

1st Colonial Bancorp, Inc.

May 13, 2020

Dear Fellow Shareholder:

1st Colonial Bancorp, Inc. will hold its 2020 Annual Meeting of Stockholders on June 17, 2020 commencing at 9:00 a.m. In light of health, transportation, and other logistical issues raised by the spread of the coronavirus disease (COVID-19) and the State of New Jersey's current restrictions on in-person gatherings, we have decided to hold the annual meeting virtually through the Internet rather than in person. **If you desire to attend the annual meeting virtually, you must register for the meeting by visiting <https://register.proxypush.com/FCOB> and entering the control number included on the enclosed proxy card. Registration is open now and you must register before 5:00 p.m. on June 16, 2020 in order to be able to attend the annual meeting online.**

Shareholders who have registered for the annual meeting will receive an email with a live meeting link one hour before the meeting starts that they must use to join the annual meeting. Using that link, shareholders will be able to listen to the meeting live, submit questions and vote online.

We invite you to join us online at the annual meeting. The purpose of this meeting will be to elect directors, approve our new 2020 Equity Incentive Plan, and ratify our selection of our auditors for the year ending December 31, 2020. We will also discuss 2019 results, as well as our plans for 2020. Additional information about the Annual Meeting and how to access and participate in the Annual Meeting online is included in the Notice of Annual Meeting and the Proxy Statement which follow this letter, and on the enclosed proxy card.

The health and welfare of our team members and customers are of paramount concern as we navigate the economic and social disruption caused by the COVID-19 pandemic. We continue to take all precautions to limit the potential spread of coronavirus while we continue to provide the products and services expected by our customers. Our ability to operate remotely, as well as balance the need for social distancing while in our offices, has shown to be effective and beneficial. Our strong risk management culture and the experience and commitment of our team members is proving to be invaluable during these unprecedented times. We remain engaged in risk mitigation activities to ensure we identify and recognize short term economic impacts, as we provide clients adversely affected by COVID-19 with needed payment relief.

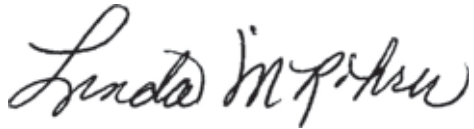
For 2020, we remain firmly determined to execute our strategic priorities. We continue to focus on originating high quality loans, with more emphasis on building relationships, while diversifying our loan and deposit mix. Organizational changes made during the quarter will position us well as we execute upon our strategy. Investments in technology and expansion of our digital and online presence will expand our ability to deliver the bank to our customers and

prospects. Although economic headwinds in 2020 are apparent, we believe that we have realigned the Company and are well positioned for the future.

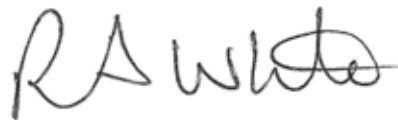
Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the meeting online, we urge you to complete, sign, date and return the enclosed proxy card in the enclosed envelope, or you may vote by Internet as described on the proxy card. This will not prevent you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

We look forward to speaking to you online 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”) virtually on June 17, 2020 at 9:00 a.m. **If you desire to attend the annual meeting virtually, you must register for the meeting by visiting <https://register.proxypush.com/FCOB> and entering the control number included on the enclosed proxy card. Registration is open now and you must register before 5:00 p.m. on June 16, 2020 in order to be able to attend the annual meeting online.** You cannot attend the annual meeting in person. Once you have registered for the annual meeting, you will receive an email with a live meeting link one hour before the meeting starts that you must use in order to join the annual meeting. Using that link, you will be able to listen to the meeting live, submit questions and, if you are a shareholder of record, vote online.

The annual meeting is for the following purposes, which are more completely described in the accompanying proxy statement:

- (a) To elect three Class 1 directors of 1st Colonial Bancorp, each to serve for a term of three years and until their successors are elected and have qualified;
- (b) To consider and vote on the 1st Colonial Bancorp, Inc. 2020 Equity Incentive Plan;
- (c) To ratify the appointment of KPMG LLP as 1st Colonial Bancorp’s independent auditors for the fiscal year ending December 31, 2020; 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 27, 2020, 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
May 13, 2020

You are cordially invited to attend the annual meeting online. It is important that your shares be represented regardless of the number you own. Even if you plan to be present online, 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 are a shareholder of record and attend the meeting online, you may vote either online or by your proxy. Your proxy may be revoked by you in writing 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 June 17, 2020. **If you desire to attend the annual meeting virtually, you must register for the meeting by visiting <https://register.proxypush.com/FCOB> and entering the control number included on the enclosed proxy card. Registration is open now and you must register before 5:00 p.m. on June 16, 2020 in order to be able to attend the annual meeting online.** You cannot attend the annual meeting in person. Once you have registered for the annual meeting, you will receive an email with a live meeting link one hour before the meeting starts that you must use in order to join the annual meeting. Using that link, you will be able to listen to the meeting live, submit questions and, if you are a shareholder of record, vote online.

