

1st Colonial Bancorp, Inc.

April 6, 2021

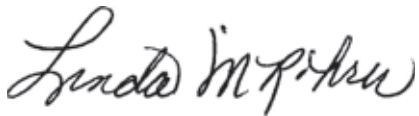
Dear Fellow Shareholder:

1st Colonial Bancorp, Inc. will hold its 2021 Annual Meeting of Shareholders on May 12, 2021, at Woodcrest Country Club, 300 East Evesham Road, Cherry Hill, New Jersey. The Annual Meeting will commence at 9:00 a.m. The purpose of this meeting will be to elect directors, and ratify our selection of our auditors for the year ending December 31, 2021. We will also discuss 2020 results, as well as our plans for 2021.

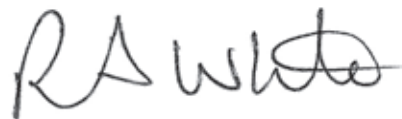
Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the meeting, we urge you to complete, sign, date and return the enclosed proxy card in the enclosed envelope, or you may vote by Internet as described on the proxy card. This will not prevent you from voting in person at the meeting but will assure that your vote is counted if you are unable to attend.

We look forward to seeing you at the annual meeting and answering any questions you may have. Thank you very much for your continued support.

Sincerely,



Linda M. Rohrer
Chairman of the Board



Robert B. White
President and Chief Executive Officer

1st COLONIAL BANCORP, INC.

210 Lake Drive East
Suite 300
Cherry Hill, New Jersey 08002

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

We will hold the annual meeting of shareholders of 1st Colonial Bancorp, Inc. (“1st Colonial Bancorp”) on May 12, 2021 at 9:00 a.m. at Woodcrest Country Club, 300 East Evesham Road, Cherry Hill, New Jersey. The annual meeting is for the following purposes, which are more completely described in the accompanying proxy

- (a) To elect one Class 1 director of 1st Colonial Bancorp, to serve for a term of two years and until her successor is elected and has qualified;
- (b) To elect three Class 2 directors of 1st Colonial Bancorp, each to serve for a term of three years and until their successors are elected and have qualified;
- (c) To ratify the appointment of KPMG LLP as 1st Colonial Bancorp’s independent auditors for the fiscal year ending December 31, 2021; and
- (d) To transact such other business as may properly be presented at the meeting.

Shareholders of record at the close of business on March 15, 2021, are entitled to notice of, and to vote at, the annual meeting.

By Order of the Board of Directors,



Mary Kay Shea
Secretary

Cherry Hill, New Jersey
April 6, 2021

You are cordially invited to attend the annual meeting. It is important that your shares be represented regardless of the number you own. Even if you plan to be present, you are urged to complete, sign, date and return the enclosed proxy promptly in the envelope provided, or vote by Internet by following the instructions on the proxy card. If you attend the meeting, you may vote either in person or by your proxy. Your proxy may be revoked by you in writing or in person at any time prior to the exercise of the proxy.

**1ST COLONIAL BANCORP, INC.
210 Lake Drive East
Suite 300
Cherry Hill, New Jersey 08002**

PROXY STATEMENT

GENERAL INFORMATION

This proxy statement is being furnished in connection with the solicitation of your proxy by the Board of Directors of 1st Colonial Bancorp, Inc. (“1st Colonial Bancorp”) for use at our annual meeting of shareholders to be held on May 12, 2021.

Purpose of Meeting

The specific proposals to be considered and acted upon at our 2021 annual meeting are summarized below:

- (a) To elect one Class 1 director of 1st Colonial Bancorp, to serve for a term of two years and until her successor is elected and has qualified;
- (b) To elect three Class 2 directors of 1st Colonial Bancorp, each to serve for a term of three years and until their successors are elected and have qualified;
- (c) To ratify the appointment of KPMG LLP as 1st Colonial Bancorp’s independent auditors for the fiscal year ending December 31, 2021; and
- (d) To transact such other business as may properly be presented at the meeting.

Record Date and Voting

All holders of record of 1st Colonial Bancorp common stock at the close of business on March 15, 2021 are entitled to notice of and to vote at the meeting or any adjournment thereof. On March 15, 2021, there were 4,934,819 shares of 1st Colonial Bancorp common stock outstanding.

The holders of a majority of the outstanding shares of our common stock must be present at the annual meeting, either in person or by proxy, in order to transact business at the meeting. Abstentions and broker “non-votes” are counted as present and entitled to vote for purposes of determining whether such a quorum is present. A broker “non-vote” occurs when a broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

If a quorum is present at the annual meeting, the nominee for Class 1 director and the three nominees for Class 2 directors receiving the highest number of votes cast at the meeting will be elected as directors, and the other matter proposed in this proxy statement will be approved upon the affirmative vote of the majority of the votes cast, either by proxy or in person, by all shareholders entitled to vote on the matter. The vote

required to approve any other matter that may be properly brought before the annual meeting will be determined in accordance with the Pennsylvania Business Corporation Law.

Solicitation of Proxies

This proxy statement and the accompanying proxy are first being mailed to our shareholders on or about April 12, 2021. We will pay the expense of soliciting proxies. We expect that the solicitation of proxies will be primarily by mail. Our directors, officers and employees may also solicit proxies personally, by telephone, by e-mail, by text message and by fax.

Voting and Revocation of Proxies

You may vote by proxy or in person at the annual meeting. To vote by proxy, you may use one of the following methods if you are a registered holder (that is, you hold your stock in your own name):

- **Internet voting**, by accessing the Internet at the web address stated on the enclosed proxy card and following the instructions; or
- **Mail**, by completing and returning the enclosed proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

Signing and returning the enclosed proxy card will not affect your right to attend the annual meeting and vote in person. Any shareholder giving a proxy may revoke it at any time before it is exercised by: (1) filing with the Secretary of 1st Colonial Bancorp written notice of such revocation; (2) voting again on the Internet, or submitting a duly executed proxy bearing a later date; or (3) attending the annual meeting and giving the Secretary notice of your intention to vote in person.

Except as described below, each share of common stock outstanding on March 15, 2021, the record date for the annual meeting, will be entitled to one vote on each matter submitted to a vote at the meeting. Shareholders are not entitled to cumulative voting rights in the election of directors. Our Articles of Incorporation impose limitations upon the ability of certain shareholders and groups of shareholders to acquire or vote shares of our stock. The Articles of Incorporation prohibit any person (whether an individual, a company or another legal entity), or any group of persons acting in concert, from acquiring “voting control.” Voting control is generally defined as the beneficial ownership at any time of shares with more than 10% of the total voting power of our outstanding capital stock. Under this provision, shares of common stock, if any, owned in excess of 10% will be treated as “excess shares.” In general, all shares of common stock deemed to be “excess shares” will not be entitled to vote on any matter at the annual meeting or take other shareholder action. As of the date of this proxy statement, except for the shares held by AllianceBernstein Financial Services Opportunities Fund in excess of 10% set forth in the table under “Principal Shareholders” below, we are not aware of any “excess shares”.

If you appropriately mark, sign and return the enclosed proxy card in time to be voted at the meeting, the shares represented by the proxy card will be voted in accordance with your instructions marked on the proxy card. Signed proxy cards not marked to the contrary will be voted: “FOR” the election, as directors, of the Board of Directors’ nominees, and “FOR” the ratification of the appointment of KPMG LLP as the independent auditors of 1st Colonial Bancorp for the fiscal year ending December 31, 2021.

Shares Held in “Street Name” by Broker or Bank

If your shares are held in “street name” by a bank or brokerage firm, your bank or brokerage firm, as the record holder of your shares, may vote such shares as directed by you, or if not so directed, in their own

discretion if permitted by the stock exchange or other organization of which they are members. You should check the voting form used by that broker or nominee to determine whether you may vote on-line, by telephone or by another method.

If a proposal is routine, a broker holding common shares for a beneficial owner in street name may vote on the proposal without receiving instructions from the beneficial owner. If a proposal is non-routine, the broker may vote on the proposal only if the beneficial owner has provided voting instructions. The rules of the stock exchange or association with which the broker or nominee is registered determine whether proposals presented at shareholder meetings are routine or non-routine. A broker non-vote occurs when the broker holder of record is unable to vote on a proposal because the proposal is non-routine and the beneficial owner does not provide any instructions.

