



Charter Name:	Finance Committee Charter		
Effective Date:	5/13/2020	Replaces Charter Dated:	05/18/2019

# Finance Committee Charter

May 13

# 2020



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## I. PURPOSE

The Finance Committee (the "Committee") of OceanFirst Financial Corp. (together with its subsidiaries, the "Company") and of OceanFirst Bank (the "Bank") has been appointed by the respective Board of Directors (the "Board") of each of the Company and the Bank to assist each Board in fulfilling its oversight responsibilities and is responsible for:

- Oversight of the financial management of the Company including capital, liquidity, interest rate management and treasury activity;
- Assisting management in developing the Company's strategic and annual business plan and budget and recommending approval to the Board.


## II. COMPOSITION

The Committee members and Committee Chair shall be appointed by the Board on the recommendation of the Leadership Committee and may be replaced by the Board. The Chief Financial Officer shall be the primary management liaison to the Committee; however, additional members of management may also meet with the Committee. The Committee shall be comprised of not less than three directors and meet the following requirements:

The Chairman and at least one other director will be "independent" as determined by applicable regulatory requirements, including any applicable SEC regulation or Nasdaq listing standard, banking law or regulation or any laws relating to the Committee's duties and responsibilities.

## III. MEETINGS

The Committee shall meet at least three times annually, or more frequently as circumstances dictate. Additional meetings may be called by the Chair of the Committee or a majority of its members. A quorum for these meetings shall be a majority of its members. The Committee Chair shall preside at each meeting and in consultation with the other members, set the frequency and length of each meeting, as well as prepare and/or approve and circulate an agenda in advance of each meeting.

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## IV. RESPONSIBILITIES AND DUTIES


The principal responsibilities of the Finance Committee include:

### A. FINANCE MANAGEMENT.

- 1) *Financial Reporting.* The Committee shall ensure that monthly reports are made to the Board to monitor the financial performance of the organization as a whole and its subsidiaries against approved budgets, long-term trends and industry benchmarks;
- 2) *Capital and Liquidity.* Ongoing capital, liquidity, and interest rate management and planning, including capital adequacy, monitoring of ALCO and the review and approval of the Capital Plan;
- 3) *Financial Strategy.* Assist in and review of the development of the financial strategies to achieve the Company's objectives regarding financial matters, including Capital Market Transactions (debt and / or equity issuance and redemption);
- 4) *Investments.* The Committee shall provide oversight of treasury and investment activities, including borrowings. In the event that the Company decides to enter into any derivative or certain swap transactions, the Committee will oversee the regulatory requirements, financial aspects, policy limits, and monitoring guidelines prior to approval;
- 5) *Commitments.* The Committee shall review the terms of significant contracts and leases, and all other major commitments prior to their execution;
- 6) *Merger and Acquisition.* Receive updates from management on the M&A market and review possible long-term opportunities. For completed acquisitions, review actual results compared to merger model expectations.
- 7) *SWAPS.* Approve and monitor the company's SWAP trading strategy, including the related Risk assessment and Risk management program.

### B. BUSINESS PLANNING.

- 1) *Development of Business Plan.* The Committee shall assist management in developing the Company's business and strategic plan on an annual basis and provide recommendations to the Board for modifications as deemed appropriate based upon changes in the external economy and the Company's markets.
- 2) *Mid-year Review.* The Committee shall perform a mid-year review to determine the Company's performance and management's execution of the strategic plan.

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- 3) *Review of Budget.* The Committee shall review the Company's budget on an annual basis to determine that it is efficient, feasible, and allocates resources in a manner that facilitates execution of the strategic plan.

**C. OTHER COMMITTEE RESPONSIBILITIES.**

- 1) *Reporting to Board.* The Committee shall maintain minutes of all Committee meetings and report to the Board at the next scheduled Board meeting on significant results of the foregoing activities.
- 2) *Self-Assessment.* The Committee shall annually perform a self-assessment of its performance in coordination with the Leadership Committee. The Committee shall review, discuss and assess its performance, as well as the Committee's role and responsibilities, seeking input from senior management, the full Board and others as needed, through the use of a self-assessment form, which shall then be evaluated by the Board.
- 3) *Review of Charter.* At least annually, the Committee shall review and reassess the adequacy of this Charter and submit any recommended changes to the Board for approval.
- 4) *Policy Review and Approval.* The Committee shall approve annual changes to Bank policies as delegated by the Board of Directors.

**V. COMMITTEE RESOURCES**

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to all records, auditors, attorneys, as well as anyone in the Company. The Committee has the ability to retain, at the Company's expense, manage and terminate special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties. The Company must provide appropriate funding, as determined by the Committee, for payment of compensation to all auditors, advisers and consultants engaged by the Committee as well as the ordinary administrative expenses of the Committee.