Purpose of Meeting

The specific proposals to be considered and acted upon at our 2020 annual meeting are summarized below:

- (a) To elect three Class 1 directors of 1st Colonial Bancorp, each to serve for a term of three years and until their successors are elected and have qualified;
- (b) To consider and vote on the 1st Colonial Bancorp, Inc. 2020 Equity Incentive Plan;
- (c) To ratify the appointment of KPMG LLP as 1st Colonial Bancorp’s independent auditors for the fiscal year ending December 31, 2020; and
- (c) 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 27, 2020 are entitled to notice of and to vote at the meeting or any adjournment thereof. At March 27, 2020, there were 4,716,922 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 online 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 three nominees for director receiving the highest number of votes cast at the meeting will be elected as directors, and the other matters proposed in this proxy

statement will be approved upon the affirmative vote of the majority of the votes cast, either by proxy or online at the meeting, 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 May 18, 2020. 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 online 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 virtually and vote online. 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 virtually and voting online.

Except as described below, each share of common stock outstanding on March 27, 2020, 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, 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, “FOR” the approval of the 1st Colonial Bancorp, Inc. 2020 Equity Incentive Plan, 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, 2020.

Shares Held in “Street Name” by Broker or Bank

Voting During the Meeting. If you hold your shares through an intermediary, such as a bank or broker, and desire to vote such shares during the annual meeting rather than by the enclosed voting form, you must (1) obtain a written legal proxy from your bank, brokerage firm or other nominee authorizing you to vote those shares during the annual meeting, and (2) send the written legal proxy to our transfer agent,

Philadelphia Stock Transfer. Please submit your written legal proxy reflecting your 1st Colonial Bancorp holdings along with your name and email address to Philadelphia Stock Transfer. Please label your submission as “1st Colonial Legal Proxy”. It must be received no later than 5:00 p.m., Eastern Time, on June 15, 2020.

You will receive a ballot by email after Philadelphia Stock Transfer receives your submission for you to use to vote your shares and return to Philadelphia Stock Transfer. Submissions should be directed to Philadelphia Stock Transfer at the following:

- By email - Forward the email from your broker, or attach an image of your legal proxy, to alamb@philadelphiastocktransfer.com
- By mail – Please enclose an image of your legal proxy addressed to:
Philadelphia Stock Transfer, Inc.
Attention: Angela Lamb - 1st Colonial Legal Proxy
2320 Haverford Rd.
Suite 230
Ardmore, PA 19003

Voting by Proxy. 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 stockholder 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, Matter (3) involving the ratification of auditors is a routine item. However, Matter (1) involving the election of directors and Matter (2) involving the 2020 Equity Incentive Plan are non-routine matters. 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 these matters.

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 27, 2020, 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, New York	460,000	9.8%
Charles J. Moore (4) Chicago, Illinois	432,524	9.2%
First Manhattan Co. (5) New York, New York	364,599	8.2%
Linda M. Rohrer (6) Haddon Township, New Jersey	243,497	5.2%

- (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 the representations set forth in an email sent on October 10, 2019 from the CIO of AllianceBernstein Financial Services Opportunities Fund to the Company's Chairman. We have not been able to verify this information from any other source.
- (4) Based on Amendment No. 1 to the Schedule 13G filed by the beneficial owner's affiliates with the Securities and Exchange Commission on February 14, 2020. According to the Schedule 13G, 182,871 shares are beneficially owned by Banc Fund VIII L.P. ("BF VIII"), an Illinois Limited Partnership; and 170,666 shares are beneficially owned by Banc Fund IX L.P. ("BF IX"), an Illinois Limited Partnership, and 78,987 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.
- (5) Based on the Form 13F-HR filed by the beneficial owner with the Securities and Exchange Commission on February 13, 2020.
- (6) Beneficial ownership amount includes 21,461 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 10 members. The terms of two current directors expire at the annual meeting, and those two directors have been re-nominated for election. The Board of Directors is increasing its size to 11 members, and therefore a total of three directors will be elected at the annual meeting.

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 Thomas A. Clark, III, Letitia G. Colombi, and Robert B. White for election to the Board of Directors as Class 1 directors. Mr. Clark and Ms. Colombi are current directors of 1st Colonial Bancorp and its wholly owned subsidiary, 1st Colonial Community Bank (the "Bank"). Mr. White is the President and CEO of 1st Colonial Bancorp and the Bank, and is a director of the Bank.

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 three nominees for director receiving the highest number of votes cast at the annual meeting will be elected as Class 1 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.

NOMINEES FOR CLASS 1 DIRECTORS TO SERVE UNTIL 2023:	<u>AGE</u>	<u>DIRECTOR SINCE</u>
<p>THOMAS A. CLARK, III</p> <p>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.</p>	66	2000
<p>LETITIA G. COLOMBI</p> <p>Ms. Colombi is retired. From 2001 to 2013, Ms. Colombi served as the Mayor of the Borough of Haddonfield, New Jersey. From August 1998 until April 2000, she served as a member of an advisory board at Hudson United Bank. From 1988 to 1998, Ms. Colombi served as a director of Community National Bank of New Jersey.</p>	75	2000
<p>ROBERT B. WHITE</p> <p>Mr. White was appointed as the President and Chief Executive Officer of both 1st 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.</p>	55	2020