Under the rules of the New York Stock Exchange, of which most major brokerage firms are members, the ratification of auditors is a routine item. **However, the election of directors is a non-routine matter. Therefore, the broker may vote on the election of directors only if the beneficial owner has provided voting instructions. Accordingly, it is important that you provide instructions to your broker on this matter.**

Principal Shareholders

The following table sets forth information regarding each person or group who beneficially owned 5% or more of our outstanding common stock as of March 15, 2021, the record date for the annual meeting:

<u>Name of Beneficial Owner</u>	<u>Total Beneficial Ownership(1)</u>	<u>Percent of Class(2)</u>
AllianceBernstein Financial Services Opportunities Fund(3) New York, NY, USA	625,778	12.7% (4)
Charles J. Moore (5) Chicago, Illinois	483,658	9.8%
First Manhattan Co. (6) New York, New York	391,055	7.9%
Linda M. Rohrer (7) Haddon Township, New Jersey	253,231	5.1%

- (1) Under applicable regulations, shares are deemed beneficially owned by a person if the person directly or indirectly has or shares the power to vote or dispose of the shares. Unless otherwise indicated, the named beneficial owner has sole voting and dispositive power with respect to the shares. Under applicable regulations, a person is deemed to have beneficial ownership of shares which may be received upon the exercise of outstanding stock options or warrants if the option or warrant is exercisable within 60 days.
- (2) The percentage is calculated on a fully diluted basis (as if such person's vested options were exercised).
- (3) Based on written representations of representatives of Alliance Bernstein as to its share ownership in 1st Colonial.
- (4) Approximately 133,039 of these shares are "excess shares" under 1st Colonial's articles of incorporation and will not be entitled to vote on any matter at the annual meeting. See "Voting and Revocation of Proxies" above.
- (5) Based on Amendment No. 1 to the Schedule 13G filed by the beneficial owner's affiliates with the Securities and Exchange Commission on February 9, 2021. According to the Schedule 13G, 192,014 shares are beneficially owned by Banc Fund VIII L.P. ("BF VIII"), an Illinois Limited Partnership; and 185,167 shares are beneficially owned by Banc Fund IX L.P. ("BF IX"), an Illinois Limited Partnership, and 106,477 shares are beneficially owned by Banc Fund X L.P. ("BF X"), an Illinois Limited Partnership. The general partner of BF VIII is MidBanc VIII L.P. ("MidBanc VIII"). The general partner of BF IX is MidBan IX L.P. ("MidBan IX"). The general partner of BF X is MidBan X L.P. ("MidBan X"). The general partner of MidBanc VIII, MidBan IX and MidBan X is The Banc Funds Company, L.L.C. ("TBFC"), an Illinois limited liability company whose principal equity holder is Charles J. Moore. Mr. Moore has been the manager of BF VIII, BF IX, and BF X since their respective inceptions. As manager, Mr. Moore has voting and dispositive power over the securities of the issuer held by each of those entities. As the controlling member of TBFC, Mr. Moore controls TBFC, and therefore each of the partnership entities directly and indirectly controlled by TBFC.
- (6) Based on written representations of representatives of First Manhattan as to its share ownership in 1st Colonial.
- (7) Includes 21,425 shares that Ms. Rohrer has the right to acquire upon the exercise of vested stock options.

MATTER NO. 1
ELECTION OF DIRECTORS

Our articles of incorporation provide that the Board of Directors of 1st Colonial Bancorp may from time to time fix the total number of directors on the Board of Directors at not less than seven nor more than 25. Presently, the Board of Directors consists of ten members. During the third quarter of 2020, Ms. Colombi resigned from the Board of Directors and was named Director Emeritus. The terms of four Class 2 directors expire at the annual meeting, and three of those directors have been re-nominated for election. Therefore as of the completion of the annual meeting the Board of Directors will consist of nine members.

Our bylaws permit nominations for election to the Board of Directors to be made by the Board of Directors or by any shareholder entitled to vote for the election of directors. Nominations for director made by shareholders (other than the members of the Board of Directors) must be made, in writing, and delivered to us not less than 90 days prior to the date of the annual meeting. Each notice of nomination made by a shareholder must set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in the notice, (ii) the principal occupation or employment of each nominee, and (iii) the number of shares of capital stock of 1st Colonial Bancorp that are beneficially owned by each nominee.

Unless waived by the board of directors of 1st Colonial, in order to qualify for election as a director of 1st Colonial, a person must have been a shareholder of record of 1st Colonial for at least three years. Each director must be a natural person of full age. He or she also must own common or preferred stock of 1st Colonial Bancorp with an aggregate par, fair market, or equity value of \$1,000. No director is permitted to be related by blood or marriage to any other director without the consent of two-thirds of the entire board of directors.

We are not required to include nominations made by our shareholders in this proxy statement. Any nominations that are not made timely or any votes cast at the meeting for any candidate not duly nominated will be disregarded by the chairman of the meeting. No notice of nomination of any person for election as a director has been received from any shareholder as of the date of this proxy statement.

The Board of Directors has nominated Linda M. Rohrer for election to the Board as a Class 1 Director and John J. Donnelly IV, Michael C. Haydinger, and Harvey Johnson for election to the Board as Class 2 directors. Ms. Rohrer was elected as a Class 3 director at the 2019 annual meeting of shareholders for a three-year term expiring in 2022. However, when Ms. Colombi, a Class 1 director, resigned from the Board, only two Class 1 directors remained as compared to four Class 2 and four Class 3 directors. Ms. Rohrer agreed to switch classes (effective as of the 2021 annual meeting) so that 1st Colonial would comply with the requirement in its articles of incorporation that the Board classes be as nearly equal in number as possible.

Shares represented by properly executed proxies in the form accompanying this proxy statement will be voted for the Board of Directors' nominees unless you specify otherwise in your proxy. If you wish to withhold authority from the proxy holders to vote for the election of directors or to withhold authority to vote for any individual nominee, you may do so by marking your proxy card to that effect.

The one nominee for Class 1 director and the three nominees for Class 2 directors receiving the highest number of votes cast at the meeting will be elected as directors. Votes against or votes withheld from a nominee have no legal effect.

If any nominee should become unable to serve, the persons named in the proxy may vote for another nominee. However, we have no reason to believe that any nominee listed below will be unable to serve as a director, if elected.

Information Concerning Nominees and Continuing Directors

The table set forth below contains information concerning the nominees for election as directors at the annual meeting, and the continuing members of the Board of Directors, including their principal occupations or employment during at least the past five years, their ages, and the year in which they began serving as a director of the Bank (all of the nominees and continuing directors served on the board of the Bank prior to serving on the board of 1st Colonial Bancorp). Each nominee and each continuing director is “independent,” as defined by Rule 5605(a)(2) of The Nasdaq Stock Market listing standards, except for Robert B. White, our president and chief executive officer. None of the nominees or continuing directors is a director of any other publicly traded company.

<u>NOMINEE FOR CLASS 1 DIRECTOR TO SERVE UNTIL 2023:</u>	<u>AGE</u>	<u>DIRECTOR SINCE</u>
<p>LINDA M. ROHRER</p> <p>Since 1985, Ms. Rohrer has owned and served as the President of Rohrer and Sayers Real Estate, a commercial and residential real estate sales company. Since 1989, Ms. Rohrer has served as a trustee of the William G. Rohrer Charitable Foundation. Ms. Rohrer has also served as a trustee of Rowan University since 2009. Ms. Rohrer served as a director of Community National Bank of New Jersey from October 1988 to May 1996.</p>	73	2000
<p><u>NOMINEES FOR CLASS 2 DIRECTORS TO SERVE UNTIL 2024:</u></p> <p>JOHN J. DONNELLY, IV</p> <p>Mr. Donnelly is the owner of JDCLIS Inc., which specializes in construction inspection services. From March 1, 2010 until December 31, 2019, Mr. Donnelly served as Vice President of RDM-USA LLC, a provider of commercial construction services. From 2007 through 2009, he served as a Senior Project Manager for Kay Construction. From 1999 to 2006, Mr. Donnelly served as President of J.J. Donnelly Inc., a general contractor in the commercial construction industry.</p>	66	2001
<p>MICHAEL C. HAYDINGER</p> <p>From 1994 to the present, Mr. Haydinger has served as the Controller of First Montgomery Group, a real estate management and construction firm in Marlton, New Jersey.</p>	51	2002
<p>HARVEY JOHNSON</p> <p>Mr. Johnson is a practicing attorney. Since 2009, Mr. Johnson has been a partner with the law firm of Duane Morris LLP. From 2006 to 2009, Mr. Johnson was a partner with the law firm of Wolf Block. Prior to 2006, he was the sole owner of Harvey C. Johnson, P.C.</p>	76	2003

CONTINUING CLASS 3 DIRECTORS TO SERVE UNTIL 2022:	<u>AGE</u>	<u>DIRECTOR SINCE</u>
CURT BYERLEY Mr. Byerley has served as the president of Byerley Holdings, LLC, Global Direct Marketing, LLC and Byerley Family Foundation, Inc. since 2001.	64	2003
HARRISON MELSTEIN Mr. Melstein is retired. From 1985 to 2002, he was a registered pharmacist and owned and operated Ames Drug Store in Collingswood, New Jersey.	78	2002
STANLEY H. MOLOTSKY Mr. Molotsky is a counselor in financial matters. Since 1988, Mr. Molotsky has been the owner and operator of SHM Financial Group, a financial counseling firm.	85	2000
CONTINUING CLASS 1 DIRECTORS TO SERVE UNTIL 2023:	<u>AGE</u>	<u>DIRECTOR SINCE</u>
THOMAS A. CLARK, III Mr. Clark is a practicing attorney and is a Shareholder at Capehart Scatchard, P.A. From January 2008 until November 2010, he was the Managing Partner of the law firm of Cureton Clark, P.C., which he co-founded in 1992 and for which he served as a shareholder, officer and director until November 2010.	67	2000
ROBERT B. WHITE Mr. White was appointed as the President and Chief Executive Officer of both 1 st Colonial Bancorp and the Bank, effective February 3, 2020. From April 2015 until July 2019, he served as the Chief Risk Officer for Customers Bank, Wyomissing, Pennsylvania. From November 2012 until July 2019, he served as President, Special Assets for Customers Bank.	56	2020

Recommendation

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF ITS NOMINEES FOR CLASS 1 and CLASS 2 DIRECTORS.

