience and leadership qualities. If the Nominating and Corporate Governance Committee believes a candidate would be a valuable addition to the Board, it will recommend to the full Board that candidate's election. The Nominating and Corporate Governance Committee also has the authority to retain any search firm to assist in the identification of director candidates. However, the Nominating and Corporate Governance Committee has not retained any such search firm, and we do not pay a fee to any third party to identify or evaluate director candidates.

The Nominating and Corporate Governance Committee will consider qualified nominations for directors recommended by shareholders. All shareholder recommendations are evaluated on the same basis as any recommendation from members of our Board or management. Recommendations should be sent to Linda Kuipers, Secretary, SB One Bancorp, 100 Enterprise Drive, Suite 700, Rockaway, New Jersey 07866. Director nominations by shareholders should be received by the Secretary between December 26, 2019 and January 25, 2020 for the 2020 annual meeting of shareholders. For additional information about our director nomination requirements, please see our Second Amended and Restated By-laws. As of the date of this proxy statement, the Nominating and Corporate Governance Committee and the Secretary had not received any shareholder nominations or recommendations for nominees in connection with the Annual Meeting. All nominees were nominated by the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee is currently chaired by Mr. Leppert, with Messrs. Brady, D'Agosta, Hontz and McNerney as members. The Board reviews the definition of independence for Nominating and Corporate Governance Committee members on an annual basis and has determined that all members of our Nominating and Corporate Governance Committee are independent (as defined in Rule 5605(a)(2) of the NASDAQ Listing Rules). The Nominating and Corporate Governance Committee has a written charter, which is available on our website at www.sbone.bank.

Shareholder Communications with Our Board of Directors

Shareholders wishing to communicate directly with the independent members of the Board may send correspondence to Edward J. Leppert, Chairman of the Board, One County Road 560, Sandyston, New Jersey 07826.

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EXECUTIVE COMPENSATION

Summary Compensation Table

The table below sets forth the compensation paid to our President and Chief Executive Officer and the two other most highly compensated executive officers, or collectively, the named executive officers, during each of the last two completed fiscal years (or the completed fiscal years during which the executive was a named executive officer, if less).

Name and Principal Position	Year	Salary (\$)	Stock Awards(1) (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation(2) (\$)	Total (\$)
Anthony Labozzetta, President and Chief Executive Officer	2018	529,813	290,984	290,989	117,525	1,229,311
	2017	437,908	165,567	165,567	106,383	875,425
Steven M. Fusco, Senior Executive Vice President and Chief Financial Officer	2018					