<u>CONTINUING CLASS 2 DIRECTORS TO SERVE UNTIL 2021:</u>	<u>AGE</u>	<u>DIRECTOR SINCE</u>
<p>JOHN J. DONNELLY, IV</p> <p>Since March 1, 2010, Mr. Donnelly has 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>	65	2001
<p>EDUARDO F. ENRIQUEZ</p> <p>Since 1994, Dr. Enriquez has been self-employed as a Doctor of Medicine. Since 1997, he has been a member of the Physicians Counsel to the Board of Trustees of Virtua Health Systems.</p>	62	2000
<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>	50	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>	75	2003
<u>CONTINUING CLASS 3 DIRECTORS TO SERVE UNTIL 2022:</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>	72	2000
<p>CURT BYERLEY</p> <p>Mr. Byerley has served as the president of Byerley Holdings, LLC, Global Direct Marketing, LLC and Byerley Family Foundation, Inc. since 2001.</p>	63	2003
<p>HARRISON MELSTEIN</p> <p>Mr. Melstein is retired. From 1985 to 2002, he was a registered pharmacist and owned and operated Ames Drug Store in Collingswood, New Jersey.</p>	77	2002
<p>STANLEY H. MOLOTSKY</p> <p>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.</p>	84	2000

Recommendation

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF ITS NOMINEES FOR CLASS 1 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.....	44
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.	
IRENE H. CLARK.....	66
Ms. Clark serves as Executive Vice President in charge of Deposit Operations of the Bank. She has served in such position since December 2016. From 2005 to December 2016, she served as a Senior Vice President of the Bank. Prior to then she served in various capacities with the Bank since 2002.	
MARY KAY SHEA	49
Ms. Shea has served as Senior Vice President and Chief Financial Officer of the Bank and Bancorp since 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 27, 2020 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>
Gerard M. Banmiller (3).....	123,622	2.6%
Curt Byerley (4).....	110,066	2.3%
Thomas A. Clark III (5).....	18,796	*
Letitia G. Colombi (6).....	26,223	*
John J. Donnelly IV (7).....	41,090	*
Eduardo F. Enriquez (8).....	73,943	1.6%
Michael C. Haydinger (9).....	225,879	4.8%
Harvey Johnson (10).....	31,803	*
Harrison Melstein (11).....	76,115	1.9%
Frank J. Monaghan (12).....	27,444	*
Stanley H. Molotsky (13).....	106,572	2.2%
Linda M. Rohrer (14).....	243,497	5.2%
Robert B. White.....	10,000	*
Total (15).....	1,115,050	22.7%

* 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) Mr. Banmiller retired effective January 31, 2020. Beneficial ownership include 11,025 shares that Mr. Banmiller had the right to acquire upon the exercise of vested stock options, 1,942 shares owned by his spouse, and 83,640 shares jointly owned by him with his spouse.
- (4) Beneficial ownership includes 17,356 shares that Mr. Byerley has the right to acquire upon the exercise of vested stock options.
- (5) Beneficial ownership includes 15,240 shares that Mr. Clark has the right to acquire upon the exercise of vested stock options.

- (6) Beneficial ownership includes 13,669 shares that Ms. Colombi has the right to acquire upon the exercise of vested stock options, and 11,120 shares owned by Ms. Colombi's spouse.
- (7) Beneficial ownership includes 12,870 shares that Mr. Donnelly has the right to acquire upon the exercise of vested stock options.
- (8) Beneficial ownership includes 14,763 shares that Dr. Enriquez has the right to acquire upon the exercise of vested stock options; 9,284 shares jointly owned by Dr. Enriquez with his spouse; and 5,407 shares owned by the Eduardo F. Enriquez MD LLC Profit Sharing Plan, over which Dr. Enriquez has sole voting and investment control.
- (9) Beneficial ownership includes 17,355 shares that Mr. Haydinger has the right to acquire upon the exercise of vested stock options, 90,463 shares owned by First Montgomery Properties NJ Inc., and 91,364 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.
- (10) Beneficial ownership includes 13,468 shares that Mr. Johnson has the right to acquire upon the exercise of vested stock options, and 11,989 shares that Mr. Johnson owns jointly with his spouse.
- (11) Beneficial ownership includes 10,308 shares that Mr. Melstein has the right to acquire upon the exercise of vested stock options, and 15,661 shares owned by his spouse.
- (12) Entire amount represents shares that Mr. Monaghan has the right to acquire upon the exercise of vested stock options.
- (13) Beneficial ownership includes 21,461 shares that Mr. Molotsky has the right to acquire upon the exercise of vested stock options; 17,266 shares owned by Mr. Molotsky's spouse; 17,047 shares jointly owned by Mr. Molotsky and his spouse, 3,142 shares held in trust for minor grandchildren over which Mr. Molotsky has control, and 2,951 shares held in a Profit Sharing Plan for the employees of SHM Financial Group, a company owned by Mr. Molotsky.
- (14) Beneficial ownership includes 21,461 shares that Ms. Rohrer has the right to acquire upon the exercise of vested stock options.
- (15) Beneficial ownership includes 196,416 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, 2019, the Board of Directors held 9 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. Except for Ms. Colombi, 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, 2019. Except for Mr. Haydinger, all of the directors of 1st Colonial Bancorp attended the 2019 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, Letitia G. Colombi, 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, 2019, the 1st Colonial Bancorp audit committee met five times.