EXECUTIVE OFFICERS

For information about Mr. White, who serves as our President and Chief Executive Officer, see “Matter 1 – Election of Directors’ above. The following table provides information regarding our other executive officers:

<u>Name</u>	<u>Age</u>
FRANK J. MONAGHAN.....	45

Mr. Monaghan has served as Executive Vice President and Chief Operating Officer of 1st Colonial Bancorp and the Bank since July 2016. Prior to that date, he served as Senior Vice President and Chief Operating Officer for such companies, starting in that position on July 1, 2014, and Senior Vice President and Chief Financial Officer of such companies from January 2013 to July 2014.

MARY KAY SHEA	50
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Ms. Shea has served as Executive Vice President and Chief Financial Officer of the Bank and Bancorp since July 16, 2020. Prior to that date, she served as Senior Vice President and Chief Financial Officer for such companies starting in that position on June 27, 2017. From 2013 to June 2017, she served as the Chief Accounting Officer of Royal Bank America. Prior to then she served as the Controller for Royal Bank America from September 2008 through December 2012.

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth certain information concerning the number of shares of 1st Colonial Bancorp common stock held as of March 1, 2021 by each nominee for director of 1st Colonial Bancorp, each continuing director, and the executive officers named in the Summary Compensation Table below.

<u>Name of Beneficial Owner</u>	<u>Total Beneficial Ownership(1)</u>	<u>Percent of Class(2)</u>
Curt Byerley (3).....	131,089	2.7%
Thomas A. Clark III (4).....	24,157	*
John J. Donnelly IV (5).....	39,187	*
Eduardo F. Enriquez (6).....	79,515	1.6%
Michael C. Haydinger (7).....	238,084	4.8%
Harvey Johnson (8).....	33,398	*
Harrison Melstein (9).....	74,641	1.6%
Frank J. Monaghan (10).....	33,660	*
Stanley H. Molotsky (11).....	58,232	1.2%
Linda M. Rohrer (12).....	253,231	5.1%
Mary K. Shea (13)	3,475	*
Robert B. White	23,200	*
Total (14)	993,869	20.1%

* Represents less than 1% of the outstanding Common Stock

- (1) Based on information furnished by the respective individuals and our books and records. Under applicable regulations, shares are deemed beneficially owned by a person if he or she directly or indirectly has or shares the power to vote or dispose of the shares. Unless otherwise indicated, the named beneficial owner has sole voting and dispositive power with respect to the shares. Under applicable regulations, a person is deemed to have beneficial ownership of shares which may be received upon the exercise of outstanding stock options or warrants if the option or warrant is exercisable within 60 days.
- (2) The percentage is calculated on a fully diluted basis (as if such person's or group's vested options were exercised) based on the shares outstanding as of the record date.
- (3) Beneficial ownership includes 19,306 shares that Mr. Byerley has the right to acquire upon the exercise of vested stock options.
- (4) Beneficial ownership includes 16,820 shares that Mr. Clark has the right to acquire upon the exercise of vested stock options.
- (5) Beneficial ownership includes 13,989 shares that Mr. Donnelly has the right to acquire upon the exercise of vested stock options.

- (6) Beneficial ownership includes 16,264 shares that Dr. Enriquez has the right to acquire upon the exercise of vested stock options; 9,748 shares jointly owned by Dr. Enriquez with his spouse; and 5,677 shares owned by the Eduardo F. Enriquez MD LLC Profit Sharing Plan, over which Dr. Enriquez has sole voting and investment control.
- (7) Beneficial ownership includes 19,306 shares that Mr. Haydinger has the right to acquire upon the exercise of vested stock options, 94,987 shares owned by First Montgomery Properties NJ Inc., and 100,730 shares owned by Burlington Investment Group LLC. Mr. Haydinger is an executive officer of First Montgomery Properties NJ and Burlington Investment Group (which are affiliated companies) and through his position exercises voting and investment power over these shares.
- (8) Beneficial ownership includes 13,034 shares that Mr. Johnson has the right to acquire upon the exercise of vested stock options, and 12,588 shares that Mr. Johnson owns jointly with his spouse.
- (9) Beneficial ownership includes 10,825 shares that Mr. Melstein has the right to acquire upon the exercise of vested stock options, and 24,720 shares owned by his spouse.
- (10) Entire amount represents shares that Mr. Monaghan has the right to acquire upon the exercise of vested stock options.
- (11) Beneficial ownership includes 21,425 shares that Mr. Molotsky has the right to acquire upon the exercise of vested stock options; 2,012 shares owned by Mr. Molotsky's spouse; 25,553 shares jointly owned by Mr. Molotsky and his spouse, 3,712 shares held in trust for minor grandchildren over which Mr. Molotsky has control, and 3,611 shares held in a Profit Sharing Plan for the employees of SHM Financial Group, a company owned by Mr. Molotsky.
- (12) Beneficial ownership includes 21,425 shares that Ms. Rohrer has the right to acquire upon the exercise of vested stock options.
- (13) Entire amount represents shares that Ms. Shea has the right to acquire upon the exercise of vested stock options.
- (14) Beneficial ownership includes 189,529 shares that the executive officers named in the Summary Compensation Table below and the directors of 1st Colonial Bancorp, in the aggregate, have the right to acquire upon the exercise of vested stock options.

CORPORATE GOVERNANCE MATTERS

Board of Directors Meetings and Committees

General. During the year ended December 31, 2020, the Board of Directors held 15 meetings. Directors are expected to attend meetings of the Board of Directors, meetings of the committees on which they serve and the annual meeting of 1st Colonial Bancorp's shareholders. No director of 1st Colonial Bancorp or the Bank attended fewer than 75% of all meetings of the Boards of Directors of 1st Colonial Bancorp and the Bank, and the committees thereof of which he or she was a member, that were held during the year ended December 31, 2020. Except for Mr. Johnson, all of the directors of 1st Colonial Bancorp virtually attended the 2020 Annual Meeting of 1st Colonial Bancorp's shareholders.

Audit Committee. The Board of Directors of 1st Colonial Bancorp has a standing Audit Committee. The primary duties and responsibilities of 1st Colonial Bancorp's Audit Committee are to:

- Oversee that management maintains the reliability and integrity of the accounting policies and financial reporting and disclosure practices of 1st Colonial Bancorp;
- Oversee that management establishes and maintains processes to assure that an adequate system of internal controls is functioning within 1st Colonial Bancorp; and
- Oversee that management establishes and maintains processes to assure compliance by 1st Colonial Bancorp with all applicable laws, regulations and corporate policy.

In connection with these duties, the Audit Committee is responsible for the appointment, compensation, oversight and termination of our independent auditors. The Audit Committee is responsible also for, among other things, reporting to the 1st Colonial Bancorp Board of Directors on the results of the annual audit, and reviewing the financial statements and related financial and non-financial disclosures included in our earnings releases and annual reports to shareholders. The Audit Committee is also responsible for receiving and responding to complaints and concerns relating to accounting and auditing matters.

The Audit Committee has a charter in place that has been adopted by the Board of Directors. A copy of this charter was attached as Appendix A to the proxy statement of 1st Colonial Bancorp sent to shareholders in connection with the annual meeting of shareholders held in 2019. 1st Colonial Bancorp does not have a website and the charter is not posted on the Bank's website.

The Board of Directors of 1st Colonial has determined that none of its members qualifies as an audit committee financial expert under the criteria set forth in Item 407(d)(5) of Regulation S-K promulgated under the Securities Exchange Act of 1934. The Board of Directors believes that all members of its Audit Committee are financially literate and experienced in business matters, and that one or more members of the Audit Committee are capable of (i) understanding generally accepted accounting principles (GAAP) and financial statements, (ii) assessing the general application of GAAP principles in connection with our accounting for estimates, accruals and reserves, (iii) analyzing and evaluating our financial statements, (iv) understanding our internal controls and procedures for financial reporting; and (v) understanding audit committee functions, all of which are attributes of an audit committee financial expert. However, the Board of Directors believes that none of its Audit Committee members have obtained these attributes through the experience specified in the Securities and Exchange Commission's definition of "audit committee financial expert." Further, like many small companies, it is difficult for us to attract and retain board members who qualify as "audit committee financial experts," and it is an additional expense. The Board believes that its current Audit Committee is able to fulfill its role under its charter despite not having a designated "audit committee financial expert."

The current members of the Audit Committee are Michael C. Haydinger (Chairman), Thomas A. Clark III, John J. Donnelly, IV and Linda M. Rohrer. Each member is “independent,” as defined by Rule 5605(a)(2) of The Nasdaq Stock Market listing standards. During the year ended December 31, 2020, the 1st Colonial Bancorp Audit Committee met five times.

Compensation Committee. The Compensation Committee of the Board of Directors of 1st Colonial Bancorp is appointed by the Board to discharge the Board’s responsibilities relating to compensation of the directors and officers of 1st Colonial Bancorp and the Bank. The Compensation Committee annually reviews and approves corporate goals and objectives relevant to CEO compensation, evaluates the CEO’s performance in light of those goals and objectives, and determines and approves the CEO’s compensation levels based on this evaluation. The Compensation Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs. The 1st Colonial Bancorp Compensation Committee serves as the administrator of 1st Colonial Bancorp’s 2020 Equity Incentive Plan. The Compensation Committee, which met five times during the year ended December 31, 2020, is responsible for the approval of the base salary levels and bonuses of employees, the administration of the Bank’s Executive Compensation Program discussed below, and the establishment and modification of the terms of employment of executive officers, including any employment or change in control agreements. This committee may not delegate any authority described above to other persons. However, the Bank’s president and chief executive officer does recommend to the Compensation Committee the annual base compensation levels for the other executive officers of the Bank. The committee reviews such recommendations and discusses same with the chief executive officer before it approves such compensation.

The Compensation Committee had the sole authority to retain, terminate and oversee the work of any compensation consultant to be used to assist in the evaluation of director, CEO or senior executive compensation and has sole authority to approve the consultant’s fees and other retention terms. The Compensation Committee engaged Kaplan Partners (“Kaplan”) during the year ended December 31, 2020 to provide a market-based compensation analysis with respect to the compensation paid by the Company to its Board of Directors. In such analysis, Kaplan established a peer group of 17 community banks based in the Mid-Atlantic U. S. region from which to review market compensation data for board members. Using this peer group, Kaplan provided a detailed overview of the general board framework, board fees, board/chair retainers and total compensation, and made recommendations to the Compensation Committee based on its analysis. Kaplan had previously provided certain executive search services to the Company’s Board of Directors.

The Compensation Committee has a charter in place that was adopted by the Board of Directors during 2020. A copy of this charter is attached as Appendix A to this proxy statement.

The current members of the Compensation Committee are Thomas A. Clark III (Chairman), Michael C. Haydinger, Harrison Melstein, Stanley H. Molotsky and Linda M. Rohrer. Each member is “independent,” as defined by Rule 5605(a)(2) of The Nasdaq Stock Market listing standards.

Nominating and Corporate Governance Committee. In 2020 the Board of Directors of 1st Colonial Bancorp formed a Nominating and Corporate Governance Committee and approved the governing charter. A copy of this charter is attached as Appendix B to this proxy statement. The Nominating and Corporate Governance Committee assists the Board by identifying individuals qualified to become Board members, and to recommend to the Board the director nominees for the next annual meeting of shareholders and directors to fill any vacancies between annual meetings. The Nominating and Corporate Governance Committee also leads the board through an annual review of the board’s performance.

In identifying individuals qualified to become Board members, the Nominating and Corporate Governance Committee has not adopted any specific minimum qualifications for directors other than those

set forth in our articles of incorporation and bylaws. In order to qualify for election as a director of 1st Colonial, a person must have been a shareholder of record of 1st Colonial for at least three (3) years (this requirement may be waived by the Board), and must own common stock with either an aggregate par, fair market, or equity value of \$1,000. Each director also shall be a natural person of full age, and must not be related by blood or marriage to any other director.

Although neither the Nominating and Corporate Governance Committee nor the Board of Directors has a formal policy with regard to the consideration of diversity in identifying a director nominee, the Board of Directors intends that if a vacancy occurs on the Board of Directors and the Board determines to fill that vacancy, the Board of Directors does not re-nominate a member for re-election, or the size of the Board of Directors is increased, the Nominating and Corporate Governance Committee will consider diversity in the director identification process. The Board of Directors believes that having directors with relevant experience in business and industry, finance and other areas, and directors with significant business relationships in the local community, is beneficial to 1st Colonial Bancorp, and the Board as a whole. The Board also believes that each of the nominees and current directors has the financial and business expertise and business relationships that meet this objective. While the attributes above are always considered in the identification process, the Nominating Committee and the Board of Directors will also evaluate a potential director nominee's personal character, community involvement, and willingness to serve so that he or she can help further the Company's and the Bank's role and mission as a community-based financial institution.

The Nominating and Corporate Governance Committee considers potential candidates for Board membership recommended by its members, management, shareholders, and others. The Nominating and Corporate Governance Committee will consider nominees recommended by shareholders and, in considering such candidates, will apply the same criteria it applies in connection with Board-recommended candidates. Shareholders may nominate persons for election as directors in accordance with the procedures set forth "Shareholder Proposals and Nominations for 2022 Annual Meeting."

During the year ended December 31, 2020, the Nominating and Corporate Governance Committee met three times to perform the functions typically performed by a nominating and governance committee.

Other Committees. The Bank has other committees composed of directors or officers of the Bank which meet for specific purposes. The Board of Directors of the Bank has authority under the Bank's bylaws to establish such other committees from time to time as the Board of Directors may deem necessary.

Board Leadership Structure and Risk Oversight

While the Board of Directors does not have a policy regarding the separation of the roles of chief executive officer and Chairman of the Board, the Board has determined that having an independent director serve as Chairman is in the best interest of 1st Colonial Bancorp at this time.

The Board of Directors of 1st Colonial Bancorp exercises its risk oversight role through its committee structure described above. In addition, the Board has access, as needed, to the executive officers and other employees of 1st Colonial Bancorp who help supervise the day-to-day risk management responsibilities of 1st Colonial Bancorp, as well as to legal representation to the extent deemed necessary to assist with their risk oversight responsibilities.

Code of Ethics

We have adopted a Code of Conduct and Ethics that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer or controller. We will furnish, without charge, a copy of our Code of Conduct and Ethics to any person,

upon written request made to Mary Kay Shea, Secretary, at our offices located at 210 Lake Drive East, Suite 300, Cherry Hill, NJ 08002.

Audit Committee Report

The Audit Committee of 1st Colonial Bancorp is composed entirely of non-management directors, each meeting the independence requirements of the Nasdaq Stock Market listing standards. The Audit Committee has adopted a written charter outlining its practices and responsibilities.

During the year ended December 31, 2020, the Audit Committee met five times. At each meeting, the Audit Committee reviewed the results of reviews performed in the areas of internal audit and compliance. The Audit Committee was apprised of the status of all audit findings and the resolutions instituted by management. In 2020, the Audit Committee also reviewed and reassessed our internal audit program. Management also updated the Audit Committee on the status of the independent audit for the year ended December 31, 2019 being performed by KPMG LLP.

The Audit Committee has reviewed 1st Colonial Bancorp's audited financial statements for the year ended December 31, 2020, and the related report by KPMG LLP, and has discussed the financial statements and the report with management and with KPMG LLP.

1st Colonial Bancorp's Audit Committee appointed KPMG LLP as independent auditors of 1st Colonial Bancorp for the year ended December 31, 2020 and for the year ending December 31, 2021.

The Audit Committee has discussed with the independent auditors of 1st Colonial Bancorp the matters required to be discussed by AU Section 380, The Auditor's Communication With Those Charged With Governance. The Audit Committee has reviewed the materials received from the independent auditors, has discussed with the independent auditors the independence of such auditors, and has satisfied itself as to the auditors independence.

The Audit Committee acts only in an oversight capacity, and in doing so relies on the work and assurances of 1st Colonial Bancorp's management and its independent auditors.

Based on the Audit Committee's review of the financial statements and the independent auditors' report thereon, and the Audit Committee's discussions with management and the independent auditors, the Audit Committee has recommended to our Board of Directors that the audited consolidated financial statements of 1st Colonial Bancorp be included in its Annual Report to Shareholders for the year ended December 31, 2020.

THE 1ST COLONIAL BANCORP AUDIT COMMITTEE

Michael C. Haydinger (Chairman)

Thomas A. Clark III

John J. Donnelly, IV

Linda M. Rohrer

COMPENSATION OF DIRECTORS

The following table sets forth a summary of the total compensation that we paid to each non-employee director of 1st Colonial Bancorp and the Bank in 2020:

2020 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)	Total (\$)
Linda M. Rohrer	14,500	6,718	21,218
Curt Byerley	10,500	6,718	17,218
Thomas A. Clark III	12,000	6,718	18,718
Letitia G. Colombi ⁽¹⁾	5,833	None	5,833
John J. Donnelly, IV	11,250	6,718	17,968
Eduardo F. Enriquez	8,500	6,718	15,218
Michael C. Haydinger	11,500	6,718	18,218
Harvey Johnson	9,250	6,718	15,968
Harrison Melstein	9,500	6,718	16,218
Stanley H. Molotsky	11,500	6,718	18,218

(1) Ms. Colombi retired from the Board of Directors on September 15, 2020.

As of December 31, 2020, each director has the following outstanding stock option and restricted stock awards:

Name	Option Awards	Restricted Stock Shares
Linda M. Rohrer	24,925	-
Curt Byerley	24,925	-
Thomas A. Clark III	22,307	-
John J. Donnelly, IV	19,312	-
Eduardo F. Enriquez	21,724	-
Michael C. Haydinger	24,925	-
Harvey Johnson	16,534	-
Harrison Melstein	14,235	-
Stanley H. Molotsky	24,925	-

For 2021, the Chairman of the Board will receive a quarterly retainer of \$2,125 for service on the Board of Directors, and each of the other directors, other than Mr. White, will receive a quarterly retainer of \$1,500. Each non-employee director will receive an additional \$500 for each board meeting and \$250 for each committee meeting attended.

1st Colonial Bancorp maintains a directors and officers liability insurance policy. The policy covers all directors and officers of 1st Colonial Bancorp and the Bank for certain liability, loss, or damage that they may incur in their capacities as such. To date, no claims have been filed under this insurance policy.

2013 Stock Option Plan for Non-Employee Directors

The Board of Directors believes that 1st Colonial Bancorp's stock compensation plans constitute an important part of its compensation programs and, accordingly, it adopted and maintains the 1st Colonial Bancorp, Inc. 2013 Stock Option Plan for Non-Employee Directors (the "2013 Director Plan"). During 2020 1st Colonial Bancorp adopted the 1st Colonial Bancorp, Inc. 2020 Equity Incentive Plan (the "2020 Equity Plan"), which the shareholders approved during the 2020 Annual Meeting of Shareholders. The 2020 Equity Plan is described under "Executive Compensation". Because directors are eligible to receive awards under the 2020 Equity Plan, the ability to grant awards under the 2013 Director Plan was terminated with the approval of the 2020 Equity Plan.