Stock Option Plan Committee. The Board of Directors of 1st Colonial Bancorp has a stock option plan committee that performs some of the functions typically performed by a compensation committee. The Stock Option Plan Committee serves as the administrator of 1st Colonial Bancorp's 2013 stock option plans, as further described in this proxy statement. It will not administer the proposed 2020 Equity Incentive Plan. The current members of this committee are Thomas A. Clark III, Letitia G. Colombi, Stanley H. Molotsky (Chairman), and Linda M. Rohrer. Each member is "independent," as defined by Rule 5605(a)(2) of The Nasdaq Stock Market listing standards. This committee did not meet during the year ended December 31, 2019. This committee does not have a charter, but its powers, authority and duties are set forth in the 2013 stock option plans.

Compensation Committee. The Board of Directors of the Bank has a standing compensation committee. The Bank's compensation committee, which met one time during the year ended December 31, 2019, 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. 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 compensation levels for the other executive officers of the Bank. No compensation consultants have been used by the Bank to determine or recommend the amount or form of executive compensation.

If the 2020 Equity Incentive Plan is approved by the shareholders at the annual meeting, then the Board will form a compensation committee having the same members as the Bank's compensation committee. The 1st Colonial Bancorp compensation committee will serve as the administrator of 1st Colonial Bancorp's 2020 Equity Incentive Plan, as further described in this proxy statement.

This committee does not have a charter. The current members of the Bank's 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 Committee. The Board of Directors does not have a standing nominating committee. The entire Board of Directors acts as the nominating committee for the selection of nominees for election as directors, and each director has the responsibility to develop and recommend criteria for the selection of director nominees, including, but not limited to diversity, age, skills, experience, and time availability (including consideration of the number of other boards on which the proposed director sits) in the context of the needs of the Board of Directors and 1st Colonial Bancorp and such other criteria as the Board of Directors determines to be relevant at the time.

The Board of Directors has not adopted any specific minimum qualifications 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. 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.

The Board of Directors considers potential candidates for Board membership recommended by its members, management, shareholders, and others. The Board of Directors 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 2021 Annual Meeting.”

During the year ended December 31, 2019, the Board of Directors met one time to perform the functions typically performed by a nominating committee.

Other. 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.

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.

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.

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, 2019, 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 2019, 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, 2018 being performed by KPMG LLP.

The audit committee has reviewed 1st Colonial Bancorp’s audited financial statements for the year ended December 31, 2019, 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, 2019 and for the year ending December 31, 2020.

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, 2019.

THE 1ST COLONIAL BANCORP AUDIT COMMITTEE

Michael C. Haydinger (Chairman)

Thomas A. Clark III

Letitia G. Colombi

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 2019:

2019 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)	Total (\$)
Linda M. Rohrer	17,750	None	17,750
Mary R. Burke (1)	6,000	None	6,000
Curt Byerley	13,250	None	13,250
Thomas A. Clark III	9,000	None	9,000
Letitia G. Colombi	8,000	None	8,000
John J. Donnelly, IV	15,000	None	15,000
Eduardo F. Enriquez	7,000	None	7,000
Michael C. Haydinger	15,000	None	15,000
Harvey Johnson	8,000	None	8,000
Harrison Melstein	7,750	None	7,750
Stanley H. Molotsky	12,000	None	12,000

(1) Ms. Burke retired from the Board of Directors on November 19, 2019.

For 2020, the Chairman of the Board will receive a quarterly retainer of \$1,875 for service on the Board of Directors, and each of the other directors, other than Mr. White, will receive a quarterly retainer of \$1,250. Each non-employee director will receive an additional \$250 for each board and 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"). The 2013 Director Plan is designed to provide non-employee 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 authorizes 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 non-employee directors.

An aggregate of 245,861 authorized shares of common stock have been reserved for issuance under the 2013 Director Plan. The 2013 Director Plan has an evergreen provision that automatically increases the number of shares available for grant under the 2013 Director Plan by (i) 7.5% of the positive difference, if any, between the number of outstanding shares of common stock, including shares subject to outstanding stock options under the 2013 Director Plan, on the last trading day of the immediately preceding calendar year and the number of outstanding shares of common stock, including shares subject to outstanding Options under the 2013 Director Plan, on the first trading day of such immediately preceding calendar year; or (ii) a lesser amount as the Board determines in its discretion.

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 2013 Director 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 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.

A total of 84,178 shares remain available to be granted subject to awards under the 2013 Director Plan. However, in the event the 2020 Equity Incentive Plan is approved by the shareholders at the annual meeting (See Matter No. 2 - Proposal to Consider and Vote on the 1st Colonial Bancorp, Inc. 2020 Equity Incentive Plan"), the 2013 Director Plan will be terminated.

EXECUTIVE COMPENSATION

The following table sets forth the compensation paid, during the years ended December 31, 2019 and 2018, by the Bank to our then Chief Executive Officer and Chief Operating Officer. These persons 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 (\$)
Gerard M. Banmiller ¹ President and Chief Executive Officer	2019	\$299,603	\$20,000	--	\$62,133 ²	\$381,736
	2018	\$293,398	\$130,000	--	\$65,556 ²	\$488,954
Frank J. Monaghan Executive Vice President and Chief Operating Officer	2019	\$247,765	\$15,000	--	\$39,733 ³	\$302,498
	2018	\$239,320	\$100,000	--	\$38,192 ³	\$377,512

- (1) Mr. Banmiller retired effective January 31, 2020.
- (2) 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.
- (3) Consists of life, dental, vision and health insurance annual premiums; life insurance imputed income; and employer 401(k) contributions.

Employment Agreements

Agreements with Mr. Banmiller. Gerard M. Banmiller, the former president and chief executive officer of 1st Colonial Bancorp and the Bank, had an employment agreement with the Bank that was effectively terminated by mutual agreement dated January 10, 2020. While in effect, the employment agreement provided for the payment to Mr. Banmiller of the annual base salary set forth in the table above that could not be reduced, except for a reduction which was proportionate to a company-wide reduction in executive pay. Under his employment agreement, Mr. Banmiller was entitled to participate in any incentive compensation and employee benefit plans that the Bank maintains. He also was 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 executive officers of the Bank from time to time. He also was entitled to be reimbursed for amounts he paid as lease or loan payments due with respect to the lease or purchase of his automobile, which is part of the “All Other Compensation” paid to Mr. Banmiller and set forth in the table above.

Mr. Banmiller has agreed that until at least January 31, 2021, he will not directly or indirectly and knowingly or intentionally engage in any employment or accept any employment, or engage in any consulting, with any third party company doing business within the continental United States, where such employment or consulting duties would include any activities that are directly competitive with the business of the Bank. He has also agreed that during such period will not (i) directly or indirectly and knowingly or intentionally divest or attempt to divest away from the Bank the business of any client, customer or business entity with which the Bank did business during the three (3) years prior to Mr. Banmiller’s resignation from employment, or made a proposal for business during the one (1) year prior to Mr. Banmiller’s resignation from employment; and (ii) will not, directly or indirectly, knowingly or intentionally, employ any person who was an employee of the Bank during Mr. Banmiller’s employment, or entice away or attempt to entice away from employment by the Bank any such employee.

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, 2021; 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 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 Mr. White. The Bank also has an employment agreement with Robert B. White, its President and Chief Executive Officer. This agreement currently expires on January 31, 2021; 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") (described in "Matter No. 2 - Proposal to Consider and Vote on the 1st Colonial Bancorp, Inc. 2020 Equity Incentive Plan"). 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.

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 2019, the Bank achieved 60% of its target. The Bank’s 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 Bank’s 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.

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 authorizes 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 are 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.”

An aggregate of 243,806 authorized shares of common stock have been reserved for issuance under the 2013 Employee Plan. The 2013 Employee Plan has an evergreen provision that automatically increases

the number of shares available for grant under the 2013 Employee Plan by (i) 7.5% of the positive difference, if any, between the number of outstanding shares of common stock, including shares subject to outstanding stock options under the 2013 Employee Plan, on the last trading day of the immediately preceding calendar year and the number of outstanding shares of common stock, including shares subject to outstanding Options under the 2013 Employee Plan, on the first trading day of such immediately preceding calendar year; or (ii) a lesser amount as the Board determines in its discretion. No incentive stock options may be granted with respect to this increase. Shares of common stock attributable to options that are forfeited or otherwise terminate may be re-granted under a new option.

Only executive officers and key employees (as determined by the Stock Option Plan Committee) are eligible to receive options under the 2013 Employee Plan. The exercise price for options granted under the 2013 Employee Plan will not be 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 will be 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 may be exercised 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. No employee may receive option grants in excess of 11,500 shares under the 2013 Employee Plan during any calendar year. 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 will impose vesting conditions on the exercisability of options. In general, an option will vest and become 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 of common stock authorized to be made subject to options under the 2013 Employee 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.

A total of 123,780 shares remain available to be granted subject to awards under the 2013 Employee Plan. However, in the event the 2020 Equity Incentive Plan is approved by the shareholders at the annual meeting (See Matter No. 2 - Proposal to Consider and Vote on the 1st Colonial Bancorp, Inc. 2020 Equity Incentive Plan"), the 2013 Employee Plan will be terminated.

Option Grants in Last Fiscal Year

During the year ended December 31, 2019, no options to purchase shares of 1st Colonial Bancorp common stock were awarded to the executive officers named in the Summary Compensation Table appearing above.

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, 2019. No other equity awards were outstanding on December 31, 2019.

OUTSTANDING EQUITY AWARDS AT 2019 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
Gerard M. Banmiller	11,025	0	\$10.38	October 25, 2027
Frank J. Monaghan	13,403	0	\$4.73	September 12, 2023
	9,628	2,407 ³	\$5.97	December 16, 2025
	4,410	6,615 ⁴	\$10.38	October 25, 2027

(1) Options were adjusted for the 5% stock dividend distributed by 1st Colonial Bancorp on April 15, 2019 to holders of record as of April 1, 2019.

(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, as adjusted to reflect all applicable stock dividends.

(3) These unexercisable options vest and become exercisable in full in December 2020 (they would also become fully vested upon any Change in Control).

(4) These options vest and become exercisable in full over a three-year period, becoming exercisable with respect to one-third of the total shares covered by the option on each of October 25, 2020, 2021 and 2022 (except they become fully vested upon any Change in Control).