The 2013 Director Plan was designed to provide nonemployee directors of 1st Colonial Bancorp with an opportunity to acquire our common stock, thereby giving them a stake in the continued growth and success of our business. The 2013 Director Plan authorized us to award nonqualified stock options (options not qualified for special tax treatment under Code Section 422) to purchase shares of 1st Colonial Bancorp common stock to our nonemployee directors.

Options to acquire an aggregate of 144,610 authorized shares of common stock are outstanding under the 2013 Director Plan.

In the event of any change in 1st Colonial Bancorp's common stock by reason of any stock dividend, stock split, reverse stock split, recapitalization, combination, or exchange of shares, merger, consolidation, or similar action, appropriate adjustment will be made to (i) the number of shares into which outstanding options may be converted upon exercise, (ii) the exercise price of outstanding options, and (iii) such other terms as are appropriate under the circumstances. In addition, the Board may make similar changes to outstanding options in other circumstances where such changes are deemed equitable under such circumstances.

Options granted under the 2013 Director Plan are not assignable or transferable other than by will or the laws of descent and distribution and, in general, during the director's lifetime are exercisable only by the director or his or her duly appointed legal representative.

1st Colonial Bancorp also maintains a Stock Option Plan for Non-Employee Directors that expired by its terms on March 18, 2013. All options granted under that plan, unless exercised or terminated by their terms, remain in full force and effect.

EXECUTIVE COMPENSATION

The following table sets forth the compensation paid, during the years ended December 31, 2020 and 2019, by the Bank to our executive officers. These executive officers did not receive any compensation for serving as officers of 1st Colonial Bancorp during such two-year period.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Robert B. White ¹ President and Chief Executive Officer	2020	\$276,923	\$75,000	\$23,944	\$33,470 ²	\$409,337
Frank J. Monaghan Executive Vice President and Chief Operating Officer	2020	\$266,393	\$75,000	\$26,796	\$39,052 ³	\$407,242
	2019	\$247,765	\$15,000	--	\$39,733 ³	\$302,498
Mary K. Shea Executive Vice President and Chief Financial Officer	2020	\$213,340	\$75,000	\$26,796	\$18,064 ⁴	\$333,200
	2019	\$192,489	\$15,000	--	\$8,663 ⁵	\$216,152
Gerard M. Banmiller ⁶ President and Chief Executive Officer	2020	\$192,437	\$ -	--	\$44,862 ⁷	\$237,299
	2019	\$299,603	\$20,000	--	\$62,133 ⁷	\$381,736

- (1) Mr. White was hired as President and Chief Executive Officer effective February 3, 2020.
- (2) Consists of life, dental, vision and health insurance annual premiums; automobile allowance, life insurance imputed income; and employer 401(k) contributions.
- (3) Consists of life, dental, vision and health insurance annual premiums; life insurance imputed income; and employer 401(k) contributions.
- (4) Consists of life, dental, vision and health insurance annual net premiums; life insurance imputed income; and employer 401(k) contributions.
- (5) Consists of vision insurance annual net premiums and employer 401(k) contributions.
- (6) Mr. Banmiller retired effective January 31, 2020.
- (7) Consists of automobile lease payments; life, dental, health, vision, automobile and long term disability insurance annual premiums; life insurance imputed income, employer 401(k) contributions; and club membership dues.

Employment Agreements

Agreement with Mr. White. The Bank has an employment agreement with Robert B. White, its President and Chief Executive Officer. This agreement currently expires on January 31, 2022; however, it provides for annual one-year extensions of the agreement on each anniversary of January 31, unless the Bank

or Mr. White give written notice of nonrenewal to the other party on or prior to November 2nd of the immediately preceding year.

The agreement provides that the annual base salary paid to Mr. White will be \$300,000. It also provides that in the sole discretion of the Bank, the Bank may pay incentive compensation to Mr. White in the form of cash bonuses and awards of restricted stock units (“RSUs”). The target for any annual incentive compensation award to Mr. White would be 50% of Mr. White’s base salary, payable half in cash and half in RSUs with a five-year vesting period, based on the achievement of mutually agreed upon annual goals. Mr. White also is entitled to participate in any other incentive compensation plans and employee benefit plans that the Bank maintains on a basis commensurate with his position and duties. He is also entitled to a monthly car allowance of up to \$500 per month.

In the event the Bank terminates Mr. White’s employment without “Cause” (as defined in his agreement) during 2020, the Bank will continue to pay Mr. White his base salary for the remaining initial term of his agreement or for a period of 180 days from the date of termination, whichever is greater. In the event a “change in control” of the Bank occurs (as defined in the agreement), Mr. White shall be entitled to receive a lump sum payment equal to two times his base salary. Mr. White’s agreement provides for the reduction of any change in control payments to him to the extent necessary so that he will not receive “excess parachute payments” under Section 280G of the Internal Revenue Code, which would result in the imposition of an excise tax under Section 4999 of the Internal Revenue Code, but only if, by reason of such reduction, the amount to be received by Mr. White after such reduction will exceed the amounts to be received by Mr. White after paying the excise tax.

Under his agreement, Mr. White has agreed that if his employment terminates for any reason then for a period of 24 months after the date of termination, he will not (i) solicit, recruit, offer employment to, or endeavor to entice away from the Bank or otherwise interfere with their relationship with, any person who was, within the 12 month period preceding the termination date, an employee or independent contractor of the Bank, or (ii) become affiliated in any capacity, except as a minor shareholder, with any person or entity engaged in the same or a similar business as the Bank within the New Jersey counties of Camden, Burlington, Gloucester, Atlantic, Cape May, Cumberland or Salem, or any other county in which the Bank has a branch or a loan production office.

Agreement with Mr. Monaghan. The Bank also has an employment agreement with Frank J. Monaghan, its Executive Vice President and Chief Operating Officer. This agreement currently expires on December 31, 2022; however, it provides for annual one-year extensions of the agreement on each anniversary of January 1, unless the Bank or Mr. Monaghan gives prior written notice of nonrenewal to the other party. It provides that the annual base salary paid to Mr. Monaghan cannot be less than \$234,981. Under his agreement, Mr. Monaghan is entitled to participate in any incentive compensation plans and employee benefit plans that the Bank maintains. In addition, the Bank is required to pay the full premium for his family medical and dental coverage. He also is entitled to participate in and enjoy any other plans and arrangements which provide for sick leave, vacation, sabbatical, or personal days, club memberships and dues, education payment or reimbursement, business-related seminars, and similar fringe benefits provided to or for the officers of the Bank from time to time.

Under his agreement, Mr. Monaghan has agreed that if his employment terminates for any reason except a termination by the Bank without cause, then for a period of 24 months after the date of termination, he will not (i) solicit, endeavor to entice away from the Bank or its affiliates or otherwise interfere with their relationship with, any person who is, or was within the then most recent 12 month period, an employee or associate thereof, or (ii) solicit or initiate contact, provide services to or communicate with any customer (depositor, borrower or other) serviced by the Bank or whose name became known to Mr. Monaghan during his employment at the Bank.

In the event the Bank terminates Mr. Monaghan's employment without "Cause" or "Disability," (as all such quoted terms are defined in his employment agreement) or Mr. Monaghan terminates his employment for "Good Reason", he will be entitled to receive (i) his annual salary then in effect, payable for the remaining term of his agreement or for a period of two (2) years from the date of termination, whichever is greater, and (ii) an amount equal to the higher of the bonuses paid to him during either one of the two years immediately preceding the date of termination, which shall be paid to him in cash on the first anniversary of the date of termination. "Good Reason" includes any of the following events: (i) a material negative change in his status or position, or any material diminution in his duties or responsibilities; (ii) a material increase in his duties inconsistent with his position, which results in a material negative change to Employee in the employment relationship; or (iii) a material reduction his base compensation.

In the event the payments and benefits payable to Mr. Monaghan under his agreement in the event of a termination of employment, when added to all other amounts and benefits payable to him, would result in the reduction of tax deductions under IRC Section 280G or the imposition of an excise tax under Section 4999 of the IRC, the amounts and benefits payable to him under the agreement will be reduced to such extent as may be necessary to avoid such imposition.

The Bank's obligations under its employment agreement with Mr. Monaghan are guaranteed by 1st Colonial Bancorp.

Agreement with Ms. Shea. The Bank has a Change-In-Control agreement ("CIC") with Mary K. Shea, its Executive Vice President and Chief Financial Officer. This agreement currently expires on June 26, 2021; however, it provides for annual one-year extensions of the agreement on each anniversary of June 27, unless the Bank or Ms. Shea gives prior written notice of nonrenewal to the other party.

Under her CIC agreement, Ms. Shea has agreed that if her employment terminates following a change in control, as defined in the agreement, then for a period of twelve (12) months after the date of termination, she will not (i) solicit, endeavor to entice away from the Bank or its affiliates or otherwise interfere with their relationship with, any person who is, or was within the then most recent 12 month period, an employee or associate thereof, or (ii) solicit or initiate contact, provide services to or communicate with any customer (depositor, borrower or other) serviced by the Bank or whose name became known to Ms. Shea during her employment at the Bank.