Aggregated Option Exercises in Last Fiscal Year

Except for options to purchase 25,437 shares exercised by Mr. Banmiller, no options were exercised during the year ended December 31, 2019 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 \$189,000 in 2019 and \$179,000 in 2018.

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, 2019.

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	313,479	\$7.15	207,958
Equity compensation plans not approved by security holders.....	0	0	0
Total.....	313,479	\$7.15	207,958

(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. 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, 2019 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 \$1.4 million and \$1.5 million at December 31, 2019 and 2018, respectively. During 2019 and 2018, new loans and credit line advances to such related parties amounted to \$25,000 and \$362,000, respectively, and repayments amounted to \$184,000 and \$79,000, respectively. The aggregate amount of deposits from related parties was \$42.5 million and \$42.8 million at December 31, 2019 and 2018, 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 \$24,780 and \$27,150 for the years ended December 31, 2019 and 2018, respectively. The terms of the services provided were substantially equivalent to that which would have been obtained from unaffiliated parties.

MATTER NO. 2

PROPOSAL TO CONSIDER AND VOTE ON THE 1ST COLONIAL BANCORP, INC. 2020 EQUITY INCENTIVE PLAN

Background

The Board of Directors believes that 1st Colonial Bancorp's stock compensation plans constitute an important part of its compensation programs and, accordingly, it has adopted the new 1st Colonial Bancorp, Inc. 2020 Equity Incentive Plan (the "2020 Equity Plan"), which is subject to shareholder approval.

Shareholders of 1st Colonial Bancorp previously authorized the 1st Colonial Bancorp, Inc. 2013 Key Employee Stock Option Plan, under which 1st Colonial Bancorp has granted stock options to the Bank's key employees and the 1st Colonial Bancorp, Inc. 2013 Stock Option Plan for Non-Employee Directors (collectively, the "2013 Plans") under which 1st Colonial Bancorp has granted stock options to the Bank's directors. However, the 2013 plans do not provide for the award of restricted stock and certain other stock-based compensation techniques currently in use by many financial institutions.

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. Upon the approval of the 2020 Equity Plan by the shareholders, the 2013 Plans will terminate and no options or other awards will be able to be made under the 2013 Plans. Accordingly, the board of directors has reserved 400,000 shares of our common stock for issuance upon the grant or exercise of awards pursuant to the 2020 Equity Plan. The Board of Directors believes that the shares authorized by the 2020 Equity Plan are needed to ensure the continued availability of equity-based compensation and that the 2020 Equity Plan will enhance the effectiveness of the Bank's equity compensation program by authorizing the award of restricted stock and the use of other stock-based compensation techniques.

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, adoption of 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.

The following is a brief summary of the 2020 Equity Plan, which is qualified in all respects by the text of the 2020 Equity Plan. A copy of the 2020 Equity Plan will be made available without charge to any person upon his or her request, which request should be directed to us at 210 Lake Drive East, Suite 300, Cherry Hill, New Jersey 08002, Attention: Corporate Secretary.

General Information

The Board of Directors of 1st Colonial Bancorp adopted the 2020 Equity Plan on May 11, 2020. The 2020 Equity Plan authorizes us to award options to purchase shares of 1st Colonial Bancorp common stock to selected key employees and directors of 1st Colonial Bancorp or certain subsidiary companies. These options are either (i) incentive stock options (options qualified under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code")) (available only to employees), 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 2020 Equity Plan also authorizes us to award restricted shares of 1st Colonial Bancorp common stock as well as restricted stock units representing the value of a share of 1st Colonial Bancorp

common stock to selected key employees and directors of 1st Colonial Bancorp or certain subsidiary companies.

By granting these awards to key employees and directors, the 2020 Equity Plan is designed to further our success by making shares of our common stock available to these key employees and directors, thereby providing an additional incentive to them to continue their relationship with 1st Colonial Bancorp or the subsidiary, and to give these employees and directors a greater interest in our success.

An aggregate of 400,000 authorized shares of common stock (approximately 8.5% of 1st Colonial Bancorp's presently outstanding shares of common stock) have been reserved for issuance under the 2020 Equity Plan. Shares of common stock that are attributable to awards that are forfeited or otherwise terminate, may be re-granted under a new award.

The 2020 Equity Plan provides that no more than 25,000 shares of common stock can be awarded to an employee for any calendar year, and also provides that awards to an individual director are limited to 6,000 shares of common stock to a director for any calendar year.

The number of shares reserved for issuance under the 2020 Equity Plan and the limitations described above are subject to adjustment in the case of certain events affecting the common stock. (See "Amendment, Suspension, or Termination of the Plan; Adjustment.")

The 2020 Equity Plan is not subject to the Employee Retirement Income Security Act of 1974 and is not qualified under Code Section 401(a), which relates to qualification of certain pension, profit-sharing and stock bonus plans.

Administration of the Employee Plan

The 1st Colonial Bancorp compensation committee will be authorized to administer and interpret the 2020 Equity Plan. The committee members will serve at the discretion of the Board of Directors and are each required to be "outside" directors within the meaning of the Code.