Following a Change in Control (as all such quoted terms are defined in his employment agreement), in the event Ms. Shea's employment is terminated or Ms. Shea terminates her employment for "Good Reason", she will be entitled to receive (i) her annual salary then in effect, payable for the remaining term of her agreement or for a period of one (1) year from the date of termination, whichever is greater, and (ii) a lump sum equal to the amount of her annual bonus for the prior calendar year immediately preceding the date of termination, which shall be paid to her in cash within five (5) days of her termination of employment. "Good Reason" includes any of the following events: (i) a material negative change in her status or position, or any material diminution in her duties or responsibilities; (ii) a material increase in her duties inconsistent with her position, which results in a material negative change to Employee in the employment relationship; or (iii) a material reduction her base compensation.

In the event the payments and benefits payable to Ms. Shea under her agreement in the event of a termination of employment, when added to all other amounts and benefits payable to her, would result in the reduction of tax deductions under IRC Section 280G or the imposition of an excise tax under Section 4999 of the IRC, the amounts and benefits payable to her under the agreement will be reduced to such extent as may be necessary to avoid such imposition.

The Bank's obligations under its CIC agreement with Ms. Shea are guaranteed by 1st Colonial Bancorp.

Executive Compensation Program

The Bank has an Incentive Bonus Program that provides for a cash bonus pool each year, the size of which is determined based on the level of the Bank's achievement of the Bank's budgeted pre-tax income target that year.

If the Bank achieves less than 80% of its pre-tax income target for a given year, the total base pool is \$50,000. If the Bank achieves 80% of its pre-tax income target for that year but less than 100% of that target, the total base pool is equal to 4.2% of that target; if it achieves 100% of that target but less than 120%, the total base pool is equal to 5.7% of the target; and if it achieves 120% of that target or greater, the total base pool is 7.2%. For 2020, the Bank achieved 93% of its original target and 134% of its re-forecasted (due to the Covid-19 pandemic) target. The Compensation Committee may modify the base award pool in its discretion based on certain factors, including but not limited to, non-recurring income and expense items.

A Bonus Program participant's award for a plan year is determined based on the participant's individual performance for that year and the final award pool. The Compensation Committee determines the Award for the Bank's chief executive officer and the chief executive officer determines the awards for the other participants, subject to Compensation Committee final approval. In no event will the aggregate total of the actual award amounts for a plan year exceed the aggregate total of the final award pool as determined under the Bonus Program.

The Compensation Committee will review the Bonus Program each year, and may amend the Bonus Program to make any changes the Committee believes are necessary based on its prior years' experience.

1st Colonial Bancorp, Inc. 2020 Equity Incentive Plan

The Board of Directors believes that 1st Colonial Bancorp's stock compensation plans constitute an important part of its compensation programs and, accordingly, it adopted and maintains 1st Colonial Bancorp, Inc. 2020 Equity Incentive Plan (the "2020 Equity Plan"), which the shareholders approved during the 2020 Annual Meeting of Shareholders. The Board of Directors approved the 2020 Equity Plan for the purpose of enabling 1st Colonial Bancorp to continue to recruit and retain highly qualified personnel, to provide those personnel with an incentive for productivity, and to provide those personnel with an opportunity to share in the growth and value of 1st Colonial Bancorp.

The 2020 Equity Plan is designed to improve the performance of 1st Colonial Bancorp and its subsidiaries and, by doing so, to serve the interests of the shareholders. By continuing to encourage ownership of 1st Colonial Bancorp shares among those who play significant roles in our success, implementation of the 2020 Equity Plan will continue to align the interests of 1st Colonial Bancorp's selected key employees and directors with those of our shareholders by allowing both to benefit from increases in the value of common stock. Moreover, the 2020 Equity Plan should have a positive effect on our ability to attract, motivate, and retain employees and directors of outstanding leadership and management ability.

An aggregate of 400,000 authorized shares of common stock have been reserved for issuance under the 2020 Equity Plan. In the event of any change in 1st Colonial Bancorp's common stock by reason of any stock dividend, stock split, reverse stock split, recapitalization, combination, or exchange of shares, merger, consolidation, or similar action, appropriate adjustment will be made to (i) the number of shares of common stock authorized to be made subject to options under the 2020 Equity Plan, (ii) the number of shares into which outstanding options may be converted upon exercise, (iii) the exercise price of outstanding options, (iv)

the maximum number of options that may be granted to any one person within a calendar year, and (v) such other terms as are appropriate under the circumstances. In addition, the Board may make similar changes to outstanding options in other circumstances where such changes are deemed equitable under such circumstances.

Options granted under the 2020 Equity Plan are not assignable or transferable other than by will or the laws of descent and distribution and, in general, during the director's lifetime are exercisable only by the director or his or her duly appointed legal representative.

A total of 299,000 shares remain available to be granted subject to awards under the 2020 Equity Plan.

2013 Employee Stock Option Plan

The Board of Directors of 1st Colonial Bancorp adopted the 2013 Key Employee Stock Option Plan (the "2013 Employee Plan") on March 28, 2013. The 2013 Employee Plan authorized us to award options to purchase shares of 1st Colonial Bancorp common stock to selected key employees of 1st Colonial Bancorp or certain subsidiary companies. These options were either (i) incentive stock options (options qualified under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code")), which we refer to as "ISOs," or (ii) nonqualified stock options (options not qualified under Code Section 422), which we refer to as "NQSOs." The ability to grant new options under the 2013 Key Employee Stock Option Plan terminated upon the approval of the 2020 Equity Plan.

Only executive officers and key employees (as determined by the Stock Option Plan Committee) were eligible to receive options under the 2013 Employee Plan. The exercise price for options granted under the 2013 Employee Plan was not less than 100% of the fair market value of our common stock on the date the option is granted (or 110% in the case of ISOs granted to a 10% or greater shareholder). The fair market value of our common stock was determined by the Stock Option Plan Committee in accordance with the terms of the 2013 Employee Plan.

Options granted under the 2013 Employee Plan generally are exercisable for up to 10 years after the date of grant (five years in the case of ISOs granted to a 10% or greater shareholder).

The aggregate fair market value (determined at the time the option is granted) of the shares of common stock with respect to which ISOs are exercisable for the first time by an optionee during any calendar year may not exceed \$100,000. Options are not assignable or transferable other than by will or the laws of descent and distribution and during the optionee's lifetime are exercisable only by the holder or his or her duly appointed legal representative.

Under the 2013 Employee Plan, the Stock Option Plan Committee imposed vesting conditions on the exercisability of options. In general, an option vests and becomes exercisable on the date or dates set forth in the option agreement; provided, however, that no option can be exercisable until the optionee has completed at least one full year of continuous employment with us following the date of grant, unless a change in control (as defined in the 2013 Employee Plan) occurs. If a change in control occurs, each outstanding option issued under the 2013 Employee Plan will immediately become exercisable. A change in control will be deemed to have occurred upon, among other events, shareholder approval of the acquisition of 1st Colonial Bancorp (or all or substantially all of its assets).

In the event of any change in our common stock by reason of any stock dividend, stock split, reverse stock split, recapitalization, combination or exchange of shares, merger, consolidation or similar action, appropriate adjustment will be made to (i) the number of shares into which outstanding options may be

converted upon exercise, (ii) the exercise price of outstanding options, and (iv) such other terms as are appropriate under the circumstances. In addition, the Board may make similar changes to outstanding options in other circumstances where such changes are deemed equitable under such circumstances.

Options to acquire an aggregate of 68,639 authorized shares of common stock are outstanding under the 2013 Employee Plan.

Option Grants in Last Fiscal Year

On June 24, 2020, options to purchase 10,000 shares of 1st Colonial Bancorp common stock at an exercise price of \$5.05 per share were awarded to each of Frank J. Monaghan and Mary K. Shea. The options will vest and become fully exercisable if the executive officer remains in the continuous employ of 1st Colonial Bancorp or the Bank through June 24, 2025. If not exercised, these options will expire on June 24, 2030.

On December 8, 2020, options to purchase 12,500 shares of 1st Colonial Bancorp common stock were awarded to Robert B. White and options to purchase 7,500 shares of 1st Colonial Bancorp common stock were awarded to each of Frank J. Monaghan and Mary K. Shea. The options have an exercise price of \$7.63 per share and vest and become exercisable in full over a five-year period, becoming exercisable with respect to one-fifth of the total shares covered by the option on each of December 8, 2021, 2022, 2023, 2024 and 2025 (except they become fully vested upon any change in control of 1st Colonial Bancorp). If not exercised, these options expire on December 8, 2030.

Outstanding Stock Option and Other Equity Awards at Fiscal Year End

The following table provides certain information with respect to the executive officers named in the Summary Compensation Table appearing above concerning stock options which were outstanding on December 31, 2020. No other equity awards were outstanding on December 31, 2020.

OUTSTANDING EQUITY AWARDS AT 2020 FISCAL YEAR END

Name	Number of Securities Underlying Unexercised Options Exercisable ¹ (#)	Number of Securities Underlying Unexercised Options Unexercisable ¹ (#)	Option Exercise Price ² (\$)	Option Expiration Date
Robert B. White	--	12,500 ³	\$7.63	December 8, 2030
Frank J. Monaghan	14,072	--	\$4.51	September 12, 2023
	12,631	--	\$5.68	December 16, 2025
	6,951	4,626 ⁴	\$9.89	October 25, 2027
	--	10,000 ⁵	\$5.05	June 24, 2030
	--	7,500 ³	\$7.63	December 8, 2030
Mary K. Shea	3,475	2,314 ⁴	\$9.89	October 25, 2027
	--	10,000 ⁵	\$5.05	June 24, 2030
	--	7,500 ³	\$7.63	December 8, 2030

(1) Options were adjusted for the 5% stock dividend distributed by 1st Colonial Bancorp on April 15, 2020 to holders of record as of April 1, 2020.

(2) Exercise price is equal the fair market value on the date the option was granted, as determined by the Stock Option Plan Committee pursuant to the 2013 Employee Plan or the Compensation Committee pursuant to the 2020 Equity Plan, as adjusted to reflect all applicable stock dividends.

(3) These options vest and become exercisable in full over a five-year period, becoming exercisable with respect to one-fifth of the total shares covered by the option on each of December 8, 2021, 2022, 2023, 2024 and 2025 (except they become fully vested upon any Change in Control).

(4) These options vest and become exercisable in full over a two-year period, becoming exercisable with respect to one-half of the total unvested shares covered by the option on each of October 25, 2021 and 2022 (except they become fully vested upon any Change in Control).

(5) These options vest and become exercisable in full on June 24, 2025 (except they become fully vested upon any Change in Control).

Aggregated Option Exercises in Last Fiscal Year

No options were exercised during the year ended December 31, 2020 by the executive officers named in the Summary Compensation Table appearing above.

Employee Retirement Plan

The Bank instituted a noncontributory 401(k) for all current employees in August 2005. All eligible employees are 100% vested in any required safe harbor contributions. The Bank made safe harbor contributions in the amount of \$188 thousand in 2020 and \$189 thousand in 2019.

Equity Plan Compensation Information

The following table provides certain information regarding securities issued or issuable under 1st Colonial Bancorp's equity compensation plans as of December 31, 2020.

Plan Category	Number of shares of common stock to be issued upon exercise of outstanding options, warrants and rights (1)	Weighted-average exercise price of outstanding options, warrants and rights (1)	Number of shares of common stock remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)(1)
Equity compensation plans approved by security holders	332,041	\$7.05	299,000
Equity compensation plans not approved by security holders.....	<u> -</u>	<u> -</u>	<u> -</u>
Total.....	<u>332,041</u>	<u>\$7.05</u>	<u>299,000</u>

(1) Amounts and prices reflect adjustment caused by our stock dividends.

TRANSACTIONS WITH RELATED PERSONS

1st Colonial Bancorp does not make any loans to its officers or directors. However, the Bank offers various types of loans to its directors, officers, and employees. Under applicable Federal law, any loan made to a director, officer, employee or other affiliate is required to be on substantially the same terms and conditions available to non-related borrowers (in particular as to interest rate and collateral). In addition, the risk of nonpayment must not be greater than the risk of nonpayment on loans to non-related borrowers, and the loan must be approved by a majority of the full Board of Directors, with the loan applicant not voting or influencing the vote.

Certain directors and officers of the Bank are customers of and during the year ended December 31, 2020 had banking transactions with the Bank in the ordinary course of business. Similar transactions may be expected to occur in the future. All loans and commitments to loan were made under substantially the same terms, including interest rates, collateral, and repayment terms, as those prevailing at the time for comparable transactions with other persons and, in our opinion, do not involve more than the normal risk of collection or present other unfavorable features. The aggregate amount of loans to such related parties was \$920 thousand and \$1.4 million as of December 31, 2020 and 2019, respectively. During 2020 and 2019, new loans and credit line advances to such related parties amounted to \$125 thousand and \$25 thousand, respectively, and

repayments amounted to \$22 thousand and \$184 thousand, respectively. The aggregate amount of deposits from related parties was \$61.8 million and \$42.5 million as of December 31, 2020 and 2019, respectively.

The Bank retained entities that are affiliated with John J. Donnelly IV, a director of the Bank, to perform certain construction loan inspection services. The total amount paid by the Bank for such services amounted to fees of approximately \$32,875 and \$24,780 for the years ended December 31, 2020 and 2019, respectively. The terms of the services provided were substantially equivalent to that which would have been obtained from unaffiliated parties.

MATTER NO. 2

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors has appointed KPMG LLP as independent auditors of 1st Colonial Bancorp for the year ending December 31, 2021, and has further directed that the appointment of such auditors be submitted for ratification by the shareholders at the annual meeting.

We are seeking shareholder ratification of the Audit Committee’s selection of our independent auditors even though we are not legally required to do so. If our shareholders ratify the Audit Committee’s selection, we may, in our discretion, retain another independent auditing firm at any time during the year if the Audit Committee feels that such change would be in the best interest of 1st Colonial Bancorp. Alternatively, in the event that this proposal is not approved by our shareholders, the Audit Committee may re-evaluate its decision to appoint KPMG LLP as independent auditors, but is not required to do so.

KPMG LLP served as the independent auditors of 1st Colonial Bancorp for the years ended December 31, 2020 and 2019. A representative of KPMG LLP will attend the annual meeting, will be extended an opportunity to make a statement, if he or she so desires, and will be available to respond to appropriate questions.

Audit and All Other Fees

The following table presents fees for professional services rendered by KPMG LLP for the audit of our annual financial statements for the fiscal years ended December 31, 2020 and 2019, and fees billed for other services rendered by KPMG LLP for fiscal years 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Audit fees (a).....	\$108,390	\$108,390
Audit-related fees (b).....	31,200	31,200
Tax fees (c).....	25,000	24,800
All other fees (d).....	<u>1,900</u>	<u>11,367</u>
Total.....	<u>\$164,757</u>	<u>\$175,757</u>

- (a) Fees for 2020 and 2019 consist of fees for the audit of 1st Colonial Bancorp’s annual consolidated financial statements, and services normally provided by KPMG LLP in connection with statutory and regulatory filings or engagements for those fiscal years.
- (b) These fees were for services rendered in connection with audit of the Bank required under the U.S. Department of Housing and Urban Development’s (HUD) uniform financial reporting standards.
- (c) These services involved the preparation of the 1st Colonial Bancorp’s consolidated tax returns and guidance on tax accruals.
- (d) These fees were for services rendered and expenses incurred in connection with tax consulting services, and certain Internal Revenue Service matters.

No fees were billed by KPMG LLP during 1st Colonial Bancorp's 2020 or 2019 fiscal years for any other services rendered to 1st Colonial Bancorp other than the amounts set forth above.

Audit Committee Pre-Approval Policies and Procedures

All auditing services (which may entail providing comfort letters in connection with securities underwritings) and all non-audit services to be provided to 1st Colonial Bancorp by its auditors that are not prohibited by law must be pre-approved by 1st Colonial Bancorp's Audit Committee pursuant to such processes as are determined to be advisable, before such services can commence. Pre-approval shall include blanket pre-approval of non-prohibited services for limited dollar amounts which the Audit Committee, in its business judgment, does not believe possess the potential for abuse or conflict.

This pre-approval requirement is not be applicable with respect to the provision of non-audit services if:

- the aggregate amount of all such non-audit services provided to 1st Colonial Bancorp constitutes not more than five percent of the total amount of revenues paid by 1st Colonial Bancorp to its auditor during the fiscal year in which the non-audit services are provided;
- such services were not recognized by 1st Colonial Bancorp at the time of the engagement to be non-audit services; and
- such services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee.

The Audit Committee may delegate to one or more designated members of that committee the authority to grant required pre-approvals. The decisions of any member to whom authority is delegated under this paragraph to pre-approve an activity under this subsection shall be presented to the full committee at its next scheduled meeting.

All services performed by KPMG LLP in 2020 were pre-approved in accordance with the pre-approval policy. There were no waivers by the Audit Committee of the pre-approval requirement for permissible non-audit services in 2020.

Ratification Requirements

The affirmative vote of a majority of the votes cast at the annual meeting, assuming a quorum is present, is required to ratify the Audit Committee's appointment of KPMG LLP as independent auditors of 1st Colonial Bancorp for the year ending December 31, 2021. Abstentions, although counted for the purpose of determining whether a quorum is present at the meeting, will not constitute or be counted as "votes" cast, so they will have no effect on the approval of this matter.

Recommendation

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS INDEPENDENT AUDITORS FOR THE YEAR ENDING DECEMBER 31, 2021.

ANNUAL REPORT

Under the Pennsylvania Business Corporation Law, 1st Colonial Bancorp is required to furnish to its shareholders annual financial statements, including at least a balance sheet as of the end of each fiscal year and a statement of income and expenses for the fiscal year. These financial statements are contained in our annual report for the year ended December 31, 2020, which accompanies this proxy statement. The annual report is furnished to you for your information and as required by law. No part of the annual report is incorporated by reference in this document.

SHAREHOLDER PROPOSALS AND NOMINATIONS FOR 2022 ANNUAL MEETING

1st Colonial Bancorp's year 2022 annual meeting of shareholders will be held on or about May 11, 2022.

Any shareholder of 1st Colonial Bancorp who desires to submit a proposal to be considered for inclusion in 1st Colonial Bancorp's proxy materials relating to its 2022 annual meeting of shareholders must submit such proposal so that we receive it on or before December 13, 2021. In accordance with our bylaws, to be considered for presentation at the 2022 annual meeting of shareholders, but not for inclusion in the proxy statement, proposals must be received at least 90 days prior to the annual meeting. All such proposals must be in writing delivered or mailed by first-class United States mail, postage prepaid, addressed to 1st Colonial Bancorp, Inc. at 210 Lake Drive East, Suite 300, Cherry Hill, NJ 08002 (Attention: Secretary).