The compensation committee has sole discretionary authority (a) to determine the individuals to receive grants of awards, the times when awards shall be granted, the number of shares to be subject to each award, the vesting period and conditions for an award, and with respect to stock options, the option exercise price, the option period, the time or times when each option shall be exercisable and whether an option is to be an NQSO or an ISO; (b) to interpret the 2020 Equity Plan; (c) to prescribe, amend and rescind rules and regulations relating to the 2020 Equity Plan; (d) to determine the terms and provisions (and amendments of the terms and provisions) of any agreements to be entered into between 1st Colonial Bancorp and each individual granted an award under the 2020 Equity Plan (which agreements need not be identical), including such terms and provisions as are required in the committee's judgment to conform to any change in any applicable law or regulation; and (e) to make all other determinations the committee deems necessary or advisable for the 2020 Equity Plan's administration.

The source of the shares issued pursuant to the 2020 Equity Plan will be authorized but unissued shares of common stock or treasury shares (previously issued shares that have been reacquired by 1st Colonial Bancorp).

Participants

Only executive officers and key employees (as determined by the compensation committee) and directors of 1st Colonial Bancorp or a subsidiary of 1st Colonial Bancorp are eligible to receive awards under the 2020 Equity Plan. 1st Colonial Bancorp currently does not have any employees, and its only subsidiary is the Bank. In designating key employees and in recommending to the Board the number of shares of

common stock to be covered by each award to an employee, the compensation committee must take into account, among other things, the level of responsibility of the employee.

Exercise of Options

The exercise price for options granted under the 2020 Equity Plan will not be 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 will be determined by the compensation committee in accordance with the terms of the 2020 Equity Plan.

Options granted under the 2020 Equity Plan generally may be exercised for up to 10 years after the date of grant (five years in the case of ISOs granted to a 10% or greater shareholder).

An optionee may pay the exercise price of an option in cash or, with the approval of the compensation committee, by surrendering shares of common stock with a value equal to such exercise price, subject to certain limitations with respect to payment with shares acquired through the exercise of ISOs. The committee may also approve a “cashless exercise” of an option, whereby the option is exercised and the acquired common stock (or a portion thereof) is sold through a third party to minimize or eliminate the need of the participant to utilize cash to effect the exercise of the option.

Limitations on Grants

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. No employee may receive option grants in excess of 25,000 shares under the 2020 Equity Plan during any calendar year, and no director may receive option grants in excess of 6,000 shares under the 2020 Equity Plan during any calendar year.

Restrictions on Transfer

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.

Vesting

Under the 2020 Equity Plan, the Compensation Committee will impose vesting conditions on the exercisability of options. In general, an option will vest and become 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 or service as a director following the date of grant, with 1st Colonial Bancorp or a 50% or greater owned subsidiary, unless a change in control (as defined in the 2020 Equity Plan) occurs. If a change in control occurs, each outstanding option issued under the 2020 Equity 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).

Termination of Employment or Service as a Director

An optionee may exercise a vested option only during its term and only during the holder’s employment or service as director, except as provided below. In the event of an optionee’s termination of employment or service as director:

- by reason of retirement (on or after reaching age 70), involuntary termination other than for cause, death, or disability (as such terms are defined in the 2020 Equity Plan), a vested option

may be exercised until the earlier of its expiration or a date which is three months following termination of employment or service as a director; and

- in all other cases, a vested option will expire on the date of termination of employment or service as a director, unless the compensation committee permits the optionee to exercise such options until the earlier of the expiration of the term of the option or up to three months after the termination of employment.

Restricted Stock and Restricted Stock Unit Awards

The compensation committee may award restricted common stock and restricted stock units. Restricted stock awards consist of shares of stock that are transferred to the participant subject to restrictions that may result in forfeiture if specified conditions and/or performance criteria are not satisfied. A restricted stock unit is an award that is valued by reference to a share (or multiple or partial shares), which value may be paid to the participant in shares or cash as determined by the compensation committee in its sole discretion upon the satisfaction of vesting restrictions, which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the compensation committee may deem appropriate. The compensation committee will determine the restrictions and conditions applicable to each award of restricted stock or restricted stock units.

Amendment, Suspension, or Termination of the Plan; Adjustment

The Board may terminate, amend, modify or suspend the 2020 Equity Plan at any time and from time to time to ensure that options granted under the plan conform to any changes in the law or for any other reason the Board determines to be in the best interest of 1st Colonial Bancorp. Modifications or amendments to the 2020 Equity Plan are not required to be approved by 1st Colonial Bancorp's shareholders, except to the extent required by state or Federal law. No termination, modification or amendment of the 2020 Equity Plan, without the consent of the participant to whom an option has previously been granted, may adversely affect that participant's rights under the option. Unless terminated earlier by the Board, the 2020 Equity Plan will terminate, and no additional options will thereafter be granted, on the tenth anniversary of the plan's effective date (i.e., May 11, 2030).

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 of common stock authorized to be awarded under the 2020 Equity Plan, (ii) the number of shares into which outstanding options may be converted upon exercise or which are covered by an award of restricted stock or restricted stock units, (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.

New Plan Benefits

All awards under the 2020 Equity Plan are subject to the discretion of the compensation committee and the Board. No determinations have been made as of the date of this proxy statement as to any awards that we may grant under the 2020 Equity Plan. It is not possible to determine the benefits that participants will receive in the future under the 2020 Equity Plan or the benefits that such participants would have received if the 2020 Equity Plan had been in effect in the year ended December 31, 2019.