Nominations for election to the Board of Directors may be made by any shareholder entitled to vote for the election of directors. Nominations for director made by shareholders (other than the members of the Board of Directors) must be made in writing and delivered to us not less than 90 days prior to the date of the annual meeting. Each notice of nomination made by a shareholder should set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in the notice, (ii) the principal occupation or employment of each nominee, and (iii) the number of shares of capital stock of 1st Colonial Bancorp that are beneficially owned by each nominee. Our articles of incorporation provide that in order to qualify for election as a director of 1st Colonial, a person must have been a shareholder of record of 1st Colonial for at least three years. We are not required to include nominations made by our shareholders in our proxy statement. However, if any such nomination is properly made, ballots bearing the name of such nominee or nominees will be provided for use by shareholders at the annual meeting.

Shareholders may also recommend qualified persons for consideration by the Board of Directors to be included in 1st Colonial Bancorp's proxy materials as a nominee of the Board of Directors. Shareholders making a recommendation must submit the same information as that required to be included by 1st Colonial Bancorp in our proxy statement with respect to nominees of the Board of Directors. The shareholder recommendation should be submitted in writing, addressed to 1st Colonial Bancorp at 210 Lake Drive East, Suite 300, Cherry Hill, NJ 08002 (Attention: Secretary), on or before December 1, 2021.

SHAREHOLDER COMMUNICATIONS

Shareholders and other interested parties who desire to communicate directly with 1st Colonial Bancorp's Board of Directors or the independent, non-management directors should submit communications in writing addressed to the Audit Committee Chairman, 1st Colonial Bancorp, Inc. at 210 Lake Drive East, Suite 300, Cherry Hill, NJ 08002.

Shareholders, employees and other interested parties who desire to express a concern relating to accounting or auditing matters should communicate directly with 1st Colonial Bancorp's Board of Directors or the independent, non-management directors should submit communications in writing addressed to the Audit Committee Chair, 1st Colonial Bancorp, Inc. at 210 Lake Drive East, Suite 300, Cherry Hill, NJ 08002.

OTHER MATTERS

Management knows of no business that may properly come before the meeting other than those matters described above. Should any other matters arise, the persons named on the enclosed proxy will vote thereon in accordance with their best judgment.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in cursive script, appearing to read "Mary Kay Shea".

Mary Kay Shea, Secretary

Appendix A

COMPENSATION COMMITTEE CHARTER

PURPOSE

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of 1st Colonial Bancorp, Inc. is appointed by the Board to discharge the Board’s responsibilities relating to compensation of the directors and officers of 1st Colonial Bancorp, Inc. and its wholly owned subsidiary, 1st Colonial Community Bank (collectively, the “Company”). The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company.

COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the Nasdaq Stock Market (“Nasdaq”) independence requirements, except that if the Committee is comprised of at least three members, one director who does not meet such requirements and is not currently an executive officer or employee or a family member of an executive officer, may be appointed to the compensation committee if the Board, under exceptional and limited circumstances, determines that such individual's membership on the Committee is required by the best interests of the Company and its shareholders, provided that a member appointed under this exception may not serve longer than two years.

The members of the Committee shall be appointed by the Board, which shall also designate one person as chairman. Committee members may be replaced by the Board.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

1. Subject to the requirements set forth below, the Committee shall have the sole authority to retain, terminate and oversee the work of any compensation consultant to be used to assist in the evaluation of director, CEO or senior executive compensation and shall have sole authority to approve the consultant’s fees and other retention terms. The Committee shall receive the appropriate funding from the Company, as determined by the Committee, for the payment of compensation to its compensation consultants. The Committee shall also have authority to obtain advice and assistance from legal, accounting or other advisors. The compensation committee may select, or receive advice from, a compensation consultant or other adviser to the compensation committee only after taking into consideration the following factors:
 - the provision of other services to the Company by the compensation consultant or other adviser;
 - the amount of fees received from the Company by the compensation consultant or other adviser, as a percentage of the total revenue of the compensation consultant or other adviser;
 - the policies and procedures of the compensation consultant or other adviser that are designed to prevent conflicts of interest;
 - any business or personal relationship of the compensation consultant or other adviser with a member of the Committee;
 - any stock of the Company owned by the compensation consultant or other adviser; and
 - any business or personal relationship of the compensation consultant other adviser with an executive officer of the Company.

Nothing set forth above requires a compensation consultant or other compensation adviser to be independent, only that the Committee consider the enumerated independence factors before selecting, or receiving advice from, a compensation adviser. The Committee may select, or receive advice from, any compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above.

The Committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

2. The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and determine and approve the CEO's compensation levels based on this evaluation. The CEO shall not be present during voting or deliberations on his compensation. In determining the long-term incentive component of CEO compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.
3. The Committee shall review the CEO's recommendations for the base compensation of all Executive Officers of the Company, discuss same with the CEO, and approve or disapprove such compensation.
4. Establish and administer the Company's incentive compensation program for key executive and management employees, to include:
 - a. Reviewing the Company's incentive bonus plan, equity incentive plan and any other incentive compensation plan from time to time adopted by the Company, recommend to the Board any changes to such plans the Committee deems necessary, and recommend and review any new incentive compensation plans the Committee deems necessary or advisable.
 - b. After reviewing the recommendations of the CEO, determine the participants in the Company's incentive compensation plans for key executive and management employees.
 - c. After reviewing operating results and individual performance and the recommendations of the CEO, determine incentive compensation payments and awards under the Company's plans.
 - d. After reviewing the recommendations of the CEO, grant stock options, restricted stock, restricted stock units and other awards under the Company's incentive compensation plans, and set procedures for administering such plans.
5. Review and approve employee benefits plans in addition to those set forth in paragraph 4 above, including group health and other insurance plans, profit sharing and 401(k) plans, and other employee benefit plans.
6. Review and approve executive perquisite programs.
7. Approve new employment or change in control agreements, if any, and modifications to existing employment or change in control agreements.

8. In connection with any proposed acquisitions, review and approve compensation and benefit arrangements for directors and senior executives of the acquired company, including any “golden parachute” restrictions under applicable banking regulations and state and federal tax laws.
9. Review and recommend to the Board for approval the compensation arrangements of non-employee members of the Board.
10. The Committee, and each member of the Committee, in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by: (i) officers and other employees of the Company, who such member believes to be reliable and competent in the matters presented, (ii) counsel, public accountants or other persons as to matters that the member believes to be within the professional competence of such person.
11. The Committee may, when appropriate, delegate authority to one or more members or to one or more subcommittees established by the Committee.
12. The Committee shall review and reassess the adequacy of this Charter on an annual basis.

OPERATING PROCEDURES

The operating procedures for the Committee with respect to meetings, notice of meetings, quorums and records shall be the same as stipulated for the Board set forth in the Company’s By-laws.

ACCOUNTABILITY

At each of the regular meetings of the Board, the Committee shall produce a summary of the actions taken at each Committee meeting for approval by the Board.

The Committee shall annually review the Committee’s own performance.

Appendix B

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

PURPOSE

The Nominating and Corporate Governance Committee (the “Committee”) of 1st Colonial Bancorp, Inc. (the “Company”) is appointed by the Board of Directors of the Company (the “Board”):

- (1) to assist the Board by identifying individuals qualified to become Board members, and to recommend to the Board, consistent with the criteria set forth in to-be-developed Corporate Governance Guidelines to be adopted by this Board (the “Corporate Governance Guidelines”), the director nominees for the next annual meeting of shareholders and directors to fill any vacancies between annual meetings;
- (2) to determine the ongoing independence of each board member in compliance with NASDAQ requirements;
- (3) to develop, and recommend to the Board for approval, a set of Corporate Governance Guidelines;
- (4) to lead the Board in its annual review of the Board’s performance; and
- (5) to recommend to the Board director nominees for each Board committee.

COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the Nasdaq independence requirements.

The members of the Committee shall be appointed and removed by the Board at any time, and any removal may be with or without cause.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

1. The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates, and shall have sole authority to approve the search firm’s fees and other retention terms. The Committee shall also have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors without the requirement to consult management.
2. The Committee shall identify individuals qualified to become Board members for recommendation to the Board. The Committee shall also consider any director candidates recommended by the Company’s stockholders, pursuant to the procedures described in the Company’s proxy statement.
3. The Committee shall receive comments from all directors and report annually to

the Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year.

4. The Committee shall at least annually review and reassess the adequacy of the Corporate Governance Guidelines based on the advice of counsel and changes in NASDAQ rules and other "best practices" for non-SEC regulated companies with publicly held shares (like the Company), and recommend any proposed changes to the Board for approval.

5. The Committee shall at least annually determine the ongoing independence of each board member in compliance with NASDAQ requirements. In addition, it shall preapprove all related party transactions, defined as all contracts, payments or other transactions in excess of \$120,000 that are required to be disclosed under Item 404 of Securities Exchange Commission Regulation S-K. The Committee also shall review and ratify at least annually all such related party transactions.

6. The Committee may form and delegate authority to subcommittees when appropriate.

7. The Committee shall make regular reports to the Board.

8. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance.

9. The Committee shall develop and oversee a Company orientation program for new directors, and periodically review this program and update as necessary.

10. The Committee shall review and recommend assignments of Board members to the various committees of the Board considering such factors as appropriate, including the specific independence requirements applicable to the Compensation Committee and Audit Committee pursuant to NASDAQ rules and expertise that could qualify a director as a "financial expert" as that term is defined by the rules of the Securities and Exchange Commission.