Certain United States Federal Income Tax Consequences

The following is a brief summary of the principal United States Federal income tax consequences of transactions under the 2020 Equity Plan, based on current law. This summary is not intended to be

exhaustive with respect to all potential Federal income tax consequences that may affect a particular person. In addition, this summary does not constitute tax advice, and, among other things, does not discuss state, local or foreign income tax consequences, nor does it address estate or gift tax consequences, relating to the 2020 Equity Plan's operation.

Nonqualified Stock Options. A participant does not recognize taxable income upon the grant of an NQSO under the 2020 Equity Plan. Upon the exercise of an NQSO, the participant will recognize ordinary compensation income in an amount equal to the excess, if any, of the fair market value of the shares of common stock exercised over the aggregate option exercise price (the "Spread"). The Spread is generally deductible by 1st Colonial Bancorp for Federal income tax purposes. The participant's tax basis in shares of common stock acquired by exercise of an NQSO will be equal to the exercise price plus the amount taxable as ordinary income.

Upon a sale of the shares of common stock received by a participant through exercise of an NQSO, any gain or loss will generally be treated for Federal income tax purposes as long-term or short-term capital gain or loss, depending upon the holding period of such stock. In general, the participant's holding period for shares acquired pursuant to the exercise of an NQSO begins on the date of exercise of such option.

Incentive Stock Options. No taxable income is realized by a 2020 Equity Plan participant upon the grant or exercise of an ISO. If shares of common stock are issued to a participant pursuant to the exercise of an ISO and if no disqualifying disposition of such shares is made by the participant within two years after the date of grant or within one year after the receipt of such shares by the participant, then (a) upon the sale of such shares, any amount realized in excess of the option exercise price will normally be taxed to the participant as a long-term capital gain and (b) no deduction will be allowed to 1st Colonial Bancorp. Additionally, the Spread attributable to the exercise of an ISO will give rise to an item of tax preference in the year of exercise that may result in alternative minimum tax liability for the participant.

If shares of common stock acquired upon the exercise of an ISO are disposed of prior to the expiration of either holding period described above, such disposition would likely be a "disqualifying disposition," and generally (a) the participant will realize ordinary income in the year of disposition in an amount equal to the excess, if any, of the fair market value of the shares on the date of exercise (or, if less, the amount realized on the disposition of the shares) over the option exercise price thereof, and (b) 1st Colonial Bancorp will be entitled to deduct such amount. Any other gain realized by the participant on such disposition will be taxed as short-term or long-term capital gain, and will not result in any deduction to 1st Colonial Bancorp.

Restricted Stock and Restricted Stock Units. Generally, when a restricted stock unit or a share of restricted stock is granted, no income will be recognized by the participant. Upon the payment to the participant of common shares in respect of restricted share units or the release of restrictions on restricted stock, the participant generally recognizes ordinary compensation income equal to the fair market value of the shares as of the date of delivery or release. We generally are entitled to a deduction equal to the compensation income recognized by the participant.

Tax Withholding on Awards. As a condition of the exercise of an option, 1st Colonial Bancorp will require that appropriate provision be made for any required tax withholdings. In general, (i) NQSOs will be subject to Federal income and employment tax withholding upon exercise, and (ii) while not presently subject to Federal withholding tax, ISOs may in the future be subject to federal employment tax withholding upon exercise. (In addition, each option may also be subject to state and local tax withholding at various times.) In general, restricted stock and restricted stock units are subject to Federal income and employment tax withholding upon vesting and settlement.

Required Vote

Assuming a quorum is present, the affirmative vote of a majority of the votes cast at the Annual Meeting by the holders of common stock entitled to vote is required to approve the 2020 Equity Plan. Abstentions and broker non-votes, although counted for the purpose of determining whether a quorum is present at the annual meeting, will not constitute or be counted as “votes” cast, so they will have no effect on the approval of Matter No. 2. All signed proxies we receive will be voted “FOR” approval of the 2020 Equity Plan, except for any proxy specifically marked to the contrary by a shareholder.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE 2020 EQUITY PLAN.

MATTER NO. 3

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, 2020, 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.

KPMG LLP served as the independent auditors of 1st Colonial Bancorp for the years ended December 31, 2019 and 2018. A representative of KPMG LLP will attend the annual meeting online, 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, 2019 and 2018, and fees billed for other services rendered by KPMG LLP for fiscal years 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Audit fees (a).....	\$108,390	\$100,000
Audit-related fees (b).....	31,200	31,000
Tax fees (c).....	24,800	21,800
All other fees (d).....	<u>367</u>	<u>2,925</u>
Total.....	<u>\$164,757</u>	<u>\$155,725</u>

- (a) Fees for 2019 and 2018 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 2019 or 2018 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 2019 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 2019.

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, 2020. 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, 2020.

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, 2019, 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 2021 ANNUAL MEETING

1st Colonial Bancorp's year 2021 annual meeting of shareholders will be held on or about May 5, 2021.

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 2021 annual meeting of shareholders must submit such proposal so that we receive it on or before January 19, 2021. In accordance with our bylaws, to be considered for presentation at the 2021 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. Stockholders 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, 2020.

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 black ink, appearing to read "Mary Kay Shea", with a long horizontal flourish extending to the right.

Mary Kay Shea, Secretary

